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**MADORO METALS CORP.**

**Management Discussion & Analysis  
Form 51-102F1**

**As at and for the nine months ended November 30, 2025**

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January 28, 2026

## **OVERVIEW**

The head office, and principal address of the Company is Suite 1450, 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2. The Company's registered and records address is at the corporate solicitor's office, Fasken Martineau DuMoulin LLP, 2900 – 550 Burrard Street, Vancouver, BC, V6C 0A3.

The following management discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Madoro Metals Corp. (the "Company") and should be read in conjunction with the Company's unaudited consolidated financial statements for the nine months ended November 30, 2025 and audited financial statements for the year ended February 28, 2025; including the notes thereto (the "Financial Statements"), copies of which are filed on the SEDAR+ website: [www.sedarplus.ca](http://www.sedarplus.ca).

All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

The financial information in this MD&A is derived from the Company's Financial Statements prepared in accordance with IFRS. Information provided in this MD&A, including financial information extracted from the Financial Statements, is the responsibility of management. This MD&A may contain forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Accordingly, actual results may differ materially from the expected results.

## **DESCRIPTION OF THE COMPANY'S BUSINESS**

Madoro Metals Corp. (the 'Company'), incorporated in British Columbia on September 24, 1984, is an exploration stage public company primarily listed and trading on the TSX Venture Exchange (trading symbol "MDM"), and quoted and trading on the OTC Markets in USA (trading symbol "MSTXF") and the German exchanges and quotation systems (under WKN: "A2QQ1X"). The Company is assessing its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves and confirmation of the Company's interest in the underlying properties, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under mineral property agreements and to complete the development of the properties, and upon future profitable production or the sale thereof.

The Company is listed as a Tier 2 mining exploration issuer. The Company is primarily engaged in the acquisition, exploration and development of mineral properties in Canada. As at November 30, 2025, the Company had no revenue producing operations and had an accumulated deficit of \$7,661,007 (February 28, 2025 - \$7,466,506). As at November 30, 2025, the Company had working capital of \$1,297,795 (February 28, 2025 - \$1,537,151).

The Financial Statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company were exclusively funded by the issuance of share capital. The issuance of additional equity securities by the Company may result in significant dilution of the equity interests of current shareholders. The Company's future capital requirements will depend on many factors, including operating costs, the current capital market environment and global market conditions.

## **GOING CONCERN**

The Company's ability to continue as going concern is dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These Financial Statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of the financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

## **OVERALL PERFORMANCE**

### **MINERAL INTERESTS**

#### **FIRST GREEN Mineral Project, Quebec, Canada:**

On January 31, 2023, the Company entered into an option agreement, subsequently amended, with South Shore Partnership Inc. ("South Shore") to acquire an undivided 100% right, title and interest in and to the First Green Mineral Project. Pursuant to the option agreement, the Company will make cash payments of \$165,000 and issue 6,000,000 shares based on the following schedule:

- (i) \$21,000 (paid) and 750,000 shares (issued for a total value of \$45,000).
- (ii) \$18,000 (paid) and 1,650,000 shares (issued for a total value of \$41,250).
- (iii) \$18,000 (paid), due on July 31, 2024.
- (iv) \$15,000 (paid) and 1,500,000 shares (issued for a total value of \$45,000) on or before January 31, 2025.
- (v) \$15,000 (paid) on or before August 31, 2025.
- (vi) \$60,000 and 2,100,000 shares on or before January 31, 2026 (issued and paid).
- (vii) \$18,000 on or before January 31, 2027.

The Company would need to complete aggregate expenditures of \$800,000 as follows:

- (i) incur \$50,000 of exploration expenditures by January 31, 2024 (incurred).
- (ii) incur \$28,634 of exploration expenditures by January 31, 2025 (incurred).
- (iii) incur \$146,366 of exploration expenditures by January 31, 2027.
- (iv) incur \$575,000 of exploration expenditures on or before January 31, 2028.

Pursuant to the agreement, upon exercise of the option, the Company will assign a 2% Net Smelter Returns Royalty ("NSR") to South Shore.

The Company also paid \$17,500 in cash as finder fees to a third-party consultant to identify and then close the option agreement of First Green. The amount has been recorded as the cost of acquisition.

The Company has started a prospecting and sampling program on the First Green property. During the prior year, the Company announced that it had discovered a swarm of lithium-bearing pegmatite dykes in the central part of the property. Analyses of five samples from the dykes also showed elevated levels of pathfinder elements and significantly low potassium/rubidium ratios.

#### **RALLEAU Mineral Project, Quévillon, Quebec:**

The Ralleau Mineral Project is located within the Abitibi greenstone belt approximately 40 km east of Quévillon, Quebec. Previous mapping and sampling have identified anomalous Cu-Zn Volcanogenic Massive Sulphide (VMS) style mineralization and alteration on the property. Several untested airborne INPUT geophysical

anomalies occur within felsic volcanic rocks from which anomalous base metal values have been returned in surface sampling.

From 2006 to 2010, the Company has completed the following exploration work in several successive programs:

- 75 km of line cut grid
- ground magnetic and deep EM surveys
- 1,545.7 meters (5 holes) of diamond drilling
- trenching and channel sampling
- 1,457-line km of helicopter-borne VTEM Survey spaced at 75-meter intervals that identified a total of forty-nine anomalies of which eight were classified as Priority One
- Preliminary ground-proofing of VTEM anomalies together with minor mapping and prospecting

On April 5, 2017, the Company entered into an option agreement with Revelation Minerals Inc. (formerly DeepRock Minerals Inc.) on the Company's wholly owned Ralleau Mineral Project. Under the terms of the option agreement and amendments, Revelation will be deemed to have exercised its option to acquire a 50% interest in the project by making a payment of \$75,000 in cash, issuing 1,400,000 common shares to the Company and incurring exploration expenditures of \$250,000. During fiscal 2022, Revelation Minerals Inc. met all its obligations and acquired a 50% interest in the project.

During May 2025, the Company decided to discontinue work on the property and wrote-off \$36,873 of exploration and evaluation costs during the year ended February 28, 2025.

### **CERRO MINAS Mineral Project, Oaxaca, Mexico**

On October 16, 2019, the Company entered into an Option Agreement with Gunpoint Exploration Ltd. ("Gunpoint") and Gunpoint's subsidiary, Minera CJ Gold S.A. de C.V. ("CJ Gold"), whereby the Company, through its subsidiary, Minera Mazateca, may acquire a 100% interest in the Cerro Minas mineral concession located in the state of Oaxaca, Mexico (the "Property"). The Company has earned the 100% interest in the Property by paying Gunpoint US\$100,000 and issuing 800,000 common shares.

Gunpoint retains a 1.5% Net Smelter Returns Royalty on the Property, of which the Company may purchase, at any time, 0.5% for US\$1,000,000.

The Cerro Minas Mineral Project contains multiple areas of polymetallic (Au-Ag-Cu-Pb-Zn) skarn mineralization as documented in previous work by Gunpoint Exploration Ltd and visually confirmed by the Company prior to entering into the aforementioned agreement.

## **RESULTS OF OPERATIONS**

### *Three months ended November 30, 2025*

The Company had a net and comprehensive loss of \$33,603 for the three months ended November 30, 2025 (2024 – income of \$1,645,949). The following significant fluctuations period over period were:

- i) Accounting and audit fees of \$10,413 (2024 - \$18,598).
- ii) Consulting fees of \$19,500 (2024 - \$7,500). The increase is primarily due to consulting fees paid to a director for services rendered.
- iii) Legal fees of \$6,597 (2024 – \$35,544).
- iv) Unrealized gain on marketable securities of \$35,600 (2024 – \$2,225).

Nine months ended November 30, 2025

The Company had net and comprehensive loss of \$194,501 for the nine months ended November 30, 2025, (2024 –income of \$1,451,978). The following significant fluctuations period over period were:

- i) Consulting fees of \$58,500 (2024 - \$22,500). The increase is primarily due to consulting fees paid to a director for services rendered.
- ii) Legal fees on foreign exchange of \$36,194 (2024 - \$55,013).
- iii) Unrealized gain on marketable securities of \$46,975 (2024 – loss of \$13,550).

**SUMMARY OF QUARTERLY FINANCIAL RESULTS**

The Company's operating results from the last eight quarters are summarized as follows:

	Three-months ended			
	November 30, 2025	August 31, 2025	May 31, 2025	February 28, 2025
Net and comprehensive loss	\$ (33,603)	\$ (79,436)	\$ (81,522)	\$ (180,324)
Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
	Three-months ended			
	November 30, 2024	August 31, 2024	May 31, 2024	February 29, 2024
Net and comprehensive (loss) income	\$ 1,645,949	\$ (154,227)	\$ (39,744)	\$ (1,005,071)
(Loss) income per share	\$ 0.02	\$ (0.00)	\$ (0.00)	\$ (0.00)

Net and comprehensive income for the three-month period ended November 30, 2025 was \$33,603 compared to \$79,436 for the three-month period ended August 31, 2024. The decrease in net loss in the current year is related to gains on marketable securities as a result in adjusting the fair value at quarter end.

Net and comprehensive loss for the three-month period ended August 31, 2025 was \$79,436 compared to \$81,522 for the three-month period ended August 31, 2024. The differences quarter over quarter were insignificant.

Net and comprehensive loss for the three-month period ended May 31, 2025 was \$81,522 compared to loss of \$180,324 for the three-month period ended February 28, 2025. The significant differences quarter over quarter consisted of:

- i) Accounting and audit fees decreased by \$40,036 as a result of the timing of the audit fees incurred.
- ii) Impairment on Ralleau Project of \$36,873 on the quarter ended February 28, 2025.

Net and comprehensive loss for the three-month period ended February 28, 2025 was \$180,324 compared to income of \$1,645,949 for the three-month period ended November 30, 2024. The significant differences quarter over quarter consisted of gain on recovery of mineral property costs of \$Nil compared to \$1,698,936 in the comparative quarter (see Court Order details below).

Net and comprehensive income for the three-month period ended November 30, 2024 was \$1,645,949 compared net comprehensive loss to \$154,227 for the three-month period ended November 30, 2024. The significant differences quarter over quarter consisted of:

- i) Legal fees decreased by \$26,003 as a result of the Court Order in the comparative quarter.
- ii) Transfer agent and filing costs decreased by \$2,018.

Net and comprehensive loss for the three-month period ended November 30, 2024 was \$154,227 compared to \$39,744 for the three-month period ended May 31, 2024. The significant differences quarter over quarter consisted of:

- i) Legal fees increased by \$25,616 compared to the comparative quarter as a result of the Court Order.
- ii) Property investigation increased by \$21,637.
- iii) Unrealized loss on marketable securities increased by \$64,975.

Net and comprehensive loss for the three-month period ended May 31, 2024 was \$39,744 compared to \$1,005,071 for the three-month period ended February 29, 2024. The significant differences quarter over quarter consisted of:

- i) Impairment of the Yautepec property of \$1,046,086 during the quarter ended February 29, 2024.
- ii) Gain on Court Order of \$150,000 relating to the return of 6,000,000 shares of the Company to treasury during the quarter ended February 29, 2024.
- iii) Legal fees increased compared to the comparative quarter as a result of the Court Order.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at November 30, 2025, the Company had net working capital of \$1,297,795 (February 28, 2025 – \$1,537,151) and cash and cash equivalents of \$1,250,454 (February 28, 2025 - \$1,515,663).

During the period from March 1, 2025 to January 28, 2026, the Company:

- i) issued 1,500,000 common shares valued at \$45,000 pursuant to the option agreement with respect to the First Green project.

## **CASH FLOW ACTIVITIES**

### *Nine months ended November 30, 2025:*

During the period ended November 30, 2025, cash used in operating activities was \$226,419 as compared to cash provided of \$1,520,719 during the period ended November 30, 2024. The change in cash flows from operating activities as compared to the prior year was primarily due to gains relating to the court order.

Cash used in investing activities during the period ended November 30, 2025 was \$38,790, compared to \$47,531 during the period ended November 30, 2024. The amounts consist of exploration and evaluation expenditures primarily incurred on the Company's First Green property.

Cash provided by financing activities during the period ended November 30, 2025 was \$Nil, compared to \$305,000 during the period ending November 30, 2024. The financing activities during the fiscal 2025 consisted of cash received for the private placement.

## **OUTSTANDING SHARE DATA**

At January 28, 2026, there were 91,046,716 common shares outstanding.

Stock options outstanding at January 28, 2026 consisted of 2,850,000 stock options exercisable at \$0.08 until December 9, 2025.

Warrants outstanding at January 28, 2026 consisted of 7,625,000 warrants exercisable at \$0.05 until May 16, 2026.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements as at November 30, 2025 or as of the date of this report.

## **TRANSACTIONS WITH RELATED PARTIES**

During the period ended November 30, 2025 and 2024, the Company entered into the following transactions with related parties:

	Nine months period ended	
	November 30, 2025	November 30, 2024
Expenses paid or accrued to directors of the Company, senior officers and companies with common directors:		
Management fees – CEO	\$ 36,000	\$ 36,000
Management fees – CFO	22,500	17,500
Director fees – directors	18,000	-
Consulting fees – directors	36,000	-
Professional fees – CFO's partnership	22,500	17,500
Professional fees – company controlled by the former CFO	-	4,057
	\$ 113,000	\$ 75,057

The following amounts due to related parties are for amounts due to directors and officers. The balances are unsecured, non-interest bearing and have no specific terms for repayment.

	Due to related parties	
	As at November 30, 2025	As at February 28, 2025
Directors	\$ 14,665	\$ 8,000
Partnership in which the CEO has an interest	\$ 5,250	-

## **CRITICAL ACCOUNTING ESTIMATES**

For a detailed summary of the Company's significant accounting estimates, the readers are directed to Note 3 of the consolidated financial statements that are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the Financial Statements that are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **RISKS AND UNCERTAINTIES**

The Company believes that the following risks and uncertainties may materially affect its success.

### **Limited Operating History**

The Company has no history of business or mining operations, revenue generation or production. The Company was incorporated on September 24, 1984, and has yet to generate a profit from its activities. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

## **Exploration, Development and Operating Risks**

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations, there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods is tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered would result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

## **Fluctuating Mineral Prices**

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, and variations in the grade of minerals explored. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

## **Regulatory Requirements**

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, 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 exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

## **Financing Risks and Dilution to Shareholders**

The Company will have limited financial resources, no operations and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

## **Title to Properties**

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot guarantee that title to the properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company, as the case may be, does not have title to the properties could cause the Company to lose any rights to explore, develop and mine any minerals on those properties, without compensation for its prior expenditures relating to such properties.

## **Competition**

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

## **Reliance on Management and Dependence on Key Personnel**

The success of the Company will be largely dependent upon the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these people may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

## **No Mineral Reserves or Mineral Resources**

The properties in which the Company holds an interest are considered to be early exploration stage properties and no mineral reserve or mineral resource estimates have been prepared in respect of the properties. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

## **Environmental Risks**

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that drill holes and facility sites be operated, maintained, abandoned and/or reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

## **Governmental Regulations and Processing Licenses and Permits**

The activities of the Company are subject to Canadian and provincial approvals, various laws governing prospecting, development, land resumptions, production taxes, labor standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and

regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

### **Local Resident Concerns**

Apart from ordinary environmental issues, work on, or the development and mining of, the properties could be subject to resistance from local residents that could either prevent or delay exploration and development of the properties.

### **Conflicts of Interest**

Certain directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

### **Uninsurable Risks**

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company shares. The Company does not intend to maintain insurance against environmental risks.

### **Litigation**

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

### **FORWARD-LOOKING STATEMENTS**

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of exploration activities; requirements for additional capital; government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes or other risks of the mining industry; delays in obtaining government approvals or financing or incompletion of development or construction activities, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially

different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

## **MANAGEMENT'S REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING**

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited consolidated financial statements and the audited annual consolidated financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in NI 52-109.

## **FINANCIAL INSTRUMENTS AND RISKS**

### **Fair Values**

Per IFRS 7, a three-level hierarchy that reflects the significance of inputs used in making fair value measurements is required. The three levels of fair value hierarchy are as follows:

- a) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- b) Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- c) Level 3 – Inputs for assets or liabilities that are not based on observable market data.

### **Financial Instrument Risks**

The following table outlines the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy described above. Assets and liabilities are classified in entirety based on the lowest level of input that is significant to the fair value measurement.

Financial Instruments	As at November 30, 2025		As at February 28, 2025
Cash and cash equivalents	\$ 1,250,454	\$ 1,515,663	
Amounts receivable	11,580	11,532	
Marketable securities	92,125	45,150	
Total current liabilities	(62,257)	(40,921)	
Total	\$ 1,291,902	\$ 1,531,424	

The Company's marketable securities are valued using quoted market prices in active markets for identical assets, and therefore are classified as Level 1.

The fair value of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities and due to related parties approximates their carrying values due to their short term to maturity.

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

#### *Credit risk*

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash, cash equivalents and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at November 30, 2025, the Company had net working capital of \$1,297,795 (February 28, 2025 – \$1,537,151). The payment terms for accounts payable and accrued liabilities from vendors are generally 30 days or due on receipt.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company's marketable securities bear market price risk. The maximum exposure to this risk is equal to the carrying value of the investment.

#### *Interest rate risk*

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. The Company has no significant interest rate risk.

#### *Foreign currency risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company has no significant foreign currency rate risk.

## **OTHER MATTERS**

### **Court Order**

During the year ended February 28, 2023, the Company filed a Notice of Civil Claim in the Supreme Court of British Columbia ("the Court") against the optionors of the Rama de Oro, Yautepec and Magdalena properties in Mexico seeking to enforce the Company's rights under the option agreements, including specific performance of option agreements, damages, costs, and other relief. The claim was based on the Company's belief that it was in compliance with the terms of the agreements, despite receiving written notices of termination due to lack of work expenditure within the specified option periods.

Subsequently, the Company filed a Notice of Application in the Supreme Court of British Columbia seeking an order for damages for breach of contract and misrepresentation rather than for specific performance of the option agreement, as well as for the cost of the Application and pre-judgment interest.

During the year ended February 29, 2024, the Company received a Court Order issuing a judgment against the optionors, as requested in the Application. The 6,000,000 shares of the Company issued under the option agreements were returned to treasury. The shares had a fair value of \$150,000 and were recorded as a recovery.

During the year ended February 28, 2025, the Company collected \$\$1,698,936 which, along with the 6,000,000 shares returned to treasury in fiscal 2024, represents the full satisfaction of amounts awarded by the Court.

### **Contingent Liabilities**

At the date of this report, management was unaware of any outstanding contingent liability relating to the Company's activities.

### **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Detailed listings of general and administrative expenses and exploration expenditures are provided in the Financial Statements of the Company.

### **OTHER REQUIREMENTS**

Additional disclosure of the Company's material documents, information circular, material change reports, new release, and other information can be obtained on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).