

# **SALAZAR RESOURCES LIMITED**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED DECEMBER 31, 2025**

This discussion and analysis of financial position and results of operation is prepared as at March 2, 2026 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended December 31, 2025 of Salazar Resources Limited (the "Company" or "Salazar"). The Company changed its fiscal year end from December 31<sup>st</sup> to March 31<sup>st</sup> effective March 31, 2025. See also "Change in Fiscal Year-End". The following disclosure and associated condensed consolidated interim financial statements are presented in accordance with IFRS Accounting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

### **Forward-Looking Statements**

Certain information in this MD&A may constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws (collectively, "Forward-Looking Statements"). All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are Forward-Looking Statements. Forward-Looking Statements are often, but not always, identified by the use of words such as "seek," "anticipate," "believe," "plan," "estimate," "expect," and "intend" and statements that an event or result "may," "will," "can," "should," "could," or "might" occur or be achieved and other similar expressions. Forward-Looking Statements are based upon the opinions and expectations of the Company based on information currently available to the Company. Forward-Looking Statements are subject to a number of factors, risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the Forward-Looking Statements including, among other things, the Company has yet to generate a profit from its activities; there can be no guarantee that the estimates of quantities or qualities of minerals disclosed in Salazar's public record will be economically recoverable; uncertainties relating to the availability and costs of financing needed in the future; successful completion of planned drill program; competition with other companies within the mining industry; the success of the Company is largely dependent upon the performance of its directors and officers and Salazar's ability to attract and train key personnel; changes in world metal markets and equity markets beyond Salazar's control; mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized; production rates and capital and other costs may vary significantly from estimates; unexpected geological conditions; delays in obtaining or failure to obtain necessary permits and approvals from government authorities; community relations; all phases of a mining business present environmental and safety risks and hazards and are subject to environmental and safety regulation, and rehabilitation and restitution costs; and management of Salazar have experience in mineral exploration but may lack all or some of the necessary technical training and experience to successfully develop and operate a mine. Although Salazar believes that the expectations reflected in the Forward-Looking Statements, and the assumptions on which such Forward-Looking Statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on Forward-Looking Statements, as there can be no assurance that the plans, intentions or expectations upon which the Forward-Looking Statements are based will occur. Forward-Looking Statements herein are made as at the date hereof, and unless otherwise required by law, Salazar does not intend, or assume any obligation, to update these Forward-Looking Statements.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via [www.sedarplus.ca](http://www.sedarplus.ca) and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

## **Company Overview**

The Company's principal business activity is the acquisition, exploration and development of mineral properties in Ecuador. As of the date of this MD&A the Company considers itself to be an exploration stage company.

The Company is a reporting issuer in British Columbia, Alberta, Ontario and Nova Scotia. The Company's shares trade on the TSX Venture Exchange ("TSXV") under the symbol "SRL" as a Tier 1 mining issuer, on the OTCQX under the symbol "SRLZF", and on the Frankfurt Exchange under the symbol "CCG". The Company's executive head office is located in Quito, Ecuador.

The Company has focused on the exploration and advancement towards development of resource properties in Ecuador. The Curipamba Project was the initial cornerstone project of the Company. In 2017 the Company completed an earn-in agreement with Adventus Mining Corporation ("Adventus") whereby Adventus could earn a 75% interest in the Curipamba Project by making cash payments, funding costs of US \$25,000,000 and delivery of a feasibility study. On December 31, 2021 Adventus earned its interest and became a 75% shareholder of Salazar Holdings Ltd., the holding company for the Curipamba Project.

Upon achievement of commercial production, Adventus will receive 95% of the distributions from the Curipamba Project until its aggregate investment, including the US \$25,000,000, minus the Company carrying value of US \$19,800,000 when the Curipamba Option was signed, has been received after which distributions will be shared on a pro-rata basis according to their respective ownership. In December 2024 certain amendments were made to the Salazar Holdings Shareholders' Agreement to allow funding to be provided by Silvercorp with the terms of such funding to be in compliance with the Salazar Holdings Shareholders' Agreement.

In 2017 the Company and Adventus also entered into an exploration alliance agreement (the "Exploration Alliance") to jointly explore in Ecuador. The Exploration Alliance company, Minera Dos Gemas M2G S.A. ("Dos Gemas"), was formed in 2017 and is currently owned 80% by Adventus and 20% by the Company with Adventus funding all activities incurred up to a construction decision.

On July 31, 2024 Silvercorp Metals Inc. ("Silvercorp") completed its transaction to acquire all of the outstanding common shares of Adventus not already owned. Adventus is now a wholly-owned subsidiary of Silvercorp.

## **Change of Year-End**

In November 2024 the Company changed its fiscal year-end from December 31<sup>st</sup> to March 31<sup>st</sup>. The Company determined that a March 31<sup>st</sup> financial year-end is preferable as this change in year-end will synchronize the Company's financial reporting with that of Silvercorp, the Company's new partner at the Curipamba project. As a result, the Company reported on July 29, 2025, the audited financial results for a transitional financial period for the 15 months ending March 31, 2025, with comparative financial statements as at and for the year ended December 31, 2023. The Company has now reverted to a quarterly reporting calendar based on a March 31<sup>st</sup> financial year-end, with reporting periods ending on the last day of June, September, December and March each year.

## **Property Assets and Exploration Activities**

### ***Investment in Associate - Curipamba Project***

On July 31, 2024, with the completion of Silvercorp's acquisition of Adventus, Silvercorp became the Company's joint venture partner, holding a 75% indirect interest in Salazar Holdings Ltd. ("Salazar Holdings"). The principal asset of Salazar Holdings remains the El Domo Project. This marked a significant milestone in the Company's growth trajectory and a commitment to advancing the El Domo deposit. With the acquisition of Adventus by Silvercorp, a proven mine operator is now managing the project and has made substantial progress in advancing the construction of the El Domo Project.

The El Domo Project is a permitted, construction stage copper-gold project, 75% owned by Silvercorp and 25% owned by the Company. The El Domo Project is located in central Ecuador, approximately 150 km northeast of the major port city of Guayaquil (about a three hour drive). The El Domo Project spans low-lying hills and plains between 300 to 900 m above sea level.

On April 23, 2025, Silvercorp announced the construction plan, schedule, and estimated costs for the development of the El Domo Project. On February 4, 2026, Silvercorp announced the updated construction plan and schedule at an estimated cost of US \$283,600,000.

The El Domo mine construction continued to move forward in Q3/2026, maintaining steady progress despite the impact of inclement weather. Approximately 1,100,000 cubic metres of material were moved during the quarter with activities focused on haul road development, process plant site preparation and the tailings storage facility starter dam. For the nine months ended December 31, 2025, approximately 2,400,000 cubic metres of material were removed, with US \$32,600,000 of expenditures incurred and capitalized by Silvercorp.

The construction contracts for four sections of the external power line were awarded to Ecuadorian qualified contractors in September 2025 and at the beginning of calendar 2026 formal approval from the Corporation Nacional de Electricidad (“CNEL”) was received.

Infrastructure development remains on schedule, with steel structures for the ore shed currently on-site and scheduled for completion by the end of February 2026 to provide critical storage capacity ahead of the rainy season. Simultaneously, earthworks and civil foundations for the process plant are progressing in line with the updated budget schedule, supported by active rock blasting and leveling operations. Silvercorp is finalizing a definitive mining contract with China Railway 19th Bureau Group Co., Ltd. (“CRCC 19”). This fixed-unit-rate agreement consists of two key components: i) a \$35,000,000 Construction Phase for pre-stripping and earthworks, and ii) a five-year Operations Phase valued at approximately \$63,000,000 for ongoing ore and waste mining.

Silvercorp has a precious metals purchase agreement (“PMPA”) with Wheaton Precious Metals International Ltd. (“Wheaton”) for the El Domo Project, that provides access to a cash consideration of US \$175,500,000, available in four installments during construction, subject to certain customary conditions precedent being satisfied. In October 2025 the first drawdown of US \$43,875,000 was made and received by Silvercorp.

Under the PMPA, Wheaton will purchase 50% of the payable gold production until 145,000 ounces have been delivered, thereafter dropping to 33% for the life of mine; and 75% of the payable silver production until 4,600,000 ounces have been delivered, thereafter dropping to 33% for gold and 50% for silver for the life of mine.

Wheaton will make ongoing payments for the gold and silver ounces delivered equal to 18% of the spot prices (“Production Payment”) until the value of gold and silver delivered less the Production Payment is equal to the upfront consideration of US \$175,500,000, at which point the Production Payment will increase to 22% of the spot prices.

In June 2024, an action seeking to void the environmental license of the El Domo Project was brought in the local court in Las Naves Canton, Bolívar Province, Ecuador (the “Court”) by a group of plaintiffs alleging defects in the environmental consultation process for the El Domo Project. The Court rejected the litigation on July 24, 2024 ruling that the Ecuadorean government correctly discharged its environmental consultation obligations prior to issuing an environmental license for the El Domo Project. The plaintiffs filed an appeal (the “Appeal”) to the provincial court, and the Appeal was heard by the provincial court of Bolívar Province on October 17, 2024, and the Appeal was dismissed by the provincial court on November 12, 2024, affirming the lower court decision that the Ministry of Environment, Water, and Ecological Transition of Ecuador (“MAATE”) correctly discharged its environmental consultation obligations prior to issuing an environmental license of the El Domo Project. The plaintiffs subsequently filed an Extraordinary Protection Action (“EPA”) before the Constitutional Court of Ecuador. On February 26, 2025, the Constitutional Court issued a decision declining to admit the EPA. On March 3, 2025, the plaintiffs filed a motion for clarification. A clarification motion may proceed where disputed issues have not been fully resolved. On July 24, 2025, the Constitutional Court unanimously rejected the clarification motion.

Despite anti-mining groups having failed at every level of Ecuador’s judiciary - including the Constitutional Court – they continue to engage in unlawful and disruptive activities aimed at obstructing the lawful development of the El Domo Project. These actions have created safety concerns and threaten the rule of law but have not materially impacted advancement to date. Silvercorp remains committed to advancing the El Domo Project responsibly and in full compliance with Ecuadorian law.

### ***Investment in Associate - Exploration Alliance***

In December 2024 the Company was advised by Silvercorp that it wished to abandon all exploration assets held in the Exploration Alliance, initially established with Adventus, and focus on completing construction at El Domo and initiating mining operations.

In December 2024 the Company executed a binding Letter Agreement (the “Silvercorp LOI”) for the purchase, from Silvercorp, of certain exploration assets in Ecuador (the “Transactions”). On July 23, 2025 the Company and Silvercorp finalized and signed the definitive purchase and sale agreement. The key terms of the acquisition are outlined below, Silvercorp will transfer the shares of various Ecuadorian subsidiaries to Salazar, which companies hold the following mineral exploration properties in exchange for net smelter return (“NSR”) royalties in such properties:

- (i) the portion of the Santiago Project Silvercorp owns to the Company in exchange for a 1.5% NSR royalty on the entire project, subject to a \$3,000,000 repurchase option; and
- (ii) the portion of the Pijili Project Silvercorp owns to the Company in exchange for a 1.5% NSR royalty on the entire project, subject to an option to repurchase 1% NSR royalty on the project in exchange for \$1,000,000.

### ***Investment in Associate - Other Acquisitions***

In conjunction with the acquisition of the Pijili and Santiago projects, the Company has also agreed to acquire from Silvercorp the Tarqui and La Canela projects. Details of agreed terms are:

- (i) the Tarqui Project in exchange for a 1.5% NSR on the entire project, subject to an option to repurchase 1% NSR on the project in exchange for \$1,000,000; and
- (ii) the Quimi Project in exchange for a 1.5% NSR royalty on the project, subject to an option to repurchase 1% NSR royalty on the project in exchange for \$1,000,000.

The definitive agreement was signed July 23, 2025 and work is ongoing to close the acquisitions.

### **Wholly-Owned Portfolio**

The Company continues to work on its strategy to discover, de-risk and define deposits within its wholly-owned portfolio. The Company intends to retain 100% ownership of its top future discovery prospects and to find mid-tier or major mining company partners for the more advanced work on its discoveries.

### ***Macara Project***

The Macara Project currently comprises concessions: (i) Macara Mina concession (288 hectares) leased from a third-party; and (ii) Bonanza mining concession (1,519 hectares) granted by the Ecuadorian government as follows:

- (i) On November 6, 2017 the Company entered into an option agreement with an Ecuadorian individual (the “Macara Vendor”) whereby the Company was granted an option (the “Macara Option”) to acquire a 100% interest in one concession (the “Macara Mina Concession”) located in the province of Loja, Ecuador. The Macara Vendor is currently an employee of the Company however, at the time the Macara Vendor acquired the Macara concessions they were at arm’s length to the Company. Pursuant to the terms of the Macara Option the Company has paid US \$400,000 and agreed to make an additional cash payment of US \$200,000 (the “Final Option Payment”). Subsequent to December 31, 2025 the Company settled the Final Option Payment and acquired the Macara Concession.

The Macara Vendor retains a 0.5% NSR, which may be purchased by the Company for US \$1,000,000 at any time.

The Macara Vendor has entered into a participation agreement with an employee of the Company and the son of the Company’s President to share the Option Proceeds equally.

- (ii) In July 2017 the Company was awarded a concession (the “Bonanza Concession), located in the provinces of Loja and Tacamoros, Ecuador.

The Macara Project lies within Cédica volcano-sedimentary Formation (known as the Lancones Formation in neighboring Peru), which is intruded by the Cretaceous-age Tangua granodiorite batholith. This project is highly prospective for epithermal gold-silver, gold-copper porphyry and volcanogenic massive sulfide (“VMS”) deposits with gold caps at surface. The Macara Project is located 100km to the north of the Tambogrande VMS deposit in the Cretaceous Lancones basin of northwestern Perú, which hosts some of the largest Cu-Zn-Au-Ag-bearing massive sulfide deposits in the world.

### ***Los Osos Concession***

The Los Osos Concession was a 229 hectare, single concession, exploration licence located in the Cerro Pelado-Cangrejos mineral district within the Province of El Oro in southwest Ecuador.

On March 21, 2019 the Company entered into an option agreement with an Ecuadorian individual (the “Los Osos Vendor”), whereby the Company was granted the option to acquire up to a 100% interest in one mineral concession (“Los Osos Concession”) located in the province of El Oro, Ecuador. The Company had paid option payments totalling US \$180,019 to earn a 75% interest in the Los Osos Concession and had issued a total of 1,207,175 common shares of the Company at \$0.08 per share, to earn the remaining 25% interest resulting in the Company owning 100% of the Los Osos Concession.

By agreement dated November 28, 2025 the Company sold the Los Osos Concession, for \$674,400 (US \$500,000) and recognized a gain on sale of \$426,484 net of costs incurred by the Company during the nine months ended December 31, 2025.

### ***Rumiñahui Project***

The Rumiñahui Project comprises two concessions located in the province of Pichincha, Ecuador. As of the date of this MD&A the Company continues to maintain its two concessions.

### ***Other***

As of the date of this MD&A the Company continues in its efforts to identify and acquire other projects in Ecuador and the Company has filed applications to acquire additional exploration concessions. The Company awaits granting of these concessions by government authorities.

### **Qualified Person**

Kieran Downes, Ph.D., P.Geo., a Qualified Person (“QP”) as defined by National Instrument 43-101, is the Company’s QP for the Company’s “Investment in Associates” properties and wholly-owned properties and has reviewed and verified the technical information provided.

## Selected Financial Data

Due to the Company's change in year-end, fiscal 2025 includes five "quarters" instead of the customary four and there is no Fiscal 2024 classification. Fiscal 2023 ends December 31, 2023 and Fiscal 2025 commences January 1, 2024 and ends March 31, 2025. Fiscal 2026 commences April 1, 2025 and will end March 31, 2026.

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company.

Three Months Ended	Fiscal 2026			Fiscal 2025				Fiscal 2023	
	Dec. 31 2025 \$	Sep. 30 2025 \$	Jun. 30 2025 \$	Mar. 31 2025 \$	Dec. 31 2024 \$	Sep. 30 2024 \$	Jun. 30 2024 \$	Mar. 31 2024 \$	Dec. 31 2023 \$
<b>Operations:</b>									
Revenues	Nil								
Expenses	(417,236)	(460,811)	(530,178)	(833,819)	(480,301)	(516,232)	(1,114,923)	(592,917)	(648,950)
Other items	518,041	(49,874)	(87,316)	(62,243)	91,449	(1,959,920)	(29,057)	(34,653)	217,488
Net income (loss)	100,805	(510,685)	(617,494)	(896,062)	(388,852)	(2,476,152)	(1,143,980)	(627,570)	(431,462)
Other comprehensive (loss) income	(32,891)	173,833	(330,180)	117,895	366,473	(105,515)	82,491	198,613	(218,186)
Comprehensive income (loss)	67,914	(336,852)	(947,674)	(778,167)	(22,379)	(2,581,667)	(1,061,489)	(428,957)	(649,648)
Basic and diluted income (loss) per share	0.00	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)
<b>Balance Sheet:</b>									
Working capital	621,042	749,356	1,595,047	2,149,782	1,158,236	1,737,287	1,735,747	809,032	1,335,748
Total assets	25,420,340	22,434,027	22,598,312	23,382,645	22,384,301	22,581,100	24,493,743	23,557,784	23,832,397
Total long-term liabilities	Nil								

As at the date of this MD&A, the Company has not earned any production revenue, nor found proved reserves on any of its unproven mineral interests; therefore, the expenses are not subject to seasonal fluctuations or general trends. The Company's expenses and cash requirements will fluctuate from quarter to quarter depending on the level of activity and, therefore, lack some degree of comparability. The Company's quarterly results may be affected by many factors such as timing of exploration activities, share-based payment costs, marketing activities and other factors that affect Company's exploration and financing activities. Furthermore, the Company's net loss/income may also be affected by interest rates received on cash and foreign exchange fluctuations. In addition to the above factors, the significant increase in net loss during the September 30, 2024 quarter was primarily attributed to the recognition of a \$2,143,748 impairment charge with regards to the Company's El Potro concession.

## Results of Operations

### *Three Months Ended December 31, 2025 Compared to the Three Months Ended December 31, 2024*

During the three months ended December 31, 2025 ("Q3/2026") the Company recorded net income of \$100,805 compared to a net loss of \$388,852 for the three months ended December 31, 2024 ("Q4/2025"), an increase in income of \$489,657 primarily due to the following:

- (i) a \$63,065 decrease in general and administrative expenses, from \$480,301 during Q4/2025 to \$417,236 during Q3/2026;
- (ii) recognition of equity income in associated company in Q4/2025 of \$72,694 compared to equity loss of \$42,924 in Q3/2026, a fluctuation of \$115,618; and
- (iii) partially offset by a gain on sale of exploration and evaluation assets of \$525,068 recorded in Q3/2026 on the disposition of the Los Osos Concession.

### *Nine Months Ended December 31, 2025 Compared to the Nine Months Ended December 31, 2024*

During the nine months ended December 31, 2025 (the "2025 period") the Company recorded a net loss of \$1,027,374 compared to a net loss of \$4,008,984 for the nine months ended December 31, 2024 (the "2024 period"), a decrease in loss of \$2,981,610 primarily due to the following:

- (i) recorded impairment of exploration and evaluation assets of a \$2,143,748 during the 2024 period. No impairment indicators were present during the 2025 period;

- ;
- (ii) a \$789,082 decrease in expenses, from \$2,111,456 during the 2024 period to \$1,322,374 during the 2025 period mainly due to share-based compensation. The Company recorded share-based compensation of \$636,155 during the 2024 period on the granting and vesting of share options and RSUs compared to \$nil during the 2025 period; and
  - (iii) partially offset by a \$439,187 gain on sale of exploration and evaluation assets in the 2025 period compared to \$nil during the 2024 period.

### Exploration and Evaluations Assets

During the 2025 period the Company incurred a total of \$2,668,914 (2024 - \$579,336) for exploration and evaluation assets. The Company also recorded a recovery of costs of \$311,800 (2024 - \$nil)

Details of the exploration and acquisition expenditures for the 2025 period are as follows:

	Macara \$	Other \$	Total \$
<b>Balance at March 31, 2025</b>	<u>5,946,288</u>	<u>197,381</u>	<u>6,143,669</u>
<b>Exploration costs</b>			
Assay analysis	20,213	-	20,213
Camp supervision and personnel	10,844	-	10,844
Camp supplies	40,125	-	40,125
Community relations	49,152	-	49,152
Depreciation	5,878	-	5,878
Exploration site	139,316	-	139,316
Geological	52,372	-	52,372
Salaries	<u>354,373</u>	<u>-</u>	<u>354,373</u>
	<u>672,273</u>	<u>-</u>	<u>672,273</u>
<b>Acquisition costs</b>			
Property/concession/option payments	518,583	1,478,058	1,996,641
Recovery of costs	<u>-</u>	<u>(311,800)</u>	<u>(311,800)</u>
	<u>518,583</u>	<u>1,166,258</u>	<u>1,684,841</u>
<b>Other</b>			
Foreign exchange movement	<u>(255,315)</u>	<u>(38,278)</u>	<u>(293,593)</u>
<b>Balance at December 31, 2025</b>	<u>6,881,829</u>	<u>1,325,361</u>	<u>8,207,190</u>

### Financing Activities

#### 2025 Period

During the 2025 period the Company completed a non-brokered financing and issued a total of 11,003,830 common shares at \$0.13 per share, for proceeds of \$1,430,498.

#### 2024 Period

During the 2024 period the Company completed non-brokered private placement financings as follows:

- (i) in April 2024 the Company issued a total of 30,600,000 common shares at \$0.05 per share, for proceeds of \$1,530,000; and
- (ii) in August 2024 the Company issued a total of 7,140,000 common shares at \$0.07 per share, for proceeds of \$499,800.

The Company also issued 1,907,175 common shares for \$170,074 on the exercise of share options.

## **Financial Condition / Capital Resources**

As at December 31, 2025 the Company had working capital of \$621,042. To date the Company has not earned any revenues from its mineral interests and the Company's operations are primarily funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. The Company requires additional funding to maintain its current levels of overhead for the next twelve months and to fund existing levels of planned exploration expenditures. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

## **Mining Inspection Fee**

In June 2025 the Ecuadorian Control and Regulation Agency ("ARCOM") introduce a new mining inspection fee. The stated objective of this fee is to strengthen oversight and combat illegal mining activities. This fee is to be applied to all mining operations, except for artisanal mining, with the aim of generating funds to support enforcement efforts.

The proposed fee would require the Company to pay approximately US \$1,236,106 for its current concessions, of which US \$73,790 was due in June 2025 and US \$1,162,316 will be due in January 2026. A significantly higher fee will be incurred on the completion of the purchase of the concessions from Silvercorp, or on any new licences granted to the Company. As the Company has planned to farm out substantially all of the concessions acquired from Silvercorp the fee will be payable by a third party.

The Company is collaborating with various chambers and associations in the Ecuadorian mining sector and all other mining/exploration companies in Ecuador, to ensure that relevant authorities understand the damage that this fee will do to the Ecuadorian Mining Industry and to the reputation of the Country as an investment destination. The ARCOM resolution places an unsustainable cost burden on companies operating within the sector and undermines confidence in Ecuador's regulatory consistency and commitment to mining development.

The Company has reached out to the Ecuadorian Government at the highest levels and will continue in discussions with the Mining Chamber of Ecuador and the Company's respective legal counsels as joint industry efforts are taking place to rescind this regulation. The Company will assess options for further courses of action.

## **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

## **Proposed Transactions**

The Company has no proposed transactions.

## **Critical Accounting Estimates**

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include the determination of mineralized reserves, plant and equipment lives, estimating the fair values of financial instruments, impairment of long-lived assets, reclamation and rehabilitation provisions, valuation allowances for future income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of the Company's critical accounting estimates and sources of estimation is included in Note 3 to the March 31, 2025 audited consolidated financial statements.

## **Changes in Accounting Policies**

There are no changes in accounting policies. A detailed summary of the Company's accounting policies is included in Note 3 to the March 31, 2025 audited consolidated financial statements.

## Transactions with Related Parties

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

### (a) *Transactions with Key Management Personnel*

During the 2025 and 2024 period the following amounts were incurred with respect to the Company's President and CEO, Fredy Salazar and the CFO, Pablo Acosta:

	2025 \$	2024 \$
Mr. Salazar		
- Salaries and compensation	37,400	42,073
- Health benefits	2,785	-
- Share-based compensation (share options)	-	120,035
	<u>40,185</u>	<u>162,108</u>
Mr. Acosta		
- Salaries and compensation	33,926	33,202
- Health benefits	1,869	-
- Share-based compensation (share options)	-	30,011
	<u>35,795</u>	<u>63,213</u>
	<u>75,980</u>	<u>225,321</u>

As at December 31, 2025 \$nil (March 31, 2025 - \$2,156) remained unpaid.

### (b) *Transactions with Other Related Parties*

(i) During the 2025 and 2024 period the following consulting expenses were incurred with respect to non-executive directors of the Company:

	2025 \$	2024 \$
Consulting fees		
- Etienne Walter <sup>(1)</sup>	-	2,562
- Nick DeMare	9,352	11,436
- Mr. Marr-Johnson	6,750	6,750
- Jennifer Wu <sup>(2)</sup>	9,352	5,411
- Mary Gilzean <sup>(3)</sup>	-	3,079
- Freddy Salazar <sup>(4)</sup>	13,842	10,414
Share-based compensation (share options)		
- Etienne Walter	-	30,007
- Mr. Marr-Johnson	-	30,028
- Mary Gilzean	-	32,917
	<u>39,296</u>	<u>132,604</u>

(1) Mr. Walter resigned as a director July 19, 2024.

(2) Ms. Wu was appointed as a director on July 26, 2024.

(3) Ms. Gilzean resigned as a director on July 22, 2024.

(4) Mr. Salazar Jr. was appointed corporate secretary on June 19, 2024.

As at December 31, 2025 \$7,306 (March 31, 2025 - \$4,500) remained unpaid.

(ii) During the 2025 period the Company incurred a total of \$81,309 (2024 - \$43,463) to Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. As at December 31, 2025 \$nil (March 31, 2025 - \$4,500) remained unpaid.

During the 2024 the Company also recorded \$15,000 share-based compensation for share options granted to Chase.

- (c) During the 2025 period the Company incurred \$92,828 (2024 - \$60,534) for professional services provided by La Orquidea Lorsa S.A., a private corporation controlled by the President of the Company.

During the 2024 period the Company also recorded \$42,000 share-based compensation for share options granted to the private corporation controlled by the President of the Company

- (d) During the 2025 period the Company incurred \$22,445 (2024 - \$22,308) for storage facility provided by Agrosamex S.A. (“Agrosamex”), a private corporation controlled by family members of the President of the Company. As at December 31, 2025 \$nil (March 31, 2025 - \$4,891) remained unpaid.

- (e) During the 2025 period the Company incurred \$42,418 (2024 - \$nil) for consulting services provided by Sthjobs Services S.A. a private corporation controlled by the CFO of the Company.

- (f) During the 2025 period the Company paid \$18,704 (2024 - \$nil) to an unregistered foundation of which a director of the foundation is a family member of the President of the Company, to fund ongoing community costs in Ecuador.

During the 2024 period the Company also recorded \$19,477 share-based compensation for share options granted to the foundation.

- (g) During the 2025 period directors, officers and a spouse of a director of the Company purchased a total of 1,939,600 (2024 - 9,368,697) common shares of the non-brokered private placement.

- (h) During the 2025 period the Company advanced advanced US \$58,000 to a private corporation controlled by family members of the President of the Company and received a total of US \$34,608 repayment on the advance. The advance is non-interest bearing and without fixed terms of repayment. As at December 31, 2025 US \$23,392 remained unpaid.

- (i) Previously the Company had advanced US \$23,775 to a private corporation controlled by the President of the Company. During the 2025 period the Company received a total of US \$22,275 repayment on this advance. The advance is non-interest bearing and without fixed terms of repayment. As at December 31, 2025 US \$1,500 remained unpaid.

- (j) The Company holds an interest in the Macara Project pursuant to an agreement dated November 6, 2017 with an Ecuadorian individual (the “Macara Vendor”) whereby the Company was granted an option (the “Macara Option”) to acquire a 100% interest in one concession (the “Macara Concession”). The Macara Vendor is currently an employee of the Company however, at the time the Macara Vendor acquired the Macara concessions they were at arm’s length to the Company. See “Macara Project” for details of the agreement.

The Macara Vendor has entered into a participation agreement with an employee of the Company and the son of the Company’s President to share the option proceeds equally.

## **Risks and Uncertainties**

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company is in compliance in all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company’s material mineral properties are located in Ecuador and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

### **Outstanding Share Data**

The Company's authorized share capital is unlimited common shares with no par value. As at March 2, 2026, there were 264,523,597 issued and outstanding common shares, 1,234,320 share purchase warrants outstanding at exercise prices ranging from \$0.13 to \$0.35 per share, 20,392,900 share options outstanding at exercise prices ranging from \$0.07 to \$0.29 per share, and 1,662,000 restricted share units.