Pecoy Copper Corp.

Management Discussion and Analysis (“MD&A”)

for the year ended April 30, 2026

Background and Date

The following Management Discussion & Analysis (“MD&A”) is intended to assist in the understanding of the financial condition and results of operations of Pecoy Copper Corp. for the year ended April 30, 2026. The MD&A should be read in conjunction with the audited consolidated financial statements for the year ended April 30, 2026 (the “Financial statements”) and the audited financial statements as at April 30, 2025 and for the 38-day period then ended. The Financial statements are prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

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. The Corporation’s financial year ends on April 30. References to “YE 2027” are to the Corporation’s financial year ending April 30, 2027, “YE 2026” are to the Corporation’s financial year ended April 30, 2026 and “YE 2025” are to the Corporation’s 38-day period ended April 30, 2025.

Management is responsible for the preparation of the Financial statements and other financial information relating to the Corporation included in this MD&A. Unless otherwise noted, all monetary amounts included in this 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 MD&A is as of August 21, 2026, the date the Board of Directors approved the Corporation's Financial statements, following the recommendation of the Corporation's Audit Committee.

Qualified Person

The scientific and technical information in this 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 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 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 Corporation's potential 2027 development initiatives; 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 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". Furthermore, forward-looking statements speak only as of the date they are made. This MD&A reflects information available to the Corporation as of August 21, 2026, the date of this 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 this MD&A and in other documents filed with the applicable Canadian regulatory securities authorities. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

Highlights for the year ended April 30, 2026

Corporate

- Completed its reverse takeover transaction ("RTO") on September 3, 2025, marking a key milestone in the Corporation's development strategy to consolidate the ownership of the Pecoy Project.
- Commenced trading on the TSX Venture Exchange ("TSX-V") on September 8, 2025 under the trading symbol "PCU", providing enhanced visibility and access to capital markets.
- Began trading on the OTCQB on November 14, 2025 under the symbol "PCUUF," improving accessibility for eligible U.S. investors and obtained full DTC eligibility thereafter, enabling seamless electronic clearing, faster settlement, and broader access for U.S. investors.

Investing

- Completed, on September 3, 2025, a series of acquisitions and option transactions that consolidated ownership of the Pecoy Project and exercised its option to acquire the Minandex property, expanding the Corporation's exploration portfolio. The Corporation (directly or through subsidiaries) owns 100% of the mineral concessions comprising the Pecoy Project (as defined herein).

Financing

- Successfully completed a private placement on July 8, 2025 consisting of 105,800,000 subscription receipts at a price of $0.60 per subscription receipt, for aggregate gross proceeds of $63,480,000. The subscription receipts were exchanged on a one-for-one basis for common shares upon the closing of the RTO on September 3, 2025.
- Completed a private placement of 6,666,666 common shares in May and June 2025 for aggregate gross proceeds of $2,000,000.

Operations

- Reached a formal agreement with the Arirahua community to restart exploration activities at Pecoy, strengthening local relationships and supporting long-term project development activities.
- In December 2025, initiated diamond drilling exploration at Pecoy with one drill rig, and added a second drill rig in January 2026.

- Reported, in February 2026, initial results in the South Breccia Zone from hole PEC-25-065 (1,014 m of 0.37% Cu and 0.13 g/t Au from 17 m).
- Reported, in April 2026, positive assay results from hole PEC-25-066 in the South Breccia Zone, a second consecutive kilometre-scale intercept (1,020.50 m of 0.43% Cu from 48 m) grading well above the current inferred resource grade. The result confirmed continuity of mineralization, extended below the resource pit shell, and remains open at depth.
- Completed, in April 2026, a magnetotelluric survey over roughly 760 hectares of the Pecoy system, imaging to depths beyond 2,000 m to identify concealed targets and sharpen step-out drill targeting.
- Continued expanding its operational team to support project advancement, exploration activities and organizational growth, with the Corporation now employing more than 55 personnel in Peru.

Highlights subsequent to year end

Corporate

- 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, in June 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.

Operations

- Continued exploration activities and, in May 2026, initiated drilling in respect of a third drill rig on the planned 35,000-metre diamond drilling program, increasing capacity across the Center of the Pit, Central Breccia and South Breccia zones as drilling intensifies after the rainy season.
- Released, in May 2026, an independent Phase 1 metallurgical review identifying a potential step-change in gold recovery (to roughly 73%) alongside excellent copper recoveries of 90% to 93%, plus the opportunity for a separate molybdenum concentrate, a compelling pathway to multiple payable product streams and enhanced project economics.

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. To date, less than 49,000 metres of historical drilling have 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, is an exploration project that hosts an initial discovery (the "Tororume Project"). Only 9 holes and under 4,000 meters of drilling have been conducted on the Tororume Project, but all holes intersected mineralization and yielded results.

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 Corporation was incorporated under the *Business Corporations Act* (British Columbia) on October 16, 2014 under the name of Priyanka Capital Inc. On July 23, 2025, the Corporation changed its name to Pecoy Copper Corp. From its incorporation until the completion of the RTO with Pecoy Copper Limited on September 3, 2025, the principal business of the Corporation was to identify, evaluate, and then acquire an interest in a business or assets. Following closing of the RTO, the Corporation is a Canadian-based mineral exploration company that is primarily engaged in the acquisition and exploration of mineral properties and whose principal asset is the Pecoy Project.

The address of the Corporation's registered office is 1055-1500 West Georgia Street, Vancouver, British Columbia, Canada. The Corporation is listed on the TSX Venture Exchange (TSXV) under the trading symbol "PCU" and also trades on the OTCQB market in the United States under the symbol "PCUUF." Since February 2026, the Corporation is eligible for electronic clearing and settlement through The Depository Trust Company ("DTC"), including admission to DTC's Fast Automated Securities Transfer program, providing enhanced accessibility to U.S. investors.

Overall performance and transactions

Reverse takeover ("RTO")

On July 3, 2025, the Corporation, its subsidiary Pecoy Copper Subco and Pecoy Copper Limited ("SPV") entered into a business combination agreement (the "Agreement") under the *Business Corporations Act* (Ontario). The Agreement provided for a three-cornered amalgamation whereby Pecoy Copper Subco and SPV amalgamated and continued as one corporation named Pecoy Copper (Ontario) Ltd. Under the terms of the Agreement, the Corporation issued shares to the former shareholders of SPV in exchange for all issued and outstanding securities of SPV, constituting a RTO of the Corporation by the former shareholders of SPV, whereby SPV was deemed to have acquired control of the Corporation. The RTO was completed on September 3, 2025 and the Corporation continued the operations of SPV. Consequently, this MD&A reflects only the assets, liabilities, operations and cash flows of SPV for dates and periods prior to September 3, 2025 and include the Corporation's assets and liabilities since September 3, 2025.

The acquisition of Pecoy by SPV has been accounted for as follows:

Consideration deemed paid for the deemed acquisition of Pecoy:	$
3,000,000 common shares of SPV deemed issued to Pecoy's existing shareholders[(1)]	1,800,000
Transaction costs, paid in cash	319,255
	2,119,255
Fair value of the assets deemed acquired and liabilities deemed assumed:	
Cash	49,097
Other assets	181,291
Accounts payable and accrued liabilities	(478,060)
Due to Copper X Mining Corp.	(31,500)
Due to SPV	(6,593)
	(285,765)
Listing expenses	2,405,020

(1) Based on the 3,000,000 Pecoy common shares outstanding as at September 3, 2025. The fair value of the Pecoy common shares was based on the pricing of the Concurrent Private Placement (as defined herein).

Acquisition of assets

Immediately prior to the completion of the RTO, SPV closed a series of acquisitions and option transactions as follows:

Acquisition of Pembrook Copper Corp. and minority shareholders

Prior to the RTO, SPV entered into an acquisition agreement with Pembrook Copper Corp. ("Pembrook"). Pursuant to the terms and conditions of the acquisition agreement entered with Pembrook, the Corporation acquired 100% of the issued and outstanding common shares in the capital of Pembrook by issuing to the shareholders of Pembrook 29,314,356 common shares of the Corporation and 454,675 replacement options. Concurrently with this acquisition, the Corporation has also issued 8,333,333 common shares and 4,166,667 warrants to one convertible notes holder of Pembrook.

In addition, SPV entered into an acquisition agreement with Camila Carlessi Vargas ("CCV") (the "CCV Acquisition Agreement"). Pursuant to the terms and conditions of the CCV Acquisition Agreement, the Corporation acquired 3,971,781 shares in the capital of Pecoy Peru held by CCV, representing 10.273% of the outstanding shares of Pecoy Peru, for cash consideration of $1,800,000 and an additional post-closing cash payment of $350,000.

SPV also entered into an option agreement with Carlos Mauricio Carlessi Vargas ("MCV") (the "MCV Option Agreement"). Pursuant to the terms and conditions of the MCV Option Agreement, the Corporation acquired an option to acquire the 5,158,152 shares in the capital of Pecoy Peru held by MCV, representing 13.342% of the outstanding shares of Pecoy Peru in January 2026, in exchange for 9,480,000 common shares of the Corporation. The option was exercised in January 2026.

Refer to Note 6 to the Financial statements for details on the acquisition of Pembrook and of the former minority shareholders of Pecoy Peru (namely, CCV and MCV).

Acquisition of Copper X Mining Corp.

Prior to the RTO, SPV entered into an acquisition agreement with Copper X Mining Corp. ("Copper X") and each of the shareholders of Copper X (the "Copper X Acquisition Agreement"). Pursuant to the terms and conditions of the Copper X Acquisition Agreement, the Corporation acquired 100% of the issued and outstanding common shares in the capital of Copper X by issuing to the shareholders of Copper X 21,666,664 common shares of the Corporation, 6,000,000 replacement warrants and 3,750,000 replacement options.

Refer to Note 6 to the Financial statements for details on the acquisition of Copper X.

Private placement

On July 8, 2025, the Corporation completed a private placement of 105,800,000 subscription receipts at a price of $0.60 per subscription receipt for a gross proceed of $63,480,000 (the "Concurrent Private Placement"). Each subscription receipt entitled the holder to receive one common share of the Corporation. Upon completion of the RTO described above, each subscription receipt was converted, for no additional consideration, into one Pecoy share. Gross proceeds were held in escrow until the completion of the RTO. Net proceeds from the subscription receipts were $59,935,467 after deducting agents' fees and other expenses.

Exploration Program

Up to December 2025, the Corporation concentrated on enhancing the geological understanding of its large mining property area, specifically around certain anomalies situated within and around the Pecoy Project. Further studies will complement the aeromagnetic and reconnaissance work already completed.

Since January 2026, the Corporation has been using, and expects to continue to use, proceeds from the Concurrent Private Placement to complete its 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 point to multiple mineralized centres and strong upside from both extensions of known zones and new discoveries.

2026 Exploration Program Highlights:

- Up to 40,000 metres of diamond drilling planned during 2026 at the Pecoy and Tororume Projects
- Up to five (5) drill rigs anticipated at peak activity
- Approximately 35,000 metres of drilling planned at the Pecoy Project
- Five priority target areas to be tested and advanced:
    - South Breccia
    - Center of the Pit & Central Breccia
    - EDM Vein Zone
    - West Pampa
    - Northwest Target Area
- Approximately 5,000 metres of drilling planned at the Tororume Project

Key Upcoming Catalysts for 2026:

The Corporation anticipates several value-driving catalysts, including:

- Ongoing drill results and program updates from the Pecoy Project and the Tororume Project
- Initial metallurgical testwork results
- Updated geological modelling and target refinement
- Shareholders and other stakeholder engagement

See "Cautionary Statement Regarding Forward-Looking Statements" above.

Potential 2027 Development Initiatives

Subject to, among other things, the results of the 2026 Exploration Program, available funding, the Corporation having necessary licenses and authorizations, macroeconomic and geopolitical conditions, and ongoing technical evaluation, the Corporation anticipates that activities during 2027 could increasingly focus on advancing the Pecoy Project from exploration toward the next stage of technical and economic evaluation, while continuing to assess opportunities to expand and strengthen the Corporation's project portfolio.

Potential 2027 initiatives may include:

- Incorporation of the extensive 2026 drilling results into updated geological and resource models to further define the scale and geometry of the Pecoy mineralized system and to update and potentially upgrade the current Inferred Mineral Resource;
- Execution of an additional large-scale exploration drilling program at the Pecoy and Tororume Projects, designed to further test the extent and continuity of known mineralized zones, evaluate priority exploration targets and support continued resource growth and potential new discoveries;
- Advancement of development-level technical studies with the objective of progressing the Pecoy Project toward a Preliminary Economic Assessment ("PEA");
    - Completion and evaluation of Phase 2 metallurgical testwork, including further optimization of copper, gold and molybdenum recoveries and the development of preliminary processing assumptions;
    - Advancement of environmental baseline studies and other environmental and permitting work required to support the potential future development of the Pecoy Project;
    - Advancement of hydrological and hydrogeological studies, including preliminary site water-balance and water-management assessments;
    - Advancement of geotechnical investigations to support preliminary open-pit design, pit-slope assumptions and future infrastructure planning;
    - Preliminary mine planning, pit optimization and production-scenario studies based on updated geological and resource models; and

    - Evaluation of preliminary processing, infrastructure, water, power, waste-management and tailings-storage concepts necessary to support future economic studies.
- Ongoing engagement with local communities and other stakeholders, including the advancement of long-term relationships, access arrangements, community agreements and sustainable development initiatives intended to support the responsible advancement of the Pecoy and Tororume Projects; and
- Evaluation of potential acquisition, consolidation, partnership and other strategic opportunities that could complement the Corporation's existing asset base and create additional opportunities for long-term growth.

Collectively, these initiatives would be intended to continue advancing and de-risking the Pecoy Project, further evaluate the potential of Tororume, establish the technical foundation for a potential PEA and subsequent stages of project development, and assess opportunities to enhance the Corporation's broader growth pipeline. The Corporation expects that it will require further financing in order to pursue these exploration and development initiatives beyond the 2026 Exploration Program. See "Lack of revenue and future capital requirements" in "Risk Factors" below, and see "Cautionary Statement Regarding Forward-Looking Statements" above.

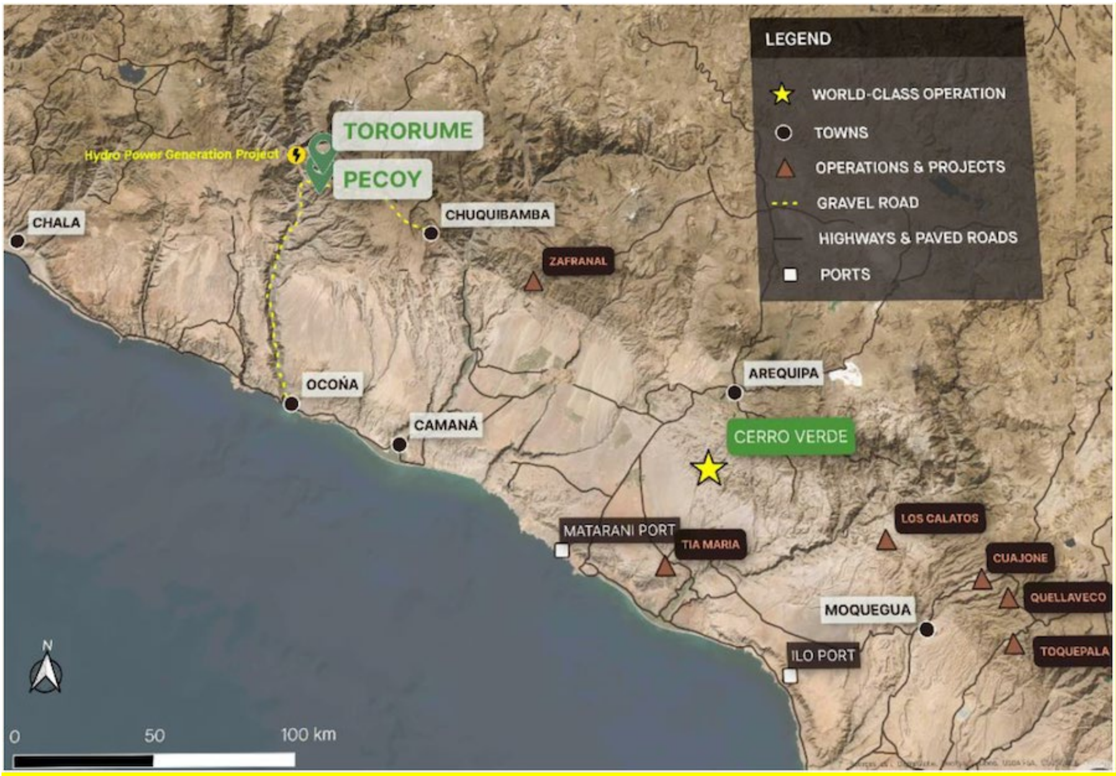
Exploration activities

Pecoy Project

The Pecoy Project is a large-scale, open-pit copper–gold–molybdenum porphyry system covering 9,975 hectares across 19 concessions in southern Peru's Coastal Copper Belt, part of the same district hosting major deposits such as Cuajone, Toquepala, Cerro Verde and Zafranal. The Pecoy Project has an inferred resource of 865 million tonnes grading 0.34% Cu (6.45 billion lbs contained copper) plus gold, silver, and molybdenum credits.

The Pecoy Project lies approximately 275 km northwest of the city of Arequipa and 85 km north of the coastal town of Ocoña, within the Condesuyos Province of southern Peru (see Figure 1). The Pecoy Project sits at an elevation of approximately 1,650 metres above sea level, significantly lower than most Andean copper deposits, enabling year-round access and efficient logistics. It benefits from proximity to the Pan-American Highway, grid power, skilled labor, and deep-water ports at Matarani and Ilo.

Figure 1: Location map showing the Pecoy and Tororume Projects in Arequipa, Peru.



The Pecoy Project hosts an Inferred Mineral Resource of 865 million tonnes grading 0.34% Cu, 0.012% Mo, 0.05 g/t Au, and 1.33 g/t Ag, containing over 6.45 billion pounds of copper (*Source: NI 43-101 Technical Report, Mineral Resource Estimate – Pecoy Project as at April 30, 2025, Mining Plus*). The resource is reported within a Whittle pit shell using a 0.23% Cu cut-off and remains open in all directions. Future drilling will target resource conversion and extensions along strike and at depth.

PECOY – Inferred Resources (100% basis)

Cut-off	**Tonnage**	**Grade**				**Contained**
% Cu	M Tonnes	Cu %	Mo %	Au ppm	Ag ppm	B Lbs Cu
0.15	2,278	0.24	0.010	0.03	1.10	12,053
0.20	1,302	0.29	0.011	0.04	1.23	8,324
0.23	865	0.34	0.012	0.05	1.33	6,451
0.25	742	0.36	0.012	0.05	1.37	5,889

Notes

- Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.
- The Mineral Resource Estimate has been categorized in accordance with the CIM Definition Standards (CIM, 2014).
- All figures are rounded to reflect the relative accuracy of the estimates. Minor discrepancies may occur due to rounding to appropriate significant figures.
- The Mineral Resource was estimated by Ms. Muñoz QP (MAIG) of Mining Plus, Independent Qualified Person under NI 43-101.

- The effective date of the Mineral Resource Estimate is 30 April 2025.
- The Mineral Resource is reported inside a whittle pit shell with a cut-off grade of 0.23 % copper, estimated using a copper price of US$/lb 3.25, molybdenum price of US$ 8/lb, gold price of US$ 1,400/oz and silver price of US$ 20/oz.
- As of April 30, 2025, the effective date of the technical report in respect of the Pecoy Project, Mining Plus was not aware of any legal, political, environmental, or other risks that could materially affect the potential development of the Mineral Resource Estimate.

The Pecoy Project is a classic calc-alkaline porphyry copper system hosted within Paleocene–Eocene intrusive rocks of the Peruvian Coastal Batholith. Mineralization occurs primarily in granodiorite and porphyritic intrusions associated with strong potassic and phyllic alteration, with copper present mainly as chalcopyrite and bornite, accompanied by molybdenite, gold, and silver.

A key feature of the system is the presence of extensive breccia bodies, particularly in the South Breccia Zone, which hosts higher-grade copper and gold mineralization. These breccias represent zones of intense hydrothermal activity and fluid flow, contributing significantly to metal enrichment within the broader porphyry system. Structural controls trend northeast–southwest, aligning with the regional mineralized corridor that also hosts the Cerro Verde and Zafranal deposits.

Preliminary metallurgical testing by C.H. Plenge & Cía. S.A. in Lima, Peru, included flotation, comminution, mineralogy, and column leach tests on primary and supergene composites. Flotation results produced clean, saleable copper concentrates with gold, silver, and molybdenum credits and no deleterious elements, achieving 70–93% Cu recovery and concentrate grades above 26% Cu. Preliminary column leach tests on supergene material indicated at least 60% of the copper can be recovered using conventional acid heap leaching technology.

Summary of Recoveries from the Flotation Test Results (prior to Phase 1 metallurgical review, see below)

Description	CU (%)	MO (%)	AU (%)	AG (%)
Oxide and Supergene	69.9	32	36.3	67
South Breccia	88.5	70	55.1	--
Primary (Granite)	93.3	72	39.9	79.5
Average Results based on Proportions within the Resources				
Flotation recovery	87.7	64	44.04	83.42

As of the end of December 2025, over 48,500 metres of drilling across 121 diamond drill holes defined the current mineral resource. Historical exploration included surface mapping, soil and rock geochemistry, IP/resistivity surveys, and magnetics.

The Pecoy Project remains open in all directions, with four key target areas defined around the current pit outline: the Center Pit, West, and East–Southeast, and South Breccia zones. Drilling and geophysical data indicate strong potential for porphyry expansion beneath existing holes to the south, where chargeability and alteration anomalies suggest a deeper mineralized system. The South Breccia Zone also presents opportunities for higher-grade extensions within the broader porphyry system.

Assay results from the 2026 Exploration Program

The Corporation's first two diamond drill holes at the Pecoy Project, PEC-25-065 and PEC-25-066, each returned kilometre-scale intervals of continuous copper-gold-molybdenum-silver mineralization beginning near surface. Initial results from PEC-25-065 were reported in February 2026, and results from PEC-25-066, collared approximately 195 metres to the west, followed in April 2026. Together, the two holes confirmed the scale, grade and continuity of the South Breccia system and extended mineralization well below the current resource pit shell.

Highlights:

- Drillhole PEC-25-065 intersected 1,014 metres at 0.37% Cu, 0.13 g/t Au, 1.33 g/t Ag and 0.015% Mo from 17 metres depth, including 297 metres at 0.52% Cu, 0.07 g/t Au, 1.94 g/t Ag and 0.033% Mo from 624 metres, below the existing resource pit shell.
- Drillhole PEC-25-066 intersected 1,020.50 metres at 0.43% Cu, 0.09 g/t Au, 1.51 g/t Ag and 0.009% Mo from 48 metres depth, grading approximately 26% above the current inferred resource grade of 0.34% Cu, including 242 metres at 0.73% Cu, 0.10 g/t Au, 2.63 g/t Ag and 0.016% Mo from 386 metres.
- Both holes extended mineralization below the current resource pit shell, by approximately 624 metres downhole in PEC-25-065 and by approximately 306 metres in PEC-25-066.
- Mineralization remains open at depth; both holes ended in mineralization, with PEC-25-066 ending at 1,068.5 metres.

Both holes targeted the South Breccia Zone, where mineralization is hosted within brecciated and altered intrusive rocks and is characterized by chalcopyrite, gold, silver and molybdenite, consistent with a large porphyry-related system. PEC-25-065 provided the first continuous deep section through the system, demonstrating vertically persistent hydrothermal brecciation and stockwork-style veining from surface transitioning to a magmatic system at depth, and PEC-25-066 confirmed that continuity laterally, approximately 195 metres to the west. Magnetite abundance appears, at times, spatially associated with higher gold values.

The higher-grade core intersected between 386 metres and 628 metres in PEC-25-066, together with the comparable interval in PEC-25-065, reinforces management's view that the South Breccia may host a promising higher-grade domain within the broader Pecoy system, which could be relevant to a potential starter-pit style development concept in future studies, subject to additional drilling, resource modelling, metallurgical work and economic analysis.

2026 Exploration Program on the Pecoy Project

Collectively, the five initial areas represent different structural levels and expressions of the same evolving hydrothermal system consistent with large porphyry-related copper systems. This provides for multiple independent opportunities for scale and grade discovery. Drilling to date has tested the Pecoy system over approximately 1.9 km of strike, 1.5 km in width, to an average depth of 400 metres. Within the system, Pecoy has identified multiple breccia bodies characterized by matrix and clast-supported sulphide mineralization that remain open laterally and at depth. As at May 2026, eight holes totalling approximately 6,400 metres had been drilled during Phase 1 of the 2026 Exploration Program, with the first two holes completed in the South Breccia Zone and further holes in progress or with assays pending.

Three drill rigs have been operating at the Pecoy Project since May 2026, with drilling underway in the Center of the Pit and Central Breccia zones and the third rig re-initiating drilling in the South Breccia. Drilling is expected to progress toward the Central Breccia and EDM Vein Zone. With the rainy season concluded, drilling activity has since intensified in support of the planned 35,000-metre diamond drilling program, and has continued steadily through the third quarter of the 2026 calendar year, with additional assay results pending. Information generated from current drilling will be continuously integrated into the 2026 Exploration Program to refine targeting and optimize drill allocation.

South Breccia

South Breccia represents one of the most advanced and best-defined mineralized breccia bodies at the Pecoy Project and hosts the higher-grade mineralization encountered to date. Holes PEC-25-065 and PEC-25-066 each returned kilometre-scale intercepts, including 1,020.50 metres at 0.43% Cu, 0.09 g/t Au, 1.51 g/t Ag and 0.009% Mo from 48 metres in PEC-25-066, approximately 26% above the current inferred resource grade of

0.34% Cu. Drilling has outlined a coherent geometry with strong continuity, and the breccia remains open laterally and at depth, including toward the west beneath alluvial cover, with PEC-25-066 extending mineralization approximately 306 metres below the current resource pit shell and ending in mineralization. The 2026 Exploration Program will focus on testing and expanding this higher-grade ore body through step-out drilling under cover, continued evaluation of depth potential, and further refinement of breccia geometry and internal controls on mineralization.

Center of the Pit & Central Breccia

Center of the Pit and Central Breccia areas are interpreted as a potentially concealed magmatic-hydrothermal breccia centre that has only been intersected tangentially by historical drilling and remains largely untested, although drilling has been underway in these zones since May 2026. The planned work program for 2026 includes directional drilling designed to penetrate the interpreted breccia body, step-outs to test open extensions, particularly to the west with the Center of the Pit target and integration of geological vectoring to optimize drill pierce points.

EDM Vein Zone

The Early Dark Micaceous ("EDM") vein zone represents an important vectoring and plumbing feature within the Pecoy Project system, characterized by early-stage veining associated with copper mineralization and interpreted to occur at depth. Drilling will aim to better define the extent, continuity and vertical distribution of EDM veining, evaluate relationships to breccia development and higher-grade mineralization, and use vein density and alteration patterns as key vectoring tools to guide further targeting.

West Pampa

The West Pampa area represents a priority under-explored zone beneath cover, with geological, geophysical and alteration features consistent with potential extensions of the Pecoy Project system, including magnetotelluric data acquired in April 2026 that images potential targets concealed beneath post-mineral cover. The planned activities include first-pass and step-out drilling beneath cover, testing for concealed breccia bodies or mineralized porphyry phases, and integration of surface and subsurface data to refine targets.

Northwest Target Area

The Northwest area represents a less explored portion of the Pecoy Project with geological characteristics that suggest it is proximal to the broader mineralized system, including the presence of EDM veins and high molybdenum values.

The 2026 Exploration Program will focus on reconnaissance and follow-up drilling, defining alteration and structural controls and assessing potential connections to known mineralized zones.

Other updates on the Pecoy Project

Magnetotelluric survey

A Deep SPARTAN magnetotelluric ("MT") geophysical survey was completed over the Pecoy system in April 2026. Eighty-five MT stations were laid out across approximately 760 hectares (2.75 km by 2.75 km) to build a high-resolution 3D resistivity model imaging to depths exceeding 2,000 metres below surface. The survey was designed to define the continuity of known zones, to isolate porphyry centres and breccia-hosted mineralization concealed beneath post-mineral cover and below the resource pit shell, and to prioritize the most prospective areas for follow-up drilling. Final inversion and interpretation were received during the second quarter of the 2026 calendar year and the results have been integrated with the ongoing drill program, where they are expected to sharpen step-out drill targeting and support future exploration planning.

Phase 1 metallurgical review

Historical metallurgical work at Pecoy was designed to optimize copper recovery and concentrate quality, and did not assess the contribution of the other payable metals. Global Resource Engineering Ltd. ("GRE") completed a Phase 1 independent review of that work in May 2026, re-examining metal deportment and flotation performance through a broader payable-metals lens that reflects the contribution of gold, silver and molybdenum. The review identified encouraging opportunities to materially improve gold recovery while maintaining a marketable copper concentrate grade. The Phase 1 review does not constitute an updated mineral resource estimate, preliminary economic assessment, prefeasibility study or feasibility study, and the updated recovery estimates should not be interpreted as final design criteria.

Highlights:

- GRE's simulations suggest gold recovery from South Breccia material may be increased to approximately 73% through a modified flotation approach.
- Updated Phase 1 base case estimates indicate copper recoveries of approximately 90% to 93% and silver recoveries of approximately 84% to 85% across the primary domains.
- Molybdenum optionality, including the potential for a separate molybdenum concentrate, could introduce a second payable product stream.
- Flash flotation, cleaner-stage mass pull optimization, reagent selection and pH control were identified as key areas for follow-up testing, and the updated recovery estimates remain subject to validation through Phase 2 metallurgical test work.

Tororume Project

The Tororume Project is an emerging copper–molybdenum porphyry discovery located 8 km north of the Pecoy Project within the same mineralized corridor. The Tororume Project comprises 14 mining concessions covering a total area of 9,797 ha. Early exploration results confirm a large alteration system with multiple porphyry centers, highlighting district-scale potential. The Tororume Project complements the Pecoy Project as part of an integrated copper development strategy in the Arequipa region.

Situated in the Condesuyos Province of southern Peru, the Tororume Project shares the same infrastructure advantages as the Pecoy Project: low elevation (~2,500 metres), year-round access, proximity to the Pan-American Highway, and nearby port facilities. The project is fully accessible via established roads and exploration trails.

The Tororume Project is geologically analogous to the Pecoy Project, exhibiting multiphase intrusive activity and extensive hydrothermal alteration. Copper mineralization occurs within granodiorite and dacitic porphyries, with zones of supergene enrichment identified through surface mapping and trenching. Mineralized breccia events cutting both the granodiorites and dacitic porphyries have also been observed. Strong radiometric anomalies correlate with mapped alteration zones and copper geochemistry, further supporting the presence of a potentially significant porphyry system.

To date, a total of nine diamond drill holes were completed by a former operator between 2017 and 2023, using a relatively wide drill spacing. All holes intersected porphyry-style copper and molybdenum mineralization, with the most significant result obtained from hole TORO-007, which returned 500 m grading 0.30% Cu and 0.01% Mo. Three main target areas, East, West, and Central, have been delineated based on IP, magnetic, and geochemical anomalies.

The Tororume Project alteration system extends over more than 5 km and remains open in all directions. Geophysical surveys reveal multiple untested chargeability highs consistent with buried porphyry centers. With its proximity to the Pecoy Project and similar geologic setting, the Tororume Project represents a compelling growth target capable of expanding the district into a multi-deposit copper hub.

2026 Exploration Program on the Tororume Project

The 2026 program includes approximately 5,000 metres of drilling to expand known mineralization and test high-priority targets.

Minandex property

On February 7, 2025, Copper X Peru S.A.C. ("Copper X Peru"), a wholly-owned subsidiary of Copper X, entered into an option agreement with Minera Andina De Exploraciones S.A.A. and S.M.R.L. Rosita N° 1 De Arequipa to acquire 13 mining concessions (the "Concessions") located near Arequipa, in Peru (the "Option Agreement").

Under the Option Agreement, Copper X Peru had the right to acquire a 100% interest in the Concessions, subject to the following main conditions: (i) total consideration of US$9,249,000, payable in five installments through a combination of cash payments and issuance of common shares of the Corporation, and (ii) the establishment of a NSR royalty, through the subscription and formalization of the deed of establishment.

During the term of the option, Copper X Peru is required to make the following payments:

	Cash payments	**Common Shares**
	US$	US$
First installment (completed)	199,000	—
Second installment (completed)	3,050,000	—
Third Installment (completed)	—	3,000,000
Fourth installment	1,500,000	—
Fifth installment	—	1,500,000
Total	**4,749,000**	**4,500,000**

The first three installments are paid as a prerequisite for exercising the mining option. The first installment of US$199,000 ($286,716) was paid in cash on February 10, 2025. The second and third installments having a value of US$3,050,000 ($3,802,062) and US$3,000,000 (representing 6,894,500 common shares with a value of $4,156,200 at issuance date), respectively, were completed concurrently with the RTO and the option was exercised in September 2025, at which point the Corporation acquired the mining concessions comprising the Minandex property.

Also in September 2025, the Corporation established a net smelter return ("NSR") royalty in connection with the Minandex property. Under the terms of the NSR agreement, the royalty holder is entitled to receive 2% of the net smelter returns derived from the production and sale of minerals extracted from the Minandex property. The Corporation has the right to repurchase 1% of the NSR royalty at any time upon payment of US$10,000,000.

The fourth and fifth installments consist respectively of an additional cash payment of US$1,500,000 and US$1,500,000 of the Corporation's common shares for a total amount of US$3,000,000 ($4,087,200) payable originally in one year from the date the option is exercised. On December 26, 2025, the date of the payment of the fourth and fifth installments was modified and postponed to October 15, 2026.

Exploration and evaluation expenditures

For the year ended April 30, 2026, the Corporation incurred the following exploration expenses, reflecting mainly the increased level of drilling activities on the Pecoy Project, as described above:

	For the year ended April 30, 2026	For the 38-day period ended April 30, 2025
	$	$
Compensation and employers' contributions	745,544	—
Drilling	2,189,290	—
Assay and sample management	655,201	—
Camp operations, supplies and infrastructure	455,153	—
Community relations	233,215	—
Contractors	615,737	—
Maintenance fees	1,663,238	—
Technical studies	64,514	—
Transportation and logistics	194,617	—
Other exploration expenses	5,503	—
Total	**6,822,012**	—

Selected annual financial information

	For the year ended April 30, 2026	For the 38-day period ended April 30, 2025
	$	$
Consolidated statements of loss and comprehensive loss		
Net loss attributable to shareholders	16,018,099	39,413
Comprehensive loss attributable to shareholders	16,175,929	39,413
Net loss per share – basic and diluted	0.11	0.00
Consolidated cash flows		
Operating activities	(14,732,831)	(85)
Investing activities	(25,330,704)	—
Financing activities	61,845,139	704,000
	As at April 30, 2026	**As at April 30, 2025**
	$	$
Consolidated statements of financial position		
Total assets	111,933,900	1,166,757
Total non-current financial liabilities	200,784	—

Summary of Quarterly Results

The following table summarizes the results of operations for prior quarters:

	For the three months ended April 30, 2026	For the three months ended January 31, 2026	For the three months ended October 31, 2025	For the three months ended July 31, 2025	For the 38-day period ended April 30, 2025
	$	$	$	$	$
Interest Income, net	301,471	236,681	40,887	1,091	-
Net Loss	(5,892,666)	(3,177,144)	(3,003,733)	(3,944,556)	(39,413)
Net Loss per share Basic and Diluted	(0.03)	(0.02)	(0.02)	(0.17)	(0.00)

As an exploration-stage company with no revenue, the Corporation's quarterly results are driven principally by the timing and intensity of exploration work programs, the timing of non-cash charges and the level of corporate and financing activity in a given quarter. Corporate and financing activities reflected the impact of the Concurrent Private Placement and the completion of the RTO and related acquisitions completed on September 3, 2025.

Discussion of Operations

Operating results and review of performance for the three months ended April 30, 2026

Operating results:

The Corporation recorded a net loss of $5,892,666 for the three months ended April 30, 2026. The expenses during the period were related to Professional fees, Share-based compensation, Exploration expenses, General and administrative expenses and Income taxes expense. These expenses were partially offset by interest income earned from and foreign exchange gains resulting from, U.S. dollar-denominated guaranteed investment certificates held during the period.

- *Professional fees – $72,343*
  These costs consist mainly of consulting fees paid to external consultants mainly for investor relations and corporate governance activities.
- *Share-based compensation* – $1,431
  This expense of $1,431 relates to the share options granted in April 2026, which vest over a three-year period.
- *Exploration expenses* – $4,885,747
  Drilling expenses, Maintenance fees, Assay and sample management, and Compensation 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 $1,526,302. Drilling activities commenced in December 2025 with a single drill rig and increased to two drill rigs later that month, resulting in higher drilling expenditures in the last quarter of YE 2026 than the previous one.
  - *Maintenance fees*: Maintenance fees totaled $1,663,238 and consist of (a) an annual validity fee calculated on a per-hectare basis for the concessions and (b) an annual penalty, applied within a specified range, if minimum exploration targets are not met, until compliance is achieved.
  - *Assay and sample management*: Assay and sample management costs totaled $504,720 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 $416,704 during the quarter, reflecting an increase in the number of personnel engaged in exploration activities as project activity levels increased.
- *General and administrative expenses – $1,404,285*
  The main expenses in this category are related to compensation totaling $783,157 and legal expenses and accounting expenses of $381,581. Legal expenses primarily relate to general corporate matters for the Corporation's newly acquired subsidiaries and accounting expenses include the audit fees as well as the tax consultants fees.
- *Foreign exchange gain* – $214,590
  The foreign exchange gain is primarily attributable to the depreciation of the Canadian dollar against the U.S. dollar between January 31, 2026 and April 30, 2026. During this period, the exchange rate moved from 1.3562 to 1.3624. As the Corporation held a net U.S. dollar-denominated monetary asset position, this increase resulted in a foreign exchange gain for the quarter.

Operating results and review of performance for the year ended April 30, 2026

Operating results:

The Corporation recorded a net loss of $16,018,099 for the year ended April 30, 2026. The expenses during the period were related to Professional fees, Listing expenses, Share-based compensation, Exploration expenses, General and administrative expenses, Income taxes expense and Foreign exchange losses resulting mainly from U.S. dollar-denominated guaranteed investment certificates. These expenses were partially offset by interest income earned on guaranteed investment certificates held during the year.

- *Professional fees* – $2,594,500
  These costs consist mainly of the fair value of the 6,000,000 warrants issued in May 2025 to founders and shareholders of SPV in consideration for services for an amount of $2,214,191 and consulting fees paid to external consultants for investor relations activities.
- *Listing expenses* – $2,405,020
  These expenses are primarily driven by the difference between the consideration paid for the acquisition of Pecoy Copper Corp. in connection with the RTO and the net liabilities assumed.
- *Share-based compensation* – $1,477,728
  These expenses include an amount of $1,476,297 that relates to the 3,750,000 share options granted in May 2025 to directors and officers and consultants of the Corporation. These share options all vested when granted and as such the total fair value was recognized as an expense immediately at grant date. The remaining amount relates to the share options granted in April 2026 which vest over a three-year period.
- *Exploration expenses* – $6,822,012
  Drilling expenses, Maintenance fees, Assay and sample management, and Compensation represent the vast majority of exploration expenses for the year. These expenses relate directly to exploration activities on the Pecoy Project and include the following:
  - *Drilling*: Drilling expenses totaled $2,189,290. Drilling activities commenced in December 2025 with a single drill rig and increased to two drill rigs later that month.
  - *Maintenance fees*: Maintenance fees totaled $1,663,238 and consist of (a) an annual validity fee calculated on a per-hectare basis for the concessions and (b) an annual penalty, applied within a specified range, if minimum exploration targets are not met, until compliance is achieved. These fees are paid in June of each year.
  - *Assay and sample management*: Assay and sample management costs totaled $646,997 and include laboratory analysis and sample warehousing.
  - *Compensation*: Compensation expenses totaled $745,544 during the year and primarily relate to wages and other compensation paid to personnel engaged in exploration activities.
- *General and administrative expenses* – $2,846,197
  The main expenses in this category are related to compensation totaling $1,326,132 and legal expenses and accounting expenses of $918,521. Legal expenses primarily relate to general corporate matters for the Corporation's newly acquired subsidiaries and accounting expenses include the audit fees as well as the tax consultants' fees. General and administrative expenses also include the following costs: travel fees from Canada to Peru for $221,930 and public company fees such as the TSXV fees and other related regulatory fees, the investor relations fees and the initial and registration fees on the OTCQB for $309,256.
- *Foreign exchange loss* – $407,851
  The foreign exchange loss is primarily attributable to the depreciation of the Canadian dollar against the U.S. dollar during the year ended April 30, 2026. The Corporation invested a portion of the proceeds from the issuance of subscription receipts in U.S. dollars beginning in September 2025. During the period, the exchange rate has declined to reach 1.3624 on April 30, 2026, and as the Corporation maintained a net U.S. dollar–denominated monetary asset position, this depreciation resulted in a foreign exchange loss for the year ended April 30, 2026.

Review of financial position

The consolidated statement of financial position as at April 30, 2026 was significantly impacted by the transformational asset acquisitions completed on September 3, 2025, as well as by the RTO and the concurrent private placement completed in connection with those transactions. The following discussion highlights the main variations compared to April 30, 2025.

- *Cash and cash equivalents* – $22,450,343 (April 30, 2025 – $703,915)
  The increase in cash and cash equivalents is primarily attributable to the Concurrent Private Placement of 105,800,000 subscription receipts completed in July 2025, which generated net proceeds of $59,935,467. These proceeds were partially used to finance the asset acquisitions completed on September 3, 2025, to pay the second installment for the Minandex property in the amount of $3,802,062 (US$3,050,000) and to fund the operations, including the exploration activities.
- *Short-term investments* – $19,073,600 (April 30, 2025 – Nil)
  The increase in Short-term investments is primarily attributable to the Concurrent Private Placement of 105,800,000 subscription receipts completed in July 2025, which generated net proceeds of $59,935,467. Short-term investments include $19,073,600 (US$14,000,000) held in guaranteed investment certificates bearing annual interest rate between 3.75% and 3.87% with maturity dates between May to December 2026.
- *Other Receivable* – $921,651 (April 30, 2025 – Nil)
  Other receivables consist mainly of amounts recoverable from government authorities for sales and income taxes and interest receivables from guaranteed investment certificates in the amount of $327,041. The balance of amounts recoverable from the government authorities arose mainly as a result of the acquisition of Pembrook.
- *Prepaid expenses* – $301,226 (April 30, 2025 – Nil)
  Prepaid expenses consist primarily of filing fees, software licences, insurance premiums and other subscription costs paid in advance. They are charged to expense over the periods to which they relate, all of which are less than 12 months.
- *Exploration and evaluation assets* – $69,102,700 (April 30, 2025 – Nil)
  Exploration and evaluation assets comprise the assets acquired from Pembrook, the former minority shareholders of Pecoy Peru and Copper X, together with the payments made toward the purchase price of the Minandex property, the remaining balance of that purchase price and the related notary costs.
- *Accounts payable and accrued liabilities* – $5,222,069 (April 30, 2025 – $108,193)
  The increase in accounts payable and accrued liabilities reflects higher levels of operating activities in Canada and Peru following the acquisitions and the start of the exploration and drilling program in Peru.
- *Amount payable to a dissenting shareholder* – $1,163,386 (April 30, 2025 – Nil)
  In connection with the Pembrook acquisition, one shareholder holding 13,220,000 Pembrook shares, which would have entitled them to receive 1,938,977 common shares of the Corporation, exercised dissent rights. As of the date of this MD&A, no settlement has been reached with the dissenting shareholder. The amount recorded represents the fair value of the 13,220,000 Pembrook shares as at September 3, 2025. In April 2026, the dissenting shareholder filed a petition asking the Supreme Court of British Columbia to determine the payout value of those shares; the amount claimed is not quantified and no additional provision has been recorded.
- *Minandex acquisition payable* – $4,087,200 (April 30, 2025 – Nil)
  This payable represents the remaining balance of purchase price of US$3,000,000 for the Minandex property which is due in October 2026. See "Minandex property" above for additional details regarding the exercise of the Minandex Option by the Corporation in September 2025.
- *Shareholders' equity* – $101,260,461 (April 30, 2025 – $1,054,564)
  Shareholders' equity increased significantly as a result of the equity instruments issued in connection with the RTO, the Concurrent Private Placement and the acquisitions of Pembrook and the minority shareholders, Copper X, and the Minandex property. Shareholders' equity also increased as a result

of the share options granted in April 2026. This increase is partially offset by the share and warrants issuance costs and the net loss and other comprehensive loss for the year ended April 30, 2026. Because certain of the Corporation's subsidiaries have a functional currency that differs from the Corporation's presentation currency, the translation of their financial statements into Canadian dollars generates a cumulative translation adjustment, recorded in accumulated other comprehensive loss, which also partially offsets shareholders' equity.

Cash flows analysis

Operating activities

For the year ended April 30, 2026, net cash flows used in operating activities totaled $14,732,831. This outflow primarily reflected a net loss of $16,018,099, partially offset by non-cash items including professional fees of $2,214,191 (issuance of warrants), listing expenses of $2,085,765 (RTO), stock-based compensation of $1,477,728 and foreign exchange loss of $439,567.

The most significant use of cash in operating activities relates to payments of accounts payable and accrued liabilities for an amount of $4,196,464. This elevated cash outflow is primarily driven by increased exploration activities in Peru since December 2025, as well as the settlement of Pembrook's outstanding creditors. Pursuant to the share purchase agreement in respect of the Pembrook acquisition, the Corporation committed to funding Pembrook's creditor obligations, which were settled in the days immediately following its acquisition.

The increase in the outflow of other receivable also represents a use of cash of $492,803, as it mainly includes interest accrued on the Corporation's guaranteed investment certificates that will only be collected when those certificates are cashed in October 2026.

Prepaid expenses represent a further use of cash of $262,665, reflecting the increased level of activity: the Corporation prepaid various expenses throughout the year, mainly filing fees and software licenses, which are generally amortized over a 12-month period.

Investing activities

For the year ended April 30, 2026, cash flows used in investing activities totaled $25,330,704.

The main cash outflow relates to the net investment in short-term deposits, representing acquisitions of $23,651,055 less redemptions of $4,141,915. These are U.S. dollar-denominated guaranteed investment certificates that are not redeemable before maturity and are therefore classified as short-term investments.

This outflow also includes an amount for acquisition of exploration and evaluation assets which primarily reflects the second option payment under the Minandex Option Agreement of $3,802,062 (US$3,050,000), as well as the annual payment for the Tororume Project of $138,790 (US$100,000) and other acquisition-related costs such as notary fees. The outflow also includes $78,058 in purchases of property, plant and equipment, mainly related to operations in Peru.

The cash used in investing activities also reflects the cash consideration transferred in connection with acquisitions, including $1,800,000 paid to CCV for the purchase of Pecoy Peru minority interests, along with associated transaction costs of $155,104. Transaction costs related to the acquisition of Copper X totaled $155,105.

Financing activities

For the year ended April 30, 2026, financing activities generated cash flows of $61,845,139. These inflows primarily reflect the Concurrent Private Placement completed in July 2025 for an amount of $63,480,000 for which the inflow was received in September 2025 as well as the private placement financing completed earlier in the period for an amount of $2,000,000 partially offset by their corresponding issuance costs totalling $3,671,348. These inflows also include cash of $49,097 acquired in connection with the RTO.

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 April 30, 2026, the Corporation had a working capital of $32,274,165, which includes a cash and cash equivalents balance of $22,450,343 and short-term investments of $19,073,600. During the year ended April 30, 2026, the Corporation incurred an accumulated deficit of $16,057,512 and an operating loss of $16,145,457 and had negative cash flows from operating activities of $14,732,831.

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 twelve 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" below, 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 the Concurrent 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 Concurrent 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 April 30, 2026, based on expenditures incurred as at that date (whether or not paid). The remaining portion of the net proceeds of the Concurrent Private Placement are currently intended to be used substantially in accordance with the initially intended use of proceeds from the Concurrent 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	7,060,517
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	2,738,195
Unallocated working capital	21,231,488	—
Remaining proceeds	N/A	37,561,693
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.

Contractual obligations and commitments

Contractual obligations

The following table summarizes the timing associated with the Corporation's remaining contractual payments and obligations relating to its financial liabilities as at April 30, 2026. The table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the Corporation can be required to pay (assuming that the Corporation is in compliance with all of its obligations).

	Carrying amount	Maturity	Undiscounted cash flows
Financial liabilities	$		$
Accounts payable and accrued liabilities	5,222,069	Within 90 days	5,222,069
Amount payable to a dissenting shareholder	1,163,386	On-demand	1,163,386
Minandex acquisition payable[(1)]	4,087,200	October 2026	4,087,200
Balance of purchase price[(2)]	200,784	Between 3 to 5 years	350,000
Total	**10,673,439**		**10,822,655**

(1) Includes the remaining fourth and fifth installments payable under the Minandex Option Agreement, consisting of an aggregate amount of US$3,000,000. The Minandex property is also subject to a 2% NSR royalty, 1% of which the Corporation is entitled to repurchase at any time upon payment of US$10,000,000. Contingent consideration of up to US$11.0 million remains payable under the share purchase agreement pursuant to which Pembrook acquired its interest in the Pecoy property, based on copper price thresholds and project development milestones.

(2) Additional post-closing cash payment of $350,000 relating to the acquisition of the Pecoy Peru common shares held by CCV and payable in two equal installments, in each case on the earlier of five years and the announcement of an initial resource estimate on the Tororume property or of a preliminary economic assessment on the Pecoy Project, as applicable.

In addition to the amounts set out in the table above, the Corporation is party to the following commitments:

	Total	Less than one year	More than one year
	$	$	$
Rental payments	87,850	87,850	—
Purchase commitments	520,985	520,985	—
Total	**608,835**	**608,835**	—

Under an offtake agreement dated August 28, 2013, Pecoy Peru has agreed to sell to Trafigura Pte Ltd. 50% of the total production of copper concentrates, doré and other products obtained from certain claims, for a term commencing at the start of production and continuing thereafter for the life of the mine; no amount is quantifiable in respect of this commitment at this time.

Contingencies

In the normal course of its activities, the Corporation may be subject to claims, legal proceedings and other contingencies. A provision is recognized when the Corporation has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where an outflow is not probable or cannot be measured reliably, the matter is disclosed as a contingent liability. Other than as described below or elsewhere in this MD&A, the Corporation is not party to any material litigation or regulatory proceeding and the Corporation is not currently aware of any pending or threatened litigation or regulatory proceeding against it that could, if determined adversely to it, have a material adverse effect on its business, results of operations or financial condition.

On April 24, 2026, China Copper Mineral Resources Co. Ltd. filed a petition with the Supreme Court of British Columbia, Vancouver Registry, naming Pembrook as respondent, under section 245(2) of the *Business Corporations Act* (British Columbia). Having dissented from the amalgamation of Pembrook approved by special resolution on June 23, 2025 in respect of 13,220,000 common shares, the petitioner disputes the aggregate payout of $1,163,386 offered ($0.088 per common share) and asks the Court to determine the payout value of those shares. The amount claimed is not quantified, the payout value has not been determined and the petition had not been served on Pembrook as at the date of the Financial statements. A liability of $1,163,386 in respect of these shares is recorded as an amount payable to a dissenting shareholder (see Note 6 to the Financial statements). No additional provision has been recorded, as any further amount that may become payable cannot be reliably estimated at this time. Management believes that the payout offered represents the fair value of those shares as at the date on which it was offered and, accordingly, a liability in that amount has been provided for in the Financial statements.

Outstanding Share Capital

At the date of this MD&A, the Corporation had 209,488,853 issued and outstanding common shares, 16,166,667 share purchase warrants and 9,616,600 share options. 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.

Off-Balance Sheet items

At the date of this MD&A, the Corporation had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Corporation.

Transactions between related parties

Key management personnel include those individuals who have authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that key management personnel consist of directors as well as the officers of the Corporation.

The compensation paid and payable to key management personnel is as follows:

	For the year ended April 30, 2026	For the 38-day period ended April 30, 2025
	$	$
Salaries and benefits	876,042	–
Stock-based compensation	1,476,297	–
Total compensation	**2,352,339**	**–**

The Corporation has entered into employment agreements with certain officers of the Corporation which provide for termination benefits in the event of a termination without cause or in the event of a change of control of the Corporation. Under these agreements, if the employment of an officer is terminated without cause, or the officer resigns within a specified period following a change of control, the officer is entitled to a lump-sum payment based on a multiple of the officer's annual base salary and target annual bonus, together with the accelerated vesting of any unvested equity-based awards.

The Corporation had the other following transactions with key management personnel and other related parties for the year ended April 30, 2026 and the 38-day period ended April 30, 2025:

	For the year ended April 30, 2026	For the 38-day period ended April 30, 2025
	$	$
Reimbursement of expenses paid to key management personnel (General and administrative expenses)	290,760	13,633
Professional fees paid to a company with common directors and officers	287,292	–
Professional fees paid to key management personnel	172,500	–
Professional fees for services rendered by shareholders and settled by the issuance of share purchase warrants	2,214,191	–
Rent and other expenses paid to a company with common directors and officers	63,324	–

The Corporation had the following balances with key management personnel and other related parties as at April 30, 2026 and 2025:

	As at April 30, 2026	As at April 30, 2025
	$	$
Accounts payable and accrued liabilities due to key management personnel	510,715	4,000
Accounts payable and accrued liabilities due to a company with common directors and officers	87,417	–

Key management personnel and other related parties participated in the private placements under the same terms as other investors for an amount of $3,015 (2025 – $816,000).

Material accounting policies, critical accounting estimates and significant judgements

The preparation of the Financial statements in conformity with IFRS requires the Corporation to apply accounting policies and make estimates and assumptions that affect amounts reported in the Financial statements. The Corporation also makes estimates and assumptions concerning the future. The critical accounting estimates and assumptions as well as significant judgements in applying the Corporation's accounting policies are detailed in Notes 3 and 4 to the Financial statements, filed on SEDAR+ under the Corporation's profile at www.sedarplus.ca.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. The most significant judgements, estimates and assumptions include the following: the assessment of the Corporation's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; the recoverability of the carrying value of exploration and evaluation assets; the assessment of whether an acquisition meets the definition of a business or whether assets are acquired. Actual results could differ from those estimates.

Adoption of new accounting standards

The Corporation has not yet adopted certain accounting standards and amendments that are effective after April 30, 2026. The amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*, effective May 1, 2026, are not expected to have a significant impact on the Corporation's consolidated financial statements. IFRS 18 *Presentation and Disclosure in Financial Statements*, which replaces IAS 1 and is effective for periods beginning on or after January 1, 2027, will introduce changes to the presentation and disclosure of statement of profit or loss and financial performance. Management is currently assessing the impact of IFRS 18 on the Corporation's consolidated financial statements.

Adoption of new accounting standards are detailed in Note 5 to the Financial statements, filed on SEDAR+ under the Corporation's profile at www.sedarplus.ca.

Financial Instruments and Other Instruments

All financial instruments are required to be measured at fair value on initial recognition. The fair value is based on quoted market prices, unless the financial instruments are not traded in an active market. In this case, the fair value is determined by using valuation techniques like discounted cash flows, the Black-Scholes option pricing model or other valuation techniques. Measurement in subsequent periods depends on the classification of the financial instrument. A description of financial instruments and their fair value is included in Note 17 to the Financial statements, filed on SEDAR+ under the Corporation's profile at www.sedarplus.ca.

Risk Factors

The Corporation is subject to a number of risks due to the nature of the industry in which it operates and the present state of development of its business. More specifically, as an exploration company, the Corporation faces financial and operational risks inherent to the nature of its activities. In addition to the risks previously described in this MD&A, this section describes the principal risks and challenges that could materially adversely affect the Corporation's business, results of operations or financial condition, and that could cause actual results to differ materially from underlying forward-looking statements included in this MD&A. The risks presented below 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 set out below before investing in the Corporation's securities.

Lack of revenue and future capital requirements

The Corporation does not have a producing mineral project and no sources of operating revenue and is unlikely to generate any revenue from operating activities unless and until the Pecoy Project is successfully developed and production commences. 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 development activities.

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 twelve 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. 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 materially adversely affect the Corporation's business, results of operations or financial condition.

Furthermore, any additional equity financing may be dilutive to shareholders of the Corporation, may be undertaken at lower prices than the current market price of the Common Shares or may involve restrictive covenants which limit the Corporation's operations and business strategy. The increase in the number of Common Shares issued and outstanding and the possibility of sales of such shares may have a depressing effect on the price of Common Shares. In addition, as a result of such additional Common Shares, the voting power of the Corporation's existing shareholders will be diluted. Debt financing, if available, may involve restrictions on financing and operating activities.

Dependence on the Pecoy Project

The Pecoy Project is currently the Corporation's only material mineral project. The Corporation anticipates that future mining operations at the Pecoy Project, if achieved, would account for most, if not all, of the Corporation's production for the foreseeable future, unless additional properties are brought into production or other properties are acquired by the Corporation. While the Corporation also holds rights to the Tororume Project, substantially all of the Corporation's property and equipment, exploration and evaluation assets relate to the Pecoy Project. Any adverse condition affecting the Pecoy Project or, in the future, any other material property of the Corporation, or the Corporation's future ability to extract ore economically therefrom, may materially adversely affect the Corporation's business, results of operations or financial condition.

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 Corporation may be affected by numerous factors that are beyond the control of the Corporation 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 Corporation 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. Also, the Corporation has no history of producing ore, and there has been no meaningful historical production from the Pecoy Project. There is no assurance that the Corporation's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Corporation'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. It is common in new mining operations to experience unexpected problems and delays during construction, development and mine start-up, and any delay to project development could adversely affect the Corporation's operations and financial results and may require the Corporation to raise further funds in order to complete such development and commence operations.

The realization of any of these risks may materially adversely affect the Corporation's business, results of operations or financial condition. There can be no assurance that the Corporation's activities will result in profitable mining operations.

Mineral resource estimates

The Corporation has filed a technical report under NI 43-101, which contains a mineral resource estimate in respect of the Pecoy Project. Mineral resources are not mineral reserves and do not have demonstrated economic viability. The estimation of mineral resources is inherently uncertain and involves subjective judgments about many relevant factors. The accuracy of any such estimate is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Estimates may have to be re-estimated based on, among other things: (i) fluctuations in the price of copper; (ii) results of drilling; (iii) results of metallurgical testing, process and other studies including the grade and recovery of material; (iv) changes to proposed mine plans; (v) capital and operating costs; (vi) the evaluation of mine plans subsequent to the date of any estimates; and (vii) the possible failure to receive required permits, approvals and licenses. Actual recoveries of mineral products may differ from the mineral resource estimates reported by the Corporation from time to time due to inherent uncertainties in acceptable estimating techniques.

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 hazards associated with mining exploration and development activities, including those described under "Mineral exploration and mining carry inherent risks". These occurrences could result in environmental damage and liabilities, work stoppages, damage to, or destruction of, mineral properties 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 Corporation 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 Corporation 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 Corporation's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to the Corporation. 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. The realization of any of the foregoing risks may materially adversely affect the Corporation's business, results of operations or financial condition.

History of losses

During the year ended April 30, 2026, the Corporation incurred an accumulated deficit of $16,057,512 and an operating loss of $16,145,457 and had negative cash flows from operating activities of $14,732,831. The Corporation has incurred losses since its inception and expects to continue to incur losses unless and until such time as the Pecoy Project generates sufficient revenues to fund continuing operations. The Corporation's future success will depend to a large extent on its ability to advance the Pecoy Project to a point where the project becomes economically mineable, and there can be no assurance that the Corporation will be able to achieve this objective. The development of the Pecoy Project will require the commitment of substantial financial resources, and the amount and timing of expenditures will depend on a number of factors, including the progress and results of ongoing exploration activities, the recommendations of the Corporation's consultants and the rate at which operating losses are incurred, some of which are beyond the Corporation's control. There can be no assurance that the Corporation will ever achieve profitability.

Operations in Peru

The Corporation is 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: significant fluctuations in currency exchange rates; the mining royalty and special mining tax regime and any potential changes in royalty regimes, including the elimination of tax exemptions; artisanal-mining formalization; 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; terrorism; hostage taking; local drug gang activities; military repression; expropriation and nationalization; 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. The realization of any of these risks could materially adversely affect the Corporation's business, results of operations or financial condition.

In addition, any limitation on the transfer of cash or other assets between the Corporation and its Peruvian subsidiaries through which the Pecoy Project is held and operated could restrict the Corporation's ability to fund its operations efficiently which could, in turn, materially adversely affect the Corporation's business, results of operations or financial condition.

Political risks in Peru

Peru is currently subject to political instability, including as a result of the recent presidential and ministerial turnover. Instability, changes and uncertainties may cause changes to existing governmental regulations affecting mineral exploration and mining activities, as well as changes in the interpretation of existing regulations or stricter enforcement of such regulations. The Corporation cannot guarantee that political instability or future regulatory changes will not materially adversely affect the Corporation's business, results of operations or financial condition.

Peru's status as a developing country may make it more difficult for the Corporation 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 Corporation and may materially adversely affect the Corporation's business, results of operations or financial condition.

Mining companies are required to pay the Peruvian government mining royalties and/or mining taxes. The Corporation 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 Corporation's business, 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 Corporation relies on local legal counsel and local consultants and advisors in respect of, among other things, 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 Corporation with its governmental relations. Failure to comply with all material legal and regulatory requirements may lead to the revocation of certain rights, penalties or fees, which, in turn, may materially adversely affect the Corporation's business, results of operations or financial condition.

Title to the Corporation's mineral property

While the Corporation has reviewed the title to the mining concessions of the Pecoy Project and, to its knowledge, such title is in good standing, the mining concessions comprising the Pecoy Project were assembled through multiple transactions over time and there is no guarantee that title to such concessions will not be challenged or impugned. The acquisition and maintenance of title to mineral property is a detailed and time-consuming process, and the concessions in which the Corporation holds an interest, including those comprising the Pecoy Project, may be subject to prior unregistered agreements, transfers, liens or claims, and title may be affected by undetected defects or by the prior activities of previous owners or operators. Any challenge to title to the Corporation's mineral properties, including the Pecoy Project, or the imposition of any registration, security, caveat, charge, pledge, mortgage or lien thereupon may materially adversely affect the Corporation's business, results of operations or financial condition.

Maintaining the concession licenses in Peru requires renewing the licenses on June 30 each year with a payment (land taxes) previously established by the government according to the number of hectares. Land taxes can be deferred for up to one year, with payment for the year plus a penalty which is due by June 30 the following year. If no payment is made, the title to the concession is canceled and the ground becomes available for new concession applications. If there is more than one applicant for the concession, it goes to auction. Therefore, failure by the Corporation to renew the concession licenses in respect of the Pecoy Project or any of its other properties and pay the related land taxes in a timely manner could result in the loss of mining concessions, which could, in turn, materially adversely affect the Corporation's business, results of operations or financial condition.

Community and social risks in Peru

The Corporation's projects and properties are 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 Corporation's relationships with such groups will be or will remain 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 Corporation'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 materially adversely affect the Corporation's business, results of operations or financial condition. There may be illegal miners in the area covered by the Pecoy projects and properties' mining concessions. Illegal mining has affected mining operations in Peru and could potentially expose the Corporation to business interruptions, damage to its assets and injuries to its personnel which could, in turn, materially adversely affect the Corporation's business, results of operations or financial condition.

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 Corporation's operations in respect of one or more of the Corporation's properties, regardless of the Corporation's successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Corporation has an interest or the Corporation's operations specifically. Resistance or unrest in connection with the Corporation's Peruvian operations, could materially adversely affect the Corporation's business, results of operations or financial condition.

Environmental regulations, permits and licenses

The Corporation'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 the potential to reduce the profitability of operations. The Corporation intends to comply fully with all environmental regulations. The current or future operations of the Corporation, including exploration activities, development activities and commencement of production on its properties, require permits from governmental authorities at various levels, 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.

Further, pre-existing environmental liabilities may exist on the Pecoy Project or other properties in which the Corporation currently holds an interest or on properties that may be subsequently acquired by the Corporation which are unknown, and which have been caused by previous or existing owners or operators of the properties. In such event, the Corporation could be required to remediate these properties and the costs of remediation could be substantial. Further, in such circumstances, the Corporation may not be able to claim indemnification or contribution from other parties. In the event the Corporation is required to undertake and fund significant remediation work, such event could materially adversely affect the Corporation's business, results of operations or financial condition.

The Corporation's operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require the Corporation to obtain permits, licenses or other authorizations from various governmental agencies. There can be no assurance, however, that all permits, licenses and authorizations required in connection with the Corporation's exploration or development activities or future operations will be obtained, amended or renewed on a timely basis, on acceptable terms or at all, or that permits, licenses and authorizations already granted will not be suspended or revoked or made subject to conditions that impose material restrictions on the Corporation's activities. Failure to obtain, maintain or renew necessary permits, licenses or authorizations, in a timely manner and upon satisfactory terms, or at all, may materially adversely affect the Corporation's business, results of operations or financial condition.

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 Corporation and cause increases in capital expenditures or production costs or require abandonment or delays in development of new mining properties.

Metal prices are volatile

There can be no assurance that metal prices will be such that the Corporation's properties can be mined at a profit. Factors beyond the control of the Corporation 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 Corporation's principal products and exploration targets, copper, is affected by various factors, including political events, economic conditions and production costs.

Health and safety

The Corporation's activities are subject to laws and regulations governing occupational health and worker safety, which may become more complex and stringent or the subject of stricter interpretation or enforcement, and any failure to comply with applicable regulations or requirements may result in significant liabilities, suspended operations and increased costs. Site safety and occupational health outcomes are a critical element of the Corporation's reputation and of its ability to maintain its relationships with local communities and governmental authorities. Mining and mineral exploration are inherently dangerous activities and injuries, including occasional fatalities, are not uncommon in the industry. Notwithstanding the precautionary measures taken by the Corporation, including the early identification of risks, investment in equipment, training and the enforcement of safety policies, inherent safety risks remain, and it takes substantial time and resources to maintain and update standard operating procedures and safety plans. The occurrence of a serious accident, a fatality or a series of such incidents could result in investigations, costs, downtime, a long-term impact on the morale of the Corporation's personnel, reputational harm and legal liability, any of which may materially adversely affect the Corporation's business, results of operations and financial condition.

Lack of availability of resources

Mining exploration requires ready access to mining equipment such as drills, and personnel to operate that equipment. The Corporation's ability to advance drilling and other exploration activities or perform or commence new projects may be adversely affected if the Corporation has difficulty securing adequate supplies of mining equipment at appropriate prices or if the quality of available equipment is not acceptable or suitable for the Corporation's purposes. Mining equipment may also require maintenance, repair or replacement over time, and actual maintenance and repair costs may be higher than estimated, may be required earlier than anticipated, or may arise unexpectedly as a result of operational failure requiring unplanned maintenance expenditures. In addition, the cost of new or replacement equipment and related supplies may increase. There can be no assurance that such resources will be available to the Corporation on a timely basis or at a reasonable cost. Failure to obtain, maintain or replace these resources or the personnel to operate them when needed may result in delays in the Corporation's exploration and/or development programs which, in turn, may materially adversely affect the Corporation's business, results of operations or financial condition.

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 unusual or unexpected geological formations or geotechnical conditions or formations, slope failures, rock falls, unanticipated ground and water conditions, environmental hazards (including hazards relating to the discharge of pollutants), industrial accidents, labour force disruptions, health crises (including epidemics or pandemics), adjacent or adverse land or mineral ownership rights or claims that may result in constraints on current or future mining operations, availability of materials and equipment, equipment failures, cave-ins, seismic activity, fire, power interruptions, explosions and natural phenomena and "acts of God" such as inclement weather conditions, floods, earthquakes or other conditions, any of which could result in, among other things, damage to, or destruction of, the Corporation's mineral properties or facilities, personal injury or death, environmental damage, unexpected delays in activities, limited mine site access, reputational loss and possible legal liability. The realization of any of these risks may materially adversely affect the Corporation's business, results of operations or financial condition.

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 materially adversely affect the Corporation's business, results of operations or financial condition.

Prices of power and water supplies

The Corporation's ability to obtain secure supplies of power and water at reasonable costs at the Corporation'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 Corporation's control. While electricity required for current exploration activities is generated on site, the Corporation has not secured a source of electricity sufficient for a full-scale mining operation. Potential future power alternatives include regional grid infrastructure and other power sources; however, available capacity, required infrastructure, costs and permitting requirements have not yet been established. Further evaluation will be required as the Pecoy Project advances. The Corporation may not be able to obtain secure and sufficient supplies of power and water at reasonable costs at any of the Corporation's mineral projects and the failure to do so could have a material adverse effect on the Corporation's ability to explore, develop and operate a mine, which could, in turn, materially adversely affect the Corporation's business, results of operations or financial condition.

Labour and employment relations in Peru

Competition for skilled employees in the resource sector results in employee turnover at the Corporation'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. Evolving technology and increasing automation may impact the skill mix required and the Corporation 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 Corporation 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 Corporation carries on business. Labour in Peru is customarily unionized and there are risks that labour unrest or wage agreements may adversely impact the Corporation’s operations. Changes in employment legislation or otherwise in the Corporation’s relationship with the Corporation’s employees may result in higher ongoing labor costs, employee turnover, strikes, lockouts or other work stoppages, any of which could materially adversely affect the Corporation’s business, results of operations or financial condition.

Reliance on key personnel

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

Reliance on outside consultants and contractors

The Corporation relies, and expects to continue to rely, upon outside consultants, contractors and other third parties for drilling, geological, metallurgical, environmental and engineering expertise, for the management of local stakeholder relations, and for transportation, logistics, camp operations and other services in support of its exploration activities. Substantial expenditures are required in order to conduct exploration activities and, as applicable, establish mineral resources through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes and to develop exploration and plant infrastructure. The loss of access to existing consultants or contractors, or the inability to engage suitably qualified consultants, contractors or personnel to address new areas of need, could materially impact the Corporation’s ability to carry out its exploration and development activities. If the work of such parties is deficient or negligent, or is not completed in a timely manner, or if a contractor or service provider becomes insolvent, defaults on performance or terminates its engagement, the Corporation may not realize the full value of the relevant arrangement and its exploration and development programs may be delayed or curtailed, any of which could materially adversely affect the Corporation’s business, results of operations and financial condition.

Cybersecurity and information technology systems

The Corporation relies on the effective and efficient operation of information technology, software systems, communications technology and other systems and equipment for its operations, including technology and systems provided by third parties. If any of these systems, software or technologies failed to operate effectively, or new system implementations or significant upgrades are required, the Corporation could suffer interruption to its services and loss of data which could lead to financial loss and damage to its reputation. This may be as a result of issues including hardware, software or system failures, computer viruses, third-party service failures, cyber-attacks or other cyber incidents. There can be no assurance that the Corporation’s insurance or other risk management measures would be sufficient to cover all losses or business interruptions resulting from any such event, and any such event may materially adversely affect the Corporation’s business, results of operations or financial condition.

Impacts of climate change

Climate change is an international and community concern which may directly or indirectly affect the Corporation’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 Corporation’s activities at its mineral projects, and to delay or cease operations at any future mine. This may require the Corporation to make additional expenditures to mitigate the impact of such events, which may materially and adversely increase the Corporation’s costs and/or reduce production at any 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 impact the Corporation's ability to commence or continue exploration and future development and mining operations and could otherwise materially adversely affect the Corporation's business, results of operations or financial condition. In addition, climate change is perceived as a threat to communities 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 Corporation's operations may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

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 materially adversely affect the Corporation's business, results of operations or financial condition.

Competition

The mining industry is intensely competitive in all its phases, and the Corporation competes with other companies that have greater financial resources and technical facilities. Among other matters, the Corporation may from time to time compete with numerous other companies and individuals to retain qualified personnel, suitable contractors for drilling operations, technical and engineering resources, and necessary exploration and mining equipment, and the Corporation may in the future compete with other companies and individuals in the search for and the acquisition of attractive copper mineral properties. This competition may increase costs, reduce the availability of necessary resources, limit the Corporation's ability to acquire additional properties or prospects and otherwise materially adversely affect the Corporation's business, results of operations or financial condition.

Global financial conditions and geopolitical events

The occurrence of epidemic outbreaks, boycotts, and conflicts and other geopolitical events, such as ongoing conflicts in the Middle East and between Russia and Ukraine, trade protection measures like tariffs and import and export restrictions (including tariffs imposed on foreign imports into the United States as well as measures adopted by other countries in retaliation thereof), tensions between China and other countries, or the occurrence of similar disruptions, could materially adversely affect the Corporation's business, operating results or financial condition. Some of these events have resulted and could result in additional increases in energy and fuel prices, shutdowns or outages at the Corporation's facilities, temporary lack of an adequate workforce, temporary or long-term disruption in the supply of raw materials, equipment and product parts required to conduct business, or disruption to the Corporation's information systems. The Corporation may incur expenses or delays relating to such events outside of its control, which could materially adversely affect its business, operating results and financial condition.

Overall, trade policy restrictions create financial uncertainty for companies, disrupt trade relationships, and put downward pressure on economic growth. 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 as well as the Corporation's business, results of operations or financial condition.

Recent global financial conditions have been characterized by volatility, instability, inflationary pressures, higher interest rates and supply chain disruption. These conditions may reduce liquidity, increase credit risk premiums, limit access to public financing and make it more difficult or expensive for the Corporation to obtain equity or debt financing on favourable terms or at all. Commodity price volatility and global economic uncertainty may also affect investor perceptions of copper and other mineral exploration companies, which could reduce the market price of the Common Shares and impair the Corporation's ability to fund its operations and activities. In addition, inflationary pressures, trade restrictions, sanctions, logistics constraints and geopolitical instability may increase the cost or reduce the availability of fuel, energy, consumables, equipment, supplies, labour, transportation and other inputs required for mineral exploration and project development. Any prolonged deterioration in global financial conditions, weakening in commodity prices, reduction in financing availability, disruption to supply chains or decline in investor demand for mineral exploration issuers may materially adversely affect the Corporation's business, results of operations or financial condition.

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 in 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 which could, in turn, materially adversely affect the Corporation's business, results of operations or financial condition.

Currency fluctuations

The Corporation's reporting currency is the Canadian dollar. The majority of the Corporation's exploration and other expenses are in United States dollars and Peruvian Soles. Fluctuations in foreign exchange rates, such as the appreciation of the United States dollar against the Canadian dollar and Peruvian Sol, can increase the Corporation's costs, including in respect of exploration and development activities. Metal prices generally being quoted in United States dollars, may result that the Corporation's future revenues, if any, being exposed to exchange rate movements. The Corporation does not currently maintain a currency hedging policy and does not have any hedges in place and, accordingly, has no protection from adverse currency movements. Such fluctuations may materially adversely affect the Corporation's business, results of operations or financial condition.

Risk of litigation

The Corporation may be or become involved in disputes with other parties in the future which may result in litigation. Further, securities class action litigation has often been brought against companies following a period of volatility in the market price of their securities or a decline in that market price. The Corporation may in the future be the target of similar litigation.

The results of any litigation cannot be predicted with certainty and the defence of such claims, even claims that are without merit, could result in substantial costs and damages and divert the attention and resources of management from the conduct of the Corporation's business, any of which could materially adversely affect the Corporation's business, results of operations or financial condition.

Difficulty in enforcement of judgments

A substantial portion of the assets of the Corporation are located outside of Canada. As a result, it may not be possible for investors in the securities of the Corporation to collect on judgments obtained in courts in Canada predicated upon the civil liability provisions of applicable Canadian securities laws. Further, certain directors or officers of the Corporation reside outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against its directors or officers who reside outside of Canada, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws, and it may also not be possible to satisfy a judgment against such persons in Canada. In addition, it may not be possible for shareholders to effect service of process against the Corporation's directors or officers who reside outside of Canada. It may also be difficult for an investor, or any other person or entity, to assert Canadian securities law claims or otherwise in original actions instituted in Peru. Courts in Peru may refuse to hear a claim based on a violation of Canadian securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a court in an international jurisdiction agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by the law in the relevant international jurisdiction.

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 Corporation has a limited history of operations. In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Corporation's certifying officers, as a venture issuer, are not required to make representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers of the Corporation are not required to make any representations that they have: (i) designed, or caused to be designed, DC&P to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (ii) designed, or caused to be designed, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Anti-corruption and anti-bribery laws

The Corporation may be impacted by anti-bribery, anti-corruption, and related business conduct laws. Anti-bribery and anticorruption laws in Peru, Canada and other jurisdictions where the Corporation conducts business prohibit companies and their intermediaries from making improper payments for the purposes of obtaining or retaining business or other commercial advantages. The Corporation's policies mandate compliance with these laws, the failure of which often carry substantial penalties. There can be no assurances that the Corporation's internal control policies and procedures will always protect it from inappropriate acts committed by the Corporation's affiliates, employees, or agents. Violations of these laws, or allegations of such violations, could harm the Corporation's reputation and could materially adversely affect the Corporation's business, results of operations or financial condition.

Market price of the shares of the Corporation

Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Other factors unrelated to the Corporation's performance that may have an effect on the price of the Common Shares include the following: volatility in the market price and trading volume of comparable companies; actual or anticipated changes or fluctuations in the Corporation's operating results or in the expectations of market analysts; short sales, hedging and other derivative transactions in the Corporation's Common Shares; publication of research reports or news stories about the Corporation, its competitors or its industry; litigation or regulatory action against the Corporation; positive or negative recommendations or withdrawal of research coverage by securities analysts; adverse market reaction to any indebtedness it may incur or securities it may issue in the future; investors' general perception of the Corporation's and the public's reaction to its press releases, other public announcements and filings with securities regulators; changes in general political, economic, industry and market conditions and trends; sales of the Corporation's Common Shares by existing shareholders; recruitment or departure of key personnel; significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors; and the other risk factors described herein. As a result of any of these factors, the market price of the Corporation's Shares at any given point in time may not accurately reflect the Corporation's long-term value.

In addition, broad market and industry factors may harm the market price of the Corporation's Common Shares. Hence, the price of the Corporation's Common Shares could fluctuate based upon factors that have little or nothing to do with it, and these fluctuations could materially reduce the price of the Corporation's Common Shares regardless of the Corporation's operating performance. In the past, following a significant decline in the market price of a company's securities, there have been instances of securities class action litigation having been instituted against that company. If the Corporation is involved in any similar litigation, it could incur substantial costs, its management's attention and resources could be diverted and the Corporation's business, results of operations and financial condition could be materially adversely affected.

Future sales of the Corporation's securities

The Corporation expects that it will require additional financing in the future to fund research and development programs. The Corporation cannot predict the size of future issuances of shares of the Corporation or the issuance of debt instruments or other securities convertible into shares. Likewise, the Corporation cannot predict the effect, if any, that future issuances and sales of the Corporation's securities will have on the market price of its shares. If the Corporation raises additional funds by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. In addition, any exercise by existing warrantholders of their right to acquire Common Shares of the Corporation will dilute the ownership interests of the Corporation's then-existing shareholders. In addition, any sales by a warrantholder in the public market of any shares issuable upon the exercise of their warrants could adversely affect prevailing market prices of the Corporation's Common Shares. Sales of a substantial number of the Corporation's Common Shares in the public market, or the perception that such sales could occur, may adversely affect prevailing market prices for the Corporation's Common Shares.

Dividend policy

No dividends on the Corporation's Common Shares have been paid by the Corporation to date. Investors in the Corporation's securities cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Consequently, investors may need to rely on sales of their shares after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

Securities or industry analysts

The trading market for the Corporation's Common Shares could be influenced by the research and reports that industry or securities analysts may publish about the Corporation, its business, the market or its competitors. The Corporation does not have any control over these analysts and cannot provide any assurance that analysts will cover the Corporation or provide favourable coverage. If any of the analysts who cover the Corporation adversely change their recommendation regarding the Common Shares, or provide more favourable relative recommendations about the Corporation's competitors, the market price of the Common Shares would likely decline. If any analyst who covers the Corporation were to cease coverage or fail to publish reports on a regular basis, the Corporation could lose visibility in the financial markets, which in turn could cause the market price or trading volume of the Common Shares to decline.

Conflicts of interest

Certain of the directors and officers of the Corporation 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 such directors and officers involving the Corporation is to 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 Corporation 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 Business Corporations Act (British Columbia) and other applicable laws.

Shareholder activism

In recent years, publicly traded companies, including in the mining sector, have increasingly been subject to actions, demands or grievances from activist shareholders, including short sellers, relating to environmental, social and governance (ESG) issues, executive compensation practices, fiduciary duties of directors and officers and strategic direction and operations, among other matters. Responding to these demands may be costly and time-consuming and may disrupt business operations, divert management and employee attention or present other legal and business challenges that could materially adversely affect the Corporation's business, reputation or financial results. Moreover, such investor activism could result in uncertainty of the direction of the Corporation, harm the business, hinder execution of the business strategy and initiatives and create adverse volatility in the market price and trading volume of the Corporation's securities.

Additional Information

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