

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE
PERIOD ENDED JULY 31, 2025**

DATE AND SUBJECT OF REPORT

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Pecoy Copper Corp. (formerly Priyanka Capital Inc.) ("Pecoy" or the "Company") for the three and nine months ended July 31, 2025. The MD&A should be read in conjunction with the condensed consolidated interim financial statements for the three and nine months ended July 31, 2025 (the "Financial statements") and the audited financial statements for the year ended October 31, 2024 and 2023. The information contained in this MD&A is as of September 26, 2025. All monetary amounts included in this report are expressed in Canadian dollars, the Company's reporting and functional currency, unless otherwise noted.

Pecoy's management ("Management") is responsible for the preparation of the Financial statements and other financial information relating to the Company included in this MD&A. The Board of Directors (the "Board") is responsible for ensuring that Management fulfills its responsibilities for financial reporting. This MD&A contains forward looking statements and should be read in conjunction with the risk factors described in the "Risk factors" section.

The Company has prepared this MD&A following the requirements of National Instrument 51-102, *Continuous Disclosure Obligations*.

SCOPE OF ANALYSIS

The following is a discussion and analysis of the Company, which was incorporated on October 16, 2014, under the laws of the Province of British Columbia. The Company reports its financial results in Canadian dollars and prepares its Financial Statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") ("IFRS"), applicable to the preparation of interim financial statements including IAS 34, *Interim Financial Reporting*.

PECOY'S BUSINESS

Prior to the reverse take over described in the section SUBSEQUENT EVENT below the principal business of the Company was to identify, evaluate and then acquire an interest in a business or assets. Following the RTO (as defined herein), the Company is now primarily engaged in the acquisition and exploration of mineral properties.

RESULTS OF OPERATIONS AND SELECTED QUARTERLY FINANCIAL DATA

SELECTED ANNUAL INFORMATION

The following financial data, which has been prepared in accordance with IFRS, is derived from the Company's annual financial statements. These sums are being reported in Canadian dollars.

	Year ended	Year ended	Year ended
	October 31, 2024	October 31, 2023	October 31, 2022
	\$	\$	\$
Total Revenue	-	-	-
Expenses	17,050	9,200	6,801
Net loss	(17,050)	(9,200)	(6,801)
Total assets	2	2	2
Total long-term liabilities	-	-	-
Net loss per share (basic and diluted)	(1.29)	(0.70)	(0.52)

SELECTED QUARTERLY INFORMATION

The following table summarizes the results of operations for most recent quarters:

	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024
	\$	\$	\$	\$
Total Revenue	-	-	-	-
Interest income	-	-	-	-
Expenses	369,182	11,187	1,000	13,500
Net loss	(221,599)	(11,187)	(1,000)	(13,500)
Net loss per share – basic and diluted	(0.23)	(0.85)	(0.08)	(1.02)

	July 31, 2024	April 30, 2024	January 31, 2024	October 31, 2023
	\$	\$	\$	\$
Total Revenue	-	-	-	-
Interest income	-	-	-	-
Expense	1,000	1,500	1,500	6,700
Net loss	(1,000)	(1,500)	(1,500)	(6,700)
Net loss per share – basic and diluted	(0.08)	(0.11)	(0.11)	(0.51)

DISCUSSION OF QUARTER OPERATIONS

For the three months and nine months ended July 31, 2025

During the three and nine months ended July 31, 2025, the Company incurred a net and comprehensive loss of \$221,599 and \$233,786 respectively (2024 - \$1,000 and \$4,000). The loss and comprehensive loss is primarily a result of the following:

- (i) Professional fees of \$353,337 and \$358,173 respectively (2024 - \$1,000 and \$3,000) related to legal and accounting services. Fees increased due to the reverse takeover transaction.
- (ii) Transfer agent and regulatory fees of \$15,644 and \$22,995 (2024 - Nil and \$1,000). Fees increased due to the reverse takeover business acquisition.
- (iii) Gain on debt forgiveness of \$147,583 for both the three and nine months ended July 31, 2025 (2024 - Nil and Nil). On June 30, 2025, the Company signed a final debt settlement agreement with a creditor as a result a portion of the amount owed to the creditors was forgiven.

LIQUIDITY

As at July 31, 2025, the Company had negative working capital of \$206,238 (October 31, 2024 - \$271,133) and a deficit of \$570,752 (October 31, 2024 - \$336,966) and expects to incur further losses in the development of its business, all of which casts significant doubt upon the Company's ability to continue as a going concern.

The Company currently is not able to internally finance on-going operating costs of its businesses over the long term and therefore will require additional financing by means of issuing share capital, advances from related parties, or other sources. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. In addition, the Company will require additional financing in order to assist in the search, and, if warranted, acquisition of a business opportunity.

As reflected in the accompanying financial statements, the Company has an accumulated deficit of \$374,752 as of July 31, 2025, and no revenue. These factors raise substantial doubt about its ability to continue as a going concern. The financial statements have been prepared assuming that the Company will continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

There can be no certainty of the Company's ability to raise additional financing through private placements, advances from related parties, or other sources to fund these activities. Consequently, the Company is subject to liquidity risks.

These financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and the Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

During the nine months ended July 31, 2025, cash used in operating activities was \$154,817 (2024 - Nil). This is mainly due to the increased level of activities due to the reverse take over transaction and the professional and legal fees incurred.

During the nine months ended July 31, 2025, cash used in investing activities was \$Nil (2024 - Nil).

During the nine months ended July 31, 2025, cash provided by financing activities was \$299,673 (2024 - Nil). This is mainly due to the issuance of 2,986,813 common shares for an amount of \$298,681.

CAPITAL RESOURCES

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

FINANCIAL INSTRUMENTS

The Company's risk exposure and the impact on the Company's financial instruments is summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank and in trust accounts. The majority of cash is deposited in bank accounts held with one bank in Canada and in trust with one major legal Canadian firm, so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies and a major law firm.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligation as they fall due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. All of the Company's financial liabilities are current and expected to fall due within 30 days.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flow of a financial statement instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar and major purchases as of July 31, 2025 are transacted in Canadian dollars. As a result, the Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash-flows associated with the instrument will fluctuate due to changes in market interest rates. As at April 30, 2025, none of the Company's financial assets and liabilities bear interest.

OFF BALANCE SHEET ARRANGEMENTS

As at July 31, 2025, the Company had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Loans receivable as at July 31, 2025 is \$Nil (October 31, 2024 - \$1) owing from companies related by the common directors for the purpose of reimbursing expenses paid on behalf of the Company.

Due from a former related party as at July 31, 2025 is \$Nil (October 31, 2024 - \$1) owing by the former CEO to the Company as loans receivable.

The transactions above occurred in the normal course of operations and is measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

OUTSTANDING SHARE DATA

At the date of this MD&A, the Company has 209,488,853 issued and outstanding common shares, 16,166,667 share purchase warrants and 7,954,675 stock options. There is no other outstanding security convertible or exercisable into common shares.

CONTINGENCIES

There is no significant identifiable contingency outstanding.

SUBSEQUENT EVENTS

On July 3, 2025, the Company, its subsidiary ("Pecoy Copper Subco") and Pecoy Copper Limited entered into a business combination agreement in respect of a proposed three-cornered amalgamation under the Business Corporation Act (Ontario) whereby Pecoy Copper Subco and the Company would amalgamate with Pecoy Copper Limited and continue as one corporation, resulting in the reverse takeover of the Company by Pecoy Copper Limited (the "RTO"). As per the business combination agreement, the Company will acquire all the issued and outstanding common shares of Pecoy Copper Limited by issuing 85,461,020 common shares at a deemed price of \$0.60 per share.

Prior to the RTO, Pecoy Copper Limited completed a concurrent private placement of 105,800,000 subscription receipts at a price of \$0.60 per subscription receipt, for an aggregate gross proceeds of \$63,480,000. The subscription receipts will be exchanged on a one-for-one basis for common shares of the Company at the time of the RTO. The net proceeds from the subscription receipts is \$59,624,755 after deducting agents' fees and other expenses totaling \$3,855,245.

On September 3, 2025, the Company completed the RTO transaction.

Additionally, through this RTO, the Company now owns, or holds options to acquire, 100% of the mineral concessions comprising the Pecoy Project, including interests acquired by Pecoy Copper Limited concurrently with the RTO (the "Acquisition"). In connection the Acquisition, the Company also issued 8,333,333 common shares and 4,166,667 warrants.

ACCOUNTING ESTIMATES AND FUTURE ACCOUNTING PRONOUNCEMENTS

Please refer to the notes to the audited financial statements for the year ended October 31, 2024.

RISK FACTORS

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks may occur, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased production costs, damage to, or destruction of, mineral properties or production facilities and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on Company property, and punitive awards in connection with those claims and other liabilities. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage the the Company's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to the Company. These could include loss or forfeiture of mineral interests or other assets for nonpayment of fees or taxes, and legal claims for errors or mistakes by our personnel. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company shares.

Environmental Regulations, Permits and Licenses

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to comply fully with all environmental regulations. The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various federal, provincial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require the Company to obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Exploration and Development Risks

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Lack of Availability of Resources

Mining exploration requires ready access to mining equipment such as drills, and personnel to operate that equipment. There can be no assurance that such resources will be available to the Company on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in the Company's exploration and/or development programs.

Mineral Exploration and Mining Carry Inherent Risks

Mineral exploration and mining operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact exploration and production throughput. Although the Company intends to take adequate precautions to minimize risk, there is a possibility of a material on the Company's operations and its financial results.

Metal Prices are Volatile

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that the Company's properties can be mined at a profit. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, the Company's principal products and exploration targets, gold, copper and silver, is affected by various factors, including political events, economic conditions and production costs.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

An increase in prices of power and water supplies, including infrastructure, could negatively affect the Company's future operating costs, financial condition, and ability to develop and operate a mine

The Company's ability to obtain a secure supply of power and water at a reasonable cost at the Company's mineral projects depends on many factors, including: global and regional supply and demand; political and economic conditions; problems that can affect local supplies; delivery; infrastructure, weather and climate conditions; and relevant regulatory regimes, all of which are outside the Company's control. The Company may not be able to obtain secure and sufficient supplies of power and water at reasonable costs at any of the Company's mineral projects and the failure to do so could have a material adverse effect on the Company's ability to develop and operate a mine, and on the Company's financial condition and results of operations.

The impacts of climate change may adversely affect the Company's operations and/or result in increased costs to comply with changes in regulations

Climate change is an international and community concern which may directly or indirectly affect the Company's business and current and future activities. The continuing rise in global average temperatures has created varying changes to regional climates across the world and extreme weather events have the potential to delay or hinder the Company's activities at its mineral projects, and to delay or cease operations at any future mine. This may require the Company to make additional expenditures to mitigate the impact of such events which may materially and adversely increase the Company's costs and/or reduce production at a future mine. Governments at all levels are amending or enacting additional legislation to address climate change by regulating, among other things, carbon emissions and energy efficiency, or where legislation has already been enacted, regulation regarding emission levels and energy efficiency are becoming more stringent. As a significant emitter of greenhouse gas emissions, the mining industry is particularly exposed to such regulations. Compliance with such legislation, including the associated costs, may have a material adverse effect on the Company's business, financial condition, results of operations, prospects and the Company's ability to commence or continue our exploration and future development and mining operations.

Changing climate patterns may also affect the availability of water. If the effects of climate change cause prolonged disruption in the delivery of essential commodities then production efficiency may be reduced, which may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition, climate change is perceived as a threat to communities and governments globally and stakeholders may demand reductions in emissions or call upon mining companies to better manage their consumption of climate-relevant resources. Negative social and reputational attention towards the 's operations may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. A number of governments have already introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulations relating to emission levels (such as carbon taxes) and energy efficiency are becoming more stringent. If the current regulatory trend continues, this may result in increased costs at some or all of the Company's mineral projects.

Operations in Peru

The Company will be exposed to various levels of political, economic, regulatory and other risks and uncertainties associated with conducting business and mineral operations in Peru. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; local drug gang activities; military repression; expropriation and nationalization; extreme fluctuations in currency exchange rates; changes in royalty regimes, including the elimination of tax exemptions; underdeveloped industrial and economic infrastructure; unenforceability of judgements; prohibitions on restrictions for carrying out mining activities due to legal actions by Indigenous communities; high rates of inflation; labour unrest; the risks of war or civil unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions arising from changes in government and otherwise, currency controls, import and export regulations and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Political Risks in Peru

Peru is currently subject to political instability, changes and uncertainties, which may cause changes to existing governmental regulations affecting mineral exploration and mining activities, changes in the interpretation of existing regulations or stricter enforcement of such regulations. Current President Boluarte is Peru's sixth president since 2018 and none of her five predecessors in office have completed the five-year term established by the Constitution. Several former presidents are in prison or have been prosecuted in judicial proceedings. President Boluarte has publicly encouraged economic stability and private investment and is trying to amend several policies enacted during the Castillo government. However, the Company cannot guarantee that political instability or future regulatory changes will not adversely affect the Company's business, financial condition or results of operations.

Peru's status as a developing country may make it more difficult for the Company to obtain any required financing for its projects. Any changes in governmental laws, regulations, economic conditions or shifts in political attitudes or stability in Peru are beyond the control of the Company and may adversely affect the Company's business.

Mining companies are required to pay the Peruvian government mining royalties and/or mining taxes. The Company cannot guarantee that the Peruvian government will not impose additional mining royalties or taxes in the future or that such mining royalties or taxes will not have an adverse effect on the Company's results of operations or financial condition. The legal and regulatory requirements in Peru with respect to conducting mineral exploration and mining activities and banking systems and controls are different from those in Canada. The officers and directors of the Company will rely on local legal counsel and local consultants and advisors in respect of legal, banking, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect operations in Peru, and to assist the Company with its governmental relations. The Company will also rely on those members of management and the Company Board who have previous experience working and conducting business in Peru. The failure to comply with all material legal and regulatory requirements may lead to the revocation of certain rights, penalties or fees, which may have an adverse effect on the Company.

Community and Social Risks in Peru

The Company's Pecoy project is located in an area of Peru that may be of particular interest or sensitivity to one or more Indigenous groups, local groups or interest groups. There is no assurance that the Company's relationships with such groups will be positive. Accordingly, it is possible that operations at the mining project could be interrupted or otherwise adversely affected in the future by political uncertainty, community opposition, tax reforms, land claims entitlements, expropriations of property, illegal, artisanal and small-scale miners, changes in applicable governmental policies and policies of relevant local or interest groups. Any changes in community or government relations or shifts in political conditions may be beyond the Company's control and may adversely affect its business and operations, including the ability to obtain or maintain necessary permits, and if significant, may result in the impairment or loss of mineral concessions or other mineral rights, or may make it impossible to continue mineral exploration and mining activities in the

applicable area, any of which could have an adverse effect on the results of operations, cash flows and financial position. There may be illegal miners in the area covered by the Pecoy project's mining concessions. Illegal mining has affected gold mining operations in Peru and could potentially expose the Pecoy project to business interruptions, damage to its assets and injuries to its personnel.

There is an increasing level of public concern relating to the effects of mining on the natural landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") that oppose resource development can be vocal critics of the mining industry. NGOs or local community organizations could direct adverse publicity against and/or disrupt the Company's operations in respect of one or more of the Company's properties, regardless of the Company's successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. If the Company were to experience resistance or unrest in connection with its Peruvian operations, it could have a material adverse effect on its operations and profitability.

Labour and Employment Relations in Peru

Competition for skilled employees in the resource sector results in employee turnover at the Company's operations and a need to constantly recruit and train new employees. This competition for qualified employees occasionally results in workforce shortages, which can often be supplemented with more costly contract labour. As technology evolves and automation increases, the skill mix required also changes and the Company may not be able to attract the required capabilities for new ways of working, or re-skill those skills sets that will be changed in the future. Relations between the Company and its employees may be impacted by changes in labour relations which may be introduced by, among others, employee groups, unions, and the relevant governmental authorities in whose jurisdictions the Company carries on business. Labour in Peru is customarily unionized and there are risks that labour unrest or wage agreements may adversely impact the Company's operations. Changes in employment legislation or otherwise in the Company's relationship with the Company's employees may result in higher ongoing labor costs, employee turnover, strikes, lockouts or other work stoppages, any of which could have a higher material adverse effect on the Company's business, results of operations and financial condition.

Reliance on Key Personnel

The Company's development will depend on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Company's business. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Company's ability to employ the specific personnel required. Due to the relatively small size of the Company, the failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Company's business, results of future operations and financial condition. The Company does not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire additional suitable properties or prospects in the future.

Financing Risks

It is expected that the Company will have sufficient cash and cash equivalents, although the Company has no source of operating cash flow and no assurance that additional funding will be available to it for further growth and exploration of the Pecoy project.

Global Financial Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing, particularly for energy companies which have been negatively impacted. These conditions may affect the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company or at all. If such conditions continue, the Company's operations could be negatively impacted.

Risk Associated with an Emerging and Developing Market

The disruptions recently experienced in the international and domestic capital markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. Companies located in countries in the emerging markets may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging and developing markets is significantly influenced by levels of investor confidence in such markets as a whole and as such any factors that impact market confidence (for example, a decrease in credit ratings, state or central bank intervention in one market or terrorist activity and conflict) could affect the price or availability of funding for entities within any of these markets.

Trade Tariffs

The imposition of trade tariffs, particularly by the United States, or other trade restrictions could have significant repercussions for Canadian businesses, and the broader economy. Increased costs of goods and services may contribute to inflation. These tariffs, and any changes to these tariffs or imposition of any new tariffs, taxes or import or export restrictions or prohibitions, could have a material adverse effect on the Company's business. Furthermore, there is a risk that the tariffs imposed by the United States on other countries will trigger a broader global trade war which could have a material adverse effect on the Canadian, United States and global economies. Overall, trade policy restrictions create financial uncertainty for companies, disrupt trade relationships, and put downward pressure on economic growth.

Dividend Policy

No dividends on the Company Shares have been paid by the Company to date. Investors in the Company's securities cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is unlikely that investors will receive any return on their investment in the Company's securities other than through possible share price appreciation.

Risk of Litigation

The Company may become involved in disputes with other parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Company to carry out its business plan.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Company has a very limited history of operations and has not made any assessment as to the effectiveness of its internal controls. Though the Company intends to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, there are limited internal controls currently in place.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in the mining sector and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the OBCA and other applicable laws.

FORWARD LOOKING STATEMENTS

This 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 growth, results of operations, performance and business prospects and opportunities of the Corporation. 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. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. These statements are only predictions.

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: uninsurable risks; environmental Regulations, Permits and Licenses; exploration and development risks; lack of availability of resources; mineral exploration and mining carry inherent risks; metal prices are volatile; infrastructure; an increase in prices of power and water supplies, including infrastructure, could negatively affect the Corporation's future operating costs, financial condition, and ability to develop and operate a mine; the impacts of climate change may adversely affect the Corporation's operations and/or result in increased costs to comply with changes in regulations; operations in Peru; political risks in Peru; community and social risks in Peru; labour and employment relations in Peru; reliance on key personnel; competition; financing risks; global financial conditions; risk associated with an emerging and developing market; trade tariffs; dividend policy; risk of litigation; internal controls and conflicts of interest.

This list is not exhaustive of the factors that may affect any of the forward-looking statements regarding the Company. 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". The Company do not intend, and do not assume any obligation, to update any of the forward-looking statements after the date of this MD&A so as to conform such statements to actual results or to changes in the expectations of the Company, other than as required by applicable securities law.

For all these reasons, readers should not place undue reliance on the forward-looking statements contained herein, as the Company'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 Company's business, or if the Company's estimates or assumptions prove inaccurate. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement

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