

# **METALLIS RESOURCES INC.**

## **Management's Discussion and Analysis Years ended December 31, 2025 and 2024**

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This Management Discussion and Analysis ("MD&A") is dated April 29, 2026 and should be read in conjunction with Metallis Resources Inc.'s ("Metallis", "the Company", "we", "our") annual consolidated financial statements for the year ended December 31, 2025 and the related notes thereto. Technical aspects of this MD&A have been reviewed and approved by Metallis Resources' V.P. of Exploration, Mr. David Dupre, P.Geo., designated as a Qualified Person under National Instrument 43-101. This MD&A was written to comply with the requirements of National Instrument 51-102 - Continuous Disclosure Obligations and includes material events and transactions up to the date of this report. The financial data included in this MD&A had been prepared in accordance with International Financial Reporting Standards ("IFRS") and related interpretations. Results are reported in Canadian dollars, unless otherwise noted and includes the accounts of the Company's wholly-owned subsidiary Metallis Resources (USA) Inc. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results presented for the year ended December 31, 2025 are not necessarily indicative of the results that may be expected for any future period.

The Company's common shares are listed on Tier 2 of the TSX Venture Exchange ("TSX-V") under the trading symbol "MTS", on the OTCQB Marketplace under the symbol "MTLFF" and on the Frankfurt Stock Exchange under the symbol "OCVM". The Company is a reporting issuer in British Columbia, Alberta and Ontario, Canada. Further information about the Company and its operations can be obtained from the Company's website at [www.metallisresources.com](http://www.metallisresources.com), the Company's office located at Suite #604 - 850 West Hastings St., Vancouver, BC, V6C 1E1, or from Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Cautionary Note Regarding Forward-Looking Information**

This MD&A contains forward-looking statements about the Company's objectives, strategies, financial condition, results of operations, cash flows and businesses. These statements are "forward-looking" because they are based on current expectations, estimates, assumptions, risks, and uncertainties. These forward-looking statements are typically identified by future or conditional verbs or variable nouns such as "outlook", "believe", "anticipate", "estimate", "project", "expand", "expect", "intend", "plan", and terms and expressions of similar import. Such forward-looking statements are subject to a number of risks and uncertainties which include, but are not limited to: impacts from pandemics, cyclical downturn, competitive pressures, dealing with business and political systems in a variety of jurisdictions, repatriation of property in other jurisdictions, payment of taxes in various jurisdictions, exposure to currency movements, inadequate or failed internal processes, people or systems or from external events, safety performance, expansion and acquisition strategy, legal and regulatory risk, extreme weather conditions and the impact of natural or other disasters, specialized skills and cost of labour increases, equipment and parts availability and reputational risk. Actual results could be materially different from expectations if known or unknown risks affect the business, or if estimates or assumptions turn out to be inaccurate. The Company does not guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place reliance on such forward-looking statements.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will

operate in the future, including assumptions regarding the Company's ability to raise additional financing, execute business and operating strategies, and the Company's ability to develop its mineral properties. Discussions regarding the future exploration of the Company's properties presumes the assumption that any necessary financings are successfully completed on reasonable and acceptable terms, whether from equity or debt issuance, joint venture, or the sale of assets. The Company disclaims any intention and assumes no obligation to update any forward-looking statement, even if new information becomes available, as a result of future events or for any other reasons, except in accordance with applicable securities laws. Risks that could cause the Company's actual results to materially differ from its current expectations are also discussed in this MD&A.

### **Description of Business and Recent Highlights**

Metallis is a mineral exploration company focussing on base metals, precious metals and antimony, and has two distinct properties.

In northwestern British Columbia, it holds a 100% interest in 30 contiguous claims comprising the Kirkham Property ("Kirkham"), covering an area of 10,610 hectares ("ha") within the "Golden Triangle" region. The region is a significant mining area, yielding both base metals and precious metals amidst a rich geological environment that has seen continuous exploration for 150 years. There are currently two operating mines and three more coming online in the near future. Dozens of other projects are in play, and the region typically attracts 60% of BC's annual mineral exploration dollars. (ResourceWorld, 2024). The Company has spent \$15.3 million on exploration work at Kirkham.

The Company also has an interest in a US property through an option agreement (the "Agreement") signed in February 2024, whereby 100% ownership in the Greyhound Property ("Greyhound"), an Idaho, USA mineral property of approximately 124 hectares, can be earned through staged payments and exploration work over a 10-year period. This opportunity was prompted by market conditions as general early-stage investor sentiment in the Golden Triangle had softened in the past few years. Greyhound has road access with services and supplies available in nearby towns. The Agreement offers low upfront costs, allowing for efficient use of funds. In 2024, subsequent to the signing of the Agreement, the Company staked 81 claims surrounding Greyhound for a total property footprint of approximately 677 ha.

At Greyhound, the company completed a 2025 inaugural drilling program comprised of 11 drill holes and 1,605 m of drilling across 3 main target areas. A drone magnetic survey was also completed earlier in 2025. In preparation for the work programs, the Company closed a \$1.5 million private placement in June 2025 of 9,375,000 units at \$0.16 per unit with each unit consisting of one common share and one non-transferrable share-purchase warrant exercisable at \$0.26 per share for three years. Proceeds from the financing were allocated primarily for exploration work and the remainder was for general working capital.



## **Corporate Outlook**

At Greyhound, our 2024 initial assay results confirmed historical silver and gold grades and showed the presence of antimony. Low upfront costs, ease of access and availability of local workers and services have made the initial exploration work at Greyhound very cost effective. The property has seen little or no modern exploration other than what the Company has done: we have completed an initial magnetic geophysical drone survey at Greyhound and the property's first-ever diamond drilling program.

The drilling program took place in 2025 across 3 high-priority areas: At the 1350' Target, chip sampling along a 36.9 m section of the Lower Rufus Adit, collected at 3.05 m intervals, returned a width-weighted average of 2.19 g/t gold and 918.1 g/t silver over an average width of 1.45 m. At the Bulldog Target, a broad shear zone with multiple quartz-sulfide veins and existing road access; And at the Birdie Target, a parallel shear trend with adits and trenches that point to additional mineralized potential. The subcontractor completed 1,605 m of drilling in 2025.

In addition to precious metals, capital markets are also paying attention to antimony as it is listed as a critical mineral in the US due to its use in advanced technologies, defense applications and renewable energy, and it is in short supply. The Greyhound property has demonstrated strong initial antimony grades over 4% in grab samples from sampling and is located only 30 miles from the most advanced antimony project in the United States, Perpetua Resources' Stibnite Mine.

In BC, the Kirkham Property lies in the Golden Triangle region, a significant mining area highlighted by recent mergers and acquisitions involving world-class mining companies. The Company's exploration work at Kirkham over the past eight years has identified multiple targets and mineral deposit types including shear vein gold, epithermal gold-silver, porphyry gold-copper and magmatic nickel-copper. Drilling by the Company in 2022 at the South Cliff area confirmed the extension of copper-gold porphyry mineralization at depth.

We are also pleased that there has been a tangible improvement in market dynamics. With precious metals prices having repeatedly risen to new record highs over recent months, market sentiment in the junior exploration space rebounded in 2025, best reflected by the TSXV index which rose 56% during the year. We face better overall sentiment throughout the sector, higher trading volumes, and higher commodity prices. While the markets continue to demonstrate high sector volatility, we remain optimistic that we will continue to be able to raise the funds necessary to carry out our planned work programs in 2026 and to provide sufficient working capital.

The Company collaborates proactively with its stakeholders and with respect to the Kirkham Property, Metallis maintains a good working relationship and has regular dialogues and face to face meetings with representatives of the Tahltan Central Government, its First Nations stakeholder whose ancestral lands include Kirkham.

**Exploration and evaluation expenditures:**

Exploration and evaluation costs incurred during the year ended December 31, 2025 were \$1,467,167 (2024 - \$299,132) as follows:

	Year ended December 31,					
	2025			2024		
	<u>Kirkham</u>	<u>Greyhound</u>	<u>Total</u>	<u>Kirkham</u>	<u>Greyhound</u>	<u>Total</u>
Acquisition costs	\$ -	\$ 50,225	\$ 50,225	\$ -	\$ 90,092	\$ 90,092
Accommodations/camp/travel	-	258,908	258,908	-	30,867	30,867
Assays and lab analysis	-	74,458	74,458	395	26,764	27,159
Community relations	1,500	-	1,500	-	-	-
Drilling	-	859,558	859,558	-	-	-
Field supplies	-	5,782	5,782	-	14,855	14,855
Geological and geophysical	14,906	153,029	167,935	40,062	67,402	107,464
Licenses, claim fees and	3,240	-	3,240	17,123	22,448	39,571
Survey- drone magnetic	-	45,561	45,561	-	-	-
Recoveries- tax credit	-	-	-	(10,876)	-	(10,876)
	\$ 19,646	\$ 1,447,521	\$ 1,467,167	\$ 46,704	\$ 252,428	\$ 299,132

## **Results from exploration- Greyhound:**

On August 14, 2025, the Company completed a high-resolution drone magnetic survey marking the first geophysical program ever undertaken at Greyhound. Interpretation was conducted by consulting geophysicist Jules Lajoie Ph.D., who identified key structural and magnetic features. The drone magnetic data has provided valuable insight into the structural framework of the property, including the continuity of the Greyhound shear beneath overburden, the identification of multiple parallel shears, and a magnetic anomaly coinciding with the high-grade 1350' shoot. This information was integrated with our geological and geochemical datasets to refine and prioritize the drill targets.

The inaugural drill program began on August 20<sup>th</sup>, 2025. Drill core (HQ size) was logged and sampled at geology-related intervals before being half cut with a rock saw and packaged for delivery to the ALS geochemical laboratory in Twin Falls, Idaho. Drilling encountered semi massive sulphides in quartz mineralization across substantial widths related to the Greyhound shear zone. Sulphide minerals such as arsenopyrite, pyrite, sphalerite, galena, and stibnite were identified and are all strong pathfinder minerals associated to gold and silver mineralization. The drilling program ended on October 22<sup>nd</sup>, and the camp was demobilized.

A total of 11 drill holes, comprising 1,622 meters were completed in the 2025 drill program. Four holes test the Bulldog, three holes tested the 1350, and four holes tested the Birdie.

Three drill holes at the 1350 Zone outlined a mineralized panel extending 60 m vertically and 70 m along strike and also uncovered a previously unknown mineralized structure parallel to the main Greyhound shear. Drilling was designed to test above and below historic channel sampling in the 1350 Zone in the Lower Rufus Adit. The results confirm a steep, well-developed shear zone with a true width up to 4 metres. A standout high-grade intercept in GH25-05 returned 4,859 g/t AgEq\* over 0.15 m. Combined with broad intervals of moderate mineralization (e.g., 15.45 m of 142 g/t AgEq\* in GH25-07), the results demonstrate significant high-grade potential and strong continuity within the structure. Gold grades, historically underappreciated on the property, have also been consistently elevated and the zone remains open in all directions.

Four drill holes were completed at the Bulldog target from two drill pads and returned limited intercepts of gold and silver. Unfortunately, due to poor drill recoveries, assays may not reflect the true potential. The shear zone at this location dips shallowly to the southwest resulting in mineralized drill intercepts nearer to surface that were more oxidized and broken than anticipated. Three out of four holes intercepted minor shear zones containing sulphides, with the best grades occurring at the top of GH25-03 including 0.76 m of 127 AgEq\*. The high-grade band sampled at surface was not returned in drill core although it is possible it was lost in drill water circulation. Initial interpretations of the Bulldog suggest the shear is more extensive laterally at this location although it remains strong as it extends 700 m north to the Republican target. Further work will be required in this area.

Four drill holes were completed at the Birdie target from two drill pads. The holes intersected a series of dykes cross-cutting Granodiorite host rock. There are no significant assays reported for precious or base metals in the drill holes.

**Previous work:**

The initial Greyhound field program in July 2024 tested the validity of data acquired from the historic showings, as they were expected to offer immediate drill targets. Commodities of interest include antimony, silver, gold, lead, and zinc. These targets are known as the Lower Rufus, Upper Rufus, Birdie, General Grant, Bulldog, the Buckhorn, and the Akita. The program outlined high-grade mineralized zones at several historic showings along the 3.5 km Greyhound shear zone. Work included detailed geological mapping, XRF survey, soil sampling, and rock sampling, all of which helped confirm historic assays and provides a solid platform for further exploration. A total of 559 soil samples and 133 rock samples were collected along with geological and structural mapping. Results were disseminated on September 4<sup>th</sup>, 2024 (antimony results), September 17<sup>th</sup>, 2024 (gold/silver/antimony results), and December 12<sup>th</sup>, 2024 (over-limit assay results).

The assay results confirmed that the Greyhound shear hosts highly anomalous antimony (“Sb”) with 12% of the rocks returning >1% Sb. The most elevated antimony assay was returned from a rock sample taken at the Bulldog Showing that delivered a significant 4.54% Sb from semi-massive sulfide containing galena, sphalerite, arsenopyrite and stibnite. Three contiguous rock samples taken as ‘continuous chips’ near the Bulldog returned 0.61% Sb over a 3 m length, further validating the strong mineralization at surface. Although consistent antimony mineralization was identified along the entire length of the Greyhound shear, the best antimony results occur in the northwestern portion of the property at showings that include Bulldog, Republican, and Idaho, none of which had ever been drilled.

A subsequent field program was conducted in October 2024. This program included 129 soil samples, 61 geological mapping points and 44 rock samples, returning multiple high-grade silver, gold and antimony assays which further refined the mineralized zones. The grab and chip samples returned values up to 4,590 g/t Ag and averaged 504 g/t Ag across all samples. Rock grab sampling around the newly discovered Akita showing also highlights a new zone 200 m to the north of the Greyhound shear.

The highest-grade Sb (Antimony) assays were from the Bulldog target and the 1350' zone, confirming the extent and quality of mineralization as well as highlighting its potential as a rich source of antimony. Combining these results with the promising historic concentrate results and other exploration opportunities at zones like Akita and Ridge Cut, this initial work supported advancing these targets to drill testing and unlocking this property's full potential.

Soil sampling defined several large multi-element soil anomalies that envelop all of the promising prospects. The soil and rock sampling and mapping prioritized the Birdie, the Bulldog and the 1350' zone for diamond drilling.

**Detailed description of exploration and evaluation assets:****Greyhound Property:**

On February 26, 2024, the Company entered into an Agreement with Greyhound Mining & Milling, Inc., (the “Optionor”), to acquire a 100% interest in the 124-hectare Greyhound Property in Idaho, USA.

The vendor also received a share purchase warrant for up to 1,000,000 common shares of the Company at a price of \$0.34 per share for a three-year period.

To exercise the property option, a further payment of US\$7.5 million must be paid to the vendor. If the option is exercised, there is no further requirement to conduct exploration in the event that less than US\$10 million has been incurred at the time of exercise, but the unpaid balance of the US\$670,000 must be paid to the vendor.

The property is subject to a 2% Net Smelter Return (“NSR”) royalty of which ½ of the NSR may be purchased for US\$5 million.

The Agreement specifies staged option payments totalling US\$670,000 and exploration costs of US\$10 million, both over a ten-year period as follows:

Date	Option payment (USD)	Minimum exploration expenditures (USD)
Effective date (February 29, 2024)	\$20,000 (paid)	-
1 <sup>st</sup> anniversary	\$35,000 (paid)	-
2 <sup>nd</sup> anniversary	\$55,000 (paid Feb 2026)	\$90,000
3 <sup>rd</sup> anniversary	\$75,000	\$200,000
4 <sup>th</sup> anniversary	\$85,000	\$400,000
5 <sup>th</sup> anniversary	\$100,000	\$900,000
6 <sup>th</sup> anniversary	\$60,000	\$1,610,000
7 <sup>th</sup> anniversary	\$70,000	\$1,700,000
8 <sup>th</sup> anniversary	\$80,000	\$1,700,000
9 <sup>th</sup> anniversary	\$90,000	\$1,700,000
10 <sup>th</sup> anniversary	-	\$1,700,000
<b>Total</b>	<b>\$670,000</b>	<b>\$10,000,000</b>

The Greyhound Property encompasses two past-producing silver/gold mines: Greyhound and Bulldog. The claims outlined in the Agreement comprise 12 patented mining claims and 3 patented mill site claims, 1 patent pending mining claim and 8 patent pending mill site claims. Patented mining claims are the gold standard of claims; the land is privately owned and therefore developable and sellable, annual maintenance fees are exempt and there has been a moratorium on new patent applications since 1994. Unpatented claims allow only mineral rights; the land remains public and annual maintenance fees are required. Greyhound was explored in the late 1800’s and has seen two limited periods of gold and silver production. Several historic mining adits and excavations are known. Most of the time however, the property has been inactive, and it has been owned by the same family for 70 years.

The Property is road accessible via paved and gravel road and is located 41 km from Stanley and 225 km from Boise, the state capital. Greyhound is underlain by the Idaho batholith and contains a 3.5 km long mineralized shear zone highlighted by two past producing mines as well as multiple historic surface workings. This shear zone, measuring up to 12 m across, contains multiple quartz-

sulphide veins. Other parallel mineralized shears have been identified on Greyhound which require further evaluation.

Subsequent to signing the Agreement, Metallis staked 81 additional mining claims surrounding Greyhound for a total property size of 677 ha. This extended package of lode claims now covers all historic mineralization at the past producing Greyhound and Bulldog silver/gold mines, as well as encompassing prospective geology in underexplored terrain parallel and along strike northward of the 3.5 km mineralized Greyhound Shear. Staking was filed through the Bureau of Land Management (BLM) which manages the surface of public land while the Forest Service manages the surface of National Forest System (NFS) land. The BLM is responsible for the subsurface on both public and NFS land.

### Greyhound History

Initial exploration in the late 1800's led to multiple claims being staked along the Greyhound shear as prospectors and miners discovered the high-grade silver mineralization at surface on Greyhound Ridge. Five adits were driven into the mountain from 1896 to 1910 as local miners commenced small scale mining at the Greyhound and the Bulldog with multiple other pits and shafts being sunk across the Republican, the Buckhorn, and the Idaho prospects. These prospects, along with the Greyhound and the Bulldog, provided high grade silver/gold/lead mineralization to a smelter built on site, until mining ceased with the decline of metal prices in 1910.

Greyhound has seen little activity since 1910 except for a period of minor production on a trial basis in 1979 when the Lower Rufus Adit, part of the Greyhound Mine, was driven 309 m along the mineralized shear zone. It was further extended to 458 m in 1991. Historical underground and surface sampling programs were completed, but the Property had never been explored by any modern techniques until Metallis began working the property. Continued examination of historic geological reports has determined that the mineralized shoots encountered in the Lower Rufus Adit are controlled by dilatational zones in the left lateral Greyhound shear. These zones occur as flexures or intersections of the shear with northeast striking cross faults that likely predate the mineralization. This provides the framework for the vertically oriented mineralized shoots encountered to date. Excellent quality concentrates are reported to have been produced from the Greyhound mine.

### **Kirkham Property:**

The Kirkham Property comprises 30 mineral claims, 100% owned by the Company and centered at 56°29' N latitude and 130°40' W longitude in the north-central part of B.C.'s "Golden Triangle" situated in the Skeena Mining Division, British Columbia, a significant North American exploration region that hosts numerous mineral deposits, operating mines, and former mines. Twenty of the thirty mineral claims are subject to third-party NSR royalties of 2%. The Company is entitled to purchase each 1% increment of the NSR royalty for \$500,000. The Company's long-term goal is to identify a sufficient economic resource to attract suitors to buy the project or the Company.

The Property is near several mines and advanced exploration projects, Eskay Mining Corp.'s volcanogenic massive sulphide ("VMS") discovery to the east, Skeena Resources' past-producing Eskay Creek Mine, which is 15 km to the northeast, the Snip mine (1991-1999) located 28 km to the northwest, Newcrest Mining's Brucejack gold mine which is 30 km to the southeast, and Seabridge's KSM and Iron Cap deposits lie 25 km to the east.

The Company has drilled a total of 21,768 m at Kirkham, the most recent being 1,961m in 2022 and 4,785m in 2021. The 5-year exploration permit was renewed on August 5, 2022, to allow for continued work on the project. However, difficult financial markets in the past few years led management to defer a drilling program, and to focus primarily on data compilation and interpretation.

#### Prior Kirkham exploration

In late 2022, two fossiliferous limestone samples were collected to determine the stratigraphic setting of the geology surrounding the Hawilson Porphyry at the Kirkham Property. The Geological Survey of Canada confirmed a Toarcian age fossil and, as such, established the likelihood of unique Eskay Creek aged rocks occurring on the Kirkham Property. The geological team has since conducted a comprehensive re-evaluation of historic datasets including past operators work as well as BC Geological Survey mapping to define a number of high-quality targets that warrant further in-field assessment. Results from Eskay Mining's diligent work being conducted out to the east of our property border has demonstrated significant potential for similar Eskay style mineralization and the team now recognizes that some of the favorable horizons trace along strike to the Kirkham Property. Very minor reconnaissance exploration has been conducted over these targets in the past.

#### *Terwilligan Target:*

The highest priority exploration area for potential Eskay Creek stratigraphy on the Property occurs on the northwestern corner of the Terwilligan Creek headwaters at a location that had been previously mapped by the BCGS. Age dating confirmed a number of Toarcian and Upper Pliensbachian-aged fossils on, and just off of the property, further confirming the location as being prospective. Interpretation of this area using ZTEM data, along with structural measurements, confirm major synclines that could reveal potential Eskay Creek host rock at this location. Also at this prospect, minor historic work has been completed and rock samples taken in 1990 revealed elevated gold and gold pathfinder elements with assays up to 1 g/t Au. This, when combined with the geological mapping, provides a compelling reason to do further work in the area. Historic assays cannot be verified by Metallis, although there is no reason to believe they are inaccurate.

#### *Willow target:*

A band of the Willow Creek Formation has been traced westward from the South Unuk – Harrymel Creek fault onto the Kirkham Property. This is significant because it proves that the Eskay Creek Horizon has not been eroded at this location. Much of the favourable stratigraphy has been covered by glaciers but rapid retreat has exposed gossans. Spectrographic potassium anomalies are also identified in this area.

#### *Mount Dunn target:*

To the west of the Hawilson Monzonite, on a broad bowl-shaped plateau that has seen little historic work, Metallis crews identified fossil specimens that were analysed as Toarcian in age (174-182 Ma). This provides a third area of prospective ground for Eskay style mineralization as Metallis field geologists have also identified rhyolites in the area, a key stratigraphic marker at the Eskay Creek Deposit. This assessment work enabled the Company to define a number of high-quality targets that warrant further in-field assessment.

## **Community relations**

Community goodwill is earned through local stakeholder engagement and demonstrating sustainable business practices and actions which benefits all parties. The mining sector in particular requires thorough engagement of key stakeholders in order to earn its social licenses. Community relations are guided by the Company's environmental, social and governance ("ESG") policies. ESG in general has become a key corporate priority over the past 20 years with the greatest focus currently on the environmental aspects of ESG, as climate change and carbon issues have raised significant public concerns.

At the Kirkham Property, the Company has had a Communications Agreement (the "Agreement") in place with the Tahltan Central Government ("TCG") since 2018 and is renewed annually. The TCG is the administrative body of the Tahltan Nation, located in northwest British Columbia, whose traditional territory encompasses the Property. The TCG protects Tahltan Aboriginal rights and title, the ecosystems, and natural resources of the Tahltan traditional territory by managing sustainable economic development and supporting the cultural wellness of the Tahltan community. The agreement establishes a solid framework and collaborative working arrangement between the parties, based on open dialogue, transparent communications, and cooperation with regards to the company's exploration activities on the Property. The Agreement also encourages support for Tahltan cultural, economic, and educational initiatives.

The Company also maintains an Opportunity Sharing Agreement ("OSA") with the TCG, to provide further commercial opportunities for Tahltans and their businesses, deepening the Company's supply lines for exploration services, materials, and transportation. We have made best efforts each field season to hire Tahltans as part of our exploration crews.

Information sharing is enhanced by annual exploration reports that are sent to the TCG. As part of the terms of the OSA, representatives of the TCG last visited the Property on August 18, 2022. No visits occurred in 2023 or 2025 as we did not conduct field work, nor in 2024 when our program was short and conducted under poor weather. For more information about the TCG, visit [www.tahltan.org](http://www.tahltan.org).

At Greyhound, the Company expects to engage with the community and local stakeholders as the project develops and will engage with any affected first nations groups transparently as well as proactively, at the appropriate time.

## **Reclamation**

The Company upholds exacting standards with respect to its environmental interactions. It remediates and reclaims its work sites including the drilling and helicopter landing pads once the exploration results have been thoroughly reviewed. At Kirkham, the Company has historically used 33 different sites of which 30 were reclaimed and 3 are being retained for future use. At Greyhound, there were no disturbances to the land or water as a result of the Company's 2024 initial exploration work. In 2025, the drill sites at Greyhound were reclaimed and all materials such as wood, fuel and lubricants were removed.

## **QA/QC and Analytical Procedures**

Metallis has implemented a rigorous quality assurance / quality control (QA/QC) program to ensure best practices in sampling and analysis of diamond drill core and surface rocks and soils. The Company uses ALS, a global testing, inspection and certification business, an ISO/IEC 17025:2005

accredited laboratory independent of the Company. In addition to the internal QA/QC programs, the Company also inserts 10% lab certified standards, field blanks, and duplicates into the overall sampling stream.

For the Greyhound property, all rock and drill core samples were kept under the control of Metallis staff until they were delivered directly to the ALS sample preparation facility in Twin Falls, Idaho. Analyses were then completed by ALS Laboratories Ltd. in Vancouver. Blanks and standards have been added to the samples stream by ALS along with internal QAQC protocol. All the samples were initially analyzed by the Ultra Trace technique. Results that returned values greater than a pre-determined threshold were then analyzed by element - specific methods as follows:

- ME-MS 41: Ultra Trace Aqua Regia ICP-MS.
- ME-OC46: Ore Grade Elements – Aqua Regia
- Pb-OC46: Ore Grade Pb – Aqua Regia
- Zn-OC46: Ore Grade Zn – Aqua Regia
- ME-GRA21: Au Ag 30g FA – Gravity Finish
- Sb-ICP08: Sb – KCl/HCl digestion ICP-MS
- As-OC46: Ore Grade As – Aqua Regia

For the Kirkham property, we also use ALS for our assaying and testing. The most recent drilling in 2022 comprised samples of 1-3m intervals of HQ and NQ drill core, delivered to ALS Global prep facilities in Terrace and North Vancouver, BC. The samples were crushed to 70% pass 2mm fraction, and then a 250g split was pulverized to better than 85% passed a 75-micron screen. The geochemical analyses were performed by ALS using multi-element 4-Acid digest ICP-MS package (ME-MS61). Gold was analyzed by fire assay technique Au-ICP21 and gold grades  $\geq 10$  g/t were analyzed by fire assay and gravimetric finish.

### **New accounting standards**

Beginning January 1, 2025, IAS 21 *The effects of changes in foreign exchange rates* was amended with respect to the exchangeability of a foreign currency. As the Company's foreign currency transactions are mainly in USD, this amendment has not and is not expected to have any impact on the Company's financial statements.

Effective for annual reporting periods beginning on or after January 1, 2026, new IFRS accounting policies and amendments focus on financial instrument classification, electronic payment settlements, and hyperinflationary adjustments. Key changes include amendments to IFRS 9 and IFRS 7 regarding nature-dependent electricity contracts, updated guidance on solely payments of principal and interest (SPPI) assessments, and new disclosures for equity instruments at fair value through other comprehensive income (FVOCI). None of these amendments are expected to have any impact of the Company's consolidated financial statements.

IFRS 18, "Presentation and Disclosure in Financial Statements", effective for annual reporting periods beginning on or after January 1, 2027, updates the requirements for presenting and disclosing information in financial statements, primarily focusing on the statement of profit or loss. It introduces three new categories for income and expense items: operating, financing, and investing, along with specified subtotals like "Operating profit or loss". IFRS 18 also enhances disaggregation guidance and requires companies to disclose management-defined performance measures. Due to the nature of the Company's business, this new standard is not expected to materially impact the results from operations or presentation of the Company's financial statements.

## **Selected Annual Financial Information**

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the Annual Consolidated Financial Statements.

	Year Ended December 31, 2025	Year Ended December 31, 2024	Year Ended December 31, 2023
Total assets	\$ 300,943	\$ 557,973	\$ 109,570
Total liabilities	(242,937)	(91,287)	(195,503)
Shareholders' equity (deficiency)	58,006	466,686	(85,933)
<b>Major operating expense items:</b>			
Communications	32,297	13,925	5,095
Consulting fees	366,520	342,500	323,000
Exploration and evaluation expenses	1,467,167	299,132	123,118
Investor relations	-	-	15,000
Regulatory and transfer agent fees	46,701	52,506	40,163
Professional fees	67,945	66,556	54,779
Share-based compensation	54,854	192,399	8,689
Net loss	\$ (2,097,799)	\$ (1,041,144)	\$ (660,831)
Basic and diluted loss per share	\$ (0.03)	\$ (0.02)	\$ (0.01)

Results of Operations:

### ***Year ended December 31, 2025 compared to year ended December 31, 2024:***

The Company had a net loss of \$2,097,799 (2024 - \$1,041,144) for the year, composed of operating costs of \$2,110,966 (2024 - \$1,041,330) and other income of \$13,167 (2024 - \$186). Operating costs rose \$1,069,636 in 2025 compared to 2024, mainly due to an increase of \$1,168,035 in exploration costs and a decrease of \$137,545 in share-based compensation. All other operating costs, not including share-based compensation or exploration costs, totalled \$588,945 (2024 - \$549,799), rising 7% for the year. Other income of \$13,167 (2024 - \$186) is comprised of several items as detailed on the Consolidated Statements of Loss and Comprehensive Loss, mostly being interest income, interest expense and a foreign exchange loss.

Key operating costs in 2025 were consulting fees of \$366,520 (2024 - \$342,500), exploration and evaluation costs of \$1,467,167 (2024 - \$299,132), professional fees of \$67,945 (2024 - \$66,556) and share-based compensation of \$54,854 (2024 - \$192,399) which together constitute 93% (2024 - 86%) of all operating expenses. The balance of \$154,480 (2024 - \$140,743) is composed of communications, depreciation, office and general, regulatory and transfer agent fees, rent and travel. Overall, these other expenses rose in aggregate by 10% compared to 2024, due mostly to the magnitude of expenses incurred rather than from inflation. These differences are typical of normal fluctuation with an office operating at the same scale with the same workers as the comparative period.

Amounts paid to related parties include executive officer consulting fees of \$228,000 (same as 2024) and geological fees to the VP Exploration of \$12,750 (2024 - \$60,000), a decline of \$47,250. Consulting fees to third parties were \$138,520 (2024 - \$114,500), an increase of \$24,020. Regular

workers were paid \$57,000 (same as 2024) and other consulting fees were \$81,520 (2024 - \$57,500). In 2025, we incurred higher costs from expanded awareness campaigns in the US, increasing the cost of engaging with new market participants as the Company prepared for and drilled the Greyhound Property.

Exploration and evaluation expenses were much higher in 2025, a result of the initial drilling program at Greyhound. Another follow-up program is being planned for 2026. In 2024, Greyhound was acquired, and two initial field sampling programs were carried out. At the Kirkham Property in BC, the Company is planning its 2026 exploration, starting with \$500,000 of flow-through funds raised subsequent to December 31, 2025. Although no field work was done at Kirkham in the past 2 years, the technical team has recompiled and reanalyzed historical data sets, with the goal of refining potential targets of interest and future drilling targets.

Share-based compensation was \$54,854 (2024 - \$192,399). In 2025, 300,000 options were granted to a consultant, exercisable at \$0.32 per share for a two-year period, whereas in 2024, 1,750,000 stock options were granted at an exercise price of \$0.15 per share for a five-year period. In both years, the options vested upon grant. No outstanding stock options were exercised during 2024 or 2025. The following weighted average parameters were used in the Black-Scholes option model to determine the fair value of the option grants:

	2025	2024
Risk-free interest rate	2.63%	3.69%
Expected life	2 years	5 years
Annualized volatility	109%	108%
Forfeiture rate	0%	0%
Dividends	0%	0%
Weighted average fair value of options	\$0.18	\$0.11

The Company currently operates in the geographic segments of Canada and the United States. All of the Company's non-current balance sheet assets are located in Canada.

The segmented operating loss for the years ended December 31, 2025 and 2024 is as follows:

	Canada		USA		Total	
	Year ended		Year ended		Year ended	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Consulting fees	\$ 366,520	\$ 342,500	\$ -	\$ -	\$ 366,520	\$ 342,500
Exploration and evaluation exp	19,646	63,361	1,447,521	235,771	1,467,167	299,132
Depreciation	17,333	18,632	-	-	17,333	18,632
Share-based compensation	54,854	192,399	-	-	54,854	192,399
Other operating costs	198,459	185,130	6,633	3,537	205,092	188,667
Loss from operations	\$ 656,812	\$ 802,022	\$ 1,454,154	\$ 239,308	\$ 2,110,966	\$ 1,041,330

Cashflows in 2025 and 2024 were primarily driven by exploration and operating outflows, with the inflows from private placements. E&E disbursements were \$1,362,319 (2024 - \$315,482) and all other operating outflows were \$642,597 (2024 - \$570,080) for total operational outflows of \$2,004,916 (2024 - \$885,562), and net private placement proceeds were \$1,634,265 (2024 - \$1,384,707). Overall, cash and cash equivalents declined \$371,077 (2024 – increased \$482,484) during the year.

***Analysis of annual operations for 2024 compared to 2023:***

The Company had a net loss of \$1,041,144 (2023 - \$660,831) for the year, composed of operating costs of \$1,041,330 (2023 - \$668,407) and other income of \$186 (2023 - \$7,576). Operating costs rose \$372,923 in 2024 compared to 2023, mainly due to an increase of \$176,014 in exploration costs and an increase of \$183,710 in share-based compensation, with those two items comprising 96% of the increase in operating costs. All other operating costs, not including share-based compensation or exploration costs, totalled \$549,799 (2023 - \$536,600), rising just 2% for the year. Other income of \$186 (2023 - \$7,576) is comprised of several items as detailed on the Consolidated Statements of Loss and Comprehensive Loss, mostly being interest income and expenses.

Key operating costs in 2024 were consulting fees of \$342,500 (2023 - \$323,000), exploration and evaluation costs of \$299,132 (2023 - \$123,118), professional fees of \$66,556 (2023 - \$54,779) and share-based compensation of \$192,399 (2023 - \$8,689) which together constitute 86% (2023 - 76%) of all operating expenses. The balance of \$140,743 (2023 - \$213,600) is composed of communications, depreciation, office and general, regulatory and transfer agent fees, rent and travel. Overall, these other expenses declined in aggregate by approximately 3% compared to 2023, typical of normal fluctuations with an office operating at the same scale with the same workers as the prior year.

Consulting fees to related parties were \$228,000, unchanged from 2023 while consulting fees to third parties increased from \$95,000 to \$114,500. In addition, geological consulting fees to the VP Exploration, included in exploration and evaluation (“E&E”) expenses, were \$60,000 (2023 - \$53,750). Permanent staff consultants were paid \$57,000 (2023 - \$89,000) with the reduction in 2024 due to a lower fee arrangement. Other consultants were paid \$57,500 (2023 - \$38,000) for occasional project work.

Exploration and evaluation expenses increased in 2024 due to the acquisition costs and initial work done at Greyhound. In 2023 and 2022, all E&E expenses were incurred at Kirkham. Refer to the table under “Exploration and Evaluation expenditures” earlier in this MD&A for the breakdown. The low amount of E&E spending in 2023 and 2024 was because no drilling or field program was carried out at Kirkham; the technical team instead worked in-office, recompiled historical data sets and set about planning future exploration work. Refer to the following table for our total consolidated E&E costs:

<i>Exploration and evaluation expenses:</i>	2024	2023
Acquisition costs	\$ 92,092	\$ -
Accommodations and camp	30,867	-
Assays and lab analysis	27,159	2,275
Community relations	-	-
Drilling	-	-
Field expenses and core shack	14,855	-
Geological and geophysical	107,464	105,854
Helicopters and aircraft support	-	-
Licenses, claim fees and permits	39,571	44,041
Recovery of expenses	(10,876)	(29,052)
	<u>\$ 299,132</u>	<u>\$ 123,118</u>

With respect to professional fees, both the 2024 and 2023 amounts include a \$30,000 audit accrual. Other professional fees include tax consulting and general legal fees. Total professional fees increased 21% in 2024, due to both the acquisition of Greyhound and the completion of two private placements, compared to \$Nil in 2023.

Share-based compensation of \$192,399 was recognized in 2024 upon the grant of 1,750,000 stock options exercisable at \$0.15 per share for a five-year period, and which vested upon grant. In 2023, share-based compensation of \$8,689 was recognized in respect of investor relations stock options originally granted in 2022, which completed vesting in 2023. No stock options were granted in 2023, and no outstanding stock options were exercised during 2023. The following weighted average parameters were used in the Black-Scholes option model to determine the fair value of the option grants:

	2024	2023
Risk-free interest rate	3.69%	3.29%
Expected life	5 years	5 years
Annualized volatility	108%	97.1%
Forfeiture rate	0%	0%
Dividends	0%	0%
Weighted average fair value of options	\$0.11	\$0.15

During 2024, the Company did not incur investor relations (“IR”) fees. The previous year, \$15,000 was incurred for IR under an agreement that was terminated on May 31, 2023. For several years up to that time, Nicosia Capital Corp. ("Nicosia") provided market communication services, but did not provide market-making services. Nicosia and its employee Frank Lagiglia oversaw the marketing and branding activities undertaken by the Company. Nicosia also communicated with investors and shareholders, addressed investor inquires and held regular meetings with management. Since May 31, 2023, the CEO has assumed the role of managing shareholder and investor communications.

With respect to key cash flows during the year, the Company raised gross proceeds of \$1,404,695 (2023 - \$Nil) from two private placements, borrowed and repaid a \$100,000 (2023 - \$Nil) loan from a third party and spent \$885,562 (2023 - \$621,518) on operations.

## Quarterly Information

	Three Months Ended December 31, 2025	Three Months Ended September 30, 2025	Three Months Ended June 30, 2025	Three Months Ended March 31, 2025
Total assets	\$ 300,943	\$ 869,217	\$ 1,602,054	\$ 375,533
Total liabilities	(242,937)	(335,994)	(65,211)	(81,230)
Shareholders' equity (deficiency)	58,006	533,223	1,536,843	294,303
<i>Select operating expenses:</i>				
Communications	7,875	14,222	5,358	4,842
Consulting fees	83,770	124,250	83,250	75,250
Exploration and evaluation expenses	381,456	969,111	50,512	66,088
Professional fees	38,656	8,355	15,385	-
Regulatory and transfer agent	4,393	3,454	33,161	11,242
Share-based compensation	-	54,854	-	-
Net income (loss)	(538,217)	(1,184,474)	(202,725)	(172,383)
Earnings (loss) per share- basic	(0.01)	(0.01)	(0.00)	(0.00)
	Three Months Ended December 31, 2024	Three Months Ended September 30, 2024	Three Months Ended June 30, 2024	Three Months Ended March 31, 2024
Total assets	\$ 557,973	\$ 92,273	\$ 283,328	\$ 125,596
Total liabilities	(91,287)	(269,632)	(248,633)	(345,322)
Shareholders' equity (deficiency)	466,686	(177,359)	34,695	(219,726)
<i>Select operating expenses:</i>				
Communications	2,899	2,001	8,346	679
Consulting fees	103,750	71,250	96,250	71,250
Exploration and evaluation expenses	65,460	106,745	16,419	110,508
Professional fees	42,161	3,661	13,965	6,769
Regulatory and transfer agent	(1,808)	7,223	27,698	19,393
Share-based compensation	-	-	192,399	-
Net income (loss)	(231,338)	(208,098)	(371,842)	(229,866)
Earnings (loss) per share- basic	(0.00)	(0.00)	(0.01)	(0.00)

## Results of Operations:

### ***Three months ended December 31, 2025 compared to three months ended December 31, 2024:***

The Company had a net loss of \$538,217 (Q4 2024 - \$231,338) during the current period. Operating costs were \$535,302 (Q4 2024 - \$231,338) and other income(expense) was \$(2,915) (Q4 2024 - (\$127)). The components of other income/expense are detailed on the statements of loss and comprehensive loss and consists of finance and interest income and expenses and foreign exchange gain/loss.

Operating costs are mainly comprised of consulting fees of \$83,770 (Q4 2024 - \$103,750), exploration and evaluation expenses of \$381,456 (Q4 2024 - \$65,460) and professional fees of \$38,656 (Q4 2024 - \$42,161) which together comprise \$503,882 (Q4 2024 - \$211,371) or 94% (Q4 2024 - 91%) of all operating expenses. The remaining operating costs of \$31,420 (Q4 2024 - \$19,967) include communications, depreciation, office and general, regulatory and transfer agent fees, travel and recoveries. In the comparative period, a \$7,111 recovery offset the total remaining operating costs of \$27,078, which were 13% lower than 2025. Such fluctuations are typical for an early-stage exploration company.

Consulting fees include related party fees of \$57,000 during both the current and comparative periods and other consulting fees of \$26,770 (Q4 2024 - \$46,750). These other consulting fees were for communications and website management, corporate administration, bookkeeping and compliance assistance, technical material development, and other corporate activities. Two contractors regularly work for the Company, comprising \$14,250 in both the current and comparative periods, with the balance being fees incurred under occasional contracts with limited terms, as the Company's needs may require from time to time.

Exploration and evaluation expenses during the current and comparative quarters are shown below:

	Three months December 31,					
	2025			2024		
	<u>Kirkham</u>	<u>Greyhound</u>	<u>Total</u>	<u>Kirkham</u>	<u>Greyhound</u>	<u>Total</u>
Accommodations/camp/trave	\$ -	\$ 106,194	\$ <b>106,194</b>	\$ -	\$ 14,894	\$ 14,894
Assays and lab analysis	-	74,458	<b>74,458</b>	84	26,764	26,848
Drilling	-	113,775	<b>113,775</b>	-	-	-
Field supplies	-	3,716	<b>3,716</b>	-	2,081	2,081
Geological and geophysical	3,000	78,693	<b>81,693</b>	10,000	22,482	32,482
Licenses, claim fees, permits	1,620	-	<b>1,620</b>	-	-	-
Recoveries- tax credit	-	-	-	(10,876)	-	(10,876)
	\$ 4,620	\$ 376,836	\$ <b>381,456</b>	\$ (792)	\$ 66,221	\$ 65,429

Management continues to expect quarterly operating costs to be \$150,000, not including share-based compensation, depreciation or E&E costs.

During the current quarter, cash and cash equivalents declined \$577,007. The key cash outflow was \$635,176 spent on operations and the key inflow was \$63,000 from the exercise of share-purchase warrants.

***Three months ended December 31, 2025 compared to three months ended September 30, 2025:***

The Company had a net loss during the quarter of \$538,217 (Q3 2025 - \$1,184,474), composed of operating costs of \$535,302 (Q3 2025 - \$1,187,561) and other (income)loss totalling \$2,915 (Q3 2025 - \$(3,087)) Other income/loss consists of interest and finance income and expenses, and foreign exchange gain/loss.

Operating costs are mainly composed of consulting fees of \$83,770 (Q3 2025 - \$124,250), exploration and evaluation costs of \$381,456 (Q3 2025 - \$969,111), professional fees of \$38,656 (Q3 2025 - \$8,355) and share-based compensation of \$Nil (Q3 2025 - \$54,854); these four items account for \$503,882 (Q3 2025 - \$1,156,570) or 94% (Q3 2025 - 98%) of all operating costs. The remaining operating costs are \$31,420 (Q3 2025 - \$30,991) and includes communications, depreciation, office and general, regulatory and transfer agent fees, rent and travel.

Exploration and evaluation expenses were much higher in Q3 as expected, due to the summer exploration season which was primarily executed in Q3. Drilling costs of \$745,783 were incurred in Q3 compared to \$113,775 in Q4.

Share-based compensation in Q3 was from the aforementioned stock option grant of 300,000 options exercisable at \$0.32 per share for a two-year period. Refer to Annual operating results above, “*Year ended December 31, 2025 compared to year ended December 31, 2024*”.

**Liquidity and capital management**

The Company endeavors to maintain appropriate levels of capital and liquidity. Sufficient liquidity is required to meet liabilities and obligations as they become due. The Company has no commercial operations or source of revenue, and no externally imposed capital requirements other than those specified under continuous listing requirements. The Company's capital is therefore its issued share capital. The capital required for operations and property exploration is expected to continue to come from the issuance of common shares or units for the near future.

The Company's objectives of capital and liquidity management are to fund critical exploration work, meet on-going liabilities, maintain creditworthiness, minimize shareholder dilution and to ultimately maximize returns for shareholders over the long term. The Company continually assesses its operational, exploration and financial risks and their potential impacts on liquidity and capital management. Deferrals of payments to management are another tool used to alleviate illiquid situations. These approaches have allowed the Company to maintain sufficient capital balances over recent years to mitigate unexpected cash flow shortfalls.

As of the date of this report, the Company has working capital of \$974,000:

<b><u>Working capital at the date of this MD&amp;A:</u></b>	<b><u>(\$000)</u></b>
Cash and cash equivalents	\$ 998
Receivables	13
Prepaid expenses and retainers	74
Due from related party	3
Accounts payable and accrued liabilities*	(82)
Lease liability	(32)
	<hr/>
Total net working capital	<u>\$ 974</u>

## **Outstanding share information**

There are 92,992,503 common shares outstanding as of the date of this report. There are currently 7,350,000 stock options and 21,320,000 warrants outstanding for a total of 121,662,503 fully diluted shares outstanding.

To date in 2026, the Company completed a private placement of \$1,262,000, resulting in the issuance of 4,762,500 non-flow-through units at a price of \$0.16 per unit for proceeds of \$762,000, and 2,500,000 flow-through common shares at a price of \$0.20 per flow-through share for proceeds of \$500,000. The Financing resulted in the issuance of a total of 7,262,500 shares. Like all private placements completed by the Company, all shares issued on closing are subject to a regulatory trading hold period expiring four months plus one day from date of issuance.

Each non-flow-through unit consists of one common share and one non-transferable share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.26 per share for a period of three years.

The flow-through shares issued will qualify as “flow-through shares” for the purpose of the Income Tax Act (Canada) (the “Act”). All flow-through proceeds will be used to incur “Canadian exploration expenses” (within the meaning of the Act) at the Kirkham Property in northwest British Columbia. The Company will renounce these expenses to the purchasers with the effective date of no later than December 31, 2026, in accordance with the requirements of the Act.

Shares and warrants issued on closing are subject to a trading hold period expiring four months plus one day from the date of issuance. Finder fees of \$7,280 along with 45,500 finder’s warrants, also exercisable at a price of \$0.26 per share for a period of three years, were paid to registered finders.

Proceeds from the non-flow-through units will be used to advance exploration activities at both the Company’s Greyhound and Kirkham projects, as well as for general corporate purposes.

During the year ended December 31, 2025, the Company closed a non-brokered private placement financing of \$1,500,000 consisting of 9,375,000 units at a price of \$0.16 per unit. Each unit consisted of one common share and one non-transferable share-purchase warrant exercisable at \$0.26 per share for a three-year period. Proceeds from the financing were substantially used for field exploration and drilling work at the Company’s Greyhound Property. Finders’ fees of \$42,720 along with 267,000 finders’ warrants, also exercisable at a price of \$0.26 per share for a 3-year period, were paid and issued to registered finders.

Also in 2025, a total of 1,050,000 share-purchase warrants were exercised, all at \$0.18 per share for proceeds of \$189,000.

The Company has a Security-Based Compensation Plan (the “Plan”) which contains a Stock Option Plan (“SOP”) and a Restricted Share Units Plan (“RSU”), both of which were approved at the Company’s Annual General and Special Meeting of the shareholders held on November 13, 2025.

## **Stock options**

The SOP authorizes the Board of Directors to grant stock options to executive officers and directors, employees, and consultants. The exercise price of each stock option shall not be less than the discounted market price as calculated and defined in the policies of the TSXV. The options can be

granted for a maximum term of 10 years and vest at the discretion of the Board of Directors at the time of grant. However, stock options granted to employees or consultants in respect of investor relations activities follow the vesting provisions of the TSX-V, which allow for vesting of options as to no more than 25% of the grant vesting each three months, measured from the date of grant.

Recent changes in the Company's outstanding stock options are as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2024	6,000,000	\$ 0.28
Options granted	300,000	0.32
Options expired	(350,000)	0.40
Balance, December 31, 2025	5,950,000	\$ 0.27
Options granted	1,850,000	0.18
Options expired	(450,000)	0.50
Balance, date of this MD&A	7,350,000	\$ 0.19

The outstanding stock options at the date of this MD&A are as follows:

Expiry Date	Number of Options	Vested and exercisable	Exercise Price
September 27, 2026	1,800,000	1,800,000	\$ 0.39
August 31, 2027	1,650,000	1,650,000	0.20
September 2, 2027	300,000	300,000	0.32
May 14, 2029	1,750,000	1,750,000	0.15
March 9, 2031	1,850,000	1,850,000	0.18
Total outstanding options	7,350,000	7,350,000	

### **Restricted Share Units**

Under the RSU Plan, the Board of Directors may grant RSUs to directors, officers, and employees. RSUs are subject to vesting requirements of up to three years but can be settled by issuing shares from treasury or disbursing cash. RSUs provide a means to earn compensation through an equity plan without making a stock option exercise payment. As of the date of this MD&A, no RSU's had been granted.

The total grants from the SOP and RSU Plans together are limited to 10% of the outstanding common shares of the Company's stock as calculated on the date of grant, with the number of outstanding RSU's not to exceed 1,500,000.

## Warrants

As at the date of this report, there are 21,320,000 share purchase warrants outstanding as follows:

	Number of Warrants outstanding	Weighted average exercise price
Warrants issued	7,920,000	\$ 0.20
Balance on December 31, 2024	11,772,217	0.24
Warrants expired	(3,852,217)	0.32
Warrants issued	9,642,000	0.26
Warrants exercised	(1,050,000)	0.18
Balance on December 31, 2025	16,512,000	0.24
Warrants issued	4,808,000	0.26
Balance, date of this MD&A	21,320,000	\$ 0.24

Outstanding warrants at the date of this MD&A:

Expiry Date	Number of Warrants	Exercise Price
February 26, 2027	1,000,000	\$ 0.34
October 11, 2027	5,870,000	0.18
June 13, 2028	9,642,000	0.26
March 2, 2029	4,808,000	0.26
Total	21,320,000	\$ 0.24

## Directors, Officers, and Related Parties

The directors of the Company are Fiore Aliperti, Jon Lever, Michael Sikich and Dr. David Webb. The officers are Mr. Aliperti (CEO), Mr. Lever (CFO), and Mr. Dave Dupre (Vice-President of Exploration).

During the year ended December 31, 2025, there were no changes to the Board of Directors or the executive officers. There were however other management changes as described below under “Management Changes” and “Advisory Board”. The following related parties include directors and key management personnel, being officers and directors of the Company including those entities in which such individuals may hold positions that result in them having control or significant influence over the financial or operation policies of these entities:

- a) Avanti Consulting Inc., a company controlled by the current Chief Executive Officer and director, provides consulting services to the Company;

- b) Lever Capital Corp., a company controlled by the Chief Financial Officer and director, provides consulting services to the Company;
- c) D. G. Dupre and Associates Inc., a company controlled by the Vice-President of exploration, provides geological consulting services to the Company, the amounts of which are expensed as geological costs under exploration and evaluation costs; and
- d) Etruscus Resources Corp. (“ETR”) is a public company related through two common directors and a common officer. ETR subleases ½ of office space from the Company, shares certain administrative expenses and at times has shared an exploration camp in northwest BC with the Company, all of which results in occasional related party receivables or payables at the end of each period.

The aggregate value of fee-based transactions and outstanding balances relating to the above noted officers are as follows:

		<b>Transactions for the year ended December 31, 2025</b>	Transactions for the year ended December 31, 2024	<b>Balance payable as at December 31, 2025</b>	Balance payable as at December 31, 2024
Avanti Consulting Inc.	<b>(a)</b>	\$ 144,000	\$ 144,000	\$ -	\$ 18,900
Lever Capital Corp.	<b>(b)</b>	84,000	84,000	-	11,025
D.G. Dupre and Associates Inc.	<b>(c)</b>	12,750	60,000	-	8,650
<b>Total</b>		<b>\$ 240,750</b>	<b>\$ 288,000</b>	<b>\$ -</b>	<b>\$ 38,575</b>

During the year ended December 31, 2025, the Company entered into transactions with ETR as follows:

	Due from ETR, December 31, 2024	Additions	Amounts received	<b>Due from ETR, December 31, 2025</b>
Rent	\$ -	\$ 37,344	\$ 37,344	\$ -
Office expenses, net	3,126	6,573	7,172	<b>2,527</b>
<b>Total</b>	<b>\$ 3,126</b>	<b>\$ 43,917</b>	<b>\$ 44,516</b>	<b>\$ 2,527</b>

### **Management changes**

During 2025, the only change in management was the appointment on December 29, 2025 of long time Company director Dr. David Webb to be a Technical Advisor with respect to the Greyhound Property. Dr. Webb remains a director.

On March 1, 2026, Dave Dupre resigned as the Company’s Vice-President of Exploration, and the Board of directors appointed Dave Nuttall, P. Geo. as his replacement.

Mr. Nuttall is a Professional Geoscientist registered with Engineers and Geoscientists British Columbia with extensive experience leading and advancing mineral exploration projects and contributing to multiple mineral discoveries across Canada and the United States. Mr. Nuttall brings a strong blend of field, technical, and leadership expertise gained through senior roles including President of Geo Exploration, VP Exploration at Serac Exploration, Technical Advisor at Walker

River Resources, and Chief Geologist at Scottie Resources Corp. Throughout his career he has managed multidisciplinary exploration teams and overseen programs ranging from project evaluation and early-stage target generation through advanced resource definition and production drilling in both open-pit and underground operations.

Mr. Nuttall completed his education at the University of British Columbia, where his research focused on magma chamber dynamics within the Coast Plutonic Complex of British Columbia. During his academic career, he received several prestigious awards, including the Shell Mapping Award, the Economic Geology Scholarship, the Endeavour Silver Scholarship, and the GAC Logan Award.

Mr. Nuttall has played key roles in multiple new mineral discoveries and significant extensions to known mineralized zones, with experience spanning a broad range of precious and base metal deposit types, including epithermal, orogenic, Carlin-type, porphyry, VMS, skarn, SEDEX and IOCG systems. He has contributed directly to new and extension discoveries, including the Blueberry Contact, Gulley, Wolf, Road, and Serac Zones (Scottie Resources), Krakatoa (BMC Minerals), and the Fork, Wedge, and South Austin extensions (Pure Gold).

### **Advisory Board**

The Company's Technical Advisory Board ("TAB") includes Dr. Michelle Campbell (appointed April 2021), Mr. Charlie Greig (April 2021), Lawrence Roulston (April 2014), Stephen Wetherup (April 2017), Dr. Farhad Bouzari and Mr. Andrew McIntosh (both appointed April 2020). Subsequent to December 31, 2025, Dave Dupre was appointed to the TAB following his resignation as Vice-President of Exploration.

### **Off Balance Sheet Arrangements**

As of the date of this report, the Company does not have any long-term commitments or off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

### **Risk Factors**

Mineral exploration involves a high degree of risk. The recoverability of the amounts expended on exploration by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete its exploration programs, the development of its mineral properties and upon future profitable production, or the proceeds from the disposition of its properties. The Company has not yet determined whether any of its mineral properties contain economically recoverable reserves. To date, the Company has not earned any revenues and is in the exploration stage.

Investing in common shares of the Company has risks. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks materialize or occur, the business, financial condition, or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline, and prospective investors may lose part or all of their investment.

### Health issues

As COVID-19 has transitioned to an endemic disease, new variants are still emerging and there remain risks to the health of global populations from this and other pathogens. Future operating disruptions and volatile supply chain disruptions may continue to occur as a result of new disease outbreaks. This may cause government regulations to change at any time, impacting operating procedures, including possible economic closures.

The Company's top priority remains the health and safety of its workers. The Company is registered with WorkSafe BC, carries exploration insurance, health insurance and has a Health, Safety, Environment and Social Responsibility Committee.

### Climate Change

The extent of climate change and its impact on the Company's future operations cannot be determined. Climate change may create environmental conditions that affect the Company's ability to execute its exploration programs or access its properties due to physical or regulatory barriers. The effects of climate change may result in impactful changes to regulatory, government, health, and safety policies. Future mine development would include estimates of carbon impacts and outline decarbonization strategies.

Global Environmental, Social and Governance ("ESG") has evolved into specified disclosure standards, effective for years beginning in 2024, although they are not yet mandatory in Canada. These standards include IFRS S1 (guiding disclosures on sustainability) and IFRS S2 (guiding disclosures on the management of risks and opportunities from climate change). The Company has not yet adopted any climate reporting framework.

### Financing

The Company may not be successful at raising future financing and if it expends all of its cash on hand, it could become insolvent or face bankruptcy proceedings. Without sufficient funds, it may not be able to continue operations, and it may not be able to continue to explore or even maintain its exploration and evaluation assets. If the only alternative is to sell the Company's assets, any funds received may not be sufficient to allow the Company to continue as a going concern.

### Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Company if the Company has failed to submit documents to the Exchange in the time periods required or has otherwise failed to meet minimum standards. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing a consolidated interim cease trade order against the Company. In addition, delisting of the common shares will result in the cancellation of all currently issued and outstanding common shares of the Company held by insiders. Trading in the common shares of the Company may be halted at other times for other reasons also.

### Dilution

If the Company issues treasury shares to finance acquisition or participation opportunities, or to raise exploration funds and working capital, shareholders could suffer dilution of their investment and unusually large financings could result in a change of control of the Company.

### Reliance on Management

The Company is relying solely on the past business success of its directors and officers to identify, acquire and develop strategic assets of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers and from the results of exploration. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

### Title to Mineral Resource Properties

Although the Company conducts title reviews of its properties in accordance with industry practice, title to mineral exploration permits and mineral claims cannot be guaranteed and may be subject to regulatory changes and possible expropriation or cancellation. To the extent financing is not available, resource property fees and claim payments, work commitments, rental payments, and option payments, if any, may not be completed and could result in a loss of property interests or earning opportunities for the Company.

### Industry and Mineral Exploration Risks

Mineral exploration is highly speculative in nature, involves many risks and is frequently non-productive. There is no assurance that the Company's exploration efforts will be successful. At present, the Company's properties do not contain any proven or probable reserves. Success in establishing reserves is a result of several factors, including the quality of the projects. Substantial expenditures are required to establish reserves or resources through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Due to these uncertainties, no assurance can be given that planned exploration programs will result in the establishment of mineral resources or reserves. Furthermore, the Company may be subject to industry risks which could not be reasonably predicted in advance, such as labour disputes, natural disasters, or estimation errors.

### Community Relations

Increased public scrutiny of mining projects and a general global increase in sustainability and environmental concerns has seen the mining industry involve the local and broader communities and all key stakeholders in the planning and development processes, being transparent through communications, dialogue, and education, and providing additional continuous disclosures in those regards. The Company recognizes that garnering community and public support for exploration, mine development and construction requires public engagement and involvement of all key community stakeholders throughout the exploration and development processes and demonstrating sustainable business practices.

The Company's Kirkham property lies within the traditional territory of the Tahltan Nation, a key stakeholder with which the Company has maintained Communication and Opportunity Sharing Agreements since 2018. Joint areas of fundamental concern are environmental stewardship and the sharing or transfer of economic benefits. The Company regularly updates the Tahltans to keep them aware of corporate changes and the progress of exploration, while the Tahltans keep their industry partners apprised of their community activities and current health and safety measures. The lack of a social license to operate could impair the value of the Company's resource properties or delay or prevent exploration, development, or construction activities.

At the Greyhound Property in Idaho, there are very minor land impacts from the current stage of exploration, the land is privately owned and to date, no issues with community or Indigenous relations have been identified. As the project moves forward, we expect to engage with local and state-level stakeholders including any affected and representative First Nations.

### **Critical judgements and estimates**

In preparing these annual consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty for the year ended December 31, 2025 are the same as those described in the annual consolidated financial statements for the year ended December 31, 2024.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Significant assumptions about the future and other sources of estimation uncertainty that management has made could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from the assumptions made. Key judgements and estimations follow:

- a) The Company may hold direct or indirect interests in exploration and evaluation assets. The Company takes steps to verify title to exploration and evaluation assets in which it has an interest, but these procedures do not guarantee the Company's title. Properties may be subject to prior agreements or transfers, and title may be affected by undetected defects;
- b) The Company uses the Black-Scholes valuation model to determine the fair value of stock option grants and certain warrants issued under private placements or as a component of compensation related to the acquisition of mineral property interests. The inputs used in the model require estimates of the fair value of the options or warrants, their expected life, volatility, expected dividend yield, forfeiture rates, and the risk-free interest rate. These estimates impact share-based compensation expense and/or exploration and evaluation expenditures in the profit or loss and share capital and shareholder's equity on the consolidated statements of financial position;
- c) The values of right-of-use assets and lease liabilities require judgements to determine the lease term; the likelihood of an extension option being exercised and the incremental borrowing rate. Such judgements, estimates and assumptions affect the present value of the lease liabilities, the value of the right-of-use assets, the value of the net investment in sublease and the amounts recognized in profit or loss, including depreciation, rent expense, finance expense, and finance income;
- d) Significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. This assessment relies on estimates and

assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made;

- e) The Company raises financing by issuing equity that may at times be comprised of flow-through shares. When flow-through shares are issued, a flow-through share premium liability is recognized, and that recognition requires estimations of the fair value of the non-flow-through and flow-through shares; and
- f) The assumption that the Company is a going concern and will continue operating for the near future, being one year, is a judgment.

## **Financial Risks**

The Company's financial risk exposures and their impact on the Company's financial instruments are summarized below:

### **Credit Risk**

Credit risk arises from the potential that one or more counterparties fail to meet their obligations. The Company is normally exposed to credit risk through its cash and cash equivalents, receivables, due from related parties and net investment in sublease. The Company manages credit risk associated with its cash and cash equivalents by using reputable financial institutions, from which management believes the risk to be remote. Receivables primarily consist of recoverable Canadian sales, Canadian mineral exploration tax credits, and accrued interest, for which management assesses the collectability of these amounts to be assured. Due from related party and net investment in sublease are related to sublease receivables from ETR and other intercompany transactions. As of December 31, 2025, the Company's maximum credit risk is equal to \$260,169.

The Company shares an office with ETR and amounts from/to ETR at each period-end are expected. These amounts are considered at low risk of default, due to their relatively short-term repayment period and the influence of management. Accordingly, collection of amounts due from related parties are also believed to be assured.

### **Liquidity Risk**

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's operations do not currently generate positive cash flows, and historically the Company has relied on equity financings and to a lesser extent non-core asset sales for its capital requirements. As of December 31, 2025, the Company had working capital of \$26,531 (December 31, 2024 - \$446,071). However, the Company raised \$1,262,000 subsequent to December 31, 2025, including \$500,000 of flow-through financing for the Kirkham Property, but the 2026 Greyhound drilling program will require additional financing.

For sources of financing, the Company will continue to depend upon equity capital as necessary and may also consider convertible debentures, earn-in arrangements, joint ventures, or the sale of certain property interests. However, there can be no assurance the Company will be able to complete future financings on acceptable terms. The ability of the Company to continue this course

will depend, in part, on the prevailing market conditions and the investors' interest in financing the Company's exploration programs.

The following are the contractual maturities of financial liabilities as of December 31, 2025:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
Accounts payable and accrued liabilities	\$ 155,242	\$ 155,242	\$ 155,242	\$ -	\$ -
Lease liabilities	87,695	87,695	31,339	35,197	21,159
<b>Total</b>	<b>\$ 242,937</b>	<b>\$ 242,937</b>	<b>\$ 186,581</b>	<b>\$ 35,197</b>	<b>\$ 21,159</b>

### Interest Rate Risk

The Company is not exposed to risk in the event of interest rate fluctuations. The Company has no long-term debt and accordingly has not needed to enter into any interest rate swaps or other financial arrangements to mitigate exposure to interest rate fluctuations. The Company believes it is not subject to material risks should interest rates continue to fluctuate with volatility similar to the current period.

### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company's subsidiary is denominated in US dollars with most transactions of the subsidiary being in US dollars, and the Company is therefore subject to foreign exchange risk. The subsidiary accounted for 69% (2024 - 30%) of the consolidated operating expenses during the year, mostly a result of cash-intensive exploration work which also comprised 68% of all operating expenses. A 5% change in foreign exchange would have an impact on profit and loss of approximately +/- \$73,000 (2024 - +/- \$12,000). The Company does not hedge its foreign currency risks as it considers the risk as manageable and neither onerous nor material, as the US-CAD exchange rate remains relatively stable and has limited volatility, trading in 2025 with fluctuations of no more than 8% between the high and low.

### **Management's Responsibility for the Annual Consolidated Financial Statements**

Information provided in this report, and the Company's annual consolidated financial statements for the year ended December 31, 2025, are the responsibility of management. In the preparation of these reports, judgements, and estimates, previously discussed in this MD&A, are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such judgements and estimates have been carefully exercised and are accurately reflected in these financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Corporation's assets are safeguarded and to facilitate the preparation of relevant and timely information.

### **Corporate Governance**

The Company's Board of Directors and its committees follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to the shareholders. The current Board of four individuals is comprised of two independent members and two executive officers. The Audit Committee consists of three members comprised of two

independent directors and the chief executive officer. The Compensation Committee consists of three members, of which two are independent, and the Health, Safety, Environment and Social Responsibility Committee consists of two members.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.