SPANISH MOUNTAIN GOLD LTD.

Management Discussion and Analysis

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars)

The following is management's discussion and analysis ("MD&A") of the financial condition and results of operations of Spanish Mountain Gold Ltd. (the "Company") and its subsidiary. This MD&A should be read in conjunction with the audited consolidated financial statements, including the notes thereto, for the years ended December 31, 2025 and 2024 ("Financial Statements").

The Financial Statements have been prepared by management in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board. Unless otherwise stated, all amounts are presented in Canadian dollars which is the functional currency of the Company and its subsidiary. References to US$ are to United States dollars. Other information contained in this document has been prepared by management and is consistent with the data contained in the Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statements of material facts or omissions of material fact required to be stated or that it is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the financial statements, together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance, and cash flows of the Company as at the date of and for the periods presented in the filings.

In this MD&A, the words "we", "us", or "our", collectively refer to the Company and its subsidiary. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The first six months of a year are referred to as "H1" and the last six months of a year as "H2". The years ended December 31, 2025 and 2024 are also referred to as "Fiscal 2025" and "Fiscal 2024", respectively.

The Board of Directors approved the disclosure contained in this MD&A on April 1, 2026 ("MD&A Date").

The Company's Board of Directors provides an oversight role with respect to all public financial disclosures by the Company.

Management is responsible for the preparation and integrity of the Company's Financial Statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management is responsible for ensuring that information disclosed externally, including the information contained within the Company's Financial Statements and MD&A, is complete and reliable.

Additional information relating to the Company including its Financial Statements may be found on the Company's website at www.spanishmountaingold.com as well as under the Company's profile on SEDAR+ at www.sedarplus.ca.

OVERVIEW

Spanish Mountain Gold Project

The Company is an exploration and development stage company engaged in the acquisition, exploration, and development of mineral properties. The Company's primary asset is the Spanish Mountain property located approximately 180 kilometres ("km") north of Kamloops, British Columbia ("BC") and 66 km northeast of Williams Lake, BC. The Spanish Mountain property refers to the contiguous mineral and placer claims the Company holds while the Spanish Mountain gold project (the "Project") refers to the mineral resource that the Company has defined in an area within the property. The Company's focus is to advance the development of the Project and conduct further exploration programs on the property.

The Company completed a Pre-Feasibility Study ("PFS") of the Project in 2021, which has now been superseded by an updated Mineral Resource Estimate ("2025 MRE") and Preliminary Economic Assessment ("2025 PEA") published on August 18, 2025.

In 2022, based on the 2021 PFS, the Company advanced the environmental assessment ("EA") and permitting processes. The Initial Project Description ("IPD") and Early Engagement Plan ("EEP") for the Project were submitted in March 2022 to the BC Environmental Assessment Office ("BCEAO") and the Impact Assessment Agency of Canada ("IAAC"). Both the provincial and federal agencies accepted the documents within the same month without requesting amendments. The issuance of the Summary of Engagement by BCEAO and the Joint Summary of Issues and Engagement by IAAC on June 23, 2022 completed the early engagement period. The draft Detailed Project Description ("DPD") was submitted to the provincial and federal agencies in December 2022 to initiate the Readiness Decision stage of the EA process. During this phase, the draft DPD was reviewed by the Technical Advisory Committee, participating First Nations, and federal authorities, leading to preparation of the final DPD on which the readiness decision will be based. A readiness decision was previously expected to be received around the end of April 2023, but the Company chose to delay completion of this process phase, and finalization of the DPD.

In 2023, the Company chose to suspend submission of the final DPD and undertake additional geological work and a detailed review of the PFS to further derisk and optimize the Project. During 2023 and 2024 this additional review work continued and the Company in Q3 2024 elected to complete a new preliminary economic assessment and mineral resource which was realized in Q3 2025 with the completion of the 2025 PEA and 2025 MRE. This review and the 2025 PEA will result in changes to the Project plan that will need to be incorporated into a new draft DPD prior to completion of the review and finalization by the agencies. The Company is in the process of tendering and awarding a gap analysis for the proposed changes to the Project description which will then be used to modify the DPD to advance towards an EA. Note, the Company targets to complete an updated PEA in H1 2026 incorporating potential upside improvements that include: (i) the addition of resources from the Phoenix Deposit, which was not contemplated in the 2025 PEA, (ii) the addition of 'ore' sorting technology to the processing of Phoenix and Main Deposit mineralization to increase the average grade of mineralization and overall throughput, (iii) an updated MRE with results from the 2025 and 2026 drill program that focused on the Orca and K zone targets, and (iv) incorporating the higher 3 year trailing long term gold price that has increased since the 2025 PEA and 2025 MRE technical report was published. The EA gap analysis will also consider this update and any potential changes to the EA as the Project advances.

The Company has continued active engagement with First Nations and other communities critical for the success of the EA process and is working to support the full involvement of the First Nations. Prior to the submission of the IPD, management conducted pre-submission review with three First Nations (Williams Lake, Xatśūll, and Lhtako Dené) whose traditional territories include the Project area. The Company signed an Engagement Protocol Agreement with Xatśūll First Nation in October 2021 and proceeded with the process of completing a Life-of-Mine Relationship Agreement with Williams Lake First Nation and the aforementioned Nations. After the completion of the 2025 PEA, the Company has engaged in further discussions with the William Lake First Nations and Xatśūll First Nations and requested a meeting with the Lhtako Dene First Nation. The Company has included First Nations contractors and employees, and local employees from the Likely community and British Columbia to advance the Project.

The 2025 PEA, 2025 MRE and joint PEA-MRE NI-43-101 Technical Report were completed by several consultants, led by Ausenco, as the overarching Qualified Person ("QP") lead. The 2025 PEA and 2025 MRE incorporated the results of additional exploration drilling conducted through 2024 and since the 2021 PFS, and improvements to further enhance the Project's economics and viability in several areas including power, geology, mineral processing, water management and treatment, tailings, various pit scenarios, and electrification of mining alternatives.

- **Environmental assessment and permitting:** The EA remained on hold, but the Company has continued communication with First Nations and the nearby community of Likely while also continuing with base line environmental work. The Company recently hired a new Vice President Environment, Social and Governance ("VP ESG") and plans on moving forward to progress towards the EA certification process.
- **2025 PEA and 2025 MRE**:
  - A 2025 MRE was produced based on the 199,000 metres of relogged core, geophysical, and geochemical work done since 2023. The 2025 MRE was based on a new more tightly constrained geological model of the Main Deposit, based on a better understanding of geological controls to mineralization including both lithological and structural elements.
  - Ausenco completed a financial analysis working with Moose Mountain Technical Services Ltd. using the inputs from the other 2025 PEA QPs, and conclusions of the Whittle Consulting Enterprise Optimization (see July 3, 2025 press release) which concluded the optimal proposed mining operation, given the 2025 MRE, was a 26,000 tonne per day operation.
- **Metallurgy and Mineral Processing:** The 2025 PEA identified 'ore' sorting as a potential value add target expansion case. The Company is looking at ways of improving the overall Project economics by increasing the proposed feed grade in the mill and hence potential higher gold production using 'ore' sorting, and depending on the overall recoveries and economics to be assessed during the H1 2026 PEA update. If positive, 'ore' sorting is expected to be included in the planned Feasibility Study ("FS"). ABH Engineering Inc. previously completed a scoping level sensor-based particle 'ore' sorting study and report that concluded Project's Main Deposit resource mineralization was amenable to 'ore' sorting utilizing X-ray transmission (XRT). The Company engaged Ore Portal and ABH Engineering Inc. in Q4 2025 to conduct follow-up desk top work and laboratory tests on various mineralization types respectively to assess the potential inclusion of 'ore' sorting expansion

scenarios that could improve the scale, milled grades, gold produced and overall economics compared to the 2025 PEA proposed mining operation (See press release dated October 20, 2025 for more details). Bulk ‘ore’ sorting would sort ‘ore’ prior to being processed by crushing or other process before entering the mill whereas particle ‘ore’ sorting would sort the ‘ore’ after some initial level of crushing the ‘ore.’ The Ore Portal study concluded that bulk ‘ore’ sorting on run of mine ‘ore’ prior to mill feed was of no economic benefit to the Project. ABH Engineering Inc. completed preliminary particle sorting on the Phoenix Deposit which concluded a 2 to 2.5 times milled grade uplift over the samples tested. Further metallurgical test work has been commissioned to determine the final gold recovery following particle ‘ore’ sorting on the Phoenix deposit mineralization and the company awaits particle sorting results from the Main Deposit. The results of this work, if proven to be positive, are anticipated to be included in an updated PEA and MRE to be completed in H1 2026, that would also include drill results from the Winter 2025 Drill Program and Fall 2025 Drill Program.

- **Power, electrification, lowering carbon intensity and green-house gas emissions:** The Project's location is supported by excellent infrastructure including connectivity to the provincial power grid supplied with low-cost, renewable hydro power. The System Impact Study (SIS) Stage 2 Conceptual Design with BC Hydro (the provincial electric utility provider) was started in Q1 2025. The study is for the proposed engineering and construction of a new BC Hydro 230 kilovolt ("kV") substation (SMM) to be located at the interconnection point near the BC Hydro McLeese Lake capacitor substation that will be connected to the 74 km long 230 kV transmission line to the Project constructed by the Company. The estimated cost of the power line is included in the 2025 PEA capital expenditures. The 2025 PEA utilizes electrified drills and shovels. Electric haul trucks are commercially available, but equipment manufacturer capital and operating cost estimates were not available and therefore an electric truck fleet was not included in the 2025 PEA. Through collaboration with BC Hydro, other opportunities have been identified for consideration in the next economic study. These opportunities could include electrification and automation of mining and material handling solutions such as: trolley assist haul trucks, material handling by conveyors, battery powered support equipment and other energy efficient equipment. The 2025 PEA utilized conventional diesel haul trucks but could utilize renewable diesel to minimize the carbon footprint of the proposed mining operation. Stage 2 of the SIS is expected to be completed in early Q2 2026.The Company plans to move forward with Stage 3 that involves more detailed engineering and planning for the next stage of building the SMM and has advanced BC Hydro $400k in Q1 2026 to maintain seamless transition of team and activities between Stage 2 and the start of Stage 3 in Q2 2026.
- **Geotechnical and hydrogeological:** BGC Engineering was engaged to evaluate, improve upon and de-risk the tailings, water, and waste management facilities. Based on their recommendations to utilize dry stack tailings, the 2025 PEA is estimated to reduce the water discharge by approximately 50% at peak improvement and provide a more flexible tailings solution where tailings can be placed as landforms around other infrastructure and potential future mineralization additions to the mine plan such as the Phoenix Deposit. In Q4 2025 and Q1 2026, BGC commenced early works necessary to progress the Project towards a Feasibility Study and continues this program that included site investigation and definition of the 2026 geotechnical drilling and field program proposed for the FS.
- **Favorable economics:** The 2025 PEA financial model concluded favorable economics with a base case after-tax NPV5% of C$1,025 million with an after-tax IRR of 18.2% and 3.2-year payback, using a gold price assumption of US$2,450/ounce ("oz"). Using a July 1, 2025 spot gold price of US$3,300/oz gold, after-tax NPV5% increases to C$2,315 million with the after-tax IRR increasing to 32.0% and payback reduced to 2 years (see press release dated July 3, 2025 for more details). The Company plans on producing an updated PEA and MRE in H1 2026 incorporating the benefits of 'ore' sorting, the 2025 through part of 2026 drill results, and an increased long-term gold price forecast.
- **Phoenix initial MRE:** The Company undertook additional drilling on the previously identified Phoenix prospect. Based on 14 drill holes plus historical drilling, Equity Exploration produced an estimate for the Phoenix Deposit of approximately 357,000 ounces of inferred gold resources. These additional ounces were not included in the financial model produced for the 2025 PEA. The Company undertook follow up XRT sensor-based 'ore' sorting and will conduct metallurgical test work to support a tradeoff analysis to determine if 'ore' sorting can potentially uplift the Phoenix Deposit feed grade. The initial 'ore' sorting work on Phoenix potential mill feed concluded that the average milled grade could be doubled or more through particle 'ore' sorting. Further metallurgical work is currently ongoing and if economically positive could be included in an updated MRE to be completed in H1 2026.
- **METSO Memorandum of Understanding ("MOU"):** In Q1 2026 Company signed a MoU with Metso Canada Inc. regarding the collaboration and support for the proposed process plant and tailings dewatering facilities. This collaboration agreement includes trade-off studies as well as support in equipment selection and supply of process solutions. Subject to the execution of definitive agreements, Metso may also provide customary performance commitments for its equipment solutions as SMG advances the Project towards feasibility and ultimately a build decision. If SMG selects Metso's equipment solutions during the anticipated feasibility phase towards a build decision, SMG would be targeting up to $50M of potential Original Equipment Manufacturer (OEM) financing which could be backed by a country of manufacturing origin state export credit agency (ECA) subject to lender approvals and execution of definitive agreements. This marks a key milestone for the company as it prepares for the next stages of development and potential alternatives for Project build financing.

Corporate

On January 27, 2025, the Company listed on the OTCQB venture market under the symbol, "SPAUF".

On March 19, 2025, the Company engaged German Mining Networks GMBH to provide marketing and investors relations services in Europe.

On June 9, 2025, the Company granted 2,860,500 stock options to officers and directors of the Company and 221,500 stock options to employees and consultants at an exercise price of $0.175 and will vest over 10 years.

On July 3, 2025, the Company announced the results of a PEA, including an updated MRE, for the Project. On August 18, 2025, the Company posted the 2025 PEA Technical Report and MRE on SEDAR+ and on the company's website.

On July 22, 2025, the Company announced the completion of the debt settlement with Whittle Consulting Ltd. whereby Whittle Consulting Ltd. received 2,110,919 common shares plus $14,320 cash payment as consideration for amounts owing for services rendered during 2024 and 2025.

On August 27, 2025, the Company closed its private placement for gross proceeds of $7,199,968 by issuing 20,690,087 units at $0.145 per unit, 7,121,850 flow-through units ("FT Unit") at $0.165 per FT Unit, and 15,124,000 charity flow-through units ("Charity FT Unit") at $0.20 per Charity FT Unit.

On August 28, 2025, the Company engaged Atrium Research Corporation to provide marketing and investors relations services for the Company.

On November 20, 2025, the Company issued 325,000 common shares at $0.13 for total fair value of $42,250 for the acquisition of additional mineral claims on the Spanish Mountain property

On December 5, 2025, the Company changed auditors from Smythe LLP to BDO Canada LLP, effective November 27, 2025.

MINERAL PROPERTY

Spanish Mountain Gold Project

The Spanish Mountain property is located in the Cariboo region of central BC, 6 km east of the village of Likely, and 66 km northeast of the City of Williams Lake, a key supply hub for multiple mines and projects in the region. The property, which comprises approximately 60 contiguous mineral claims and 15 placer claims and covers an area of approximately 12,380 hectares and 2,240 hectares respectively, is 100% owned by the Company.

The property can be reached from Williams Lake via a paved secondary road that leaves Highway 97 at 150 Mile House, approximately 16 km south of Williams Lake, and continues for 87 km to the village of Likely. From Likely, the property is accessed from the Spanish Mountain Forest Service Road 1300.

The Company has been actively conducting drilling and other exploration activities on the property since 2005. The Spanish Mountain gold deposit is situated at or close to surface and amenable to open pit mining methods as defined in the 2025 PEA. The largest zone carrying significant gold mineralization is called the Main Deposit, which has been traced by drilling over a length of approximately 1700 m long, 800 m wide, and 300 m thick, and is open in all directions. Disseminated gold mineralization with a grain size typically less than 30 microns occurs predominantly within the graphitic black argillite, often associated with pyrite and quartz. Visible gold also occurs within quartz veins, commonly reaching grain sizes of ~1 mm and locally exhibiting a coarse, nuggety character indicative of high-grade mineralization; these occurrences are frequently associated with galena and sphalerite and are preferentially hosted by greywacke and volcaniclastic lithologies. Recent geological and geophysical data re-interpretation has determined that the relationship between northwest trending structures (faults and bedding) and north-northeast trending structures are critical controls for mineralization. These geological controls, especially how they relate to high-grade mineralization, will assist with future drill program targeting of mineralization within the pit shell and for possible extensions of the deposit such as the Orca fault target area (See March 10, 2026 press release).

The Company is focused on optimizing the scale and business case, targeting the greenest gold mine in Canada, and advancing the Project towards a construction decision before the end of 2027. On March 19, 2024, the Company entered an agreement with BC Hydro and received the funding approval to assess power efficient alternatives for the comminution to support coarse 'ore' flotation mineral processing unit operations for the Project. A draft of the report entitled, "Spanish Mountain Gold Energy Efficiency Scoping Study - Andritz Power Simulation Study," was received from Andritz, reviewed and accepted by BC Hydro, the cost of which is expected to be covered by an approved funding application made on January 29, 2025.

During Q2 2024, the Company submitted an application to BC Hydro under the "Load Attraction" funding program to potentially reduce costs to the Company in anticipation of advancing the System Impact study through the Conceptual Design and Facilities Study stages for the interconnection of a new 74 km long proposed power line that would service the proposed Project. The Company received approval for the funding application and on July 31, 2024 executed a BC Hydro Interconnection Study Fund Agreement for Load Attraction Transmission. In January 2025, the Company agreed to proceed to Stage 2, Conceptual Design, for the interconnection for the new power line and work is expected to be completed in early Q2 2026. Following the completion of Stage 2, the Company expects to commence stage 3 in Q2 2026.

(Expressed in Canadian dollars)

a) Mineral Resources

As part of the 2025 PEA, an update of the Mineral Resources (2025 MRE) was prepared based on the pit shell developed using assumed cost parameters and assumptions. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. Inferred Mineral Resources have insufficient confidence to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability suitable for public disclosure.

The updated MRE for the Main Deposit is based on the amalgamation of what have been historically described as the Main Zone, North Zone, Slipper Zone, and K Zone. The Main Deposit is included in the financial modelling for the 2025 PEA.
A summary of the Project's Main Pit mineral resources is provided below (excludes 2025 Winter and Fall Drilling Programs):

Classification	Run of Mine (Mt)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold (koz)	Contained Silver (koz)
Measured	77.4	0.53	0.68	1,321	1,701
Indicated	214.7	0.41	0.65	2,842	4,463
M&I Resources	292.1	0.44	0.66	4,163	6,163
Inferred Resource	14.8	0.33	0.95	155	454

Notes:

- The MREs were prepared by Bahram Bahrami, P.Geo of Equity Exploration Consultants Ltd. (who is the independent Qualified Person for these MREs, noting the Mineral Resource estimate complies with NI 43-101 Standards of Disclosure for Mineral Projects (May 2016) and CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014), with an effective date of January 10, 2025 for the Main deposit.
- The MRE for the Main Deposit is reported at a cutoff grade of 0.15 g/t Au.
- Cut-off grade assumes US$2,400/oz. Au, US$30/oz Ag, at a currency exchange rate of $0.73 per US$; 99.8% payable gold;90.0% payable silver; $7.00/oz. offsite costs (refining and transport), a 1.5% royalty; and uses a 90% metallurgical recovery for Au and a 50% recovery for Ag. The cut-off grade covers processing costs of $12.00/t inclusive of site general and administrative (G&A) costs. Mining costs were $3.75/t for 'ore' and waste.
- The mineral resources are constrained by an open pit shell generated by applying the Lerchs-Grossman algorithm to the Spanish Mountain deposit. The pit shell was generated using the same inputs as the cutoff grade determination.

Factors that may affect the estimates include: metal price assumptions, changes in interpretations of mineralization geometry and continuity of mineralization zones, changes to kriging assumptions, metallurgical recovery assumptions, operating cost assumptions, confidence in the modifying factors, including assumptions that surface rights to allow mining infrastructure to be constructed will be forthcoming, delays or other issues in reaching agreements with local or regulatory authorities and stakeholders, and changes in land tenure requirements or in permitting requirement. Any other known legal, political, environmental, or other risks that could materially affect the potential development of the Mineral Reserves are detailed below in the section entitled "Risks and Uncertainties".

An inaugural MRE was determined for the Phoenix Deposit, a deposit roughly 1 km northwest of the Main Deposit. The Phoenix Deposit is not included in the financial model for the 2025 PEA, and the Company expects to follow up with additional drilling over the next year. Subject to favorable metallurgical results following 'ore' sorting from test work currently underway, the Company plans to include the Phoenix Deposit in an updated PEA to be completed in H1 2026.

Classification	Run of Mine (Mt)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold (koz)	Contained Silver (koz)
Measured	N/A	N/A	N/A	N/A	N/A
Indicated	0.05	0.35	N/A	.58	N/A
M&I Resources	0.05	0.35	N/A	.58	N/A
Inferred Resource	25.4	0.44	N/A	357	N/A

Notes:

- The inaugural 2025 MRE for the Phoenix Deposit was prepared by Bahram Bahrami. Please see above for his qualifications.
- The 2025 MRE for Phoenix is based on a 0.2 g/t cut-off and is based on the same assumptions as for the Main Deposit above.

- Estimates have been rounded and may result in summation differences.
- The Phoenix Deposit 2025 MRE has an effective date of June 17, 2025

b) Exploration Programs

The Company commenced its 2025 Winter Drill Program (10,000 m) in February 2025, targeting further extensions of the mineralized zones at the Main Deposit and the Phoenix area previously identified in 2011 (See February 10, 2025 Press Release). The 2025 Winter Drill Program was completed in May 2025, with assaying results continuing into June.

The 2025 Winter Drill Program samples were sent to the MSA Labs laboratory for photon gold assaying. The results of the 2025 Winter Drill Program have been disclosed in press releases dated April 21, 2025, April 24, 2025, and June 17, 2025.

The Company commenced its 2025 Fall Drill Program in September (see news release dated September 12, 2025)

The Company undertook a $7.2 million brokered private placement that closed on August 27, 2025 and included $4.2 million dollars of flow-through shares. The Company commenced follow-up drilling to the 2025 Winter Drill Program utilizing these flow-through share proceeds with target objectives in this program to:

- Extend near surface, higher-grade mineralization in five key priority areas: Main Deposit, Phoenix Deposit, K-zone, Outcropping Tuff ("OT"), and the A12 target.
- Collect drill hole sample material from the Phoenix and Main Deposits for 'ore' sorting metallurgical studies looking to reject waste material and increase the gold content of mineralization entering the Process Plant.
- Derisk infrastructure locations identified in the 2025 PEA (see July 3, 2025 news release) through drilling of high priority exploration targets to inform future engineering studies.

The 2025 Fall Drill Program experienced drill cost efficiencies that allowed more than the previously expected 9,000 to 10,000 m to be drilled with the $4.2 million flow-through share funds raised in August 2025 and continued into Q1 2026. Given the positive drill results in the Orca fault target area of the Main Deposit all drilling was conducted on this target and the Company authorized further exploration drilling in Q1 2026 once the $4.2 million flow-through share commitment had been met. The assay results for the 54 drill holes have been received and have identified a newly discovered Orca Fault within the Main Deposit. The highlights include the following:

- 25-DH-1292 intersected 112 m of 0.77 g/t gold from 84.00 to 196.00 m, - including 35.80 m of 1.18 g/t gold with a subset of 10.20 of 1.8 g/t gold,
- 25-DH-1322 intersected three separate intervals within 133.57 m grading 1.35 g/t gold including: 32.37 m of 0.87 g/t gold from 75.43 m including 15.31 m of 1.52 g/t gold; 25.47 m of 4.28 g/t gold from 132.40 m including 14.98 m of 6.42 g/t gold; and 29.07 m of 1.41 g/t gold from 187.47 m including 12.63 m of 2.65 g/t gold.
- 25-DH-1325 intersected two intervals of gold mineralization including: 103.35 m of 0.88 g/t gold from 15.65 m including 56.40 m of 1.35 g/t gold with a high-grade subset of 9.90 m of 3.54 g/t gold; and 15.15 m of 0.65 g/t gold from 255.00 m including 1.85 m of 3.28 g/t gold.
- 26-DH-1337 intersected a **282.50 m** thick, higher-grade intercept grading **0.70 g/t** gold from 91.50 m that includes **116.80 m** of **1.20 g/t** gold with a high-grade subset of **12.20 m** of **2.46 g/t** gold

The current exploration drilling assay results continue to intersect significant higher-grade mineralization over 530 m in strike length in the newly defined Orca Fault target[1]. Assays are pending on seven additional drill holes recently completed on the newly defined Orca Fault area.

Current exploration drilling assay results continue to intersect significant higher-grade gold mineralization over 530 m in strike length in the Orca Fault target area trend and the continuity can now be traced across multiple parallel, adjacent drill sections over 200 m in width.

[1] See new releases dated November 3, 2025, November 17, 2025, December 1, 2025, December 8, 2025, December 22, 2025, January 6, 2026, January 26, 2026, February 3, 2026, February 26, 2026, 2026, and March 10, 2026 for more details.

(Expressed in Canadian dollars)

A summary of exploration expenditures incurred on the Company's mineral property is as follows:

	December 31, 2025	December 31, 2024
	$	$
Balance, beginning of the year	**98,329,390**	92,508,138
Additions:		
Acquisition	**42,250**	-
Assaying	**569,181**	721,202
Camp materials and supplies	**365,682**	208,764
Contract wages	**1,020,397**	474,606
Depreciation	**33,564**	33,849
Drilling	**4,100,992**	909,510
Environmental assessment	**268,136**	338,371
Equipment rental and services	**1,074,149**	295,795
Field supplies and support services	**11,673**	-
First Nations and community engagement	**4,593**	3,828
Fuel	**393,497**	72,352
Geological and technical consulting	**1,680,756**	1,463,646
Land tenure	**8,834**	5,249
Maps and reports	**705,691**	617,539
Mineral exploration tax credit recovery	**(1,327,740)**	(67,869)
Preliminary economic assessment	**506,948**	693,046
Share-based compensation	**50,002**	21,313
Travel and accommodation	**39,402**	30,051
Balance, end of the year	**107,877,397**	98,329,390

ENGAGEMENT WITH FIRST NATIONS

The Company recognizes and respects the First Nations asserted Indigenous rights and title in the Project area. For over a decade, it has regularly engaged First Nations concerning the Company's plans and Project activities.

As a part of the environmental assessment and permitting process, the Company signed Engagement Protocol Agreements with Xatśūll First Nation in October 2021 and proceeded with the process of completing a Life-of-Mine agreement with Williams Lake First Nation and Xatśūll First Nation.

The signed Engagement Protocol Agreements acknowledge that the First Nations have existing rights protected under s.35(1) of the *Constitution Act* (1982) and interests within their Traditional Territories, which include the area occupied by the Project. The Company and the First Nations will work together in a spirit of cooperation, mutually respect each other's values to establish a long term, mutually beneficial relationship based on honesty, trust, respect and understanding. General procedures will be established to guide the relationship whereby information regarding the Project activities may be exchanged, and issues of concern can be raised and addressed.

In Q3 2025, the Company re-commenced meetings with First Nations to discuss the new proposed mine as outlined in the 2025 PEA. Discussions were held to provide an update on the Project and identify next steps in order to advance the Project to a build decision by 2027. The Williams Lake First Nation requested a protocol agreement and a draft version for discussion is underway. The Xatśūll First Nation are also in discussions with the Company over next steps with regard to the Project development.

(Expressed in Canadian dollars)

ENVIRONMENTAL ASSESSMENT AND PERMITTING PROCESS

The Project is subject to the requirements of both the British Columbia Environmental Assessment Act (2018) and the Federal Impact Assessment Act (2019). The Company formally entered both processes in March 2022 with the submission of the IPD and EEP to the BCEAO and IAAC. Agency, First Nations, and public review questions and comments were solicited then used to develop the draft DPD that was submitted to the agencies in December 2022. Environmental baseline studies resumed in 2020 and have continued to date to build on significant studies conducted from 2007 to 2012. The reviews of the IPD and EEP included extensive engagement with First Nations, regulatory agencies, and the general public. The Company expects to continue environmental field work and planning studies for the foreseeable future to support the next stages of the provincial and federal environmental assessment processes. The Company recently hired a new Vice President ESG whose primary role initially will be to progress the current Project to an Environmental Assessment.

OUTLOOK

The Company's current strategy remains focused on optimizing, de-risking and advancing its Spanish Mountain Gold project towards a build decision before the end of 2027. With the completion of the 2025 PEA, the Company will be advancing directly to a Feasibility Study ("FS"). The Company requested proposals for conducting a Feasibility Study in Q4 2025 and recently awarded the lead to BBA Engineering Ltd. In the Interim the Company, along with BBA, will be producing a PEA Update in H1 2026 taking into account the potential addition of the Phoenix deposit mineralization, the 2025 Winter and Fall Drill Program results, the benefits of 'ore' sorting, and a higher long term gold forecast. The Company expects to drill at least 60,000 m over the next twelve months leading up to the production of the FS in 2027. This drilling will include geotechnical and hydrological drilling and test work necessary for designing the mill and tailing storage facilities.

The results of optimization studies were incorporated with the Whittle Enterprise Optimization that concluded a base case to advance to a build decision that is sustainable, executable and permittable at a robust scale with significant upside expansion potential through the addition of preconcentration of mill feed utilizing sorting technologies. The Company used the results of the Whittle Enterprise Optimization to guide the PEA pits and phases, life of mine plan and schedule as the basis to derisk and identify targeted upside cases to advance to the next stage of development. Further, titanium in the form of rutile, a Critical Mineral, has been identified in potentially anomalous amounts. The FS includes scope to assess the potential for saleable gold and rutile concentrates. Rutile (titanium) has not been included in the 2025 PEA or MRE.

SELECTED ANNUAL INFORMATION

A summary of selected information of the Company's statements of loss and comprehensive loss is as follows:

	Fiscal 2025	Fiscal 2024	Fiscal 2023
	$	$	$
Net loss and comprehensive loss	**(2,636,490)**	(2,465,246)	(2,140,536)
Net loss per share - basic and diluted	**(0.01)**	(0.01)	(0.01)

The following financial data has been derived from the Company's statements of financial position:

	December 31, 2025	December 31, 2024	December 31, 2023
	$	$	$
Total assets	**113,433,044**	106,587,612	97,254,077
Total non-current liabilities	**795,886**	724,299	230,960

The Company's net loss and comprehensive loss increased from Fiscal 2023 to Fiscal 2024 primarily due to higher investor relations expenses related to various financings, as well as increased salaries and wages resulting from new additions to the management team. The increase in net loss and comprehensive loss from Fiscal 2024 to Fiscal 2025 was mainly due to higher deferred tax expense offset by lower consulting costs associated with IT security and training, as well as higher amortization of flow-through premium liability income driven by increased spending on eligible exploration expenditures.

The increase in total assets from 2024 to 2025 primarily reflects the capitalization of $10.9 million in exploration and other expenditures reflected in the Company's mineral property.

(Expressed in Canadian dollars)

RESULTS OF OPERATIONS

The following discussion explains the variations in the key components of the Company's operating results. As with most junior mineral exploration companies, the results of operations are not the main factor in establishing the financial health of the Company. Of greater significance is the mineral property in which the Company has, or may earn, an interest, its working capital, and how many shares it has outstanding. For details on the results of work on and other activities in connection with the Company's exploration of mineral property, see "Mineral Property."

	Q4 2025	Q4 2024	**Fiscal 2025**	Fiscal 2024
	$	$	**$**	$
Operating expenses				
Consulting	**53,576**	33,146	**157,111**	302,833
Depreciation	**18,552**	18,931	**73,977**	75,203
Investor relations, travel and filing fees	**172,915**	115,332	**626,788**	396,119
Legal and accounting	**232,493**	64,803	**623,439**	559,402
Office and administrative	**78,077**	109,542	**295,506**	342,194
Salaries and wages	**97,701**	251,144	**774,020**	692,927
Share-based compensation	**88,750**	110,828	**428,107**	488,210
	742,064	703,726	**2,978,948**	2,856,888
Other income (expenses)				
Amortization of flow-through premium liability	**343,942**	(21,465)	**927,906**	214,285
Gain (loss) on debt settlement	**-**	-	**(14,565)**	54,948
Interest expense	**(2,213)**	(23,094)	**(10,084)**	(33,280)
Interest income	**34,581**	13,067	**81,548**	102,777
Other income	**-**	13,895	**73,285**	52,912
Net loss before income tax	**365,754**	721,323	**1,920,858**	2,465,246
Deferred income tax expense	**(715,632)**	-	**(715,632)**	-
Net loss and comprehensive loss	**1,081,386**	**721,323**	**2,636,490**	**2,465,246**

Q4 2025 compared to Q4 2024

Net loss and comprehensive loss increased to $1,081,386 compared to $721,323 in the prior year comparable period due to the following primary drivers:

- Legal and accounting increased to $232,493 compared to $64,803 in the prior year comparable period due to additional legal costs relating to general legal and employment matters as well as due diligence on the acquisition of additional mineral claims on the Spanish Mountain property.
- Increased IT consulting, investor relations, travel and marketing activity primarily the result of the participation in additional conferences and engagement of financial services companies to help distribute the Company's story and news to a broader audience.

Partially offsetting the increase in net loss and comprehensive loss were decreases to certain expenses and increased to other income as follows:

- Salaries and wages decreased to $97,701 compared to $251,144 in the prior year comparable period due to additional bonuses paid in Q4 2024 as well as the resignation of an executive in Q1 2025 that was not replaced in the current year.
- Share-based compensation decreased to $88,750 compared to $110,828 in the prior year comparable period due to the vesting of fewer stock options during the period. Amortization of flow-through premium liability was income of $343,942 compared to an expense of $21,465 in the prior year comparable period due to higher spending on eligible expenditures in the current period. The expense in the prior year period was related to an adjustment to the allocation of private placement proceeds in Q4 2024. There were only minor renounced flow-through eligible expenditures in Q4 2024.

(Expressed in Canadian dollars)

Fiscal 2025 compared to Fiscal 2024

Net loss and comprehensive loss increased to $2,636,490 compared to $2,465,246 in the prior year due to the following primary drivers:

- Investor relations, travel and filing fees increased to $626,788 compared to $396,119 in the prior year due to increased marketing activities and participation in additional conferences in the current year to raise public awareness of the Company as well as from the engagement of a financing services company to help distribute the Company's story and news.
- Salaries and wages increased to $774,020 compared to $692,927 in the prior year primarily due to the hiring of a new Chief Financial Officer in Q3 2024.
- Loss on debt settlement was $14,565 compared to a gain of $54,948 in the prior year. During the current year, the Company issued 2,110,919 common shares at $0.18 for a total fair value of $379,965 as settlement for services rendered of $365,000. In the prior year, the Company issued 1,831,579 common shares at $0.16 for a total fair value of $293,053 as settlement for services rendered of $348,000.

Partially offsetting the increase in net loss and comprehensive loss were decreases to certain expenses and increased to other income as follows:

- Consulting fees decreased to $157,111 compared to $302,833 in the prior year due to reduced spending on advisory services related to taxation, recruiting, IT infrastructure, software, data security, and training in the current year.
- Office and administrative decreased to $295,506 compared to $342,194 in the prior year due to the completion of the Company's modernization of IT systems in the prior year.
- Share-based compensation decreased to $428,107 compared to $488,210 in the prior year due to the vesting of fewer stock options and reversal of share-based compensation of forfeited stock options in the current year.
- Amortization of flow-through premium liability increased to $927,906 compared to $214,285 in the prior year due to higher spending on eligible expenditures during the current year driven by increased drilling activity.
- Other income increased to $73,285 compared to $52,912 in the prior year. Income earned in the current year was primarily from interest expense refunds related to the mineral exploration tax credit in Q1 and Q2 2025, whereas income earned in the prior year was primarily from the use of the Company's facilities by another enterprise.

SUMMARY OF QUARTERLY RESULTS

The selected quarterly consolidated information set out below has been derived from and should be read in conjunction with the previous eight quarterly consolidated financial statements for each respective financial period.

	Q4 2025	Q3 2025	Q2 2025	Q1 2025
	$	$	$	$
Loss from operations	**(742,064)**	(765,112)	(853,791)	(617,981)
Net loss and comprehensive loss	**(1,081,386)**	(761,621)	(528,071)	(265,412)
Loss per share - basic and diluted	**(0.00)**	(0.00)	(0.00)	(0.00)

	Q4 2024	Q3 2024	Q2 2024	Q1 2024
	$	$	$	$
Loss from operations	(703,726)	(874,948)	(739,916)	(538,298)
Net loss and comprehensive loss	(721,323)	(578,503)	(657,734)	(507,686)
Loss per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)

Certain tax items such as the British Columbia Mining Exploration Tax Credit (METC) tend to be processed and recognized during the third or fourth quarter of the calendar year, when the Company is notified of the results of the Canada Revenue Agency review of tax returns filed, resulting in potential adjustments to the corporate tax provision for the period. Furthermore, the timing of assessment for the Company's filings by tax authorities may lead to a one-time adjustment to the period's tax provision resulting in potentially significant changes to the net loss. The Company filed its 2024 corporate income tax return claiming a tax refund of $1,075,283 in respect of METC. Under the Company's accounting policy no receivable has been recorded as the Canada Revenue Agency has historically taken administrative positions inconsistent with the Company's filing positions. As of this date no assessment or refund has been received.

(Expressed in Canadian dollars)

Net loss and comprehensive loss in Q1 2025 were attributable to consulting services to upgrade IT infrastructure, stock options granted and vesting during the quarter and investor relations activities to raise public awareness. Net loss and comprehensive loss increased in Q2 2025 from Q1 2025, due to increased investor relations and marketing costs and share-based compensation expense resulting from the annual stock options granted and vesting in the period. Net loss and comprehensive loss increased from Q3 2025 to Q4 2025, driven by deferred income tax expense that resulted from the Fall 2025 Drill Program costs largely being renounced to flow-through shareholders. The deferred tax expense was partially offset by increased amortized flow-through premium liability compared to Q3 2025.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2025, the Company had working capital of $3,832,746 (December 31, 2024 - $6,325,995), which includes cash and cash equivalents of $3,837,097 (December 31, 2024 - $6,873,687).

The Company's ability to continue its operations as intended are dependent on its ability to obtain necessary financing and raise capital sufficient to cover certain phases of its Project. The Company continuously explores financing opportunities, including equity flow-through shares and other alternatives. See details of completed private placements in "Sources and uses of cash" section. The Company has 83,156,989 warrants outstanding as at December 31, 2025. If the remaining outstanding warrants were all exercised, they would raise approximately $17,322,925.

The Company's expenditures on its mineral property, which are capitalized in accordance with its accounting policy, represent the most significant use of its capital resources.

The Company is in the exploration stage and has no revenue from its business operations. The Company's ability to meet its future obligations and maintain operations for the foreseeable future is contingent upon successful completion of additional financing arrangements. Although the Company has been successful in raising funds in the equity markets, there is no assurance that additional funding will be available in the future at reasonable terms. The Company evaluates other financing opportunities that become available from time to time. Management carefully monitors its cash resources and explores available options to address any potential shortfall. These conditions indicate the existence of material uncertainties that may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern

SOURCES AND USES OF CASH

A summary of the Company's cash flows is as follows:

	Fiscal 2025	Fiscal 2024
	$	$
Cash used in operating activities	**(2,345,391)**	(1,761,197)
Cash used in investing activities	**(9,614,573)**	(5,548,286)
Cash provided by financing activities	**8,923,374**	10,789,447
Change in cash and cash equivalents during the year	**(3,036,590)**	3,479,964
Cash and cash equivalents, beginning of the year	**6,873,687**	3,393,723
Cash and cash equivalents, end of the year	**3,837,097**	6,873,687

(Expressed in Canadian dollars)

Fiscal 2025 compared to Fiscal 2024

Cash used in operating activities increased to $2,345,391 compared to $1,761,197 in the prior year due to higher expenditures on salaries and wages, marketing activities, and other corporate overheads.

Cash used in investing activities increased to $9,614,573 compared to $5,548,286 in the prior year due to increased spending on mineral property exploration activities and progressing a new PEA. During Q1 and Q2 2025, the Company received refunds of $869,079 and $526,330, respectively, comprising the 2023 and 2022 METC and related interest, which partially offset the increase in investing activities.

Cash provided by financing activities was $8,923,374 compared to $10,789,447 in the prior year. During the year ended December 31, 2025, the Company had the following financing activities:

- On August 27, 2025, the Company completed a private placement and issued 20,690,087 units at $0.145 per unit, 7,121,850 FT Units at $0.165 per FT Unit, and 15,124,000 Charity FT Units at $0.20 per Charity FT Unit for gross proceeds of $7,199,968 which was partially offset by cash unit issuance costs paid of $654,830. Proceeds from the private placement will be used for eligible exploration and evaluation expenditures as well as working capital and corporate purposes.
- Issued 14,007,926 common shares pursuant to the exercise of 14,007,926 warrants with a weighted average exercise price of $0.18 for proceeds of $2,546,627 of which $180,000 was included in subscription receivable as at December 31, 2025.
- Issued 600,000 common shares pursuant to the exercise of 600,000 stock options with a weighted average exercise price of $0.15 for proceeds of $87,000.

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel include those persons having the authority and responsibility of planning, directing, and executing the activities of the Company. The Company has determined that its key management personnel consist of directors and executive officers of the Company.

A summary of the Company's compensation for key management personnel is as follows:

	Fiscal 2025	Fiscal 2024
	$	$
Salary and wages, and fees paid to directors and officers, and affiliated Company	**947,397**	764,928
Share-based compensation incurred by directors and officers	**473,362**	454,164
	1,420,759	1,219,092

A summary of the salary and wages paid to the Company's officers is as follows:

	Fiscal 2025	Fiscal 2024
	$	$
Chief Executive Officer	**377,625**	422,200
Chief Financial Officer	**301,438**	150,417
Director of Exploration	**202,334**	-
Former Vice President of Exploration	**-**	126,157
Former Vice President of Finance	**66,000**	66,154
	947,397	764,928

As at December 31, 2025, the accounts payable and accrued liabilities included a total of $23,280 (December 31, 2024 - $55,755) comprising of unused vacation, consulting fees, and expenses incurred by management on behalf of the Company. Interest is not charged on outstanding balances and there are no specified terms of repayment.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31, 2025 and 2024, the Company's financial instruments consist of cash and cash equivalents, subscription receivable, deposits for reclamation, rent deposit, accounts payable and accrued liabilities, and lease liability, which are classified and measured at amortized cost.

(Expressed in Canadian dollars)

The carrying values of cash and cash equivalents, subscription receivable, deposits for reclamation, rent deposit, and accounts payable and accrued liabilities, approximate their fair values due to their short term to maturity.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations and arises principally from the Company's holdings of cash and cash equivalents and deposits for reclamation. The Company manages credit risk in respect of cash and cash equivalents and deposits for reclamation by holding these at a major Canadian financial institution with strong investment-grade ratings by a recognized agency.

Concentration of credit risk exists with respect to the Company's cash and cash equivalents, as all amounts are held at one major Canadian financial institution.

A summary of the Company's cash and cash equivalents is as follows:

	December 31, 2025	December 31, 2024
	$	$
Cash held in bank accounts	**3,837,097**	6,438,651
Term deposits	**-**	435,036
	3,837,097	6,873,687

For the year ended December 31, 2025, the weighted average interest rate earned on the Company's cash and cash equivalents was 2.78% (2024 - 4.23%). During the year ended December 31, 2025, the Company earned interest income of $81,548 (2024 - $97,877) on various term deposits and cash held in bank accounts.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. As at December 31, 2025, the Company has cash and cash equivalents of $3,837,097 (December 31, 2024 - $6,873,687) in order to meet its current liabilities of $564,014 (December 31, 2024 - $877,901). As at December 31, 2025, the Company had accounts payable and accrued liabilities of $493,008 (December 31, 2024 - $812,594), which have contractual maturities of 90 days or less and a current portion of lease liability of $71,006 (December 31, 2024 - $65,307). The amount of the Company's remaining undiscounted contractual lease payments for the lease liability is $175,528 (December 31, 2024 - $250,919). As at December 31, 2025, management has assessed the liquidity risk as low with regards to these obligations. However, Management seeks to raise capital, when necessary, to meet its funding requirements to prudently advance the Project studies with fiscal discipline. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company to meet its obligations as they become due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. (see Note 1 of the Financial Statements for assessment of going concern risk).

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to interest rate and foreign currency risk as follows:

<u>Interest rate risk</u>

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices.

The Company's cash and cash equivalents are held in bank accounts earning interest at variable interest rates. Due to the short-term nature of these financial instruments and the prevailing interest rate environment, fluctuations in market rates do not have a significant impact on estimated fair values as at December 31, 2025.

<u>Foreign currency risk</u>

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to foreign currency risk as at December 31, 2025.

(Expressed in Canadian dollars)

OUTSTANDING SHARE DATA

A summary of the Company's outstanding share data is as follows:

	December 31, 2025	MD&A Date
	Number	**Number**
Common shares	504,722,122	510,663,655
Stock options	8,707,000	8,707,000
Warrants	83,156,989	77,215,456
Fully diluted shares outstanding	596,586,111	596,586,111

CAPITAL MANAGEMENT

The Company's primary funding source has been cash raised through the issuance of share capital. The Company does not use any sources of financing that require fixed payments of interest and principal and is not subject to any externally imposed capital requirements.

The Company defines its capital as all components of shareholders' equity. Capital requirements are determined by the Company's exploration activities on its mineral property interests and administrative overhead. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet strategic goals.

In accordance with its investment policy, the Company periodically invests its capital in liquid investments to obtain returns that are considered reasonable under prevailing market conditions. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of capital stock, there can be no assurances that it will continue to do so in the future. There were no changes in the Company's approach to capital management during the year ended December 31, 2025.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2025 and the MD&A Date, the Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

As at December 31, 2025 and the MD&A Date, the Company has no proposed transactions.

COMMITMENTS

Office premises lease

The Company entered into a lease extension for the Company's office premises which began April 1, 2023 and expires March 31, 2028. The total aggregate lease payments pursuant to the agreement are $404,001. Additionally, operating costs are estimated at $253,124 over the same period. As of December 31, 2025, the amount of the Company's remaining undiscounted contractual lease payments for the office premises lease is $175,528 (December 31, 2024 - $250,919).

Spanish Mountain Property, British Columbia

The proposed mine in the 2025 PEA is subject to two main royalties. One provides a 2.5% NSR royalty over 12 claims that overlap with the northern and southern extents of the Main Deposit. A buydown right allows the Company to purchase 1.5% of this NSR for $500,000, reducing the NSR to 1.0%. The other royalty is a 2.5% NSR over a claim that hosts the bulk of the Main

Deposit. A buydown right allows for this to be reduced to 1.5% for $500,000. For a complete list of royalties refer to the 2025 PEA.

On January 10, 2025 the Company acquired a 100% undivided interest over another mineral claim southeast of the Main Deposit in return for $3,500 plus a 0.5% NSR royalty. A buydown right allows the Company to purchase the entire royalty for $450,000.

In accordance with regulatory requirements, as at December 31, 2025, the Company holds a number of term deposits aggregating in the sum of $91,000 (December 31, 2024 - $91,000) and is presented as deposits for reclamation on the statement of financial position, in safekeeping for the Government of British Columbia. The security will be released once the Company performs its obligations pursuant to its Mineral Exploration Permit.

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political, economical, and cyber related risks.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers, and title may be affected by undetected defects. Since the Company's main asset is the Spanish Mountain Gold Project, in respect of which it is currently completing a new PEA, the Company has no revenues and source of operating cash flow. As discussed earlier in Liquidity and Capital Resources, the Company's ability to meet its future obligations and maintain operations for the foreseeable future is contingent upon successful completion of additional financing arrangements. Although the Company has been successful in raising funds in the equity markets, there is no assurance that additional funding will be available in the future at reasonable terms.

The property interests owned by the Company, or in which it has an option to earn an interest are in the exploration stages only and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Company's mineral properties may not result in additional discoveries of commercial bodies of mineralization.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously held an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. In August 2014, there was a breach of the tailings dam of a copper/gold mine, owned by a third party, located near Likely, B.C. resulting in significant environmental damages in the area. Although the Company's operations have not been directly affected by the incident, the long-term impact, if any, on the regulatory or permitting process in connection with the Company's project cannot be determined at this time.

FORWARD-LOOKING STATEMENTS

The Company's MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, *Continuous Disclosure Obligations* of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future exploration plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "Risks and Uncertainties" in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading "Risks and Uncertainties" and to those that may be discussed as part of particular forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions, and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events, or results or otherwise other than as required by securities law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of Financial Statements under IFRS® Accounting Standards requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

The accounting estimates, judgements and assumptions are disclosed in the notes to the Financial Statements.

QUALIFIED PERSON

Julian Manco, MSc. P.Geo., Director Exploration for the Company, is a qualified person as defined under National Instrument 43-101. Mr. Manco has reviewed and approved the technical information presented herein.

Jason Dunning, MSc, Geology, P.Geo., Senior Technical Advisor for the Company, is a qualified person as defined under National Instrument 43-101. Mr. Dunning has reviewed and approved the technical information on the potential for 'ore' sorting presented herein.

SUBSEQUENT EVENTS

Subsequent to year end, the Company issued 5,941,533 common shares pursuant to the exercise of 5,941,533 warrants for gross proceeds of $1,003,953.

On January 8, 2026, the Company received $180,000 in cash related to warrant exercises for which a subscription receivable was outstanding as at December 31, 2025.