DEFIANCE SILVER CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE AND TWELVE MONTHS ENDED JUNE 30, 2026

Introduction

The following Management's Discussion and Analysis ("MD&A") is an overview of all material information about Defiance Silver Corp. (the "Company" or "Defiance") operations, liquidity and capital resources for the three months and year ended June 30, 2026. This MD&A should be read in conjunction with the audited consolidated financial statements for the years ended June 30, 2026 and 2025, and the related notes contained therein, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"), and all other disclosure documents of the Company. All amounts are stated in Canadian dollars unless otherwise indicated. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. Additional information relevant to the Company's activities can be found on SEDAR+ at www.sedarplus.ca and the Company's website at www.defiancesilver.com. The effective date of this MD&A is October 22, 2026.

All financial information in this MD&A has been prepared in accordance with IFRS Accounting Standards, and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

Going Concern

The Company's consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern. The Company has incurred losses since inception. At June 30, 2026, the Company had cash and cash equivalents of $2,179,191 (June 30, 2025 - $14,750,256) and working capital of $970,073 (June 30, 2025 - $14,168,823). The Company's ability to continue as a going concern depends on the results of its exploration activities, its ability to attain profitable operations, and its ability to raise equity capital or borrowings sufficient to meet its current and future obligations, including the option payments described in Note 8 of the audited consolidated financial statements. Management is actively pursuing additional financing. Although the Company has been successful in raising financing in the past, there is no assurance that it will be able to do so in the future. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Forward-Looking Statements

Except for historical information, this MD&A may contain forward-looking statements. The statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.

The factors that could cause actual results to differ materially include, but are not limited to, the following: general economic conditions; changes in financial markets; the impact of exchange rates; political conditions and developments or criminal activity in countries in which the Company operates; changes in the supply, demand and pricing of the metal commodities which the Company hopes to find and successfully mine; changes in regulatory requirements impacting the Company's operations; the sufficiency of current working capital and the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties.

This list is not exhaustive and these and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements (except as required by applicable law). The Company does not assume the obligation to update any forward-looking statement.

Description of Business

The Company is a publicly listed company on the TSX Venture Exchange ("TSX-V") trading under the symbol DEF. The Company is an exploration-stage company and engages principally in the acquisition and exploration of exploration and evaluation assets primarily in Mexico. To date, equity financings and short-term loans have provided the main source of financing.

The recovery of the Company's investment in its mineral rights is dependent upon the discovery of economically recoverable mineral reserves and the ability to raise sufficient capital to finance these operations. The ultimate outcome of these operations cannot presently be determined because they are contingent on future matters.

Liquidity

The Company is in the acquisition and early exploration stage and therefore has no incoming cash flows from operations. At June 30, 2026, the Company had cash and cash equivalents of $2,179,191 (June 30, 2025 - $14,750,256) and a working capital of $970,073 (June 30, 2025 - $14,168,823).

In July 2024, the Company completed a non-brokered private placement of 16,113,075 units at $0.20 per unit for gross proceeds of $3,222,615. Each unit consists of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable at $0.35 per share for two years from issuance. No value was allocated to the warrants. The Company paid cash finder's fees of $131,114 and issued 748,453 finder warrants exercisable at $0.20 per share for two years, valued at $100,820 and recorded as share issuance costs.

In February 2025, the Company completed a non-brokered private placement of 16,339,000 units at $0.20 per unit for gross proceeds of $3,267,800, with the same unit terms as the July 2024 placement. No value was allocated to the warrants. The Company paid cash finder's fees of $162,602 and issued 831,840 finder warrants exercisable at $0.20 per share for two years, valued at $101,724 and recorded as share issuance costs.

In June 2025, the Company completed a brokered private placement (the "Brokered Offering") of 60,000,000 units at $0.25 per unit for gross proceeds of $15,000,000, with the same unit terms as the July 2024 placement. Under the residual value method, $900,000 was allocated to the warrants. The Company paid cash commissions of $806,470 and issued 3,299,800 broker warrants exercisable at $0.25 per share for two years, valued at $391,990 and recorded as share issuance costs.

In June 2025, the Company completed, concurrently with the Brokered Offering, a non-brokered private placement of 6,000,000 units at $0.25 per unit for gross proceeds of $1,500,000, with the same unit terms as the July 2024 placement. Under the residual value method, $90,000 was allocated to the warrants. The Company paid cash finder's fees of $90,000 and issued 360,000 finder warrants exercisable at $0.25 per share for two years, valued at $42,765 and recorded as share issuance costs.

During the year ended June 30, 2026, the Company issued 11,681,913 common shares on the exercise of warrants for gross proceeds of $2,493,337 and 390,833 common shares on the exercise of stock options for gross proceeds of $62,912.

At present, the Company's operations do not generate positive cash flows, and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in

acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset backed commercial paper.

Overall Performance/Significant Events

1. Corporate Developments

Appointment of Vice President, Operations (May 1, 2025)

The Company appointed Mr. Armando Vazquez, M.Sc., C.P.G., as Vice President, Operations. Mr. Vazquez is a Qualified Person under NI 43-101 with over 14 years of experience in grassroots and brownfield exploration and has supported Defiance's technical strategy since 2020.

Investor Relations Agreements

- Capital Analytica (February 28, 2025): Six-month investor relations and communications agreement commencing March 1, 2025.
- Torrey Hills Capital (October 31, 2024): Investor relations services beginning November 1, 2024.
- AXINO Media GmbH (July 1, 2024): Engagement of AXINO to provide investor relations services in accordance with TSXV policies.

2. Exploration & Technical Programs

Zacatecas Project - Drilling Campaign

In September 2025, the Company commenced a minimum 10,000-metre oriented core drilling program at the Zacatecas Project.

Drilling Update (February 20, 2026)

On February 20, 2026, the Company announced high-grade silver drill results from its ongoing 10,000-metre diamond drilling program at the San Acacio area of the Zacatecas Project, with results from five holes (DDSA-25-73 to DDSA-25-77) totaling 2,553 metres reported on February 20, 2026. The program aims to confirm lateral and vertical extensions of mineralized structures in the Veta Grande system, infill poorly drilled zones, and validate the geological model for an upcoming mineral resource estimate. Key highlights include:

- Hole DDSA-25-76 intersected 3.55 m grading 355.32 g/t Ag within a broader 22.57 m interval of 102.91 g/t Ag, and separately 3.07 m of 579.27 g/t Ag (including 0.55 m at 2,120 g/t Ag) within 10.65 m of 210.70 g/t Ag.
- Hole DDSA-25-77 returned 3.01 m of 262.88 g/t Ag (including 1.75 m at 431.58 g/t Ag and 0.37 m at 1,965 g/t Ag) within 6.77 m of 128.69 g/t Ag.
- Hole DDSA-25-75 delivered 2.35 m of 298.58 g/t Ag (including 0.36 m at 1,595 g/t Ag) within 5.20 m of 149.25 g/t Ag.

The Company has completed 12 holes to date, with additional results pending, and continues to encounter consistent high-grade silver mineralization demonstrating lateral and vertical continuity, including wide mineralized veinlet zones in hanging wall and footwall positions that may contribute to the forthcoming resource update.

On March 11, 2026, the Company reported that the office of the representatives of the Secretariat of Environment and Natural Resources of Mexico (SEMARNAT) approved the Company's Informe Preventivo (IP), the environmental authorization required to, amongst many items, increase the available roads and total drill pad construction for site access and exploration drilling, at the San Acacio project.

This Informe Preventivo allows for the construction of up to 44 new drill pads and for up to 35 new access roads to be constructed that will also allow the company to test exploration targets that will be significant for mineral resource estimation outside of any historical mining or historical resource estimates. The IP permit is valid for a period of 54 months.

Drilling Update (May 11, 2026)

On May 11, 2026, the Company provided an update on the current drilling campaign. The release contained results from holes: DDSA-25-78 through DDSA-25-81, representing 1,486m of drilling. A total of 4,039m of the 10,000m diamond drill program had been reported at that date.

- DDSA-25-80 returned 1.20m of 356.00 g/t Ag and 2.15 g/t Au (from 106.85m to 108.05m) hosted within a larger interval of 11.02m (100.78m to 111.80m) grading 125.41 g/t Ag and 0.81 g/t Au.
- DDSA-25-78 returned a 2.14m interval grading 111.12 g/t Ag from (267.96m to 270.10m) including 0.68m of 208.00 g/t Ag (268.65m to 269.33m).
- DDSA-25-81 returned 2.63m of 111.32 g/t Ag (from 417.12m to 419.75m) including 0.26m of 543.00 g/t Ag (from 417.12m to 417.38m).
- DDSA-25-79 encountered the projection of the mapped vein previously intersected by the holes described above; however, at this level the vein is broken, missing, and displaced by a fault zone.

Drilling Update (July 23, 2026)

On July 23, 2026, the Company provided a further update on the drilling campaign. The release contained results from holes DDSA-26-82 through DDSA-26-88, representing 1,700m of drilling. A total of 4,658m of the 10,000m diamond drill program had been reported at that date. The campaign had completed 6,132m in 21 holes, and samples from holes DDSA-26-89 to DDSA-26-92 had been submitted to the laboratory. The remaining 3,868m of the 10,000m program was allocated to testing other targets within the 4,217-hectare Zacatecas Project.

- DDSA-26-85 intersected 0.35m of 1,470.00 g/t Ag (from 200.01m to 200.36m) within a larger interval of 4.28m grading 136.23 g/t Ag, and separately 0.41m of 1,175.00 g/t Ag and 1.92 g/t Au (from 240.31m to 240.72m) within 28.06m of 142.21 g/t Ag (from 222.41m to 250.47m).
- DDSA-26-83 returned 2.60m of 227.00 g/t Ag (from 227.00m to 229.60m) within a larger interval of 8.48m grading 132.87 g/t Ag, which included 1.07m of presumed underground workings. The hole also returned 4.18m of 32.75 g/t Ag and 0.79 g/t Au with 1.32% Pb and 4.12% Zn (from 245.00m to 249.18m).
- DDSA-26-86 assayed 0.72m of 507.00 g/t Ag and 0.37 g/t Au (from 183.91m to 184.63m) within 4.53m of 106.12 g/t Ag and 0.16 g/t Au.
- DDSA-26-88 returned 0.35m of 641.00 g/t Ag and 0.14 g/t Au (from 154.65m to 155.00m) within 3.92m of 166.03 g/t Ag.

Drilling has confirmed at least three structural blocks along the Veta Grande vein corridor (Northwest, Central and Southeast), separated by north- to northwest-trending fault systems. Holes DDSA-26-84 and DDSA-26-85 tested the area between the Esperanza and Guadalupe pits, which has limited historical drilling, and both intersected broad zones of silver mineralization.

Drilling Update (September 9, 2026)

On September 9, 2026, the Company reported results from holes DDSA-26-89 through DDSA-26-92, the final holes of the San Acacio resource drilling. The campaign completed 6,132m in 21 holes in the resource area, and the Company is integrating the assay results into its Mineral Resource Estimate, which was underway at the date of the release. The remaining 4,064m of the program tested targets in the Lucita South area, including the Palenque vein system; results from that drilling were pending at the date of the release.

- DDSA-26-91A assayed 0.31m of 990.00 g/t Ag and 0.28 g/t Au (from 307.29m to 307.60m) within 1.40m of 221.00 g/t Ag, and separately 1.49m of 41.74 g/t Ag and 1.38 g/t Au (from 368.90m to 370.39m) within a 24.00m interval of 9.43 g/t Ag, 0.27 g/t Au, 0.26% Pb and 1.03% Zn.
- DDSA-26-90 intersected 0.34m of 735.00 g/t Ag (from 353.58m to 353.92m) within 1.79m grading 148.97 g/t Ag and 0.12 g/t Au.
- DDSA-26-89 returned 2.75m of 118.94 g/t Ag (from 42.25m to 45.00m) in the Veta Grande vein system.
- DDSA-26-92 returned 1.29m of 80.43 g/t Ag, 0.34 g/t Au, 0.18% Pb and 0.34% Zn (from 291.04m to 292.33m).
- DDSA-26-91 was stopped before reaching its target because the hole deviated significantly from the planned pierce point.

San Marco Project - Drill Permit for Espiritu Copper Target (August 5, 2026)

On August 5, 2026, the Secretariat of Environment and Natural Resources of Mexico (SEMARNAT) approved the Company's Informe Preventivo for the Espiritu target at its San Marco Project in Sonora, Mexico. The approval provides the environmental authorization required to conduct exploration drilling and permits exploration activities for approximately 60 months, including the construction of up to 172 drill platforms and related access roads, subject to the terms and conditions set by SEMARNAT.

San Marco Project - Updated Drill Permit for Victoria Copper Project (February 2026)

In February 2026, SEMARNAT approved the Company’s Informe Preventivo, providing the environmental authorization required to conduct exploration drilling at the Victoria target within its San Marco Project in Sonora, Mexico. The updated drill permit is valid for 36 months and authorizes up to 89 drill pads and the construction of new access roads, subject to compliance with approved environmental terms and conditions, supporting the Company’s ability to advance exploration of the Victoria copper-molybdenum target.

San Marco Project - Surface Access Agreement (December 2025)

In December 2025, the Company entered into a five-year surface access agreement covering the Victoria target, which grants the Company the right to conduct surface exploration, drilling and engineering studies.

San Acacio Trench - Sampling Program (November 2025)

A major trench-sampling program across 2.1 km of the Veta Grande vein system returned high-grade silver and gold assays, including peak values of 5,180 g/t Ag and 4.85 g/t Au. Results confirm strong near-surface mineralization and continuity between historical pit areas.

Tepal Project - Additional Concessions (October 2024)

The Company acquired six mineral licenses totaling 636.25 hectares for USD 20,000 plus VAT. Geological interpretation suggests the structural controls of the Tepal porphyry system extend into these concessions.

3. Transactions & Agreements

San Acacio Option Agreement - Final Payment (June 30, 2026)

On June 30, 2026, the Company completed the final option payment for the San Acacio mining concessions through its wholly owned subsidiary, Minera Santa Remy S.A. de C.V., securing a 100% interest in the San Acacio property at the Zacatecas Project. The Company announced the completion on July 8, 2026. The final payment to the vendor was USD 2,300,000 plus applicable taxes. The Company also acquired two surface land parcels within the concession area totaling approximately 24 hectares. Under the original agreement, the vendor retains a 2.5% NSR royalty on the property, which the Company has the right to purchase in full for USD 2,500,000.

Acquisition of Green Earth Metals Inc. (July 15, 2025)

The Company completed the acquisition of Green Earth Metals Inc. ("GEMS"), obtaining 100% ownership of three copper-gold-silver projects in Sonora, Mexico: Victoria, Espiritu and Los Ocotes (together, the "San Marco Project"). As consideration, the Company issued 4,954,613 common shares at $0.255 per share, with a fair value of $1,263,426, and incurred transaction costs of $102,012, for total consideration of $1,365,438. The acquisition was accounted for as an acquisition of exploration and evaluation assets.

Transaction Highlights
- GEMS is now a wholly owned subsidiary of Defiance.
- The portfolio covers 6,795.22 hectares in a prolific mining district hosting major deposits such as Cananea and La Caridad.
- Projects are strategically located near Alamos Gold's Mulatos Mine and the Puerto del Aire expansion.
- Defiance plans to advance exploration at the Victoria, Espiritu, and Los Ocotes projects, including a planned diamond drill program.

Tepal Gold-Copper Project - Surface Access Agreement (June 16, 2025)

A six-year agreement grants rights for exploration, drilling, and engineering studies and supports data collection for permitting. Consideration includes annual payments of USD 200,000 and annual share issuances valued at USD 40,000 (up to 1,400,000 shares). During the year ended June 30, 2026, the Company paid USD 200,000, and from inception of this agreement to June 30, 2026, the Company has paid a total of USD 400,000. During the year ended June 30, 2026, the Company issued 481,452 shares with a fair value of $100,320, from inception of this agreement to June 30, 2026, the Company has issued an aggregate of 481,452 shares to the surface rights holder.

Tepal NSR Option Agreement Restructuring (June 3, 2025)

The Company restructured its option to acquire the 2.5% NSR royalty on Tepal. The remaining balance of USD 2,850,000 is payable in monthly installments of USD 75,000 from July 1, 2025, to February 1, 2026, and USD 150,000 from June 1, 2026, to August 1, 2027.

San Acacio Option Agreement Extension (June 3, 2025)

The Company extended the final payment deadline for the San Acacio option agreement from March 31, 2025, to June 30, 2026, with no changes to economic terms. The Company completed the final option payment on June 30, 2026 (see above).

4. Technical Reports & Resource Estimates

Zacatecas Technical Report (December 17, 2024)

The Company filed an updated technical report prepared by SGS Geological Services, summarizing all exploration work completed across San Acacio, Lucita North, and Lucita South.

Tepal Mineral Resource Estimate (December 10, 2024)

The Company announced an updated NI 43-101 Mineral Resource Estimate for the Tepal Gold-Copper Project. The report was amended, redated, and refiled on January 29, 2025.

Exploration and Evaluation Assets Review

Minera Santa Remy SA de CV Projects

Qualified Person

The review of the Minera Santa Remy SA de CV Projects for the periods October 2011-October 2019 was prepared by the geological staff under the supervision of Bruce Winfield, P.Geo., a Consultant of the Company, and a Qualified Person ("QP") as defined by National Instrument 43-101 (Standards of Disclosure for Exploration and Evaluation Projects).

Subsequent to November 1, 2019, the review of the Minera Santa Remy SA de CV Projects has been prepared by the geological staff under the supervision of George Cavey, P.Geo., Vice President of Exploration and Director for the Company, and a Consultant of the Company, and a Qualified Person ("QP") as defined by National Instrument 43-101 (Standards of Disclosure for Exploration and Evaluation Projects) and has approved the technical information concerning the Company's material mineral properties contained in the disclosure document. He has verified that the data disclosed is in accordance with the published results of the reports described exploration plans of the San Acacio, Lagartos and Lucita Projects.

The Company owns a 100% interest in the San Acacio property, located in Zacatecas State, Mexico, having completed the final option payment under the San Acacio purchase option agreement on June 30, 2026. The Company also owns the Lagartos licenses and the Lucita project 100% outright.

San Acacio Property

The Company entered into an option agreement on October 24, 2011, subsequently the subject of several amendments, with the Mexican owners ("the Vendors") for an option to purchase a 100% interest in the San Acacio property consisting of 10 mining concessions and associated surface rights and tailings. The San Acacio property is located near the city of Zacatecas, Mexico.

During the year ended June 30, 2020, the Company renegotiated and extended the terms of its San Acacio Silver property option agreement by three years from September 27, 2020, to September 27, 2023. In addition, 80% of the option payments due before March 27 and June 27, 2020, were deferred as a part of this extension.

During the year ended June 30, 2024, the Company has restructured the option to acquire 100% of the San Acacio property in the Zacatecas district. The project vendor has agreed to extend the option agreement terms by one year from September 27, 2023, to September 27, 2024. The Company will now be making quarterly payments, over the year, to the property vendor totalling USD 539,722, with the final option

payment of USD 2,300,000 due September 27, 2024. In accordance with the original agreement, the vendor retains a 2.5% NSR which may be purchased for USD 2,500,000.

During the year ended June 30, 2025, the Company and the Vendors further amended the option agreement and extended the due date of the final USD 2,300,000 option payment from September 27, 2024 to June 30, 2026.

On June 30, 2026, the Company, through its wholly owned subsidiary Minera Santa Remy S.A. de C.V., completed the final option payment of USD 2,300,000, plus applicable taxes, thereby satisfying its acquisition obligations and securing a 100% interest in the San Acacio mining concessions. The Company also acquired two surface land parcels within the concession area totaling approximately 24 hectares. The Vendors retain a 2.5% net smelter return royalty, which may be purchased by the Company for USD 2,500,000.

Below is the schedule of payments as at June 30, 2026:

	Letter Of Intent Payment	Option Payment	Lease Payment	Interest Payment	Total	
By September 27, 2012	USD 25,000	USD -	USD -	USD -	USD 25,000	(paid)
By September 27, 2013	-	250,000			250,000	(paid)
By September 27, 2014	-	-	150,000		150,000	(paid)
By September 27, 2015	-	-	225,000		225,000	(paid)
By September 27, 2016	-	100,000	150,000		250,000	(paid)
By September 27, 2017	-	200,000	150,000		350,000	(paid)
By September 27, 2018	-	600,000	150,000		750,000	(paid)
By September 27, 2019	-	600,000	200,000	107,600	907,600	(paid)
By September 27, 2020	-	500,000	100,000	-	600,000	(paid)
By September 27, 2021	-	400,000	283,334	86,063	769,397	(paid)
By September 27, 2022	-	400,000	283,333	76,063	759,396	(paid)
By September 27, 2023	-	400,000	283,333	66,063	749,396	(paid)
By December 27, 2023	-	-	137,500	185,661	323,161	(paid)
By March 27, 2024	-	-	68,750	39,530	108,280	(paid)
By June 27, 2024	-	-	68,750	39,530	108,280	(paid)
On June 30, 2026	-	2,300,000	-		2,300,000	(paid)
Total	USD 25,000	USD 5,750,000	USD 2,250,000	USD 600,510	USD 8,625,510	

Following the first anniversary of the purchase of the San Acacio Project (after June 30, 2027), the Company must make minimum annual royalty payments of USD 125,000. The minimum royalty commitment terminates in the event that the production royalty paid is equal to or higher than the equivalent to the minimum that would have been due during six consecutive months.

The Veta Grande vein, which pinches and swells along strike, has produced multi-million ounces of silver from high-grade shoots in the swells from the mid 1500's to the present time. A significant portion of the historic production has been from high-grade shoots on Defiance's portion of the Veta Grande. Mapping, mineralogical studies and drilling to date indicate that the pinching and swelling continues along strike and the mineralized system hosting the San Acacio deposit is tilted to the southeast. With only a few shallow historic exploration shafts and minor modern exploration, there is significant potential for the discovery of multiple intact, high grade silver shoots in this area. Over 4.4 km of Defiance's 5.6 km holdings along the Veta Grande vein have not seen historical production nor been systematically explored, providing Defiance the opportunity to potentially develop a mineral resource along strike.

Surface rights agreements

In August 2014, the Company obtained authorization to temporarily occupy and explore certain land holdings on the San Acacio property. In order to keep the agreement in good standing, the Company is required to make semi-annual payments during the exploration phase and the development phase. The agreement will be valid for twenty years with the option to extend in the future. During the year ended June 30, 2022, the Company entered into a land purchase agreement to purchase the certain land holdings on the San Acacio property. The Company acquired the land for $385,057 (6,183,000 Mexican peso).

On February 27, 2015, the Company entered into a Surface Rights Agreement with the Ejido called "Sauceda de la Borda", Municipality of Vetagrande, State of Zacatecas, for the right to occupy and perform exploration work on common use lands of such Ejido, specifically 681.00 Hectares. The Company had the authorization to explore the surface of the property for a term of three years which could be extended for an additional three years at the Company's choice, by making annual advance payments and by paying a one-time fee on the execution of the agreement.

On February 26, 2018, the Company exercised its right to extend the term of the agreement above mentioned for an additional three years by making a one-time payment and was required to make semi-annual payments. All required payments have been made.

On March 30, 2021, the Company entered into an Agreement to extend the Surface Rights Agreement with the Ejido called "Sauceda de la Borda", Municipality of Vetagrande, State of Zacatecas, where it was agreed that the Company could continue with its exploration works exclusively in the Ejido's lands for three additional years, being the Surface Rights Agreement valid until March 12, 2024. During the year ended June 30, 2024, the Company extended the Surface Rights Agreement for a term of three additional years.

On August 13, 2021, the Company entered into a Temporary Occupancy and Right of Way Agreement in common use lands for exploration with the Rural Fractioning (Fraccionamiento) "Fraccionamiento Sauceda de la Borda", Municipality of Vetagrande, State of Zacatecas, in which the Company is authorized to temporarily use a certain part of its land, exclusively for mining exploration works. This agreement is valid until August 13, 2026. Subsequent to the year ended June 30, 2026, the Company entered a temporary occupancy and right of way agreement in common use lands for exploration with the Rural Fractioning (Fraccionamiento) "Fraccionamiento Sauceda de la Borda", Municipality of Vetagrande, State of Zacatecas, in which the Company is authorized to temporarily use a certain part of its land, exclusively for mining exploration works. This agreement is valid until September 10, 2036.

On March 31, 2023, the Company entered into a Surface Rights Agreement with the Ejido called "Panuco", Municipality of Panuco, State of Zacatecas, for the right to occupy and perform exploration work on common use lands of such Ejido. The Company had the authorization to explore the surface of the property for a term of five years which could be extended for an additional five years at the Company's choice, by making annual advance payments and by paying a one-time fee on the execution of the agreement.

Property Background

The San Acacio mining concessions control approximately 5.6 kilometers of the 8.5-kilometer-long Veta Grande vein system, one of the three major vein systems within the Zacatecas Silver District that has produced over 700 million ounces of silver since the mid-1500's. Veta Grande is a classic epithermal silver rich vein system with accessory gold and base metal credits. The San Acacio deposit has been exploited over a strike length of 1.2 kilometer to an approximate depth of 200 meters. Three shallow exploration shafts were also made prior to 1910 along the vein for an additional 900 meters along strike to the southeast. The structure, which is believed to exist over a further 5.6 kilometers of strike length to the southeast and until recently, has had limited modern exploration. The property has been the subject of previous resource

estimates in 2010 by Source Exploration Inc. and by the Company in 2012. The Company is not treating either of those estimates as current or historic resource estimates.

On January 15th, 2015, the Company announced a new resource estimation (Giroux and Cuttle, Sept 26, 2014) with additional ounces of silver as well as significantly higher grade. On Feb 2, 2024, the BCSC determined that there were some deficiencies in the 2014 NI43-101 technical report and asked the Company to correct those deficiencies. Therefore, the 2014 resource estimate is no longer considered current. A new technical report was then commissioned and has now been completed.

Since the date of the Giroux and Cuttle report and from a period of Dec 2014 through to Dec 2017, Defiance drilled 32 additional diamond drill holes for a total of 10,194m. These holes tested the Veta Grande vein system; at depth beneath the resource area as defined by older resource estimates as well as along strike beyond the limits of the other resource estimates, a number of holes intercepted encouraging mineralization below the limits of the previous resource estimates.

The Company has completed additional diamond drilling on the project since 2014, including 73 drill holes for a total of 26,578.03 metres on the San Acacio property, as well as extensive surface geological and structural mapping of the mineralized zones, and surface soil sampling of the entire project. This work has not yet been incorporated into current geological and resource models for use in the preparation of a current mineral resource estimate by an independent qualified person.

In December 2020, the Company commenced a new drill program and since that time has intercepted many mineralized intervals below the previous resource estimates that will be incorporated into a future resource estimate. The Company continued with its diamond drill program in 2022, 2023 and 2026. All results from that work have been published in a series of News Releases as well as summarized in earlier MD&A's and filed on SEDAR+.

On Dec 17, 2024, the Company filed a new technical report on the Company's Zacatecas Project in Mexico. The Company has been working with SGS Geological Services, who prepared a revised technical report that includes a summary of all the exploration work completed on the Zacatecas Project to date including the work done on the San Acacio, Lucita North and Lucita South properties.

Since the 2014 Mineral Resource Estimate on the San Acacio property did not comply with disclosure requirements for mineral resources set out in NI 43-101, and the additional drilling completed on the project has not yet been incorporated into current geological and resource models for use in the preparation of a current mineral resource estimate by an independent qualified person, there are no current mineral resources on the property.

Benjamin Eggers, P.Geo. and Sarah Dean, P.Geo. of SGS Geological Services, both qualified persons under NI 43-101, have completed the technical report titled "*Technical Report for the Zacatecas Project, Zacatecas, Mexico*" dated December 16, 2024, with an effective date of October 1, 2024.

Starting August-November 2024 a channel sampling campaign started on the main pits area of San Acacio project. The sampling consisted of sampling in situ material of vein outcropping on the Almadén, Esperanza and Guadalupe pits. The objective of this sampling is mainly to give more certainty to the grades model in the future. Along with the sampling, very detailed geological-structural-alteration map are being produced to aid in adding certainty to the geological model of the main Veta Grande vein system. A total of 152 mechanical trenches were completed from which 1016 channel samples were collected from the 1098m of trenching extending over 2.1km of the Veta Grande vein system. A sampling summary from the recently completed trenching program is as follows:

Item	Details	Average grade Ag ppm	Minimum grade Ag ppm	Maximum grade Ag ppm
Number of trenches sampled	152	-	-	-
Trenched meters	1,098	-	-	-
Total length of Veta Grande system sampled	2.1 km	-	-	-
Number of channel samples collected	1016	63.00	2.00	5,180
Veta Grande vein (only) samples	164	147.50	0.11	1,480
Samples of unconsolidated trench debris	53	205.36	7.95	1,375

Highlights of the completed trenching program:

- Numerous high-grade samples from surface trenches
- Veta Grande structure at surface has continuity between the historical open pits
- A total of 76 trenches (from CHSA-24-01 to CHSA-24-76) were excavated and sampled in the area known as the Almaden-Carolina pits. Most of the samples returned values over 60 ppm and up to 1480 Ag. Trench CHSA-24-32 returned 3.25m grading 354.6 ppm Ag, 4.16 ppm Au, 4.16% Pb and 0.52% Zn.
- A total of 49 trenches (from CHSA-24-77 to CHSA-24-125) were excavated and sampled in the area known as the Esperanza-Guadalupe pits. Most of the samples returned values over 60 ppm and up to 5180 ppm Ag. Trench CHSA-24-116 returned 0.60m of 5180 ppm Ag, 4.85 ppm Au, 0.74% Pb and 0.08% Zn. This sample represents the highest Ag sample of the trenching campaign. Channel CHSA-24-110 returned 0.85m grading 1155 ppm Ag, 4.12 ppm Au, 2.31% Pb and 0.24% Zn.

This is the first significant trenching program on the project since the last historical operators have removed any notable material to mill. The purpose of the trenching program was to confirm the historical samples and link the pits with current geochemistry and geology. The results from this large campaign gives confidence to the near surface tonnage potential while also demonstrating continuity between the large historical open pits (Almaden, San Jose, Esperanza, Guadalupe). Prior to this program, limited information was available on the grade and thickness of the vein system at surface. Trenching exposed the vein system to surface in the historical open pits as well as exposing the vein system with trenching between the significant historical surface mining operations.

Geological 1:2000 mapping in the SE extension zone of Veta Grande is going to aid in better understanding of the area and drillhole planning for future exploration to develop the mineral resource estimate at the San Acacio project.

Exploration plans at the San Acacio project area for 2026

Planned 2026 drilling at the Zacatecas project includes programs for developing a new resource estimate, metallurgical testing, brownfield exploration, and greenfield exploration, including:

1. Potential mineral resource drilling that will be focused in and around the area of previous mineral resource estimates, none of which are current mineral resources and is also designed to delineate additional tonnage of mineralisation outside of the previous resource estimates.
2. Brownfields exploration designed to test newly recognized hanging wall and footwall vein splays, offset structures at depth, and additional targets in close proximity to the historical workings.

3. Permits will be submitted for additional exploration holes as a follow up to the property-wide surface geochemistry and mapping program at San Acacio.

Lagartos Project

Defiance has the Lagartos database covering an additional 135,000 hectares in the Zacatecas silver district providing the opportunity to acquire further concessions. All of the Lagartos concessions are located within the Zacatecas silver district, which has produced an estimated 700 million ounces of silver, principally before 1895. Zacatecas lies along the "Fresnillo Silver Trend" a regional structural zone that has yielded over 5 billion ounces of silver. The four largest districts along the trend; Guanajuato, Zacatecas, Sombrerete and Fresnillo are all characterized by multiple sets of parallel silver-gold veins with high-grade oreshoots located periodically along their lengths. The Zacatecas District is characterized by six major sets of such parallel veins. This consolidation gives Defiance control of over 65% of the Veta Grande vein, which historically produced an estimated 200 million oz of silver within the district with first production reported as being in 1548. A number of the other newly acquired Lagartos concessions are adjacent to other important vein systems in the Zacatecas Silver District including: the Malanoche vein system currently being mined by Capstone Mining Corp.; the Cantera - El Bote vein system; and the Panuco vein system controlled by Zacatecas Silver Corp. and Pan American Silver Corp. It is believed that all the known deposits were found in outcrop 350 to 500 years ago, while new "blind" vein systems remain to be discovered.

MAG's exploration programs successfully identified a number of broad (10s of meters wide) hydrothermal alteration zones along structures up to 4 kilometers long that appear to represent the upper-level manifestations of deeper Zacatecas and/or Fresnillo (Juanicipio)-style epithermal vein mineralization. Selected grab samples are not necessarily representative of the mineralization hosted on the property.

Highlights of the Lagartos acquisition:

- 800 hectares of mining rights in 14 concessions
- Exploration digital data bank including a drill hole database totaling 90 holes, extensive geochemistry, geophysics, satellite imagery, and detailed drill logs from over 135,000ha of ground stretching from the Zacatecas Silver District to the Fresnillo Silver District
- All core drilled by MAG Silver in the district.

Exploration plans at the Lagartos project area for 2026

1) Detailed surface mapping to integrate the mineral system into a geologic model.
2) Review of the historic drill core.
3) Permit applications for surface diamond drilling.

Lucita Project

On November 30, 2020, the Company entered into a definitive option agreement with Pan American Silver Corp. ("Pan American") to acquire a 100% interest in Pan American's Lucita property consisting of 28 mining concessions, located adjacent to the Company's San Acacio project. In December 2023, the Company acquired 100% ownership of the Lucita property from Pan American, while Pan American retains a 2% NSR. The option terms included an initial payment of USD 100,000 upon signing; USD 100,000 on or before the first-year anniversary; USD 500,000 on or before the second-year anniversary; and a final payment of USD 800,000 on or before the third-year anniversary. The terms were successfully completed as of December 2023 with total payments of USD 1,500,000 being made. The property is subject to a 2% NSR payable to the vendors on production from the property.

Highlights of the Acquisition Include:

- Defiance's Zacatecas District landholding interests increased from 1,600 Ha to over 4,300 Ha, including more than 10 known veins that returned drill results including 3.25m of 325 g/t Ag and 1.25m of 775 g/t Ag.
- Acquired the on-strike extension of Zacatecas Silver Corporation's Panuco Deposit with a NI43-101 resource estimate of 2,733,000 t grading 171.1g/t Ag and 0.17g/t Au. (Report for Zacatecas Silver by Morales-Ramirez, Keane, Barry, Puritch, Wu and Yassa: P&E Mining Consultants, Jan 28, 2022). Defiance Silver's qualified person and technical team have been unable to verify this information, and that the information is not necessarily indicative of the mineralization on the Lucita property.
- Lucita hosts the undrilled Palenque vein structure, a 12-metre-wide structure that has a 4km strike length and has return historical in situ grab and dump samples ranging from 25g/t Ag to over 700g/t Ag.
- Other priority high-grade vein structures also exist on the southern license area.

The 2,674 Ha Lucita property consists of a number of mineralized zones in the Lucita North and the Lucita South (Palenque vein system). The mineralization within the Lucita land package is characterized as a low to intermediate sulfidation epithermal Ag-Au vein, breccia, and stockwork system. While historical work in the central Lucita area has been limited to first-pass regional geological mapping and sampling, the northern license area of Lucita North has historical high-grade drill results and multiple drill ready exploration targets.

Pan American Silver previously conducted geological mapping, sampling, and two drilling campaigns in the Lucita North license area. Historical drilling of veins from 20 holes completed by Pan American in 2011-2012 returned encouraging results including 3.35m of 325 g/t Ag from hole LU11-16 (Veta Lucero) and 1.25m of 775 g/t Ag from hole LU11-9 (Veta San Andres). Phase I drilling in 1996 comprised 10 holes and 1,409.85 metres of drilling. Phase II drilling was carried out in late 2011 and early 2012, comprising 20 drill holes with 3,693.41 metres drilled. Both drill campaigns intersected mineralized veining typical of a high-level epithermal system.

Within the Lucita North, there are at least 10 known mineralized structures over a strike length of more than 4km, including the on-strike extension of the Panuco and Panuco Norte (Tres Cruces) vein systems currently being explored by Zacatecas Silver Corp (TSX-V: ZAC). Zacatecas Silver Corp. recently released a series of high-grade drill results on the Panuco Norte (Tres Cruces vein system) within 500m to the northwest of Defiance's property boundary. Given the proximity of these high-grade drill holes on the Panuco Norte (Tres Cruces) and the mapped continuation of mineralized Panuco Norte (Tres Cruces) vein system onto the Lucita property, the extension of the Panuco Norte vein system represents a prospective exploration target for the Company with no assurance that the mineralization will continue onto the Lucita North project.

Within the Lucita South-Palenque vein system, work limited to surface sampling and first pass mapping had been completed prior to Defiance's involvement. Defiance has since completed extensive geological mapping

and sampling and first pass drilling at Lucita South. Work to date has shown that there are number of prospective structures suited for follow up exploration, including drilling.

In early November 2021, the Company commenced the first-ever regional drill program on the Lucita South land package. To date, the Company has completed over 4,750 metres of regional drilling at Lucita South. The drill program is the first ever to be completed at the Lucita South-Palenque vein system, which is currently under option from Pan American Silver Corp (See News Release dated December 2nd, 2020). First phase drilling has been completed, with further assays pending for an additional 8 holes (DDLU-21-06 to DDLU-21-13). The initial results presented are highly encouraging and warrant extensive follow-up exploration work.

The dominant silver mineralization consists of pyrargyrite-proustite, acanthite, and argentite hosted in polyphase quartz and calcite veins, breccias, and stockwork veinlet zones. As is common in the Zacatecas and Fresnillo districts, at least two structural events are evident, as well as wide zones of shallow-level alteration with elevated pathfinder element geochemistry. The style of mineralization in the central portion of the Palenque vein system is dominantly silver and gold, with little to no lead and zinc. This metal assemblage differs from the Veta Grande system in Defiance's San Acacio project, which has a more polymetallic signature.

The inaugural drill program at Lucita South (Palenque vein system) confirmed the presence of high-grade, Fresnillo-style, low to intermediate-sulfidation epithermal silver mineralization, consisting of mainly of pyrargyrite (high-level sulfosalt) and silver sulfides that potentially indicate the higher-level setting of a zoned epithermal system. The drill holes reported in the Aug 9th, 2022 news release encountered a blind, newly discovered contact-style mineralization at depth. Holes DDLU-22-10 and 11, also encountered two additional styles of silver-dominant mineralization, including a flat-lying faulted contact as well as fine veinlet arrays within underlying shales. The encountered mineralization is open along strike and both up and down dip from the released results, which are highly encouraging and warrant extensive follow-up exploration work, including diamond drilling. Future exploration and analysis of results will expand on the genesis of the vein systems at the company's Zacatecas district project.

The Company has been actively exploring Lucita property since 2021. Recent work has been focused on property-wide systematic data collection using industry's best practices. Surface work to date includes geological mapping at various detailed scales, surface geochemical rock sampling, and spectral mineral alteration mapping. On April 15, 2024, the Company released the results from the ongoing mapping and surface sampling campaign at its Lucita North and South properties in Zacatecas, Mexico. Work to date includes surface geochemical sampling in both new and historically sampled zones and has led to a revised interpretation of the geology at Lucita. The surface work will be used to support further delineation of drill targets for future exploration.

Highlights of Results- Lucita North and Lucita South

Lucita North

The Gloria-Aurora-Plomosa vein system is a large, regional structure similar in orientation and length to Defiance's Veta Grande system. The Gloria-Aurora-Plomosa system contains a high-density of altered and mineralized structures with high grades at and near surface. The mineralization style is dominantly multiphase, intermediate-sulfidation epithermal style veins and breccias; this is best exhibited in the Aurora zone. The Gloria zone also contains an outstanding example of polymetallic, breccia-style mineralization with metal assemblages and textures reminiscent of carbonate-replacement style deposits. The eastern portion of the Plomosa remains to be mapped, but preliminary findings indicate the presence of multiple mineralization styles.

The Pilitas-Tules intersection zone is of particular interest due to the presence of east-west Ag-rich structures that intersect earlier northwest-southeast structures. The northwest-southeast breccia-vein zones are understood to be exposed at a high-level of the epithermal system, and therefore present important drill targets at depth. This architecture and mineralization style is reminiscent of the structures that are known to host significant mineralization in the Fresnillo district.

The mineralized systems at Lucita North show a strong polymetallic signature, both at surface and in shallow, historic drill holes. Multiple mapped structures have returned high-grade Ag and highly anomalous to high-grade Pb, Zn, Au ± Cu along the majority of their exposed strike length (e.g., Gloria-Aurora-Plomosa, Lucero, Pilitas, and Chucho Blanco). Vein system widths at surface in Lucita North range from 0.1 - 19 meters.

In particular, the Gloria-Aurora-Plomosa system is a high-priority target for the Company. This system contains three distinct zones from northwest to southeast: Gloria, Aurora, and Plomosa. This system has one of the best polymetallic surface geochemical anomalies in the district and is prospective for both intermediate-sulfidation epithermal vein and potential carbonate-replacement-style mineralization at depth.

Lucita South

Surface work commenced at Lucita South and led to a first-pass drill program along the Palenque structure (see News Release April 13th, 2022, and August 9th, 2022). Recent surface work has focused on the Lucita North project. Surface geochemical results and the abundance of mapped veins demonstrate the potential for undiscovered and untested to poorly tested, high-grade Ag-Au vein systems and Ag-Zn-Pb±Au±Cu polymetallic mineralized systems at Lucita South and Lucita North, respectively.

The most prominent structures at Defiance's Lucita property are northwest-southeast and east-west trending mineralized veins, breccias, and alteration zones. These structural orientations are characteristic of the most important mineralizing events of the world-class ore deposits in the Central Mexican Silver Belt. Intersections of these two mineralizing events often localize zones of significant mineralization.

An interesting feature of the Lucita property is the presence of both polymetallic Ag-Zn-Pb±Au±Cu style mineralization and Ag-Au dominant low-sulfidation epithermal-style mineralization. The most prospective targets in the Lucita North project are the Gloria-Aurora-Plomosa system, the Pilitas-Tules intersection zone, and the Lucero vein. In Lucita South the Palenque, Lucita, and Paty veins are high-priority follow-up drill targets.

The Palenque, Lucita, and Paty veins are east-west structures that display Ag-Au dominant mineralization characteristic of low-sulfidation epithermal vein systems. This style of mineralization was targeted by Mag Silver in the Fresnillo district and led the discovery of the Juanicipio mine. An important intersection of the east-west Paty vein, which contains the highest-grade surface sample from previously mined material (2350 g/t Ag), with a northwest-southeast trending structure represents an additional Fresnillo-style target.

Mapping and sampling at Lucita South have highlighted east-west vein systems with a dominantly silver and gold signature at surface. Several mapped structures have returned high-grade samples (e.g., Paty, Palenque, and Lucita), including a sample from the Paty vein grading 2350 g/t Ag. Additionally, substantial historic workings and multiple mineralized surface samples were encountered along the Palenque structure. Widths of these structures at surface in Lucita South range from 0.1 - 4 meters.

These encouraging surface results led to the Company's first-pass diamond drill program at Palenque (see News Release April 13th, 2022, and August 9th, 2022). Drilling along the Palenque structure confirms the continuation of silver and gold grades at depth and identified blind mineralization in low-angle faults and within specific stratigraphic units.

Well-mineralized samples from both surface and drill core, as well as the potential for very high grades as demonstrated in the Palenque, Paty, and Lucita veins, present significant exploration upside in the Lucita South project.

Recent Work at Lucita North and Lucita South

Starting in January 2025, a drill core re-logging campaign started for historical Pan American drilling in Lucita North, to date most of drillholes have been relogged. No samples have been summited to ALS yet.

Additionally starting in December 2024, a rock chip campaign is ongoing in Lucita South, to collect chip samples for pXRF and ASD readings to aid regional geochemical and alteration patterns for exploration. The current grid has 1397 points for collection, and 521 samples are collected to date.

Defiance commenced a 10,000m drill program on the Zacatecas project in September 2025. A total of 6,132 m were drilled on the Veta Grande vein system in the Sa Acacio portion of the Zacatecas project. The remaining 4,064 meters were used to test highly prospective targets in the Lucita South area, including a significant test of the high-grade multi-kilometre long Palenque vein system. Defiance has released previous grassroots discovery results in NR dated August 9, 2022, DDLU-22-10 intersected several different styles of mineralization, including grades up to 737 g/t Ag (from 398.00m to 398.53m), and in NR dated April 13, 2022, drillhole DDSA-21-50 returned a downhole interval of 1.15m of 1,603.90 g/t Ag (from 116.25m to 117.4m), within a downhole interval of 3.33m grading 709.04 g/t Ag (from 115.82m to 119.15m). These previously reported drill holes were the first drill holes ever recorded on the Lucita South asset in the world-class Zacatecas district. Results from the remaining 4,064m drilled in the Lucita South portion of the Zacatecas project, which was started in April 2026, are being processed and will be the subject of a news release when the review has been completed.

Exploration plans at Lucita for 2026

1) The Company continues to advance the geological understanding of the district and views the Lucita option as being a key greenfield exploration target.
2) Ongoing work consists of project wide geological mapping and geochemical sampling as well as historic core re-logging.
3) An additional diamond drilling program is planned on selected portions of the Lucita Project based on the drill results reported to date.
4) Permits are being submitted for additional exploration holes as a follow up to the encouraging drill results reported to date.
5) Greenfields exploration that will be a combination of follow up drilling on the recent first-pass success at Palenque and first pass drilling on regional targets including the northern Zacatecas district at Lucita North.

Minerva property

During the year ended June 30, 2012, the Company applied for a mining claim located in Coahuila State, Mexico, known as the Minerva property. As of date of this MD&A, the application was still pending approval by the Mexican mining authorities.

Tepal Project

As a result of the acquisition of Valoro Resources Inc. (“Valoro”) in fiscal 2019, the Company acquired a 100% right, title and interest in mining claims located in the state of Michoacán, Mexico (the “Tepal Project”).

Highlights of the Transaction

- The Tepal Gold Copper Project had a 2017 Preliminary Economic Assessment ("PEA"). The PEA is based on the 2012 Micon mineral resource estimate with Measured and Indicated Resources. This 2012 Micon report has some report deficiencies unrelated to the mineral resource estimate therefore the results in that report should only be viewed in a historical context only. The company is not treating this 2017 report as a current PEA or a current mineral resource estimate and a new NI43-101 mineral resource estimate has been completed.
- Proven management team: Extensive experience in all critical mining and exploration disciplines with demonstrated capabilities in financing, acquiring, developing and operating mines and a proven track record of exploration successes.
- Enhanced market presence: The larger merged company is expected to appeal to a broader institutional shareholder base and improve share trading liquidity.
- Compelling value proposition: Significant leverage among junior Mexico explorer's equities and attractive relative valuation based on net asset value.

During the year ended June 30, 2022, the Company became aware that certain mineral concessions from its Tepal Project had been transferred to a third-party individual without the Company's knowledge or consent. On February 13, 2024, the Company received the favourable ruling of the Mexican Court to restore its rightful ownership to the mining concessions forming part of the Tepal Project. In its judgement, the Court confirmed the nullity of the transfer of the concessions, ordered the cancellation of such transfer title and recognized Geologix Explorations Mexico, S.A. de C.V., a subsidiary of the Company, as legitimate and the rightful owner of the concessions.

Qualified Person

The disclosure of technical information on the Tepal Project was approved by Dunham Craig, B.Sc., P. Geo., a 'qualified person' for the purpose of National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101") until Oct 24, 2023. He has verified that the data disclosed is in accordance with the published results of the reports described under the Tepal Project.

Subsequent to Oct 24, 2023, the disclosure of technical information on the Tepal Project has been approved by George Cavey, P.Geo., Vice President of Exploration and Director for the Company, and a Consultant of the Company, a 'qualified person' for the purpose of National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101"). He has verified that the data disclosed is in accordance with the published results of the reports described under the Tepal Project.

The Tepal Gold/Copper Project ("Tepal Project") is located in Michoacán State, Mexico.

Information on the Tepal Project in this MD&A is summarized or extracted from the reports and news releases as reported by Valoro Resources Inc. ("Valoro") (formerly Geologix Explorations Inc.), previous to the completion of the merger. In particular:

- *Technical Report on the Mineral Resources of the Tepal Gold-Copper Project Michoacán State, Mexico* with an effective date of March 29th, 2012 (the "2012 Resource Report") of David K. Makepeace, M.Eng., P.Eng. of Micon International Limited, This Micon report is missing some information as identified by the BCSC that are unrelated to the mineral resource estimate therefore the results in that report should only be viewed in a historical context only. The Company has now completed a technical report containing a new mineral resource estimate.
- A Micon report titled "*NI 43-101 Technical Report and 2024 Mineral Resource Estimate for the Tepal Project, Michoacán, Mexico*" dated November 29, 2024, amended on January 29, 2025, with an effective date of October 30, 2024 (the "Amended Technical Report") by William J. Lewis P.Geo., Chitrali Sarkar M.Sc., P.Geo., and Richard Gowans P.Eng., of Micon.

Mineralization on the Tepal Project is characteristic of porphyry copper-gold-molybdenum systems. This is interpreted based on its porphyritic host rocks, its alteration, its copper-gold with minor molybdenum (and silver) signature, and its quartz-dominated stockwork veinlets and disseminations associated with sulphide mineralization.

The Tepal Project is located within the Coastal Ranges of southwestern Mexico, south of the Neogene Trans-Mexican Volcanic Belt. Rocks consist of Cretaceous to early Tertiary intermediate composition intrusions and weakly metamorphosed sedimentary and volcanic rocks of Cretaceous to Early Tertiary age. The Jurassic to Cretaceous sedimentary and volcanic rocks are part of an accreted Mesozoic Island arc volcano-sedimentary assemblage. At least some of the intrusive rocks are coeval with the volcanic units. Neogene basalts locally overlie basement rocks and represent outliers of the Trans-Mexican Volcanic Belt.

The Tepal Project is underlain by intrusive, volcanic and sedimentary rocks. Tizate is located within an intrusive complex mapped at surface. The North Zone and South Zone are hosted within dominantly volcanic rocks mapped at surface, though various porphyritic intrusions exist at depth, as noted in drill core.

The structures that dominate at the project and, to an extent regionally, are east-northeast striking, north-northwest striking, and northeast striking. These faults show clear separation of geological units at surface and appear to have juxtaposed different erosional levels.

Mineralization on the property consists of zones of stockwork quartz veinlets, sulphide veinlets and disseminated sulphide mineralization that are hosted within intrusive rocks, volcanic rocks and breccias. These sulphide-bearing zones contain significant concentrations of copper and gold and, to a lesser extent, molybdenum and silver. The mineralization is hosted in three distinct deposits: the North Zone and South Zone with relatively high-grade copper and gold, and Tizate with relatively lower-grade copper and gold, but higher-grade molybdenum.

There is an oxide horizon and a narrow transition layer present in all deposits on the Tepal Project above the sulphide mineralization. The depth of oxidation ranges from 20 to 40 m on the hilltops and 0 to 20 m in the drainages. The transition zone may be up to 15 m thick; however, it is usually significantly less than this and, in some cases, is absent altogether. The transition is identified by the overlapping presence of iron oxides and sulphide mineralization.

Primary sulphide mineralization consists dominantly of chalcopyrite and pyrite, with locally significant bornite and molybdenite. The highest consistent grades of copper and gold mineralization are associated with low pyrite:chalcopyrite ratios and increasing bornite. Local areas of very high-grade gold are associated with thicker veins that cross-cut Tizate, and contain pyrrhotite, sphalerite, galena, silver sulphides, as well as chalcopyrite and pyrite.

2020-2023

Starting in later 2020 and continuing to 2024, Defiance Silver Corp. conducted a desktop review of the Tepal project. Work relied on historic data and interpretations, utilizing raw data and incomplete previous work. Aims were to understand the deposit and allow for new exploration ideas, including clear targets and proposed work programs.

Work included the creation of a new alteration map utilizing all historic surface SWIR measurements, all historic alteration maps (including via remote sensing) and surface observations. A new structural interpretation was made using various historic data including surface observation from mapping, topography, DTMs, magnetics, historic structural interpretation and government geological maps.

The Company reviewed and cleaned up the old database of all 448 holes at Tepal. A new evaluation of the deposit styles at Tepal was made using historic data. This included quick re-logging via core photos, review of detailed petrography reports, drill core geochem values and new interpolant shells, and historic comments. From this data, it is clear that North Zone and South Zone are higher-grade (than Tizate), shallow-level Cu-Au calc-alkalic porphyries, whereas Tizate is a lower-grade, moderate-level Cu-Mo calc-alkalic porphyry with several higher-grade (size unknown) polymetallic veins.

Additionally, historic surface rock and soil surface geochem data was compiled and grouped into typical porphyry and epithermal "pathfinder" element isolines. Maps were made with these to highlight areas of interest in the Tepal Project. The Company also reviewed the historic geophysics from the 2011 airborne survey which was then re-processed resulting in new plan maps with multiple filters were made for magnetics, as well as new radiometric plan maps. A 3D inversion of the magnetics from 2017 was also re-evaluated, and discrete magnetic bodies were further modeled from this. Historic 2011 EM data was also reprocessed to 2D and 3D products.

The extensive and detailed computer study from all the work (i.e., alteration map, structural map, new clean database, deposit knowledge, geochem map and geophysical reprocessed work) generated multiple (11) new targets on the Tepal Project. Targets include extensions and exploration of the existing mineralized bodies, and many green fields exploration untested zones. Target areas were ranked based on probability for success, and a new work proposal of diamond drilling and additional infill surface sample collection was made.

On Dec 10th, 2024, the Company announced the results from a new Mineral Resource Estimate ("MRE") prepared in accordance with the National Instrument 43-101 - *Standard for Disclosure for Mineral Projects* ("NI 43-101") for the 100% owned Tepal Gold-Copper Project. The report was amended, redated and refiled on SEDAR on Jan 29, 2025

Highlights Include:

- 111.67 million tonnes (Mt) of Measured & Indicated Mineral Resources averaging 0.26 g/t gold for 926,000 ounces of gold
- 111.67 Mt Measured & Indicated Mineral Resources averaging 0.19% copper for 473.86 million pounds (Mlb) of copper
- 111.67 Mt of Measured & Indicated Mineral Resources averaging 1.55 g/t silver for 5.58 million ounces (Moz) of silver
- 124.36 Mt of Inferred Mineral Resources averaging 0.25 g/t gold for 985,000 ounces of gold
- 124.36 Mt of Inferred Mineral Resources averaging 0.16% copper for 451.0 Mlb copper
- 124.36 Mt of Inferred Mineral Resources averaging 1.46 g/t silver for 5.83 Moz of silver
- Mineral resources were estimated using a cut-off grade of 13 $/t NSR for the oxidized zone and 15 $/t NSR for the sulphide zone; both the oxide and sulfide estimates lie within the optimized pit shell
- Metallurgical testing indicates recoveries of 86% Cu and 54% Au for the North/South Zones and 84% Cu and 50% Au for the Tizate Zone mineralization which would produce a 23% Cu copper concentrate with gold credits.
- The MRE was independently prepared by Micon International Limited ("Micon")

The MRE, independently prepared by Micon's QPs, have classified the mineral resources for the Tepal Project in the Measured, Indicated and Inferred categories for the Tepal North Zone resources and the Indicated and Inferred categories for Tepal South Zone and Tizate Zone resources (as defined in the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources & Mineral Reserves incorporated by reference into NI 43-101) and has an effective date of October 30, 2024.
Table 1 summarizes the MRE. Tepal North Zone, Tepal South Zone and Tizate deposits are all part of the Tepal Project; the three deposits have been estimated separately to honour their geometry and grade characteristics.

Table 1: *Tepal Project Mineral Resource Estimates (rounded values)*

Open Pit Model	Resource Category	Wea-thering Zone		Average Grade				Content Metal			
			Tonnage	NSR	Cu	Au	Ag	NSR	Cu	Au	Ag
			Mt	$/t	%	g/t	g/t	mill. $	thous. lb	thous. oz	thous. oz
In-Pit Tepal North Zone	Measured	Oxide	2.71	31.16	0.31	0.45	1.03	84	18,818	39	90
		Sulphide	21.21	38.04	0.24	0.39	0.92	807	111,170	269	627
	Indicated	Oxide	3.85	17.51	0.19	0.25	0.80	67	16,508	31	99
		Sulphide	28.51	25.35	0.18	0.23	1.22	723	110,322	213	1,114
	M+I	Oxide	**6.56**	**23.15**	**0.24**	**0.33**	**0.90**	**152**	**35,327**	**70**	**189**
		Sulphide	**49.72**	**30.77**	**0.20**	**0.30**	**1.09**	**1,530**	**221,492**	**481**	**1,741**
		Total	**56.28**	**29.88**	**0.21**	**0.30**	**1.07**	**1,682**	**256,818**	**551**	**1,930**
	Inferred	Oxide	2.60	12.91	0.15	0.18	1.17	34	8,750	15	97
		Sulphide	26.73	23.82	0.17	0.21	1.21	637	101,909	177	1,040
		Total	**29.33**	**22.86**	**0.17**	**0.20**	**1.21**	**670**	**110,659**	**192**	**1,137**
In-Pit Tepal South Zone	Indicated	Oxide	1.22	28.27	0.22	0.40	1.29	34	5,922	16	50
		Sulphide	10.78	36.63	0.24	0.36	1.13	395	57,569	124	392
		Total	**11.99**	**35.78**	**0.24**	**0.36**	**1.15**	**429**	**63,492**	**140**	**443**
	Inferred	Oxide	1.48	10.25	0.11	0.14	0.87	15	3,635	7	41
		Sulphide	35.84	35.02	0.18	0.41	1.29	1,255	145,779	477	1,481
		Total	**37.32**	**34.04**	**0.18**	**0.40**	**1.27**	**1,270**	**149,414**	**484**	**1,523**
In-Pit Tizate Zone	Indicated	Oxide	4.10	11.50	0.13	0.16	1.79	47	11,493	21	236
		Sulphide	39.30	22.52	0.16	0.17	2.35	885	142,057	214	2,970
		Total	**43.40**	**21.47**	**0.16**	**0.17**	**2.30**	**932**	**153,549**	**235**	**3,206**
	Inferred	Oxide	4.55	9.58	0.14	0.12	2.19	44	14,450	18	321
		Sulphide	53.16	21.15	0.15	0.17	1.67	1,124	176,488	292	2,853
		Total	**57.71**	**20.24**	**0.15**	**0.17**	**1.71**	**1,168**	**190,938**	**310**	**3,174**
In-Pit Total Tepal+ Tizate	**Measured**	**Oxide + Sulphide**	23.92	37.26	0.25	0.40	0.93	891	129,988	308	717
	Indicated		87.75	24.52	0.18	0.22	1.72	2151	343,872	618	4,861
	M+I		**111.67**	**27.25**	**0.19**	**0.26**	**1.55**	**3,043**	**473,860**	**926**	**5,578**
	Inferred		**124.36**	**25.00**	**0.16**	**0.25**	**1.46**	**3,109**	**451,011**	**985**	**5,834**

Resource Estimate Notes:

1. The effective date of the MRE is October 30, 2024.
2. The Mineral Resource Estimate has been stated using a NSR $/t value cut-off grade. As per the economic assumption the cut-off grade is 13 $/t NSR for the oxide zone and 15 $/t for the sulphide zone.
3. William Lewis P.Geo., and Chitrali Sarkar M.Sc., P.Geo., of Micon are the QPs responsible for the MRE, as defined in NI 43-101.
4. The mineral resources disclosed in this report were estimated using the CIM standards for mineral resource and reserve definitions and the CIM best practices guidelines for resource estimation.
5. The mineral resources reported are contained within the boundaries of a pit-shell derived from the open pit optimizer, assuming surface mining methods with an overall slope angle of 45 degrees and with the original block model re-blocked to 20m x 20m x 20m. Mineralized blocks outside of the pit-shell are not considered to be part of the MRE.
6. An open pit cut-off grade of 13 $/t NST for the oxide zone and 15 $/t for sulphide zone was calculated for the MRE, using a gold price of USD 2,300/oz, a silver price of USD 30/oz and a copper price of

USD 4.8/lb, mining cost USD 2.0/t, processing cost USD 10/t for oxide and USD 12/t for sulphide, G&A costs of USD 3/t. and relevant treatment and refining charges (TCRCs).

7. Molybdenum has not been considered to be part of NSR calculation at this time due to insufficient metallurgical testwork to determine the applicable process recovery.
8. The MRE has been classified according to CIM definitions of Measured, Indicated and Inferred Resources for Tepal North Zone and Indicated and Inferred for Tepal South and Tizate Zones. The Mineral Resource classification has also been visually reviewed to eliminate any" Spotted Dog" effect, commonly seen in computer-generated models.
9. The mineral resource results are presented in-situ within the optimized pit.
10. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
11. Geological modelling and the MRE have been completed using Leapfrog Geo and Edge software.
12. The tonnes and metal contents are rounded to reflect that the numbers are an estimate and any discrepancies in the totals are due to the rounding effects.
13. Micon has not identified any legal, political, environmental, or other factors that could materially affect the potential development of the mineral resource estimate.

Silver has been included in the current NSR calculation for the first time as it was not reported in any of the previously released mineral resource estimates. Molybdenum has not been included as part of the current NSR calculation for the MRE due to insufficient metallurgical testwork to determine the applicable process recovery. However, molybdenum grades are significant, and the Company will aim to included this in any future MRE or Preliminary Economic Assessment.

The current mineral resource estimate focuses exclusively on an open pit resource. However, while performing the interpretation for the Tepal South Zone mineralization, Micon noticed that the mineralized zone is dipping sharply towards the south at the south-east end of the deposit. The high-grade material within the low-grade envelopes also follows a similar trend, and it is believed that there could be underground resource potential for this area. Micon's QPs suggest performing a study using a combination of open pit and underground mining methods in future resource estimates.

The Micon MRE report is titled "*NI 43-101 Technical Report and 2024 Mineral Resource Estimate for the Tepal Project, Michoacán, Mexico*" dated November 29, 2024, amended on January 29, 2025, with an effective date of October 30, 2024 (the "Amended Technical Report"). William J. Lewis P.Geo., and Chitrali Sarkar M.Sc., P.Geo., of Micon are the QPs for the MRE and have reviewed and approved the technical disclosure contained the Dec 10, 2024, and Jan 29, 2025 news releases. Richard Gowans P.Eng., of Micon is the QP responsible for reviewing the Tepal metallurgical work which the MRE is based upon. Mr. Lewis, Ms. Sarkar and Mr. Gowans are all independent of Defiance and are the Micon QPs for the Amended Technical Report. The Company believes that the Tepal Project has excellent exploration upside to increase the size of the mineralization, by both expanding the known mineralization of North Zone, South Zone and Tizate, and by exploring for new deposits within the Project. A series of targets have been defined based on geological, geochemical, geophysical, alteration and structural information. These targets include, but are not limited to, the following:

- Clear areas of open, untested plunges of high-grade porphyry-style mineralization at depth in known deposits. An example is in the deep South Zone (Figure 3) where drill hole TEP-11-26 returned values of 0.41% Cu and 1.21 g/t Au over 150.8m (from 315.20m to 466.05m). There has been no previous additional drilling in this area below the resource optimized pit.
- Various adjacent and distal untested to poorly tested targets with similar porphyry-style signatures, defined by multiple exploration criteria within the project
- Cross-cutting and/or superimposed different deposit styles (e.g., high-grade polymetallic intermediate-sulphidation epithermal-style veins, high-sulphidation epithermal-style potential under advanced argillic alteration, etc.)

Based on the computer desktop work done to date and supported by the results from the new MRE, Tepal has been sub-divided into three structural and alteration domains. Within these structural domains, 11 exploration targets have been identified. Criteria that have been used for target selection include: rock and soil geochem (pathfinder elements and anomalous metals), geophysical survey (aeromagnetics, 3D inversions of aeromagnetics, IP survey chargeability and resistivity, 3D inversion of resistivity, radiometics), alteration (new short-wave infrared processing and interpretation, historic mapping), geology (from historic government work), structures (new interpretation from previous various data sets), drilling (geochem and metal distribution, ore deposit styles), terrain, and others.

Exploration plans at the Tepal project area for 2026

1) The company plans to continue its desktop modelling and detailed geological evaluation of the past exploration completed on the project. The new targets that have been developed will require additional modelling and onsite follow up.
2) The Company plans a surface exploration program consisting of detailed mapping, geochemistry, and core re-logging in the future. The Company will compile and integrate these surface works into an updated geologic model.
3) The Company plans to complete a drill program over target areas developed from the computer-generated work done in 2020-2023 as well as the results and conclusions noted in the new MRE.
4) The Company plans to complete a new Preliminary Economic Assessment (“PEA”) in calendar year 2026.

Results of Operations

Summary of Quarterly Results

The following quarterly financial data is derived from the unaudited condensed consolidated interim financial statements of Defiance as at (and for) the three-month periods ended on the dates indicated below. The data should be read in conjunction with the Company's financial statements for the corresponding periods and the notes thereto.

The following tables summarize information derived from the Company's financial statements for each of the eight most recently completed quarters:

	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Comprehensive loss for the period	(800,746)	(816,857)	(1,097,350)	(239,692)
Exploration and evaluation assets	58,199,165	49,962,136	47,959,727	45,805,832
Total assets	64,857,397	64,853,301	62,930,981	63,379,192
Loss per share	0.00	0.00	0.00	0.00
	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Comprehensive loss for the period	(654,077)	(658,051)	(631,217)	(981,143)
Exploration and evaluation assets	43,268,044	42,323,519	40,391,431	39,572,226
Total assets	62,294,889	47,104,460	44,271,637	44,334,422
Loss per share	0.00	0.00	0.00	0.00

For the three months ended June 30, 2026, total expenses were $899,183 compared to $645,013 in 2025. The overall increase was primarily due to higher share-based compensation, travel expenses, legal and audit costs, management and consulting fees, marketing and investor relations expenses, and transfer agent and filing fees, partially offset by lower office and administration costs.

For the year ended June 30, 2026, total expenses were $3,396,940 compared to $2,750,726 in 2025. The increase was primarily attributable to higher share-based compensation, management and consulting fees, travel expenses, office and administration costs, legal and audit expenses, and transfer agent and filing fees, partially offset by lower marketing and investor relations expenses.

Individual expense explanations

Marketing and investor relations - $104,084 for the three months ended June 30, 2026 (2025 - $85,551); $496,749 for the year ended June 30, 2026 (2025 - $524,967):

- Marketing and investor relations expenses increased for the three-month period and decreased for the year compared to the prior periods, reflecting the timing and mix of investor relations consulting fees, marketing initiatives, and investor-focused activities undertaken during the periods.

Legal and audit - $130,720 for the three months ended June 30, 2026 (2025 - $95,541); $380,430 for the year ended June 30, 2026 (2025 - $306,158):

- Legal and audit expenses increased for the three-month period due primarily to the timing of legal, audit, and tax-related accruals. For the year, legal and audit expenses increased compared to the prior year, reflecting higher costs related to general corporate matters.

Management and consulting fees - $183,109 for the three months ended June 30, 2026 (2025 - $155,020); $760,361 for the year ended June 30, 2026 (2025 - $596,715):

- Management and consulting fees increased for both the three-month period and the year, reflecting higher management-related costs and greater use of consultants during the periods.

Office and administration - $17,959 for the three months ended June 30, 2026 (2025 - $145,372); $484,575 for the year ended June 30, 2026 (2025 - $391,596):

- Office and administration expenses decreased for the three-month period as a result of an adjustment recorded in the fourth quarter. For the year, office and administration expenses increased, primarily due to higher corporate administration costs, including general office, insurance, software, and other administrative expenses required to support the Company's activities.

Share-based compensation - $330,896 for the three months ended June 30, 2026 (2025 - $145,758); $934,986 for the year ended June 30, 2026 (2025 - $723,231):

- Share-based compensation increased compared to the prior periods due to the timing, valuation, and vesting of stock options, restricted share units, performance share units, and deferred share units granted under the Company's Omnibus Equity Incentive Plan.

Transfer agent and filing fees - $17,581 for the three months ended June 30, 2026 (2025 - $2,863); $109,564 for the year ended June 30, 2026 (2025 - $96,639):

- Transfer agent and filing fees increased for both the three-month period and the year, reflecting the timing of regulatory filing fees, transfer agent charges, and other public company filing costs.

Travel - $114,834 for the three months ended June 30, 2026 (2025 - $14,908); $230,275 for the year ended June 30, 2026 (2025 - $111,420):

- Travel expenses increased compared to the prior periods, reflecting increased travel activity in support of the Company's corporate, investor relations, and marketing activities.

Outstanding Share Data

As at the date of this MD&A, the Company has 376,508,804 shares issued and outstanding, 17,187,667 shares issuable under stock options, 44,183,220 warrants, 1,647,500 shares issuable under DSUs, 458,000 shares issuable under PSUs, and 780,751 shares issuable under RSUs. The fully diluted outstanding share count at the date of this MD&A is 440,765,942.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at June 30, 2026, or as of the date of this report.

Related Party Transactions

Related party personnel are those who have the authority and responsibility for planning, directing, and controlling activities of the Company directly or indirectly. Related parties include the Board of Directors, officers, close family members and entities that are controlled by these individuals.

At June 30, 2026, accounts payable and accrued liabilities included $370,141 (June 30, 2025 - $268,880) payable to directors, officers and companies controlled or related to directors and/or officers. Amounts payable to related parties have no specific terms of repayment, are unsecured and do not bear interest.

During the year ended June 30, 2026 and 2025, related party transactions include the following payments:

	2026	2025
Management and consulting fees [(1)]	$ 1,217,478	$ 1,271,536
Share-based compensation [(2)]	839,561	589,090
	$ 2,057,039	$ 1,860,626

(1) Included in management and consulting fees was $802,277 (2025 - $843,500) capitalized as exploration and evaluation assets.
(2) Share-based compensation expense is the fair value of options, RSUs, DSUs, and PSUs granted.

During the year ended June 30, 2026, the Company issued 33,845 (2025 - 85,823) shares of the Company to settle debt of $8,021 (2025 - $15,960) to a company controlled by an officer of the Company.

Proposed Transactions

At the present time, there are no new proposed transactions that should be disclosed.

Significant Accounting Policies

The Company's material accounting policies are described in Note 3 of the audited consolidated financial statements for the year ended June 30, 2026. Effective July 1, 2025, the Company adopted the amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability, which had no impact on the consolidated financial statements. The Company will adopt the amendments to IFRS 9 and IFRS 7 on the classification and measurement of financial instruments on July 1, 2026, and will apply IFRS 18, Presentation and Disclosure in Financial Statements, for its fiscal year beginning July 1, 2027.

Financial Instruments and Risk Management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - Inputs that are not based on observable market data.

The fair value of the Company's cash, receivables, accounts payable and accrued liabilities, approximates carrying value, due to their short-term nature. Fair value of other assets approximates the carrying value as they are recorded at market interest rate. The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at large Canadian financial institutions in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist mainly of GST/VAT due from the governments of Canada and Mexico. As such, the Company does not believe it is subject to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At June 30, 2026, the Company had cash and cash equivalents of $2,179,191 (June 30, 2025 - $14,750,256) and a working capital of $970,073 (June 30, 2025 - $14,168,823). The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset backed commercial paper.

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.

Interest rate risk

The Company has cash balances and has no debt instruments that bear variable interest rates. The interest earned on the cash approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company's operations are in Canada, the United States and Mexico. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency.

The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Based on the Company's net exposures at June 30, 2026, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in a decrease/increase of approximately $18,000 in the Company's net loss. Likewise, a 10% depreciation or appreciation of the Canadian dollar against the Mexican peso would result in a decrease/increase of approximately $307,000 in the Company's net loss.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatility. The Company closely monitors the commodity prices of precious metals, and the stock market to determine the appropriate course of action to be taken by the Company.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by price risk.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration and evaluation assets, acquire additional exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of shareholders' equity. 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 the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company is not subject to any externally imposed capital requirements. There were no changes in the Company's approach to capital management.

Other Risk Factors

Investment Considerations and Risk Factors

An investment in securities of the Company involves a high degree of risk and must be considered highly speculative due to the nature of the Company's business and the present stage of exploration and development of its properties. In addition to information set out or incorporated by reference in this MD&A, prospective investors should carefully consider the risk factors set out below. Any one of such risk factors could materially affect the Company's financial condition and future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Exploration and Mining Risks

Resource exploration and development and mining operations are highly speculative and characterized by a number of significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but from finding mineral deposits which, though present, are insufficient in quantity and quality to be mined profitability. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development programs will result in any discoveries of bodies of commercial mineralization. There is also no assurance that even if commercial quantities of mineralization are discovered, a mineral property will be brought into commercial production.

Substantial expenditures are required to establish and upgrade mineral resources, to establish mineral reserves, to develop metallurgical processes to extract metals from mineral resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that the funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size and grade; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. Unsuccessful exploration and development programs could have a material adverse impact on the Company's operations and financial condition.

Factors beyond the Company's Control

The mining exploration business is subject to a number of factors beyond the Company's control including changes in economic conditions, intense industry competition, variability in operating costs, changes in government and in rules and regulations of various regulatory authorities. An adverse change in any one of such factors would have a material adverse effect on the Company, its business and results of operations which might result in the Company not identifying a body of economic mineralization, completing the development of a mine according to specifications in a timely, cost-effective manner or successfully developing mining activities on a profitable basis.

Uncertainty in the Estimation of Mineral Resources

The figures for mineral resources contained in this MD&A are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved. Actual resources may not conform to geological, metallurgical, or other expectations, and the volume and grade may be below the estimated levels.

There are numerous uncertainties inherent in estimating mineral resources and reserves, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any resource 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. If the Company's actual mineral resources and reserves are less than current estimates, or if the Company fails to develop its resource and reserve base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected.

Re-evaluation of resources occurs from time to time, and they may change depending on further geological interpretation, drilling results and metal prices. The category of inferred resource is often the least reliable resource category and is subject to the most variability. The Company regularly evaluates its resources, and it often determines the merits of increasing the reliability of its overall resources.

Reliance on Independent Contractors

The Company's success depends to an extent on the performance and continued service of certain independent contractors. The Company has contracted the services of professional drillers and others for exploration, environmental, engineering, and other services. Poor performance by such contractors or the loss of such services could have a material and adverse effect on the Company, its business and results of operations and result in the Company failing to meet its business objectives. Nevertheless, the Company will continue to rely upon the advice and work of consultants and others for exploration, development, construction, and operating expertise.

Write downs and Impairments

Mining interests are the most significant assets of the Company and represent capitalized expenditures related to the development of the Company's Projects and related plant and equipment and the value assigned to exploration potential on acquisition. The costs associated with the property are allocated to exploration and evaluation assets and include acquired interests in the exploration stage property representing the fair value at the time the property was acquired. The value of such mineral property is primarily driven by the nature and amount of material interests believed to be contained or potentially contained, in the property to which they relate.

The Company reviews and evaluates its mining interests for impairment on a quarterly basis or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable, which becomes more of a risk in the global economic conditions that exist currently. An impairment is considered to exist if the total estimated future undiscounted cash flows are less than the carrying amount of the assets. An impairment loss is measured and recorded based on discounted estimated future cash flows. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs. There are numerous uncertainties inherent in estimating mineral resources. Differences between management's assumptions and market conditions could have a material effect on the future on the Company's financial position and results of operation.

In addition, with a weaker global economy, there is a larger risk surrounding inventory levels. The assumptions used in the valuation of work in process inventories by the Company include estimates of minerals recovered, assumptions of the amount of minerals that will be crushed for concentrate, assumptions of the amount of minerals in these mill circuits and an assumption of the mineral prices expected to be realized when the minerals are recovered. If these estimates or assumptions prove to be inaccurate, the Company could be required to write down the recorded value of its work in process inventories, which would reduce the Company's earnings and working capital.

Foreign Operations

The Company's mineral exploration and development operations are currently conducted in the foreign jurisdictions of Mexico, and, as such, the Company's operations are exposed to various levels of political, economic, regulatory and other such risks and uncertainties as military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war, violence, terrorism or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in fiscal regimes, changes in royalty and taxation policies; uncertainty regarding enforceability of contractual rights and judgments; restrictions on foreign exchange and repatriation; changing political conditions, currency controls 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.

In the past, Mexico has been subject to political instability, changes, and uncertainties, which may cause changes to existing governmental regulations affecting mineral exploration and mining activities. Mexico's status as a developing country may make it more difficult for the Company to obtain any required financing for its projects.

The Company's operations and property are subject to a variety of governmental regulations governing health and worker safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters.

The Company's mineral exploration and mining activities in Mexico may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase the costs related to the Company's activities or the maintenance of its properties.

Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the Company's operations and financial condition. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations and financial condition.

Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration and development activities on the Company's property or in respect of any other projects in which the Company becomes involved. Any failure to comply with applicable laws and regulations, even if inadvertent, could result in the interruption of exploration and development operations or material fines, penalties, or other liabilities.

Title Risks

Although the Company believes that it has taken reasonable measures to ensure that title to the Company's properties is held by the Company, including obtaining title opinions, there is no guarantee that title to any of the claims comprising the Company's property will not be challenged or impaired.

The Company's properties may be subject to prior unregistered agreements, interests or native land claims, and title may be affected by undetected defects. There may be valid challenges to the title of any of the claims comprising the Company's property that, if successful, could impair development or operations. A defect could result in the Company losing all or a portion of its right, title, estate and interest in and to the property to which the title defect relates.

Additional Funding Required

Further exploration on, and development of, the Company's projects, will require significant additional financing. Accordingly, the continuing development of the Company's property will depend upon the Company's ability to obtain financing through equity financing, debt financing, the joint venturing of projects or other external sources. Failure to obtain sufficient financing may result in a delay or an indefinite postponement of exploration, development, or production on the Company's property, or even a loss of property interest, or have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition or result in the substantial dilution of its interests in its property. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. Debt financing will expose the Company to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There can be no assurance that the Company will be successful in overcoming these risks or any other problems encountered in connection with such financings. Failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company has and will continue to have negative operating cash flow until one of the properties commences commercial production should exploration and development efforts demonstrate that commercial production from such mineral property is feasible.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility. The Company is exposed to liquidity risks in meeting its operating and capital expenditure requirements in instances where cash positions are unable to be maintained, or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities or equity or debt financing in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the trading price of the common shares could be adversely affected.

Fluctuations in Metal Prices and Currencies

The Company raises its equity in Canadian dollars and maintains its accounts in Canadian dollars. Foreign expenditures by the Company are subject to foreign currency fluctuations which may materially and adversely affect the Company's financial operations. The Company does not engage in any hedging or other transactions to protect itself against such currency fluctuations.

Market Price of Common Shares

The trading price of the Company's common shares is likely to be significantly affected by short term changes in mineral prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the common shares include the following: the extent of analytical coverage available to investors concerning the Company's business; the lessening in trading volume and general market interest in the Company's securities (which may affect an investor's ability to trade significant numbers of common shares); and the price of the common shares and size of the Company's public float (which may limit the ability of some institutions to invest in the Company's securities).

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company could be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Dilution to Common Shares

During the life of the Company's outstanding common share purchase warrants, as well as options and other rights granted or assumed by the Company, if any, the holders are given an opportunity to profit from a rise in the market price of the common shares. The Company's ability to obtain additional financing during the period such rights are outstanding may be adversely affected and the existence of the rights may have an adverse effect on the price of the common shares. The holders of common share purchase warrants, options and other rights of the Company may exercise such securities at a time when the Company would, in all likelihood, be able to obtain any needed capital by a new offering of securities on terms more favourable than those provided by the outstanding rights.

The increase in the number of common shares in the market and the possibility of sales of such shares may have a depressive effect on the price of the common shares. In addition, as a result of such additional common shares, the voting power of the Company's existing shareholders will be diluted.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of common shares in the public markets could decrease the trading price of the common shares and impair the Company's ability to raise capital through future sales of common shares.

Volatility of Share Price

The price of the shares of resource companies tends to be volatile, as has been particularly evidenced during recent economic crisis and price volatilities in the commodity markets. The market price of the Company's common shares has experienced wide fluctuations which may not necessarily be related to the operating performance, underlying asset values or prospects of the Company. Fluctuations in the market price for precious metals and other elements which are beyond the control of the Company could materially affect the price of the securities of the Company.

Future Profits or Losses and Production Revenues and Expenses

There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses, and capital expenditures may increase in subsequent years as required consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties and any other properties that the Company may acquire are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, if any, and the Company's acquisition of additional properties, in addition to other factors, many of which are beyond the Company's control.

The Company expects to incur expenditures and losses unless and until such time as the Company's current property or future properties may achieve a sufficient level of commercial production and revenues to fund continuing operations. The development of the Company's properties will require the commitment of substantial resources to conduct the time-consuming exploration and development of properties. There can be no assurance that the Company will generate any revenues or achieve profitability, nor can there be any assurance that the underlying assumed levels of expenses will prove to be accurate.

Labour and Employment Matters

While the Company has good relations with its employees, its operations are dependent upon the efforts of its employees. In addition, relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in whose jurisdictions the Company carries on business. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's operations and financial condition.

Acquisitions and Integration

From time to time, the Company examines opportunities to acquire additional mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete the transaction and established the purchase price or exchange ratio; a material orebody may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; and

the acquired business or assets may have unknown liabilities which may be significant. If the Company chooses to raise debt capital to finance any such acquisition, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, the Company may choose to finance any such acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Competition

The Company's business is intensely competitive in all of its phases, and the Company will compete with other mining companies for natural resource acquisition opportunities, many of which have greater resources and technical facilities than the Company. Competition in the mining industry is primarily for mineral rich properties which can be developed and can produce economically; the technical expertise to find, develop, and operate such properties; the skilled labour to operate such properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine metals, but also conduct refining and marketing operations on a world-wide basis. Such competition may result in the Company being unable to (i) acquire desired properties, (ii) recruit or retain qualified employees or (iii) raise or generate the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources could have a material adverse effect on its operations, financial condition, and trading price of the securities of the Company.

Loss of Key Employees

The Company depends on the business and technical expertise of a number of key personnel, including its directors and executive officers and key personnel working full-time in management and administrative capacities or as consultants. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's exploration and development activities expand, it will require additional key personnel. The Company does not maintain life insurance for such personnel. The loss of any key personnel, or the failure to retain such personnel, could have a material adverse effect on the Company's operations and financial condition.

Environmental Regulations

The operations of the Company are 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 which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Future legislation and regulations could cause additional expenses, capital expenditures, restrictions, liabilities, and delays in the development of the Company's properties, the extent of which cannot be predicted. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers, and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Litigation and Tax Risks

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent

uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Company's operations and financial position.

The Company conducts operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price. In addition, the use of foreign subsidiaries could give rise to tax risks and obligations for the Company.

Enforcement of Civil Liabilities

Two directors of the Company reside outside of Canada and, similarly, a majority of the assets of the Company are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the director not residing in Canada. It may also not be possible to enforce against the Company and certain of its directors and officers' judgments obtained in Canadian courts.

No History of Dividends

Investors cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is likely investors will not receive any return on their investment in the Company's securities other than possible capital gains.

Operating Hazards and Risks

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, pit-wall failures, cave-ins, seismic activity, rock bursts, pollution, accidents relating to historical workings, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are several of the hazards and risks involved in the operation of mines and the conduct of exploration programs, any of which could result in damage to or destruction of mines and other producing facilities, personal injury or death, damage to property, environmental damage and possible legal liability for any or all damage.

Any future milling operations will be subject to various hazards, including, without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.

The Company maintains insurance against risks in the operation of its business in amounts that it believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage and the Company's insurance may not cover all potential risks associated with a company with operations of the nature of those of the Company. There can be no assurance that any such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. In some cases, such as with respect to environmental risks, coverage is not available or considered too expensive relative to the perceived risk. Losses resulting from any uninsured events may cause the Company to incur significant costs that could have a material adverse effect on the Company's operations and financial condition.

Infrastructure

Mining, 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, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and financial condition.

Conflicts of Interest

Certain directors and officers of the Company are also directors or officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing, and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

Directors and officers with conflicts of interests will be subject to, and will follow the procedures set out in, applicable corporate and securities legislation. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the Company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the risk to which the Company may be exposed and its financial position at that time.

These risk factors could materially affect the Company's future results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Certain statements contained in this document constitute "forward-looking" statements. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements.

Disclosure For Venture Issuers Without Significant Revenue

In accordance with the requirements of NI 51-102F1 for venture issuers without significant revenue, the Company has provided an analysis of the material components of general and administrative expenses in the consolidated financial statements for the year ended June 30, 2026. Readers are encouraged to review those financial statements, together with the accompanying notes, for a detailed breakdown of these expenditures.

Internal Controls Over Financial Reporting

Changes in Internal Control Over Financial Reporting ("ICFR")

In accordance with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"), adopted by Canadian securities regulators in December 2008, the Company's Chief Executive Officer and Chief Financial Officer will file a Venture Issuer Basic Certificate in connection with the Company's unaudited interim financial statements, audited annual financial statements, and the accompanying Management's Discussion and Analysis.

The Venture Issuer Basic Certificate does not include representations relating to the establishment or maintenance of disclosure controls and procedures or internal control over financial reporting, as defined

under NI 52-109. As a result, the certifying officers are not required to make such representations for venture issuers, and no evaluation of the effectiveness of these controls has been completed for the period.

Management's Responsibility For Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

Other MD&A Requirements

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR+ at www.sedarplus.ca.

Recent Accounting Policies

Please refer to the audited consolidated financial statements for the year ended June 30, 2026, on www.sedarplus.ca.

Financial Instruments

Please refer to the audited consolidated financial statements for the year ended June 30, 2026, on www.sedarplus.ca.