



2025

Annual MD&A Report

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended August 31, 2025



BACKGROUND

The following Management's Discussion and Analysis ("MD&A") of Tocvan Ventures Corp. (the "Company" or "Tocvan") has been prepared by management, in accordance with the requirements of National Instrument 51-102 as of December 30, 2025, and should be read in conjunction with the consolidated financial statements for the year ended August 31, 2025 and 2024, and the related notes contained therein, which have been prepared under IFRS® Accounting Standards ("IFRS") and International Accounting Standards Board ("IASB"). The information contained herein is not a substitute for a detailed investigation or analysis of any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102.

All financial information in this MD&A has been prepared in accordance with IFRS as issued by the IASB, and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted. The functional currency of the Company and its wholly-owned subsidiary is the Canadian dollar.

Additional information related to the Company is available on the Company's website at <https://tocvan.com> or on SEDAR+ at www.sedarplus.ca.

Forward Looking Statements

This MD&A may contain forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond management's control. Actual results may differ materially from the expected results. The forward-looking information is based on certain assumptions, which could change materially in the future. The forward-looking information in this MD&A describes the Company's expectations as of the date of this MD&A. The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. The forward-looking information contained in this MD&A represents the expectations of the Company as of the date of this MD&A and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date.

Qualified Person

Brodie Sutherland, P. Geo., a director and CEO of the Company, is a Qualified Person as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and has reviewed and approved all technical information in this Management's Discussion and Analysis.

Description of Business

Tocvan Ventures Corp. (the "Company") was incorporated on May 23, 2018, under the Alberta Business Corporations Act. The Company's shares trade on the Canadian Securities Exchange (the "CSE") under the symbol "TOC" and on OTC QB under the symbol "TCVNF". The Company's head office address is Suite 555 – 1130 West Pender Street, Vancouver, British Columbia V6E 4A4, Canada. The registered and records office address is Suite 1150, 707 - 7th Avenue S.W., Calgary, Alberta T2P 3H6, Canada.

On September 15, 2020, the Company incorporated, under the laws of Mexico, a wholly-owned subsidiary, Burgencio S.A. de C.V. ("Burgencio"). Burgencio's office address is Blvd. Morelos No, 639, Col. Bachoco, C.P. 83148, Hermosillo, Sonora, Mexico.

As of the date of this MD&A, the Company is focused on the exploration and development of its two projects: the Gran Pilar Gold Project ("Gran Pilar") and El Picacho Project ("El Picacho"). Gran Pilar is located near the town of Suaqui Grande in Sonora, Mexico and El Picacho is located in the Region of Sonoran Desert, 140 kilometers north of Hermosillo, Sonora, Mexico.

Overall Performance

During the year ended August 31, 2025, the Company incurred a net loss of \$803,892 (August 31, 2024 – \$1,171,463). The Company had no revenues and its operating expenses were associated primarily with exploration and evaluation-related expenses, consulting fees, advertising and promotion activities, regulatory, and management fees.

At August 31, 2025, the Company had cash of \$903,693 (August 31, 2024 – \$101,639) and a working capital surplus of \$1,222,716 (August 31, 2024 – \$1,374,684 deficit). The improvement in working capital was attributable to the increase in current assets of \$2,767,530 to \$3,650,779 (August 31, 2024 – \$883,249). The increase in current assets was driven largely by the increase in the fair market value of financial assets arising from a new sharing agreement of \$1,800,000 entered with Sorbie Bornholm LP ("Sorbie").

Cash also increased significantly during the year, primarily as a result of receipts from private placements, proceeds from the exercise of warrants and options and the monthly settlement receipts from sharing arrangements with Sorbie. Furthermore, receivables and prepaid expenses were higher from the prior year, contributing to the overall improvement in working capital.

At August 31, 2025, current liabilities increased marginally by \$170,130 to \$2,428,063 (August 31, 2024 – \$2,257,933). To date, the Company's principal sources of financing have been the issuance of common shares, debt arrangements and proceeds from the exercise of warrants and options.

Financial Milestones

The following financial milestones were achieved during the year ended August 31, 2025:

- The Company raised a total of \$1,074,897, net, through private placements to ensure adequate working capital and to strengthen the Company's capital position.
- The Company secured an additional \$1,800,000 through a sharing agreement with Sorbie, ensuring 24 months of funding to enhance liquidity and to support current and planned development activities. During the year, the Company received \$1,390,596 and recognized a realized gain of \$572,443 arising from the settlement of sharing agreements entered with Sorbie.
- As a result of strengthening share price, the Company received \$1,500,474 from the exercise of warrants and stock options, providing additional capital to support the ongoing operations.
- The Company strengthened its financial position by settling its convertible notes with a face value of \$1,429,000 and accrued interest owed to Sorbie, along with \$207,000 owed to vendors, through the issuance of common shares, thereby enhancing liquidity and making funds available for operation, development and further exploration of its Projects.
- The Company paid \$1,417,500 (US\$1,050,000) to Suaqui Verde Properties ("SVP") subsequent to August 31, 2025, in relation to its second- year anniversary cash obligations for the Gran Pilar Project under the SVP Agreement, thereby fulfilling its contractual obligation and maintaining the Agreement in good standing.

EXPLORATION AND EVALUATION PROJECTS

A snapshot of the Company's exploration and evaluation assets is summarized below:

Year ended August 31, 2025	Gran Pilar	El Picacho	Total
Acquisition costs	\$	\$	\$
Balance, August 31, 2024	3,714,454	642,735	4,357,189
Cash	–	65,814	65,814
Option payments accrued	–	1,055,276	1,055,276
Surface mining taxes	93,786	–	93,786
Shares issued	260,000	–	260,000
Balance, August 31, 2025	4,068,240	1,763,825	5,832,065
Deferred exploration expenditures			
Balance, August 31, 2024	3,852,762	624,807	4,477,569
Geologist fees and assays	993,609	46,996	1,040,605
Other property expenses	24,315	88,820	113,135
Balance, August 31, 2025	4,870,686	760,623	5,631,309
Total E&E assets, August 31, 2025	8,938,926	2,524,448	11,463,374

Year ended August 31, 2024	Gran Pilar	El Picacho	Total
Acquisition costs	\$	\$	\$
Balance, August 31, 2023	2,640,000	196,789	2,836,789
Cash	468,574	106,362	574,936
Option payments accrued	275,880	339,584	615,464
Shares issued	330,000	–	330,000
Balance, August 31, 2024	3,714,454	642,735	4,357,189
Deferred exploration expenditures			
Balance, August 31, 2023	2,965,862	523,494	3,489,356
Geologist fees and assays	886,900	61,884	948,784
Other exploration expenses	–	39,429	39,429
Balance, August 31, 2024	3,852,762	624,807	4,477,569
Total E&E assets, August 31, 2024	7,567,216	1,267,542	8,834,758

Gran Pilar Gold Project

Option Agreement with Colibri

On September 22, 2019, the Company signed an option agreement (the "Pilar Agreement") to acquire a 51% interest in the Pilar Gold Project in the state of Sonora, Mexico (the "Pilar Project") from Colibri Resource Corp. ("Colibri").

The agreement was amended on August 31, 2021, and the updated conditions were as follows:

Due dates	Cash Payments	Exploration work	Shares
	\$	\$	
September 22, 2019	125,000	Nil	2,000,000
September 21, 2020	125,000	175,000	1,000,000
September 21, 2021	25,000	425,000	1,000,000
September 21, 2022	75,000	400,000	1,000,000
September 21, 2023	75,000	500,000	–
September 21, 2024	–	500,000	–
TOTAL	425,000 (paid)	2,000,000 (completed)	5,000,000 (issued)

In 2024, in accordance with the anti-dilution provision included in the Pilar Agreement, the Company issued to Colibri 525,000 common shares valued at \$210,000, which were included in acquisition costs. The anti-dilution clause expired on September 22, 2024.

As at August 31, 2025, the Company owns 51% of this portion of the Pilar Project as all commitments and conditions of the option agreement had been completed. Furthermore, the Company has elected to enter into a joint venture with Colibri for the remaining portion (49%) of the area. As of the date of this MDA, the Company continues negotiating a definitive joint venture agreement.

Option Agreement with SVP

On October 17, 2023, the Company entered into a definitive agreement (the "SV Agreement") with Suaqui Verde Properties ("SVP"), for an option to acquire 100% interest in a 2,173-hectare contiguous land immediately adjacent and north of the Pilar Project. Under the terms of the SV Agreement, the Company committed to the following:

Due dates	Cash payments	Exploration work	Shares
	US\$	US\$	
October 17, 2023 – On closing ⁽¹⁾	250,000 (paid)	–	–
Six months after closing ⁽²⁾	200,000 (paid)	–	250,000(issued)
October 17, 2024 ⁽³⁾	–	100,000 (completed)	500,000(issued)
October 17, 2025 ⁽⁴⁾	1,050,000 (paid)	150,000 (completed)	500,000(issued)
October 17, 2026	1,150,000	250,000	750,000
October 17, 2027	650,000	250,000	250,000
October 17, 2028	700,000	250,000	250,000
TOTAL	4,000,000	1,000,000	2,500,000

⁽¹⁾ The \$341,175 payment (US\$250,000) was made in December 2023.

⁽²⁾ On August 8, 2024, the Company issued 250,000 common shares valued at \$120,000. The \$275,880 payment (US\$200,000) was made in April of 2025.

⁽³⁾ The Company issued 500,000 common shares valued at \$260,000 in December of 2024

⁽⁴⁾ The Company paid \$1,417,500 (US\$1,050,000) and issued 500,000 common shares valued at \$515,000 subsequent to August 31, 2025.

After the initial five-year period, the Company has an option to extend the Agreement by another ten years by starting advance royalty payments or purchasing full title ownership through an additional payment of US\$500,000. SVP retains a 2% NSR.

Gran Pilar Project Updates

The Gran Pilar Gold-Silver Project is interpreted as a structurally controlled low-sulphidation epithermal project hosted in andesitic rocks. Three primary zones of mineralization have been identified in the northwest part of the Project from historic surface work and drilling, these are referred to as the Main Zone, North Hill, and 4-T. The Main Zone and 4-T trends are open to the southeast, and new parallel zones have been recently discovered. Structural features and zones of mineralization within the structures follow an overall NW-SE trend of mineralization. Mineralization extends along a 1.2 km trend, with only half of that trend drill- tested.

In 2024, the Gran Pilar Project was expanded from 105 hectares to 2,278 hectares with the acquisition of adjacent claims. The expansion area hosts several prospective zones. Preliminary geological and geochemical surveys have been conducted in some of these prospective areas, identifying several targets for drilling.

To date, the following milestones have been achieved:

Pilot Mine Facility

- Gran Pilar continues to advance toward the early production stage with the groundwork for the construction of a pilot facility with hydrometallurgical processing capability currently underway. The facility, situated in a wholly-owned development area covering 4.5 hectares, is expected to be completed in 2026 and, at its initial phase, will be capable of processing 50,000 tonnes of bulk samples sourced from several target drill holes across several mineralized zones.

In February, the Company was able to obtain a two-year environmental permit to allow drilling activities and ore exploration to support the planned mine facility, and in August, a ten-year construction permit was secured to allow the development of the pilot mining infrastructure. In December, the Company received local community council approval for the mine development, demonstrating the Company's commitment to responsible mining practices and compliance with Mexican regulations on community involvement.

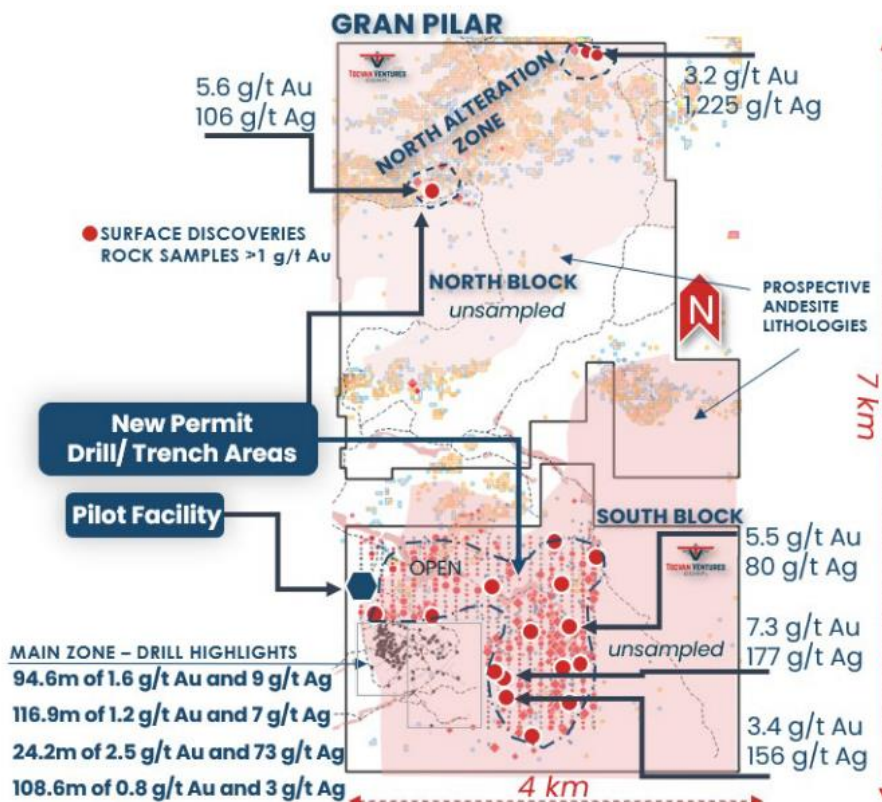
Exploration Activities Timeline and Milestones

- September 2024.** Surface soil and rock sampling across the project area identified new targets for follow-up exploration. This work built on prior data to outline potential extensions of known mineralization.

November 2024. Soil sampling across the southern portion of Gran Pilar returned high-grade results, including up to 21.2 g/t gold and 2,000 g/t silver. These findings outlined expansion targets along a 1.4 km strike, with anomalous zones indicating potential for broader mineralization. The results strengthened the case for high-grade feeder structures at depth.
- January 2025.** Core drilling commenced at Gran Pilar, marking the start of a program aimed at expanding known zones and testing new targets. This followed surface work and focused on confirming continuity of high-grade mineralization.
- February 2025.** RC drilling on the 100% controlled expansion area yielded high-grade results, including 19.4 g/t Au over 3.1 meters within 106.8 meters of 0.6 g/t Au from surface. This represented the first drilling in newly acquired areas, confirming extensions of the mineralized system.

- **March 2025.** Additional drill results from core holes at the Main Zone included 10.3 g/t Au over 9.7 meters (with a peak of 60.6 g/t Au over 1.6 meters) within a broader 83.5 meters of 1.3 g/t Au. These intercepts expanded the zone and highlighted high-grade potential amid rising gold prices above \$3,000/oz. Eight more holes were pending assays, signalling further catalyst.
- **April 2025.** Core drilling extended the Main Zone 70 meters south, returning 7.2 g/t Au and 80 g/t Ag over 2.6 meters within 46.9 meters of 0.5 g/t Au. Ongoing drilling targeted high-grade extensions, with the company noting strong potential for resource growth amid gold's surge above \$3,500/oz.
- **May 2025.** Drilling intersected 6.1 meters of 5.4 g/t Au, further expanding the system.
- **June 2025.** RC drilling results from the latest program confirmed a 1.2 km mineralized trend, though much of the area remained undrilled. New alteration zones and soil sampling highlighted additional targets. Pilot mine design advanced, with a 50,000-tonne facility planned, including a 1.76-hectare leaching pad. Permitting was on track for July.
- **July 2025.** Full permit approval obtained for 45 drill pads and 67 trenches across Gran Pilar, key to extraction for Pilot Mine.
- **August 2025.** Full permit approval obtained for a 10-year, 50,000-tonne pilot mine facility on a 4.5-hectare site, including infrastructure and a heap leach pad. This milestone marked the transition to development.
- **September 2025.** 60% of the total project area has been surveyed using drone magnetic technology.
- **October 2025.** Discovery of a new mineralized zone within the North Alteration Zone. Initial sampling returned values of up to 5.6 g/t Au and 106 g/t Ag over 2 meters. Mobilization of equipment has commenced for the upcoming site preparation for the planned mine infrastructure.
- **November 2025.** Commencement of the first-ever drilling activity at the North block targeting 3.2 km by 1.5 km zone. Three new mineralized zones were identified. Completion of site preparations for drilling activities targeting an initial 2,000 meters within the North Alteration zone.
- **December 2025.** Trenching and site preparation for the mine facility initiated. Secured local community approval for the mine facility.

Figure 1: Gran Pilar Overview⁽¹⁾



(1) 22km² of prospective ground with two primary targets: South Block, the direct extension and expansion of the historic Main Zone defined by an expanding vein field of untested drill targets; North Block, a 3.2-km by 1.5-km pyrite and clay alteration zone that coincides with high-grade gold-silver, the area remains largely untested

Gran Pilar Drill highlights

- **2025 Diamond Drilling Highlights include:**
 - 83.5m @ 1.3 g/t Au, including 9.7m @ 10.3 g/t Au
 - 97.4m @ 0.7 g/t Au, including 36.3m @ 1.6 g/t Au
 - 64.9m @ 1.2 g/t Au, including 3.0m @ 21.6 g/t Au and 209 g/t Ag
 - 46.9m @ 0.5 g/t Au, including 2.6m @ 7.2 g/t Au and 80 g/t Ag
- **2025 RC Drilling Highlights include:**
 - 106.8m @ 0.6 g/t Au, including 3.1m @ 19.4 g/t Au
 - 41.2m @ 1.0 g/t Au, including 6.1m @ 5.4 g/t Au

- **2024 RC Drilling Highlights include (all lengths are drilled thicknesses):**
 - 42.7m @ 1.0 g/t Au, including 3.1m @ 10.9 g/t Au
 - 56.4m @ 1.0 g/t Au, including 3.1m @ 14.7 g/t Au
 - 16.8m @ 0.8 g/t Au and 19 g/t Ag
- **2022 Phase III Diamond Drilling Highlights include (all lengths are drilled thicknesses):**
 - 116.9m @ 1.2 g/t Au, including 10.2m @ 12 g/t Au and 23 g/t Ag
 - 108.9m @ 0.8 g/t Au, including 9.4m @ 7.6 g/t Au and 5 g/t Ag
 - 63.4m @ 0.6 g/t Au and 11 g/t Ag, including 29.9m @ 0.9 g/t Au and 18 g/t Ag
- **2021 Phase II RC Drilling Highlights include (all lengths are drilled thicknesses):**
 - 39.7m @ 1.0 g/t Au, including 1.5m @ 14.6 g/t Au
 - 47.7m @ 0.7 g/t Au including 3m @ 5.6 g/t Au and 22 g/t Ag
 - 29m @ 0.7 g/t Au
 - 35.1m @ 0.7 g/t Au
- **2020 Phase I RC Drilling Highlights include (all lengths are drilled thicknesses):**
 - 94.6m @ 1.6 g/t Au, including 9.2m @ 10.8 g/t Au and 38 g/t Ag;
 - 41.2m @ 1.1 g/t Au, including 3.1m @ 6.0 g/t Au and 12 g/t Ag;
 - 24.4m @ 2.5 g/t Au and 73 g/t Ag, including 1.5m @ 33.4 g/t Au and 1,090 g/t Ag;
- **15,000m of Historic Core & RC drilling. Highlights include:**
 - 61.0m @ 0.8 g/t Au
 - 21.0m @ 38.3 g/t Au and 38 g/t Ag
 - 13.0m @ 9.6 g/t Au
 - 9.0m @ 10.2 g/t Au and 46 g/t Ag

Pilar Bulk Sample Summary:

- 62% Recovery of Gold Achieved Over 46-day Leaching Period
- Head Grade Calculated at 1.9 g/t Au and 7 g/t Ag; Extracted Grade Calculated at 1.2 g/t Au and 3 g/t Ag
- Bulk Sample Only Included Coarse Fraction of Material (+3/4" to +1/8")
- Fine Fraction (-1/8") Indicates Rapid Recovery with Agitated Leach
 - Agitated Bottle Roll Test Returned Rapid and High Recovery Results: 80% Recovery of Gold and 94% Recovery of Silver after Rapid 24-hour Retention Time

Additional Metallurgical Studies:

- Gravity Recovery with Agitated Leach Results of Five Composite Samples Returned
 - 95 to 99% Recovery of Gold
 - 73 to 97% Recovery of Silver
 - Includes the Recovery of 99% Au and 73% Ag from Drill Core Composite at 120-meter depth.

Priority Target in 2026 for Trenching and Drilling:

1. **South Block Main Zone Expansion**
 - a. Follow-up on 2025 Drill Success
 - i. 19.4 g/t Au over 3.1 meters within 106.6 meters of 0.6 g/t Au
 - ii. 5.4 g/t Au over 6.1 meters within 41.2 meters of 1.0 g/t Au
 - iii. 136 g/t Ag over 10.7 meters within 42.7 meters of 41 g/t Ag
2. **South Block (November 12, 2024 News Release)**
 - a. Placer Corridor (900-meter strike length)
 - i. Soil samples up to 21.2 g/t Au and >2,000 g/t
 - b. Placer Source Area
 - i. Soil samples up to 2.4 g/t Au and 22 g/t Ag
 - ii. Rock samples up to 7.3 g/t Au and 389 g/t Ag
3. **North Block**
 - a. North Alteration Zone (3.2 km by 1.5 km area)
 - i. 2-meter chip sample, 5.6 g/t Au and 106 g/t Ag
 - ii. Historic mine working sample, 3.2 g/t Au and 1,225 g/t Ag

El Picacho Project

Millrock Agreement and Suarez Assignment

On June 7, 2021, the Company signed a letter of commitment (the "Millrock Agreement") to purchase El Picacho Project ("El Picacho Project") from Recursos Millrock S. de R.L. de C.V. ("Millrock"). On signing of the letter of commitment, the Company made an initial payment of \$94,196 (US\$78,000).

On September 15, 2021, the Company entered into an assignment agreement (the "Suarez Assignment") with Millrock for an initial five-year option to acquire El Picacho Project from the property owners, Suarez Brothers, within the Caborca Orogenic Gold Belt in Sonora, Mexico. El Picacho Project consists of 12 mining concessions totaling 2,395 hectares.

To acquire 100% interest in El Picacho Project, the Company is required to pay Suarez Brothers US\$1,985,600 and an additional payment of US\$66,000 will be required to gain surface rights to use the Picacho Ranch.

Subsequent to August 31, 2025, the Company began negotiations with Suarez Brothers to amend the Suarez Assignment, under which the Company and Suarez Brothers agreed to replace the outstanding option payments, totalling US\$1,650,000, with five semi-annual installments of US\$275,000, starting on January 15, 2026, and a final payment of US\$412,500 payable on June 15, 2028.

Millrock is to retain a 2% NSR with the option for the Company to purchase back 1% for US\$1,000,000. Upon full execution of the Option Agreement and completion of all cash payments, an Annual Advance Minimum Royalty ("AAMR") of US\$25,000 will be paid to Millrock, doubling each year until the start of production. AAMR payments will be subtracted from royalty payments on the commencement of production.

A summary of the commitments on El Picacho option agreement and surface rights (prior to its amendment subsequent to August 31, 2025) is as follows:

Due dates	Option payments	Surface rights payments
	US\$	US\$
June 11, 2021 – Closing	5,000 (<i>paid by Millrock</i>)	6,000 (<i>paid by Millrock</i>)
December 11, 2021	Nil	6,000 (<i>paid</i>)
June 11, 2022	21,400 (<i>paid</i>)	6,000 (<i>paid</i>)
December 11, 2022	21,400 (<i>paid</i>)	6,000 (<i>paid</i>)
June 11, 2023	21,400 (<i>paid</i>)	6,000 (<i>paid</i>)
December 11, 2023	21,400 (<i>paid</i>)	6,000 (<i>paid</i>)
June 11, 2024 ⁽¹⁾	105,400(<i>paid</i>)	6,000 (<i>paid</i>)
	144,600 (<i>accrued</i>)	
December 11, 2024	Nil	6,000 (<i>accrued</i>)
August 31, 2025 ⁽²⁾	650,000 (<i>accrued</i>)	6,000(<i>accrued</i>)
December 11, 2025	Nil	6,000
June 11, 2026 ⁽²⁾	1,000,000	6,000
TOTAL	1,990,600	66,000

⁽¹⁾ Subsequent to August 31, 2025, an additional payment of \$201,872 (US\$144,600) was made to fully settle its cash commitment due on June 11, 2024.

⁽²⁾ These option payments are being extended to 2028 and replaced by five semi-annual installments of US\$275,000 starting on January 15, 2026, with the final payment of \$412,500 due on June 15, 2028. The amended option agreement is being finalized as of the date of the filing of these consolidated financial statements, and may include additional changes, including but not limited to penalties for late or early payments.

El Picacho Project Updates

El Picacho Gold-Silver Project is interpreted as an orogenic gold system within the regional Caborca Orogenic Gold Belt known for producing gold mines that include La Herradura and San Francisco. The project is 140 kilometers north of Hermosillo and totals 2,395.33 hectares. Six primary zones of mineralization have been identified across El Picacho Project, totalling over six kilometres of prospective trends. Surface sampling has identified high-grade gold and silver values. Surface geological and structural mapping has been completed by the Company in 2022, adding a new target area which was previously identified.

The Company carried out a maiden drill program in 2023, targeting the shallow targets defined at the San Ramon Prospect, an area approximately 500 meters by 500 meters in size where two extensive underground workings have returned high-grade gold and silver. San Ramon represents one prospect of seven prospect areas across the 24km property that are defined by artisanal underground workings (adits and shafts) that coincide with high-grade gold and silver mineralization.

In November 2025, the Company secured the environmental permit required to conduct further drilling and trenching activities at El Picacho Project. In December 2025, the Company initiated an airborne topographic survey using drone technology designed to identify additional mineralized zones for future drilling targets. For 2026, the Company plans to complete a short drill program totalling one to two kilometers to test newly identified mineralized zones and further confirm geological structures within the project.

El Picacho Project Highlights

- Surface sampling, mapping and data compilation defining key target areas
- San Ramon Prospect – 500-meter trend, highlighted by two underground workings, up to 22 g/t Au
- Murcielago Prospect – 450-meter trend, highlighted by 7.2 g/t Au, 36 g/t Ag and 4.4% Pb in Silicified brecciated limestone
- Jabali Prospect – 500-meter trend, highlighted by average sample grade of 3.2 g/t Au, up to 32 g/tAu
- Initial drill targeting at San Ramon Prospect was completed in December of 2022, totalling 1,075.1-meters.
- Drill results are highlighted by hole SRA-22-003, which returned 27.5-meters of 0.5 g/t Au, including 12.2m of g/t Au and hole SRA-22-010, which returned 44.2-meters of 0.6 g/t Au, including 12.2m of 2.0 g/t Au.

SELECTED ANNUAL INFORMATION

	Year ended August 31, 2025	Year ended August 31, 2024	Year ended August 31, 2023 ⁽¹⁾
	\$	\$	\$
Net loss and comprehensive loss	(803,892)	(1,171,463)	(2,468,378)
Basic and diluted loss per share	(0.01)	(0.03)	(0.06)
Total assets	15,514,492	10,170,346	7,901,256

(1) The financial results for the year ended August 31, 2023, have been restated to correct the errors associated with the classification of warrants issued as part of the Sorbie 1 and Sorbie 2 Transactions. The detailed discussion has been provided in Note 15 to the annual consolidated financial statements for the year ended August 31, 2024.

RESULTS OF OPERATIONS

The net loss and comprehensive loss for the years ended August 31, 2025 and 2024 were as follows:

Years ended August 31,	2025	2024
	\$	\$
Advertising and promotion	727,672	229,754
Audit and accounting	107,484	99,399
Consulting	629,750	626,346
Legal	19,032	37,441
Management fees	48,000	48,000
Meals and entertainment	10,855	960
Office and miscellaneous	66,798	70,581
Regulatory fees	70,422	63,630
Share-based compensation	673,251	331,350
Travel	31,187	21,585
Total operating expenses	(2,384,451)	(1,529,046)
Other gain	1,580,559	357,583
Net loss and comprehensive loss for the year	(803,892)	(1,171,463)

Years ended August 31,	2025	2024
Other gain	\$	\$
Foreign exchange gain (loss)	110,098	(52,315)
Interest expense	(13,912)	(19,145)
Realized gain (loss) on financial assets	572,443	(828,685)
Unrealized gain on financial assets	1,129,809	749,702
Unrealized loss on debenture payable	—	(185,544)
Realized gain (loss) on debenture payable	(217,879)	693,570
Other gain	1,580,559	357,583

During the year ended August 31, 2025, the Company recorded a net loss and comprehensive loss of \$803,892 (August 31, 2024 – \$1,171,463), representing a 31% decrease from the prior year. Despite a 56% increase in operating expenses as compared to the prior year, the reduction in comprehensive loss was attributed to a significant increase in the unrealized gain on financial assets arising from the revaluation of the fair value of the additional \$1,800,000 sharing agreement entered with Sorbie in December 2024. These revaluation gains more than offset the higher operating expenditures incurred during the year, resulting in lower comprehensive loss relative to the prior year.

Operating expenses for the year ended August 31, 2025, increased by \$855,405 to \$2,384,451 (August 31, 2024 – \$1,529,046). This increase was driven by higher advertising and promotion costs, which rose by 217% to \$727,672 (August 31, 2024 – \$229,754) due to expanded marketing activities undertaken to secure additional financing. Share-based compensation also increased by \$341,901 to \$673,251 (August 31, 2024 – \$331,350), reflecting timing differences in vesting periods associated with stock options granted on December 1, 2023, February 11, 2025 and August 20, 2025.

Other expenses contributing to the overall increase included travel expenses, which rose by 44% to \$31,187 (August 31, 2024 – \$21,585), meals and entertainment, which increased by \$9,895 to \$10,855 (August 31, 2024 – \$960), regulatory fees, which increased by 11% to \$70,422 (August 31, 2024 – \$63,630), accounting and audit fees, which rose by 8% to \$107,484 (August 31, 2024 – \$99,399). These increases were partially offset by decreases in legal expenses, which fell by 49% to \$19,032 (August 31, 2024 – \$37,441), and office expenses, which declined by 5% to 66,798 (August 31, 2024 – \$70,581). The consulting fees remained relatively consistent at \$629,750 (August 31, 2024 – \$626,346).

In addition to the regular operating expenses, the Company recorded other gains of \$1,580,559 (August 31, 2024 – \$357,583). These gains were attributed to the recognition of unrealized gain of \$1,129,809 (August 31, 2024 – \$749,702) arising from the revaluation of financial assets, which increased following the additional 1,800,000 sharing agreement entered with Sorbie on December 10, 2024. Other gains included realized gain on settlement of financial assets of \$572,443 (August 31, 2024 – \$828,685 loss) and foreign exchange gain of \$110,098 (August 31, 2024 – \$52,315 loss) resulting from currency fluctuations. Offsetting these gains were the realized loss of \$217,879 (August 31, 2024 – \$693,570 gain) related to the conversion of debenture notes into common shares issued to Sorbie (the "Sorbie Debenture") as well as \$13,912 in interest expense accrued on the Sorbie Debenture and finance charges.

SUMMARY OF QUARTERLY RESULTS

The following sets out a summary of the Company's quarterly results for the eight most recently completed quarters. All periods listed below were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

Periods ended	Net comprehensive (income) loss	(Income) loss per share – Basic and diluted
	\$	\$
August 31, 2025	(722,495)	(0.01)
May 31, 2025	84,376	0.00
February 28, 2025	940,806	0.02
November 30, 2024	501,205	0.01
August 31, 2024	(319,363)	(0.01)
May 31, 2024 ⁽¹⁾	330,508	0.01
February 29, 2024 ⁽¹⁾	532,032	0.01
November 30, 2024 ⁽¹⁾	628,286	0.02

(1) These quarterly results have been restated to reflect adjustments required to correct the errors associated with the classification of warrants issued as part of the Sorbie 1 and Sorbie 2 Transactions, which required a retrospective restatement. The detailed discussion has been provided in Note 15 to the annual consolidated financial statements for the year ended August 31, 2024.

Over the last eight quarters, the comprehensive loss ranged from a loss of \$940,806 for the quarter ended February 28, 2025, to a gain of \$722,495 for the quarter ended August 31, 2025. These fluctuations were primarily driven by gains on the revaluation of fair values of remaining financial assets and convertible debenture. During the most recent quarter, certain operating expenses, such as share-based compensation, accounting and audit expenses, legal fees, office expenses and travel-related expenses have experienced substantial fluctuations. Advertising expenses continued to correlate closely with the Company's financing activities while changes in share-based compensation reflected timing differences in vesting schedules and the granting of new stock options. For the quarter ended August 31, 2025, operating expenses increased significantly due to higher advertising and promotion costs, increased share-based compensation from the issuance of additional stock options during the quarter as well as higher regulatory, accounting and audit fees.

LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has not yet realized profitable operations and has relied on equity financings, issuance of convertible notes and trade credit to fund its operations and exploration activities. The Company does not have sufficient funds to transition from exploration stage into production stage for the current fiscal year and will be required to raise additional capital through the equity markets.

The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

August 31,	2025	2024
	\$	\$
Working capital surplus (deficit)	1,222,716	(1,374,684)
Deficit	(9,242,476)	(8,438,584)

At August 31, 2025, the Company had cash of \$903,693 (August 31, 2024 – \$101,639) and a working capital surplus of \$1,222,716 (August 31, 2024 – \$1,374,684 deficit). The improvement in working capital was primarily driven by an increase in current assets of \$2,767,530, bringing the total current assets to \$3,650,779 (August 31, 2024 – \$883,249). Cash increased by \$802,054 to \$903,693 bolstered by receipts from private placements, proceeds from the exercise of warrants and options and from the monthly settlement receipts from the sharing agreements entered with Sorbie. Receivables rose by \$165,983 to \$226,768 (August 31, 2024 – \$60,785) while the current portion of the fair value of financial assets grew by \$1,459,122 to \$2,137,517 (August 31, 2024 – \$678,395), reflecting the additional sharing agreement entered into with Sorbie on December 10, 2024. Furthermore, prepaid expenses also increased by \$307,659 to \$350,089 (August 31, 2024 – \$42,430).

Current liabilities increased slightly by 8% or \$170,130 to \$2,428,063 (August 31, 2024 – \$2,257,933). To date, the Company's main source of financing has been derived from the issuance of common shares, debt and sharing arrangements and proceeds from the exercise of warrants and options.

Cash Flows for the Years ended August 31, 2025 and 2024

August 31,	2025	2024
	\$	\$
Net cash used in operating activities	(1,781,600)	(1,263,543)
Net cash provided by financing activities	3,971,577	2,891,847
Net cash used in investing activities	(1,391,717)	(1,547,006)
Change in cash during the year	798,260	81,298

Cash Flows Used in Operating Activities

During the year ended August 31, 2025, the Company used \$1,781,600 (August 31, 2024 – \$1,263,543) to fund its operating activities. The cash was used to cover the Company's cash operating expenses of \$1,714,994 (August 31, 2024 – \$1,197,212), which was determined based on the Company's net loss of \$803,892 (August 31, 2024 – \$1,171,463) adjusted for non-cash items of \$911,102 (August 31, 2024 – \$25,749). Further cash was used to increase the Company's receivables by \$9,641 (August 31, 2024 – \$735), prepaids by \$307,658 (August 31, 2024 – \$21,757 decrease), and to provide a \$32,712 advance for future services to its related party (August 31, 2024 – \$Nil). Additionally, the Company used \$262,926 to reduce its accounts payable and accrued liabilities (August 31, 2024 – \$48,566). These cash outflows were partly offset by an increase in amounts due to related parties, which rose by \$546,331 (August 31, 2024 – \$38,787 decrease).

Cash Flows Provided by Financing Activities

Net cash provided by financing activities during the year ended August 31, 2025, was \$3,971,577 (August 31, 2024 – \$2,891,847). Of this amount, \$1,074,897 (August 31, 2024 – \$1,550,400) was received from subscriptions to units from non-brokered private placements, net of share issuance costs. In addition, the Company received \$1,390,596 (August 31, 2024 – \$1,336,723) from Sorbie monthly settlements and \$1,506,084 (August 31, 2024 – \$4,725) from exercise of warrants and options.

Cash Flows Used in Investing Activities

Net cash used in investing activities for the year ended August 31, 2025, was \$1,391,717 (August 31, 2024 – \$1,547,006) and was associated with deferred exploration expenditures, including the drilling program on the Company's Gran Pilar Project and option payments for El Picacho Project.

MANAGEMENT OF CAPITAL

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. If adequate financing is not available when required, the Company may be unable to continue operating. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution of the ownership interests of the Company's shareholders and may result in dilution of the value of such interests.

The Company does not have sufficient funds to cover anticipated administrative expenses and planned exploration activities for the next 12-month period. Management will continue to actively pursue funding and financing opportunities to secure adequate resources not only for working capital and exploration costs but also to meet obligations under property option agreements, address existing financial liabilities, and respond to any unforeseen liquidity needs.

SENSITIVITY ANALYSIS ON SORBIE TRANSACTIONS

The following table illustrates the impact of a 10 % increase and a 10% decrease in the Company's share price on the fair value of the financial assets from Sorbie transactions:

Sorbie Transactions	Fair Value	10% Share Price Increase	10% Share Price Decrease
	\$	\$	\$
Sorbie 3 Settlements	928,517	1,019,244	836,710
Sorbie 4 Settlements	1,609,399	1,776,167	1,458,253
Total	2,537,916	2,795,411	2,294,963

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the year ended August 31, 2025 and 2024 was as follows:

Related party transactions	August 31, 2025	August 31, 2024
	\$	\$
Administration	38,314	
Consulting fees	24,500	12,000
Deferred exploration expenditures	498,873	384,987
Management fees	48,000	48,000
Share-based compensation	382,593	40,683
	992,280	485,670

During the year ended August 31, 2025, the Company incurred \$48,000 (August 31, 2024 – \$48,000) in management fees and \$12,000 (August 31, 2024– \$12,000) in deferred exploration expenditures to a company controlled by the CEO. As at August 31, 2025, \$32,712 was advanced to the CEO for future services (August 31, 2024 – \$549).

During the year ended August 31, 2025, the Company incurred \$486,873 (August 31, 2024 – \$372,987) in deferred exploration expenditures and office administration expenses of \$38,314 (August 31, 2024 – \$32,753) to a company controlled by a director. As at August 31, 2025, \$806,775 (August 31, 2024 – \$604,294) was owed to the related party.

During the year ended August 31, 2025, the Company incurred \$12,000 (August 31, 2024 – \$12,000) in consulting fees to the Company's CFO.

During the year ended August 31, 2025, the Company incurred \$12,500 (August 31, 2024 – \$Nil) in consulting fees to the Company's Head of Corporate Development. As at August 31, 2025, \$3,791 (August 31, 2024 – \$Nil) was owed to the related party.

All amounts due to related parties are unsecured, non-interest bearing, and with no fixed repayment terms.

CHANGES IN ACCOUNTING POLICIES

The accounting policies set out below and in the Company's consolidated financial statements have been applied consistently to all periods presented in the consolidated financial statements.

Material Accounting Policies

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, the condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The functional currency of the Company is the Canadian dollar. The functional currency of Burgencio is also the Canadian dollar, which is determined to be the currency of the primary economic environment in which Burgencio operates. All amounts in the consolidated financial statements are expressed in Canadian dollars, the Company's reporting currency.

All significant accounting policies adopted by the Company have been described in the notes to the annual consolidated financial statements for the year ended August 31, 2025.

FINANCIAL INSTRUMENTS

Detailed disclosures on the Company's financial instruments, including classifications, carrying values, and risk exposures (credit, liquidity, market) are presented in Note 12 to the consolidated financial statements, in accordance with IFRS 7 and IAS 34.

During the year ended August 31, 2025, there were no material changes in the Company's risk exposure, hedging activities or risk management objectives. The fair value of financial instruments remained within previously disclosed ranges and no new hedging instruments or derivatives were initiated.

Fair Values

The Company's financial instruments consist of cash, GST, VAT and other receivables, accounts payable, accrued liabilities and amounts due to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature. Financial assets at fair value through profit or loss are revalued at each reporting date based on the three levels of a fair value hierarchy.

The following table summarizes the carrying values of the Company's financial instruments:

August 31,	2025	2024
	\$	\$
Financial assets at amortized cost (i)	1,130,461	162,424
Financial assets at fair value through profit and loss (ii)	2,537,856	1,130,734
Financial liabilities at amortized cost (iii)	2,428,063	1,482,728
Financial liabilities at fair value through profit and loss (iv)	–	775,205
(i) Cash and amounts receivable		
(ii) Monthly Settlements resulting from Sorbie Transactions		
(iii) Due to related parties and accounts payable		
(iv) Debenture payable and warrants payable issued as a result of Sorbie Transactions		

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, which is held with a high credit quality financial institution and GST receivable from the Government of Canada and amounts due from a related party. As such the Company's credit risk exposure is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. The Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has financial risk arising from fluctuations in foreign exchange rates as the Company, through its wholly owned subsidiary, does own foreign currency denominated financial assets and liabilities.

Interest Rate Risk

Interest rate risk is the risk that arises from fluctuating interest rates. The Company is not exposed to significant interest rate risk.

Equity 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 volatilities. 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. The Company has exposure to equity price risk since the settlement amounts from Sorbie transactions are affected by the movement of the Company's share price.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at August 31, 2025.

ADDITIONAL DISCLOSURES FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Please refer to Note 3 in the annual consolidated financial statements for the years ended August 31, 2025 and 2024 for a description of the capitalized exploration and development costs on the Gran Pilar and El Picacho Projects. For a description of the general and administrative expenses, please refer to the statement of comprehensive loss contained in the consolidated financial statements for the year ended August 31, 2025 and 2024.

SHARES ISSUANCES

On December 10, 2024, the Company issued 4,012,500 units to Sorbie as part of the Sorbie 4 Transaction. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at \$0.75 per share and expires on December 10, 2027. The units were valued based on the fair value of expected Sorbie 4 Settlements, which was determined to be \$1,251,808 using Monte Carlo Simulation. In relation to the financing arrangement, the Company incurred a total of \$10,000 in legal fees and \$5,641 in financing fees.

On December 10, 2024, the Company closed a non-brokered private placement, issuing 636,083 units for gross proceeds of \$305,320 at \$0.48 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at \$0.75 per share and expires on December 10, 2027. A total of \$12,722 was allocated to the warrant reserve using the residual method. In relation to the private placement, the Company paid \$7,500 in legal fees and \$24,696 in finders' fees. In addition, the Company issued 51,450 finders' warrants valued at \$10,656. Each finder's warrant entitles the holder to acquire one additional common share at \$0.48 per share, exercisable on or before December 10, 2027.

On December 27, 2024, the Company issued 500,000 common shares valued at \$260,000 to Suaqui Verde Properties under the SVP Agreement.

On February 11, 2025, the Company issued 28,658 common shares valued at \$14,329 to settle accrued interest payable on Sorbie Notes.

On February 18, 2025, the Company closed a non-brokered private placement, issuing 1,746,390 units for gross proceeds of \$838,267 at \$0.48 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at \$0.75 per share, expiring on February 18, 2028. In relation to the private placement, the Company paid \$9,750 in legal fees and incurred \$15,744 in finders' fees. In addition, the Company issued 82,800 finders' warrants valued at \$18,010. Each finder's warrant entitles the holder to acquire one additional common share at \$0.48 per share, expiring on February 18, 2028.

In addition, the Company issued further 431,250 units valued at \$207,000 to various consultants for services rendered. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at \$0.75 per share, expiring on February 18, 2028.

On July 4, 2025, the Company issued 1,742,683 common shares valued at \$975,903 on conversion of outstanding Sorbie Notes with a face value of \$1,429,000 and 25,518 common shares valued at \$14,636 on conversion of its related accrued interest of \$14,290.

During the year ended August 31, 2025, the Company issued 2,355,600 common shares on exercise of subscribers' warrants for gross proceeds of \$1,300,675 and 138,320 common shares on exercise of finders' warrants for gross proceeds of \$56,361.

During the year ended August 31, 2025, the Company issued 342,500 common shares on exercise of options for gross proceeds of \$143,438. In addition, the Company recognized an obligation of \$5,610 to issue shares upon exercise of 11,220 options, which were issued subsequent to August 31, 2025. The weighted average share price on the exercise date was \$0.88 per share.

OUTSTANDING SHARE DATA

The following table summarizes the outstanding share capital as of the date of the MD&A:

Type	Amount	Conditions
Common Shares	66,884,954	Issued and outstanding
Warrants	1,713,490	Exercisable into 1,713,490 shares at a price of \$1.30 per share expiring on June 28, 2026
	1,713,490	Exercisable into 1,713,490 shares at a price of \$0.90 per share expiring on June 28, 2026
	3,200,000	Exercisable into 3,200,000 shares at a price of \$1.20 per share expiring on June 28, 2026
	551,471	Exercisable into 551,471 shares at a price of \$0.68 per share expiring on April 5, 2026
	33,089	Exercisable into 33,089 shares at a price of \$0.68 per share expiring on April 5, 2026
	4,285,714	Exercisable into 4,285,714 shares at a price of \$0.50 per share expiring on April 25, 2027
	300,000	Exercisable into 300,000 shares at a price of \$0.50 per share expiring on April 25, 2027
	4,012,500	Exercisable into 4,012,500 shares at a price of \$0.75 per share expiring on Dec. 10, 2027
	1,906,140	Exercisable into 1,906,140 shares at a price of \$0.75 per share expiring on Feb. 18, 2028
	467,083	Exercisable into 467,083 shares at a price of \$0.75 per share expiring on Dec. 10, 2027
	934,000	Exercisable into 934,000 shares at a price of \$0.50 per share expiring on May 8, 2027
	682,800	Exercisable into 682,800 shares at a price of \$0.50 per share expiring on April 25, 2027
Finders' Warrants	93,150	Exercisable into 93,150 shares at a price of \$0.35 per share expiring on April 25, 2027
	13,315	Exercisable into 13,315 shares at a price of \$0.35 per share expiring on May 8, 2027
	13,725	Exercisable into 13,725 shares at a price of \$0.48 per share expiring on Dec. 10, 2027
	80,700	Exercisable into 80,700 shares at a price of \$0.48 per share expiring on Feb. 18, 2028
Stock Options	1,950,000	Fully vested and exercisable into 1,950,000 shares at multiple prices from \$0.35 to \$0.80 per share at various expiry dates ranging from Jan. 19, 2026 to Oct. 3, 2028
	300,000	Exercisable into 300,000 shares at a price of \$0.91 per share expiring August 19, 2030. A total of 150,000 options vested on grant; remaining 150,000 vest on August 20, 2026.
	1,515,000	Exercisable into 1,515,000 shares at a price of \$0.50 per share expiring on Feb. 11, 2035. A total of 1,015,000 options are vested as of the date of this MD&A; 250,000 options vest on February 11, 2026, and remaining 250,000 options vest on February 11, 2027.
	90,650,621	Total common shares outstanding (fully diluted)

BUSINESS RISKS

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.
- Financial risks include commodity prices, interest rates and the Canada/United States/Mexico exchange rates, all of which are beyond the Company's control.
- Inflation and other economic factors beyond the Company's control may cause an increase in costs and expenses, resulting in the Company being unable to complete its objectives with its currently available funds, if at all, which may have an adverse impact on the Company's operations.
- Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to acquire and maintain its exchange listing.
- The Company currently does not have adequate cash for planned exploration expenditures and general and administrative expenses in the next fiscal year and will require financing in the future to continue in business. There can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Company may change and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Lack of optimal segregation of duties has been observed due to the relatively small size of the Company, but management believes that these weaknesses have been adequately mitigated through management and director oversight.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the consolidated 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 consolidated financial statements.

FURTHER INFORMATION

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.