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FREDONIA MINING INC

FREDONIA MINING INC.

Interim Management's Discussion & Analysis
For the three and nine months ended June 30, 2026

This Interim Management Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of Fredonia Mining Inc. ("Fredonia" or the "Company") for the three and nine months ended June 30, 2026. This MD&A should be read in conjunction with the interim condensed consolidated financial statements for the nine months ended June, 2026 and 2025 prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar values are expressed in US dollars, unless otherwise indicated. The Fredonia Board of Directors approved both this MD&A and the interim condensed consolidated financial statements for the nine months ended June 30, 2026 and 2025 on August 28, 2026.

This MD&A provides information that the management of Fredonia believes is important to assess and understand the results of operations and financial condition of the Company. Our objective is to present readers with a view of Fredonia from management's perspective by interpreting the material trends and activities that affect the operating results, liquidity, and financial position of Fredonia. This discussion contains forward looking information that is qualified by reference to, and should be read in conjunction, with the "Caution Regarding Forward Looking Statements" below.

Caution Regarding Forward Looking Statements

Readers are cautioned that actual results may differ materially from the results projected in any "forward-looking" statements included in the foregoing report, which involve several risks or uncertainties. This MD&A contains "forward-looking statements" and "forward-looking information" within the meaning of the applicable Canadian securities legislation. Forward-looking statements are not historical facts and include statements regarding the Company's planned development activities, anticipated future profitability, losses, revenues, expected future expenditures, the Company's intention to raise new financing, sufficiency of working capital for continued operations and other statements regarding anticipated future events and the Company's anticipated future performance.

Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "continue", "anticipates" or "does not anticipate", or "believes" or a variation of such words and phrases that state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". All forward-looking statements are based on our beliefs and assumptions based on information available at the time the assumption was made. While Fredonia considers its assumptions to be reasonable and appropriate based on the current information available, there is a risk that they may not be accurate. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievement of Fredonia to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to the integration of acquisitions, foreign exchange controls, government regulations, metal prices, title disputes, environmental matters and all risks generally associated with the exploration and exploitation of mineral resources.

Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Fredonia does not undertake to update any forward-looking statements that are incorporated by reference herein, except as required by law.

Business Overview

Fredonia Mining Inc. (the "Company") is a mining extraction company incorporated under the Business Corporations Act (Alberta) on September 19, 2012, under the name Richmond Oil Corp. On October 2, 2012, the Company changed its name to Richmond Road Capital Corporation ("RRCC"). On June 24, 2021, the Company completed a transaction (the "Transaction") whereby RRCC acquired all of the outstanding shares of Fredonia Management Limited, a private corporation registered under the laws of the territory of the British Virgin Islands with mining assets in the country of Argentina. The Transaction constituted a reverse asset acquisition in accordance with IFRS, whereby the shareholders of Fredonia Management Limited took control of RRCC. Following the completion of the Transaction, the Company changed its name from Richmond Road Capital Corporation to Fredonia Mining Inc. On September 16, 2022, the Company continued its jurisdiction of incorporation into Ontario.

The Company is a publicly traded company with its shares listed on the TSX Venture Exchange ("TSXV"). The Company operates from its primary office in Toronto, Ontario, Canada. Its registered head office is located at 82 Richmond St. East, Toronto, Ontario, M5C 1P1, Canada.

The Company, directly or indirectly, owns a 100% interest in certain licence areas within the Deseado Massif geological region in the Province of Santa Cruz, Argentina. The Company's material property is the advanced El Dorado-Monserrat ("EDM") gold-silver project. Following the 2026 district consolidation transactions, the Company's broader holdings include the expanded EDM district, El Aguila and Hornía projects.

The Company has established Mineral Resources at EDM; however, mineral resources that are not mineral reserves do not have demonstrated economic viability. The recovery of amounts capitalized as mineral properties remains dependent on the ability to advance the project, obtain appropriate financing and permits, and ultimately demonstrate economically recoverable mineral reserves and profitable operations, or otherwise realize value from the properties.

The Company's future performance depends on, among other things, its ability to discover and develop ore reserves at commercially recoverable quantities, the prevailing market price of commodities it produces, the Company's ability to secure required financing, and in the event ore reserves are found in economically recoverable quantities, the Company's ability to secure operating and environmental permits to commence and maintain mining operations.

Mineral Properties

El Dorado-Monserrat Project:

EDM is located in the Deseado Massif of Santa Cruz Province, Argentina, in a well-established precious-metals district and in close proximity to the Cerro Vanguardia gold-silver mine. The project is hosted by Jurassic volcanic rocks of the Chon Aike and Bajo Pobre formations and is characterized by structurally controlled, low-sulphidation epithermal gold-silver mineralization.

Maiden Mineral Resource Estimate

On November 11, 2024, the Company announced its maiden Mineral Resource Estimate ("MRE") for EDM. The estimate was subsequently supported by the NI 43-101 technical report titled "Maiden Mineral Resource Estimate on the El Dorado Monserrat Property, Gold and Silver Project, Santa Cruz Province, Argentina, NI 43-101 Technical Report", dated November 14, 2024 and filed on the Company's SEDAR+ profile. The MRE includes Main Vein, Abanico, Bajo Pedernal and Monserrat West in the Northern Monserrat Sector and Herradura Hill in the Southern Mineralized Corridor.

At a 0.40 g/t Au cut-off grade, the in-pit Measured and Indicated Mineral Resource totals 81.348 million tonnes grading 0.61 g/t Au and 18.76 g/t Ag, equivalent to 0.86 g/t AuEq, and contains an estimated 1.593 million ounces of gold and 49.067 million ounces of silver, or 2.248 million ounces AuEq. In addition, the estimate reports a limited Inferred Mineral Resource of 0.566 million tonnes grading 0.58 g/t Au and 20.10 g/t Ag, equivalent to 0.85 g/t AuEq, containing approximately 0.015 million ounces AuEq.

Deposit	Category	Ktons	Au Eq (g/t)	Au (g/t)	Ag (g/t)	Au Eq (Moz)	Au (Moz)	Ag (Moz)
North	Measured	35,554.4	0.93	0.66	20.26	1.064	0.756	23.159
	Indicated	36,481.3	0.81	0.56	18.52	0.950	0.660	21.721
	Inferred	180.1	1.01	0.61	29.71	0.006	0.004	0.172
South	Measured	1,406.1	0.75	0.58	12.64	0.034	0.026	0.571
	Indicated	7,906.3	0.78	0.60	14.22	0.199	0.151	3.616
	Inferred	386.0	0.78	0.57	15.62	0.010	0.007	0.194
Total	**M&I**	**81,348.1**	**0.86**	**0.61**	**18.76**	**2.248**	**1.593**	**49.067**
Total	**Inferred**	**566.1**	**0.85**	**0.58**	**20.10**	**0.015**	**0.011**	**0.366**

The 2024 MRE was based on 40,472.68 metres of drilling and 5,305.43 metres of trenching intersecting the resource solids. Mineralization remains open in all directions and below the then-current limits of drilling in both the North and South sectors, supporting additional exploration and resource-growth potential.

Gold equivalent grades for the MRE were calculated using metal prices of US$1,800/oz Au and US$24/oz Ag and assumed 90% recoveries for both metals. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Expanded EDM District Land Package

During 2026, Fredonia consolidated a substantially larger district-scale land position around EDM. Prior to the Pan American Silver transaction, the Company had assembled approximately 21,800 hectares through EDM (approximately 6,400 hectares), Judite (4,913 hectares, contiguous with EDM and immediately adjacent to the western boundary of the Cerro Vanguardia mining area) and Saturno (approximately 10,500 hectares to the south).

On May 7, 2026, the Company completed the acquisition from a subsidiary of Pan American Silver Corp. of approximately 11,754 hectares comprising the Jaguel I, Mamuel I, Mamuel II, Curru Cura II, Curru Cura III and Cahuel I mining properties and rights. The acquisition increased Fredonia's consolidated EDM district land position to approximately 33,500 hectares and connected the previously defined northern and southern corridors into a more continuous district-scale land package.

The acquired properties include historical geological mapping, trenching, limited drilling and related technical datasets. Fredonia intends to validate and integrate these data into its district-scale geological and structural model. The transaction also added the Fatiga target, identified by the Company as a priority exploration area based on its geological characteristics.

Under the terms of the acquisition, Fredonia acquired a 100% interest in the properties for total cash consideration of US$225,000, payable in three instalments of US$75,000. The acquired properties are subject to a 1.5% net smelter return royalty and an additional 0.3% NSR royalty capped at US$800,000; these royalties apply only to the acquired properties and do not affect the existing EDM resource.

Following this transaction, Fredonia reported total gold and silver licence areas of approximately 64,000 hectares in the Deseado Massif, comprising the expanded EDM district (approximately 33,500 hectares), El Aguila (approximately 9,100 hectares) and Hornía (approximately 21,500 hectares).

Current Exploration and Technical Work

During 2026, the Company continued resource-expansion and infill drilling at EDM while advancing technical work for a Preliminary Economic Assessment. Activities included geological-model development, review and updating of the project database, technical evaluation of historical and newly acquired datasets, field visits, campaign planning and ongoing interaction with the Geoinvest technical team. The expanded land package provides a broader platform to evaluate geological continuity, prioritize exploration targets and assess future development scenarios at district scale.

El Aguila Project:

On September 15, 2016 an Arm's length purchase agreement (the "Winki Agreement") between the Company and Winki Sociedad Anonima wherein the Company agrees to acquire the following properties - Winki: "Winki II", "Petrificados", "Aguila I" and "Aguila II", in the Province of Santa Cruz, Argentina (collectively, the "El Aguila Project") for the sum of $1,400,000.00, and 1% of the net profit interest of the Company during the production/exploitation phases of the project (the "Royalty").

On November 11, 2016, the Company and an arm's length party who is a 50% participant under the Winki Agreement (the "Partner") reached an agreement to jointly participate in the development of Fredonia Management on the basis of a partnership in equal parts. Under this agreement, the Company provided its structure and know-how in the mining industry, as well as access to the capital market and the Partner agreed to accept 50% of the share capital of the Company in exchange for their rights under the Winki Agreement to receive half of the purchase proceeds and half of the Royalty from the purchase and sale of the Aguila Project.

On January 24, 2022, Fredonia Mining paid US$150,000 in cash and issued 2,200,000 common shares to the other participant at Winki to satisfy the outstanding portion of the Purchase The vendor retained 0.5% Net Profit Interest.

El Aguila is currently owned 100% by Fredonia Mining Inc or its subsidiaries.

The El Aguila project is located in the eastern sector of the Deseado Massif and comprises three licence blocks that cover 9,124ha. The project is located 70 kilometres northeast of Cerro Vanguardia mine and 45 kilometres west of Cerro Moro.

The geological interpretation of the Aguila project area is a 'failed' caldera environment. Structures define both ring fractures at the margins of the caldera striking as well as radial fractures hosting gold silver mineralisation within the ring structure. The North-west orientation is strike-slip faults with dextral movements, and North-south fractures are tensional. Post-mineral event East-north-east striking fault system displaces part of the vein-like mineralized structures.

El Aguila has distinct styles of mineralisation from classic low sulphidation epithermal quartz veining hosting gold-silver as well as stockwork and breccias (draped around a felsic dome complex) and a new exploration target represented by veins in sandstone.

Drilling on the project is scout exploration style and is neither advanced nor grid style systematic. However, based on the geochemical data generated to date and the interpretation of geology hosting the identified mineralisation, of the five main sectors identified to date, Aguila Main is considered the most prospective. The Company conducted a limited diamond drilling programme of 2,428 meters for 11 holes throughout the project, focusing on Aguila Main.

Hornía Project (previously Petrificados):

The oldest rocks in the property are andesitic flows, volcanic breccias and tuffs from the Bajo Pobre Formation, exposed in the southern part of the area. This unit is overlaid and partially in fault contact with coarse grained-partially welded rhyolitic crystal tuff, from the Chon Aike Formation exposed along the western side of the property. This unit is covered and partially inter-fingered with layered fine-grained ash fall tuffs and volcanoclastic sediments assigned to La Matilde Formation (both belonging to Bahía Laura Group), largely exposed in the western and northern portions of the property. These are the three most prospective formations in the Deseado.

Alteration and mineralization coincides primarily with strongly silicified N°30-N°60 west-trending tabular structures. The silicified zones contain veins, veinlets, stockworks and hydrothermal breccias hosted in welded rhyolitic tuffs. Veins and breccias show a variety of textures indicatives of multiple episodes of brecciation and silica deposition, including carbonate replacement textures and massive to banded veins with chalcedony, jasper and fine grained saccharoidal white to grey silica, interpreted as being formed at shallow depths within the hydrothermal system.

Gold mineralisation is associated with anomalous values of 'pathfinder' elements. Arsenic (As), mercury (Hg), antimony (Sb), these are typical vectors to epithermal gold mineralisation.

The Company intends to undertake a thorough review of the historical data before embarking on a project wide exploration programme of surface reconnaissance and geophysics prior to an anticipated scout exploration drill programme.

Review of Financial Results

The following tables set forth selected financial information with respect to the Company's interim condensed consolidated financial statements for the period ended June 30, 2026, and 2025. The following should be read in conjunction with the said financial statements and related notes that are included elsewhere in this Filing Statement.

Selected Financial Information

	As at June 30, 2026	As at September 30, 2025
Assets		
Current assets	1,844,945	354,106
Property, plant and equipment	4,804	4,806
Total Assets	1,849,749	358,912
Liabililties		
Current liabilities	62,108	966,492
Shareholders' equity (deficit)	1,787,641	(607,580)
Total liabilities and shareholders' equity	1,849,749	358,912

Results of Operations

The Company reported a net loss of $3,358,670 during the nine months ended June 30, 2026, compared to a net loss of $494,921 during the nine months ended June 30, 2025. The net loss for the first nine months of the fiscal year 2026 was primarily due to Exploration Expenses, Share-based compensation, Payroll expenses and Professional fees.

Summary of Quarterly Results

The following table sets out selected quarterly financial information of the Company and is derived from unaudited quarterly financial data prepared by management in accordance with IFRS:

	Q3 2026	Q2 2026	Q1 2026	Q4 2025
Net loss	(2,205,122)	(929,954)	(223,594)	(153,533)
Comprehensive loss	(2,175,156)	(937,317)	965	(153,609)
Net loss per share (basic & diluted):				
Net loss	(0.029)	(0.016)	(0.005)	(0.003)

	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Net loss	(289,915)	265,847	(470,853)	(322,501)
Comprehensive income (loss)	(289,915)	256,180	(489,144)	(329,170)
Net income (loss) per share (basic & diluted):				
Net loss	(0.006)	0.006	(0.012)	(0.030)

Over the past eight quarters, fluctuations in net losses on a quarter-over-quarter basis have been impacted by factors such as Exploration expenses, G&A expenses, finance expenses, share-based compensation expense, gains on currency exchange and fluctuations in exchange rates.

Financing Activities

On February 4, 2026, the Company announced closing a brokered private placement (the "**February Offering**") of a total of 17,500,000 units of the Company at a price of CAD$0.40 per unit for aggregate gross proceeds of $5,021,881 (CAD$7,000,000). Directors of the Company acquired 1,250,000 units for gross proceeds of $358,706 (CAD$500,000).

Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at a price of CAD$0.56 per common share for a period of three years from the closing date of the Offering.

The grant date fair value of $1,355,908 (CAD$1,890,000) was assigned to the 8,750,000 warrants issued as estimated by using a fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: share price of CAD$0.56, a risk-free interest rate of 2.49%; an expected volatility factor of 153.70%; an expected dividend yield of 0%; and an expected life of 3 years.

The Company issued 1,050,000 broker warrants to acquire one common share at a price of CAD$ 0.40 per common shares for a period of three years for the closing date of the Offering. The grant date fair value of $230,004, (CAD$321,996) was assigned to the broker warrants issued as estimated by using the fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: share price of CAD$0.40, a risk-free interest rate of 2.49%; an expected volatility factor of 153.70%; an expected dividend yield of 0%; and an expected life of 3 years.

Total cash fees paid was $279,791 (CAD$390,000) and legal fees and transactions cost invoiced to date of $90,129 (CAD$125,630).

During the nine months ended June 30, 2026, 1,576,666 warrants were exercised at a price of CAD$ 0.30 per share for gross proceeds of $339,335 (CAD$473,000) and the fair value of $69,962 (CAD$126,630) was reclassified from warrant reserve.

Use of Proceeds

The Company produced an amended and restated offering document dated January 26, 2026 (the "**Offering Document**") in connection with the February Offering which included a description of the expected use of proceeds thereof. Below is a comparison in tabular form of how the Company disclosed it intended to use the proceeds of the February Offering (excluding working capital) against actual expenditures to the date hereof.

Uses of Funds	As Disclosed in the Offering Document	Actual at June 30, 2026
12,000 m hq Diamond Drilling Program	$4,260,000	$2,080,800
Technical Studies (including bulk density (specific gravity) determinations, metallurgical testwork, and conceptual mine and plant design inputs for PEA-level studies)	$500,000	$397,435.28
Acquisition of Concessions	Nil	$102,000

The Company is still in the process of completing its expected diamond drilling program and technical studies. At the time the February Offering was completed, the Company was not aware of the opportunity to purchase certain additional strategically located concessions adjacent to its EDM Project. The acquisition of these concessions is expected to have a positive effect on the Company's development plan, and no other significant impact on the Company's ability to achieve its disclosed business objectives and milestones. See "Subsequent Events".

Liquidity and Capital Resources

As of June 30, 2026, the Company had cash of $1,566,867 and a positive working capital of $1,782,837. During the nine months ended June 30, 2026, net cash used in operating activities was $3,631,707, and net cash provided by financing activities was $5,053,978.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure that optimizes the costs of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating working capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At June 30, 2026, the Company had accumulated losses of $20,602,009 and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration and corporate overhead. These events and conditions indicate a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. Additional funds will be required to enable the Company to continue its operations, and there can be no assurance that financing will be available on terms which are acceptable to the Company.

Related Party Transactions

During the nine months ended June 30, 2026 and 2025, there were separate related party transactions as follows:

i) Transactions:

a) Salaries and benefits to key management personnel for the nine months ended June 30, 2026 are $115,377 (2025: $94,459) and are included as part of payroll expenses on the interim condensed consolidated statement of loss

b) Professional services charged by key management personnel and directors for the nine months ended June 30, 2026 were $149,944 (2025: $102,950) and are included as part of professional fees on the consolidated statement of loss.

c) Rent expense incurred for the nine months ended June 30, 2026, charged by a company controlled by Directors of the company, was $29,000 (2025: $23,000).

ii) Period-end balances:

a) As at June 30, 2026, trade and other payables included $20,000 (September 30, 2025 - $52,000) payable to a company related to a director for payments made on behalf of the Company.

b) As at June 30, 2026, trade and other payables included $nil (September 30, 2025 - $nil) payable to a company related to a director in relation to the rent of the administrative office.

c) As at June 30, 2026, trade and other payables included $28,627 (September 30, 2025 - $29,318) payable to a consulting firm for services provided by the Company's former CFO.

d) As at June 30, 2026, trade and other payables included $10,556 (September 30, 2025 - $389,673) payable to directors and key management.

All amounts owing to related parties are non-interest bearing and due on demand.

During the nine months ended June 30, 2026, directors and management forgave the debt amount owing by the Company for $nil (nine months ended June 30, 2025 - $512,537 (CAD$613,171)

Financial Instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and loans from related parties. Unless otherwise noted, management is of the opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Company's cash is recorded at its fair value, and the fair values of these accounts payable and accrued liabilities, and loans from related parties approximate their carrying values due to their short-term nature.

Critical Judgments and Estimates

The following are the critical judgments that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these consolidated financial statements:

i) *Impairment of property, plant and equipment*

Judgments are required to assess when impairment indicators, or reversal indicators, exist and impairment testing is required. In determining the recoverable amount of assets, in the absence of quoted market prices, impairment tests are based on estimates of reserves, production rates, future precious metals prices, future costs, discount rates, market value of land and other relevant assumptions.

ii) *Income taxes*

Judgments are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Key sources of estimation uncertainty

The following are the key assumptions concerning the sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities.

i) *Share-based payments*
All equity-settled, share-based awards issued by the Company are recorded at fair value using the Black-Scholes option-pricing model. In assessing the fair value of equity-based compensation, estimates have to be made regarding the expected volatility in share price, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant date.

ii) *Tax provisions*
Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse.

iii) *Determination of functional currency*
As the Company has entities in multiple jurisdictions, the determination of functional currency involves certain judgements in establishing the primary economic environment in which these entities operate. In Argentina, the transactions may be denominated in Argentine pesos or USD. The functional currency is determined by the currency, being presently USD, wherein management's judgement the majority of the operating expenditures are denominated in.

iv) *Estimation of restoration, rehabilitation and environmental obligations and timing of expenditure*
Restoration, rehabilitation and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of restoration, rehabilitation or similar liabilities that may occur. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Property, plant and equipment
The fair value of property, plant and equipment recognized in a business combination and in assessing the recoverable value for impairment testing, is based on market values. The market value of property, plant and equipment is the estimated amount for which the assets could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of precious metals interests included in property, plant and equipment is estimated with reference to the discounted cash flows expected to be derived from precious metals production based on externally prepared reserve reports. The risk-adjusted discount rate is specific to the asset with reference to general market conditions.

Financial assets and liabilities
The fair value of financial assets and liabilities is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date, except for marketable securities which are fair valued based on quoted trading prices.

Stock options
The fair value of employee stock options is measured using a Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience and general option and warrant behaviour), expected dividends, expected forfeiture rate and the risk-free interest rate (based on government bonds).

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities or derivative financial obligations.

Commitments and Contingencies

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The

Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company are required to file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52- 109.

Company Outlook

Other than as disclosed in this MD&A, the Company does not anticipate incurring any other material capital expenditures.

The Company's near-term outlook is centred on the advancement of its flagship El Dorado-Monserrat ("EDM") Project in Santa Cruz Province, Argentina, and the completion of a Preliminary Economic Assessment ("PEA") in respect thereof.

Following the establishment of the Project's maiden mineral resource estimate, the Company shifted its focus toward evaluating the potential economic viability of a conceptual open-pit mining operation at EDM. The PEA, currently being prepared under the direction of independent engineering and technical consultants, is expected to be completed by September 2026 and will incorporate analysis of mining methods, processing routes, infrastructure requirements, and capital and operating cost estimates. Management considers completion of the PEA to be a key milestone in the Company's transition from an exploration-stage entity toward a development-stage entity, and anticipates that the results will provide an important technical and financial framework to guide future engineering and development work.

Management believes the Company's current cash position, together with its demonstrated access to capital markets, is sufficient to fund completion of the PEA and the current drill program; however, the Company will require additional financing to advance EDM toward subsequent stages of engineering, permitting, and development. The Company's ability to raise such financing, together with the results of the PEA, ongoing drilling, and prevailing gold and silver prices, will be key determinants of the pace and scope of the Company's activities over the next twelve months.

Outstanding Securities

The Company has one class of shares outstanding, being ordinary shares. As of the date of this MD&A, 64,851,068 common shares were issued and outstanding.

The following options are outstanding at June 30, 2026:

Number of Options	Exercise Price C$	Expiry Date
1,950,000	0.85	July 27, 2026
50,000	0.55	September 16, 2027
550,000	0.60	February 3, 2028
1,020,000	0.40	December 24, 2029
985,000	0.40	August 6, 2030
1,330,000	0.68	April 13, 2031
5,885,000		

The following warrants are outstanding at June 30, 2026:

Number of Warrants	Exercise Price C$	Expiry Date
4,818,398	1.40	April 27, 2027
5,090,001	0.30	September 27, 2027
1,050,000	0.60	January 27, 2028
8,584,250	0.56	February 4, 2027
19,542,649		

Subsequent Events

The Company recently expanded the EDM Project through two strategic land acquisitions, increasing the Project's footprint to approximately 33,500 hectares and extending the Company's district-scale land position toward the Cerro Vanguardia mining district.