

DENARIUS METALS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED MARCH 31, 2026 May 14, 2026

*The following discussion and analysis of the results of operations and financial condition ("MD&A") for Denarius Metals Corp. (the "Company" or "Denarius Metals") should be read in conjunction with the unaudited interim condensed consolidated financial statements and related notes thereto for the three months ended March 31, 2026 (the "Interim Financial Statements"), which are available on the Company's web site at www.denariusmetals.com and on www.sedarplus.ca. Readers are encouraged to read the Cautionary Note Regarding Forward Looking Information included on page 27 of this MD&A. The financial information in this MD&A is derived from the Interim Financial Statements prepared in accordance with IFRS Accounting Standards ("IFRS") for interim financial statements in International Accounting Standard – Interim Financial Reporting ("IAS34"). **All figures contained herein are expressed in United States dollars ("USD"), except as otherwise stated.***

Denarius Metals uses the following non-GAAP financial performance measures in its MD&A: realized gold and silver prices per ounce sold and total cash costs per ounce sold. Non-GAAP financial performance measures in this MD&A are identified with "NG". For a detailed description of the computation of each of the non-GAAP measures used in this MD&A, please refer to page 24. The non-GAAP financial performance measures set out in this MD&A are intended to provide additional information to investors and do not have any standardized meaning under IFRS, and therefore may not be comparable to other issuers, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Highlights

Denarius Metals continued to ramp up mining operations in the first quarter of 2026 at its Zancudo Project in Colombia. Total revenue in the first quarter of 2026 amounted to \$3.5 million, up from \$1.7 million of revenue recorded in its 2025 fiscal year. During the current "early production" phase, expected to run until the third quarter of 2026 when the Company's new 1,000 tonnes per day ("tpd") processing plant is expected to be commissioned, mined material is being crushed onsite at Zancudo and then shipped to a local port for sale to Trafigura Pte. Ltd. ("Trafigura") to generate operating cash flow.

During the first quarter of 2026, the Company delivered a total of 2,337 tonnes mined at its Zancudo Project to a local port for sale to Trafigura. With grades averaging 11.5 g/t gold and 269.3 g/t silver, these shipments contained approximately 863 ounces of gold and 20,237 ounces of silver. Payable gold and silver amounted to 593 ounces and 7,839 ounces, respectively. There was no production in the first quarter of 2025. During the current early production phase, Trafigura's payability rates range from 30% to 70% for gold and 20% to 40% for silver, depending on the grades of the material. Trafigura's payability rates in the early production phase reflect the additional costs they will have to incur to bring the material to a saleable condition. When the Company begins shipping concentrates to Trafigura, payability rates will increase to 86% to 90% for gold and 35% to 45% for silver, depending on the grades in the concentrates.

With an average realized gold price^{NG} of \$4,870 per ounce sold and total cash costs^{NG} of \$2,386 per ounce of gold sold, the Company generated a gross profit of \$1.5 million in the first quarter of 2026, equivalent to approximately 51% of gold revenue.

The Company reported a net loss of \$18.4 million (\$0.11 per share) in the first quarter of 2026 compared with a net loss of \$4.2 million (\$0.04 per share) in the first quarter of 2025. The increase in the Company's net loss in the first quarter of 2026 primarily reflects an increase in the non-cash loss recognized on financial instruments of \$13.5 million in the first quarter of 2026, up from \$2.9 million in the first quarter last year. The first quarter 2026 net loss also reflects the quarterly gold premium of \$4.4 million on the Company's Convertible Debentures that was settled with shares at the end of January 2026. The loss on financial instruments in the first quarter of 2026 was driven primarily by an increase in the Company's share price from CA\$0.71 per share at December 31, 2025 to CA\$1.01 per share at March 31, 2026, increasing the fair value of the Convertible Debentures to \$67.9 million at March 31, 2026.

In the first quarter of 2026, the Company received \$15.1 million in cash from the exercise of warrants. As at March 31, 2026, the Company's cash position stood at \$17.9 million, up from \$6.9 million at the end of 2025. In April 2026, the Company's cash position benefitted from the issuance of an additional 6.7 million shares through the exercise of warrants yielding additional cash proceeds of CA\$4.0 million (equivalent to approximately \$2.9 million). The Company also has \$3.4 million of additional funding available under the Zancudo Prepayment Facility with Trafigura to fund construction at its Zancudo Project.

On March 30, 2026, the Company announced the results of an updated Preliminary Economic Assessment ("PEA") for its Zancudo Project. The PEA, based on the updated Mineral Resource Estimate ("MRE") for the Zancudo Project, envisions an 11-year mine life over which the Company expects to generate net revenue of \$2.0 billion from the sale of approximately 466,000 payable ounces of gold and 2.2 million payable ounces of silver at a life-of-mine ("LOM") average all-in sustaining cost ("AISC"^{NG}) of \$2,477 per ounce of gold. With long-term metals prices of \$4,000 per ounce for gold and \$50 per ounce for silver, the LOM gross profit totals \$723 million resulting in a LOM after-tax undiscounted free cash flow totaling \$452 million.

In April 2026, the Company commenced a 15,000 meters diamond drilling campaign at the Zancudo Project, primarily focused on in-fill drilling to convert additional Inferred resources to the Indicated category. The campaign also includes 3,200 meters of brownfield drilling with the objective of increasing resources in the next MRE update expected to be completed in late 2026.

In Spain, the Company, as operator of the Aguablanca Project, continues on a path to re-start operations with production expected to begin in the first half of 2027. In late March and early April 2026, the Company, on behalf of the Rio Narcea Recursos, S.A. ("RNR") joint venture, closed a private placement in two tranches of \$7.5 million of five-year, 12% secured notes issued by RNR (the "RNR Notes"). Insiders of the Company, including Serafino Iacono, Executive Chairman, and Federico Restrepo-Solano, CEO/director, acquired a total of approximately \$2.7 million of the RNR Notes. The Company is also currently in a process with a third party for a EUR 20 million senior secured facility to be undertaken by RNR that is expected to be finalized in the second quarter of 2026. With these financings in place, the RNR joint venture will be in a position to immediately commence the activities to dewater the underground mine, and in conjunction with the work being carried out by METSO, to re-start Aguablanca's 5,000 tonnes per day processing plant.

In February 2026, the Company announced that it has entered into a strategic collaboration as partners with ProGrowth Ltd. Company ("ProGrowth"), a Saudi-based diversified group of companies with long-standing experience across construction and infrastructure, oil & gas, petrochemicals, mining, trading and technology-enabled services in the Kingdom of Saudi Arabia ("KSA"). This alliance with ProGrowth aims to establish a strategic platform to develop and commercialize the Company's portfolio of projects in Spain and mining concessions in the KSA. In conjunction with this alliance, ProGrowth has advised the Company that it will make an initial equity investment of up to 10% through a private placement in the Company expected to be completed

in the second quarter of 2026. In addition, ProGrowth's CEO, Omar Alramah, has been nominated for election to the Board of Directors at the Company's Annual General and Special Meeting of Shareholders to be held in June 2026.

Selected Financial Information

	First Quarter	
	2026	2025
Operating data		
Gold sold (ounces)	593	-
Average realized gold price (\$/oz sold) ⁽¹⁾	\$ 4,870	\$ -
Total cash cost (\$/oz sold) ⁽¹⁾	\$ 2,386	\$ -
Financial data (\$000's except per share)		
Revenue	\$ 3,527	\$ -
Gross profit	1,473	-
Loss from operations	(725)	(1,282)
Net loss	(18,410)	(4,243)
Per share – basic and diluted	(0.11)	(0.04)
Exploration and capital expenditures	2,100	1,127
	March 31,	December 31,
	2026	2025
Balance sheet (\$000's):		
Cash and cash equivalents ⁽²⁾	\$ 17,925	\$ 6,899
Total assets	129,452	112,623
Convertible Debentures (at fair value) ⁽³⁾	67,874	55,559

(1) Refer to non-GAAP measures on page 24.

(2) Subsequent to March 31, 2026, the Company received cash proceeds of approximately CA\$4.0 million (equivalent to approximately \$2.9 million) in April 2026 from the exercise of approximately 6.7 million warrants.

(3) As at March 31, 2026 and December 31, 2025, the total principal amount of Convertible Debentures issued and outstanding amounted to CA\$34.2 million (equivalent to approximately \$24.6 million).

Description of Business

Denarius Metals is a Canadian junior company engaged in the acquisition, exploration, development and eventual operation of polymetallic mining projects in high-grade districts in Colombia and Spain. The Company is listed on Cboe Canada where it trades under the symbol "DMET". The Company also trades on the OTCQX Market in the United States under the symbol "DNRSF".

In Colombia, Denarius Metals commenced mining operations in the second quarter of 2025 at its 100%-owned Zancudo Project, a high-grade gold-silver deposit, which includes the historic producing Independencia mine, located in the Cauca Belt, about 30 km southwest of Medellin.

In Spain, Denarius Metals has interests in three projects focused on in-demand critical minerals. The Company owns a 21.8% interest in RNR and is the operator of its Aguablanca Project, which has been recognized by the EU as a Strategic Project. The Aguablanca Project comprises a 5,000 tpd turnkey processing plant and the rights to exploit the historic producing Aguablanca nickel-copper mine, located in Monesterio, Extremadura. The Company expects to commence operations in the next 12 months at the Aguablanca Project. Denarius Metals also owns a 100% interest in the Lomero Project, a polymetallic deposit located on the Spanish side of the prolific copper rich Iberian Pyrite Belt, approximately 88 km southwest of Aguablanca, and a 100% interest in the Toral Project, a high-grade zinc-lead-silver deposit located in the Leon Province, Northern Spain.

Outlook

Denarius Metals' primary focus in 2026 centers on the ramp up at the Zancudo Project, carrying out mine development and completing construction of the new 1,000 tonnes per day processing plant to facilitate the shift from the current early production stage to commercial concentrate production by the end of the third quarter this year. Based on the recently issued PEA, the Company expects payable production sold in 2026 from the Zancudo Project to total approximately 10,000 ounces of gold and 40,000 ounces of silver.

Meanwhile in Spain, the Company's immediate attention centers on completing the financing required to fund the re-start activities at the Aguablanca Project. The Company is currently engaged in a process with a third party regarding a EUR 20 million senior secured facility to be undertaken by the RNR joint venture that is expected to be finalized in the second quarter of 2026. With this financing in place, the RNR joint venture will be in a position to immediately commence the activities to re-start operations at the Aguablanca Project with production expected to begin in the first half of 2027. At the Lomero Project, the application for a mining license is being finalized. With the new strategic collaboration with ProGrowth, leveraging processing opportunities available in the KSA, the Company is evaluating the path forward for the development of the Lomero Project. At the Toral Project, while the Company awaits the approval of the application for a mining license, work is expected to commence in the second quarter of 2026 to prepare an updated MRE for the project.

The Company is ramping up production from its Zancudo Project in 2026 and has started to generate cash flow from its mining operations. However, it will require additional sources of capital to fund ongoing operational requirements, and planned exploration, development and capital expenditures related to its projects in Spain and to fund the gold premiums and interest on its Convertible Debentures. The Company's cash position has already benefitted since the beginning of 2026 from the exercise of warrants and stock options yielding approximately \$18.1 million of cash proceeds. As at May 13, 2026, the Company has a total of 51.9 million unlisted warrants issued and outstanding with expiry dates between 2026 and 2030 that are exercisable at prices ranging from CA\$0.50 to CA\$0.85 per share. The full exercise of these warrants would generate additional cash proceeds to the Company of approximately \$25 million. The Company has also been advised by ProGrowth that it would like to make an initial equity investment of up to 10% in the Company through a private placement expected to be completed in the second quarter of 2026. The net proceeds of this private placement would be used for exploration at the Company's projects in Spain and for general corporate purposes.

Issued and Outstanding Securities

As at May 13, 2026, the Company had the following securities issued and outstanding:

Securities	Cboe Canada Symbol	Number	Shares Issuable	Exercise price per share	Expiry or Maturity
<i>Common shares</i>	DMET	211,949,557			
<i>Stock options</i>		200,000	200,000	CA\$0.55	2026
		415,000	415,000	CA\$4.45	2026
		260,000	260,000	CA\$6.50	2026
		3,500,000	3,500,000	CA\$0.52	2028
		400,000	400,000	CA\$0.59	2029
		4,600,000	4,600,000	CA\$0.59	2030
		127,500	127,500	CA\$1.00	2030
		4,150,000	4,150,000	CA\$0.67	2030
		200,000	200,000	CA\$0.83	2031
		490,000	490,000	CA\$4.50	2031
			14,342,500		
<i>Warrants</i>	Unlisted	4,135,514	4,135,514	CA\$0.85	October 31, 2026
	Unlisted	6,443,014	6,443,014	CA\$0.60	May 30, 2027
	Unlisted	3,000,000	3,000,000	CA\$0.74	February 7, 2028
	Unlisted	2,083,500	2,083,500	CA\$0.60	April 30, 2028
	Unlisted	13,138,000	13,138,000	CA\$0.60	March 20, 2028
	Unlisted	10,752,930	10,752,930	CA\$0.66	June 20, 2030
	Unlisted	11,920,000	11,920,000	CA\$0.70	November 19, 2028
	Unlisted	442,740	442,740	CA\$0.50	November 19, 2028
			51,915,698		
<i>Convertible Debentures</i>					
<i>Series 1</i>	DMET.DB	CA\$19,886,560	44,192,354	CA\$0.45	October 19, 2029
<i>Series 2</i>	Unlisted	CA\$14,251,506	23,752,510	CA\$0.60	May 30, 2030
		CA\$34,138,066	67,944,864		

Share Issuances to Settle Monthly Interest Payments and Gold Premium on the Convertible Debentures

In June 2025, the Company received the required consents from holders to enable it to issue shares to settle the monthly interest payments on both series of Convertible Debentures from June 30, 2025 to May 31, 2026, inclusive and to issue shares to settle the gold premium payments payable on each of January 31, 2026 and April 30, 2026 on the Convertible Debentures Series 1. This action was taken by the Company to preserve cash during the ramp up of operations during the early production phase at its Zancudo Project.

During the first quarter of 2026, the Company issued a total of 1,513,187 shares to settle the monthly interest payments on the Convertible Debentures and 8,845,816 shares to settle the January 2026 gold premium payment on the Convertible Debentures Series 1.

Subsequent to the end of the first quarter of 2026, on April 30, 2026, the Company issued 375,373 shares to settle the monthly interest on the Convertible Debentures and 6,651,313 shares to settle the quarterly gold premium on the Convertible Debentures Series 1.

Subsequent Event – Warrants Exercises and Warrants Expiry After March 31, 2026

Subsequent to March 31, 2026, the Company has issued a total of approximately 6.7 million common shares in April 2026 through the exercise of warrants yielding total cash proceeds of CA\$4.0 million (equivalent to approximately \$2.9 million) and approximately 0.9 million warrants with an exercise price of CA\$0.60 per share expired unexercised.

Subsequent Event – Shares Issued in Connection with Build and Operate Contract for Zancudo Plant

In March 2026, the Company engaged a local civil engineering and industrial construction services firm with extensive experience in extractive industries projects (the “Plant Contractor”) to build and then operate the new processing plant at the Zancudo Project on a contract basis. The Plant Contractor agreed to finance their fees for the plant installation services, valued at \$3 million, through the issuance of 2,529,000 common shares of the Company at a price of CA\$0.76 per share, equivalent to \$1.4 million, that were issued on April 8, 2026 and the balance to be settled through the processing fees to be paid to the Plant Contractor by the Company during the operation of the Zancudo plant.

Projects - Colombia

Zancudo Project, Department of Antioquia

The Zancudo Project is located in the Municipality of Titiribi, Department of Antioquia, Republic of Colombia, approximately 30 km southwest of Medellin and includes the historic producing Independencia Mine. The Zancudo Project is a high-grade gold-silver-quartz vein deposit with mineralization occurring in multiple veins that have been exploited over a strike length of 2.5 km. The average vein width is 0.35 m, with a maximum width of 3.0 m. The known vertical extent of mineralization is 400 m.

Mining of high-grade gold and silver veins was carried out in the historic Zancudo mining district from 1793 to 1948 with estimated production of between 1.4 and 2.0 Moz Au-equivalent. The Zancudo Project has access to labour, the Colombian national power grid and ample water resources. The Zancudo Project is subject to an aggregate of 3.5% net smelter returns royalty (“NSR”) on future production, payable in cash.

Mining License and EIS

The Zancudo Project was historically comprised three adjoining mining concession contracts (C5521011, HDWA-02 and H5911005) and one exploration license (HEOM-12) covering a total area of 1,061 hectares.

For concession 5521, which covers an area of 250 hectares and includes the historic producing Independencia Mine, the Mining Technical Work Plan (Programa de Trabajo y Obras or “PTO”) was approved in December 2023 by the Secretary of Mines of Antioquia. This permit, along with the environmental license (“EIS”) approved by Corantioquia (the local environmental authority) at the end of 2024, allows the Company to carry mining activities within this area at the Zancudo Project. Concession 5521 currently has a term expiring in January 2028. The Company filed a 30-year renewal application for concession 5521 in September 2025.

Integration of the other two concessions and the exploration license through a Plan of Exploration and Exploitation (Plan Único de Exploración y Explotación or “PUEE”) was approved in December 2023 by the Secretary of Mines of Antioquia. Subsequently, in February 2026, the Colombian national mining agency (“ANM”) approved an integrated concession agreement H5911005 (“5911”) that consolidates 5911, HDWA-02

and HEOM-12 into a single concession contract going forward for the exploration and exploitation of a gold, silver and concentrate deposit covering an area of 811 hectares. The initial duration of concession 5911 extends over 12 years until May 2036. Pursuant to this integrated concession contract and a subsequent PTO signed by the ANM in April 2026, approval for the establishment of mining activities has been received for an area covering approximately 57 hectares in the northeastern extension adjacent to concession 5521. The commencement of mining activities in this area may start once the Company receives approval for an expansion of its EIS to incorporate this area. For the remaining area covering a total of approximately 754 hectares, approval of exploration stage activities has been received for an initial term of three years, renewable for periods of two years at the request of the Company, up to a total of 11 years.

The Company received approval for an industrial facility permit in October 2025 related to the construction and operation of its planned 1,000 tpd processing plant. Construction activities commenced immediately thereafter and the Company expects the new plant to be commissioned in the third quarter of 2026.

Mineral Resource Estimate (“MRE”)

On December 18, 2025, the Company filed a technical report on SEDAR+, entitled "*Technical Report for the Zancudo Gold-Silver Mineral Deposit, Municipality of Titiribí, Department of Antioquia, Republic of Colombia, South America*" prepared by Resource Development Associates (“RDA”) in accordance with the Canadian Institute of Mining Metallurgy and Petroleum (“CIM”) Definition Standards incorporated by reference in National Instrument 43-101 (“NI 43-101”), with an effective date of October 31, 2025. The database for the updated MRE includes a total of 47,329 m of diamond drilling in 194 holes, including 7,225 m in 45 holes completed in the Company’s 2024 drilling campaign.

The following table summarizes the updated MRE for the Zancudo Project effective as of October 31, 2025:

Effective Date/ Category	Cutoff AuEq (g/t)	Tonnes (kt)	Grade			Material Content		
			Au (g/t)	Ag (g/t)	AuEq (g/t)	Au (koz)	Ag (koz)	AuEq ⁽⁶⁾ (koz)
October 31, 2025 ^(3,4,5)								
Indicated	3.25	979	6.90	84	7.9	217	2,657	249
Inferred	3.25	4,636	5.58	84	6.6	832	12,508	982

Notes:

- Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. Gold and silver assays were capped where appropriate.
- Scott Wilson, CPG, President of RDA is responsible for this mineral resource estimate and is an “independent Qualified Person” as such term is defined by NI 43-101.
- Reasonable prospects of eventual economic extraction were assessed by enclosing the mineralized material within a block model estimate. Mineralization is geologically constrained in 3D wireframe shapes that were constructed based upon geological interpretations as well as adherence to a minimum mining width appropriate for underground mining.
- Commonly used grade estimations techniques of Inverse Distance Cubed and Ordinary Kriging were used on a vein by vein basis, based upon sample support and vein geometry.
- The cutoff grade of 3.25 g/t AuEq in the current MRE considered the following factors:
 - Metal selling prices of gold at US\$2,400/oz and silver at US\$28/oz;
 - Recoveries of Au 85% and Ag 87%;
 - Royalties of 6.7%; and
 - Costs including mining US\$105.00/t, processing US\$42.00/t, general and administrative (G&A) and off-site realization (TCRC) US\$21.00/t.
- Gold Equivalent is calculated with the formula $AuEq = (Au * Au Recovery (85\%) * AuPrice + Ag * Ag Recovery (87\%) * AgPrice) / (Au Recovery (85\%) * Au Price)$.

Preliminary Economic Assessment (“PEA”)

On May 14, 2026, the Company filed a technical report on SEDAR+, entitled “*Technical Report and Preliminary Economic Assessment for the Zancudo Gold-Silver Mineral Deposit, Municipality of Tititiribi, Department of Antioquia, Republic of Colombia, South America*” (the “Zancudo PEA Technical Report”) prepared by RDA in accordance with NI 43-101 with an effective date of March 19, 2026. The Zancudo PEA Technical Report supports the results of a PEA for its the Zancudo Project announced by the Company on March 30, 2026.

The PEA, based on the October 2025 MRE for the Zancudo Project, envisions an 11-year mine life over which the Company expects to generate revenue of \$2.0 billion from the sale of approximately 466,000 payable ounces of gold and 2.2 million payable ounces of silver at a LOM average AISC^{NG} of \$2,477 per ounce of gold. With long-term metals prices of \$4,000 per ounce for gold and \$50 per ounce for silver, the LOM gross profit totals \$723 million resulting in a LOM after-tax free cash flow totaling \$452 million. The PEA is preliminary in nature and it includes Inferred Resources that are considered too speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the estimates presented in the PEA will be realized.

Exploration Next Steps

In April 2026, the Company commenced the next stage of its exploration program at the Zancudo Project comprising a total of 15,000 m of diamond drilling. The drilling program will run through 2026 and will focus on four primary objectives as follows:

- **Brisas target** – 5,700 m of surface in-fill drilling designed to better delineate and extend the Santa Catalina ore shoot at the Brisas target. The Santa Catalina ore shoot extends from the Independencia Mine to the sector where one of the main stacked mantos, Manto Antiguo, merges into the Santa Catalina structure. The drilling program will be carried out from eight purpose-built surface drill platforms and comprises a total of 29 drill holes with drilling intercepts spaced at 50-meter centers to convert the current Inferred Resources to the Indicated category.
- **El Castano target** – 2,000 m of surface in-fill drilling designed to upgrade the Inferred Resources associated with the Manto Antiguo structure north and west of the El Castaño Mine to the Indicated category. The drilling program will be carried out from three purpose-built surface drill platforms and comprises a total of 12 drill holes with drilling intercepts spaced at 50-meter centers to convert the current Inferred Resources to the Indicated category.
- **Independencia Mine** – 4,200 m of underground step-out multi-target drilling designed to extend a set of narrow, sub-parallel, steeply dipping, high-grade gold veins up to 60 m below the current mining level.
- **Brownfield drilling** – 3,200 m of surface extension drilling aimed at extending the ore-shoot associated with the Manto Antiguo structure to the southwest at the Brisas target, and testing the Mani target, which is interpreted as an upthrown block of an unknown high-grade gold structure intersected in a past drilling campaign.

Projects - Spain

Aguablanca Project, Monesterio, Extremadura, Spain (Ni, Cu, Au, Pt, Pd, Co)

The Aguablanca Project, which is 100% owned by RNR, is located in Monesterio, Extremadura, Spain, approximately 88 km northeast from the Company’s Lomero Project. The Aguablanca Project comprises a 5,000 tpd processing plant and the rights to exploit the historic producing Aguablanca nickel-copper mine. The

Aguablanca Project is the only nickel deposit in Spain and one of the few in Europe. In March 2025, the Aguablanca Project was recognised by the EU as a Strategic Project under the *Critical Raw Materials Act*. The Company, through Alto Minerals S.L.U. (“Alto”), its wholly-owned subsidiary in Spain, owns a 21.8% equity interest in RNR. Key to the Company’s acquisition of its investment in RNR was gaining access to the RNR plant. The Company believes the RNR plant can act as the central hub for its strategy in Spain, capable of accelerating the path to production from the Lomero Project using the RNR plant’s available capacity while also giving the Company exposure to cash flow from the resumption of operations at the Aguablanca underground mine.

The Company, through Alto, and the RNR Shareholder Group have entered into a joint venture agreement (the “JV Agreement”) pursuant to which Alto has been appointed as the operator of the Aguablanca Project. RNR is a joint venture in which the Company, through Alto, has joint control. As a result, the Company is accounting for its investment in RNR using the equity method.

Recognizing the importance of the RNR Plant to the Company’s future development of its Lomero Project, the Company and the RNR Shareholder Group agreed in the JV Agreement to negotiate and enter into the necessary agreements for Alto to process ore from the Lomero Project at the RNR Plant under mutually agreed conditions, taking into account market conditions at the time of negotiation.

As operator of the RNR joint venture, the Company arranged commercial terms in 2024 with Boliden Commercial AB, a subsidiary of Boliden AB, for the sale at market prices of 100 per cent of the nickel-copper concentrates to be produced at the Aguablanca Project. The initial term of the agreement covers the period through mid-2031 and is renewable annually thereafter. The concentrates will be shipped from Aguablanca through the Huelva Port to Boliden's state-of-the-art nickel flash smelting facilities located in Harjavalta, Finland, the only nickel sulphide smelter in the European Union.

The Aguablanca Project has an approved EIS and an updated Underground Exploitation Plan already approved by the local mining authority. In May 2025, the application for the Water Concession for the Aguablanca Project was approved for a 20-year period. With all required permits in place, RNR has commenced preparations for the activities required to restart the plant and mining operations within the next 12 months.

RNR engaged METSO in 2025 to lead the work required to refurbish Aguablanca’s 5,000 tonnes per day processing plant. METSO is a global pioneer in providing sustainable technologies, integrated solutions and services for the quarrying, mineral processing and metal refining industries. As a first step in the process, IPH carried out work from September 2025 to March 2026 to assess basic services in the processing plant, including the high/low electrical voltage lines and the plant control systems, and will carry out the restoration work in the second quarter of 2026. METSO will then commence a Phase 1 detailed assessment of the condition of the processing facility to determine the extent of the required expenditures to be carried out in the next two phases of the refurbishment and restart program. The reconditioning services in Phase 2 and subsequent commissioning of the plant in Phase 3 may be financed by METSO, subject to both parties finalizing terms, and will be carried out by a Portuguese company with extensive experience in industrial maintenance under the supervision of METSO. As the processing facility has been maintained in good condition, maintenance and commissioning activities to resume operation of the plant are expected to last no longer than eight months. Refurbishment work on all plant services will run in parallel with the dewatering activities.

Dewatering activities commenced in mid-2025 with the installation of a forced evaporation system to accelerate the evaporation of water from the tailings dam during the hot summer months in Spain. The next step will be for the Company to commence the dewatering of the existing open pit to gain access to the underground mine workings. The design and engineering of the dewatering system has been completed and will be carried out by a renowned Andalusian company specializing in providing dewatering solutions for the mining sector. Dewatering activities to resume operation of the underground mine will commence once project financing is fully arranged and are expected to last no longer than six months.

Negotiations are ongoing with Endesa, one of the three largest electricity companies in Spain, for the installation and maintenance of underground electrical connections. Once dewatering is completed, the underground assessment of ventilation, ramp access and power in the mine will commence. Construction of a new escapeway system in the underground mine will commence after dewatering of the main ramp is completed.

In addition to the potential financing to be provided by METSO, the Company is continuing its efforts, as described on page 20, as operator of the joint venture to secure additional project financing directly through RNR to fund the capital expenditures associated with startup activities at the Aguablanca Project. If the work all goes as currently planned, the Company expects to have the Aguablanca underground mine back in production in the first half of 2027.

Mineral Resource and Mineral Reserve Estimates

On May 23, 2024, the Company filed a technical report prepared by RDA on SEDAR+ entitled "*Technical Report and Preliminary Feasibility Study for the Aguablanca Nickel-Copper Mineral Deposit, Extremadura Region, Spain*" (the "Aguablanca PFS"), with an effective date of March 24, 2024. In conjunction with the Aguablanca PFS, the Company announced a MRE for the Aguablanca underground mine estimated in accordance with the CIM Definition Standards for Mineral Resources and Reserves incorporated by reference in NI 43-101. The Aguablanca PFS includes detailed information on the key assumptions, parameters and methods used to estimate the MRE and the Mineral Reserves for the Aguablanca Project.

The following table summarizes the MRE for the Aguablanca underground mine:

Resource Category	Cutoff (Ni%)	Tonnage (K tonnes)	Grade							Contained Metal						
			Ni (%)	Cu (%)	Co (%)	Pd (ppm)	Pt (ppm)	Au (ppm)	NiEq (%)	Ni (Klbs)	Cu (Klbs)	Co (Klbs)	Pd (Oz)	Pt (Oz)	Au (Oz)	NiEq (Klb)
Measured	0.35%	4,048	0.66	0.60	0.02	0.29	0.34	0.17	0.95	58,836	53,512	1,473	38,033	43,919	21,954	84,493
Indicated	0.35%	1,273	0.64	0.52	0.02	0.27	0.31	0.14	0.89	17,986	14,462	503	11,060	12,492	5,760	24,919
Measured + Indicated		5,321	0.65	0.58	0.02	0.29	0.33	0.16	0.93	76,822	67,974	1,976	49,094	56,411	27,715	109,412
Inferred	0.35%	4	0.67	0.61	0.02	0.31	0.37	0.17	0.96	66	60	2	45	54	24	95

Notes:

- Reasonable prospects of eventual economic extraction were assessed by enclosing the mineralized material in the block model estimate in a 3D wireframe shape that was constructed based upon geological interpretations as well as adherence to a minimum mining unit with geometry appropriate for underground mining.
- The cutoff grade of 0.35% Ni considered mining costs of:
 - Metal selling prices Ni at \$7.30/lb and Cu selling prices of \$3.50/lb,
 - Recoveries of Ni 82.8% and Cu 93.6%, and
 - Costs including mining, processing, general and administrative (G&A), and off-site realization (TCRC).
- Nickel Equivalent is estimated as $((3.50/7.30) * \text{Cu grade}) + \text{Ni Grade}$.
- Mineral resources are not mineral reserves and do not have demonstrated economic viability.
- Mineral resources are inclusive of mineral reserves.
- Figures may not add up due to rounding.

The mine plan in the Aguablanca PFS is based on Mineral Reserves for the Aguablanca underground mine, as summarized in the following table, which have been estimated for a combination of sub-level extraction and long-hole open stoping underground mining methods. The MRE in the table above is inclusive of the Mineral Reserves estimate, which represents approximately 89% of the tonnes in the Measured and Indicated category of the MRE.

Reserve Category	Cutoff (Ni%)	Tonnage (K tonnes)	Grade							Contained Metal						
			Ni (%)	Cu (%)	Co (%)	Pd (ppm)	Pt (ppm)	Au (ppm)	NiEq (%)	Ni (Klbs)	Cu (Klbs)	Co (Klbs)	Pd (Oz)	Pt (Oz)	Au (Oz)	NiEq (Klb)
Proven	0.35%	3,650	0.67	0.61	0.02	0.29	0.34	0.17	0.97	54,051	49,281	1,343	34,454	39,798	19,835	77,678
Probable	0.35%	1,062	0.67	0.53	0.02	0.28	0.31	0.14	0.92	15,582	12,452	429	9,419	10,578	4,875	21,553
Proven + Probable		4,713	0.67	0.59	0.02	0.29	0.33	0.16	0.96	69,633	61,733	1,772	43,874	50,375	24,709	99,231

Notes:

1. CIM Definition Standards were followed for Mineral Reserves
2. Mineral reserves are not additive to mineral resources
3. Mineral reserves are based on the March 24, 2024 Mineral Resource Estimate
4. Totals may not add up due to rounding
5. Mineral Reserves are reported using \$7.30/lb Ni, \$3.50/lb Cu, \$12/lb Co, \$2,000/oz Au, \$900/oz Pt and \$1,200/oz Pd
6. The cutoff grade of 0.35% Ni considered mining costs of:
 - a. Metal selling prices Ni at \$7.30/lb and Cu selling prices of \$3.50/lb,
 - b. Recoveries of Ni 82.8% and Cu 93.6%, and
 - c. Costs including mining, processing, general and administrative (G&A), and off-site realization (TCRC).
7. Mineral Reserves are constrained within a mine design.
8. Units are metric tonnes, metric grams, troy ounces and imperial pounds. Contained metal are estimates of in situ material and do not account for dilution of processing losses.

Aguablanca PFS

The Aguablanca PFS supports the economic viability of the Aguablanca Project using 50% of the processing plant's capacity and preserving the opportunity to use the remaining capacity for the planned development of the Company's nearby Lomero Project at a later date.

Over the projected 6-year LOM, production from the mining and processing of approximately 4.8 million tonnes of material is expected to recover 43.2 million pounds of payable nickel and 34.6 million pounds of payable copper through the sale of approximately 406,359 tonnes of nickel-copper concentrates. LOM all-in sustaining costs are expected to average \$4.04 per pound of payable nickel on a by-product credit basis. The Aguablanca Project incorporates local contract mining and is expected to stimulate the local economy, benefitting Extremadura and surrounding communities through direct and indirect employment at the Aguablanca Project, local sourcing of services and supplies and community programs funded by the Company. At long-term nickel and copper prices of \$7.30 per pound and \$3.50 per pound, respectively, total LOM undiscounted after-tax Project cash flow from mining operations on a 100% basis amounts to \$105.7 million. At a 5% discount rate, the net present value of the total LOM after-tax Project cash flow on a 100% basis amounts to \$83.1 million. The Aguablanca PFS has an after-tax internal rate of return of 213% and payback after 1.2 years.

Future Exploration

The Company is in the process of designing a brownfield drilling program to commence after the resumption of operations aimed at extending the life of the Aguablanca mine, focusing on expanding reserves in the known main orebodies, as well as expanding the resource footprint of the satellite mineralization of the deposit.

Lomero Project, Iberian Pyrite Belt (Cu, Zn, Au, Ag, Pb)

The Company owns a 100% interest in the Investigation Permit N° 14,977, also identified as Rubia, covering the areas occupied by the former Lomero-Poyatos Concessions and the mine within them, Investigation Permit N° 14.978, also identified as Palomarejo, and Investigation Permit N° 15.092, also identified as Cruzadillo, all located in the Iberian Pyrite Belt (“IPB”) in Southern Spain (collectively, the “Lomero Project”). The Lomero Project is owned by Alto and is subject to a 2% NSR granted in connection with the initial acquisition of the project in April 2021.

Rubia Permit

The Rubia Permit is an investigative mining permit covering 15 graticular blocks totalling approximately 454 hectares within the adjoining municipalities of El Cerro del Andevalo and Cortegana within Huelva, Andalucia, southern Spain. The area covered by the Rubia Permit is located approximately 85 km northwest of Seville and 60 km northeast of the port of Huelva and includes the area previously occupied by 13 mining concessions including the former Lomero-Poyatos mine. The Lomero Project is a polymetallic deposit located within the Iberian Pyrite Belt, which is one of the largest districts of pyrite-rich massive sulphide deposits in the world. In April 2023, the Company announced that it received approval from the Mining Department in Huelva for an initial three-year extension of the Rubia Permit and in late 2025, the Company filed for a second three-year extension. While the extension application is being assessed, the existing Rubia Permit remains in effect. The Company is making preparations to file a formal application for a mining license in 2026.

Palomarejo Permit

The Company also announced in April 2023 that it was granted the Palomarejo Permit to the west of the Rubia Permit. The Palomarejo Permit covers an area of 151 hectares in the Cortegana area (Huelva), increasing the Company’s exploration area by about 30%, and is in a similar geological setting as the adjacent polymetallic Lomero-Poyatos deposit. The Palomarejo Permit has an initial three-year term and the Company has filed for an extension for another three years. While the extension application is being assessed, the existing Palomarejo Permit remains in effect.

Cruzadillo Permit

In September 2025, the Company was granted the Cruzadillo Permit covering an area of approximately 60 hectares located less than 1 km from the Company’s Rubia and Palomarejo Permits. The Cruzadillo Permit is important to the Company because it also provides the Company with legal coverage by preferential right over the land between Cruzadillo and the Company’s existing Rubia and Palomarejo Permits. Through this legal coverage, referred to as “Demasias”, the Company has influence over an additional 141 hectares within the IPB.

CRI Assets

In August 2021, the Company, through Alto, entered into an agreement with the creditors of Corporation de Recursos Iberia SL (“CRI”) pursuant to which it agreed to acquire all the assets of CRI related to the Lomero Project, including, but not limited to, physical assets, lands, warehouse and exploration assets, in exchange for making payments to the creditors of CRI. CRI was involved in a bankruptcy process in Spain and, on May 23, 2024, the Commercial Court n° 12 of Madrid approved the Company’s agreement with the creditors of CRI. In aggregate, the Company agreed to pay a total of EUR 1.9 million (equivalent to approximately \$2.2 million)

to the creditors of CRI, including EUR 1.3 million (equivalent to \$1.5 million) that will be paid in five instalments over a four-year period. As at March 31, 2026, the Company has paid EUR 0.7 million (equivalent to \$0.8 million) and there is EUR 1.2 million (equivalent to \$1.4 million), included in accounts payable and accrued liabilities, that is remaining to be paid over the next three years.

Mineral Resource Estimate

The Lomero Project has a rich history of exploration and production to substantiate the potential for future exploitation. To date, the Company's exploration program has principally comprised surface and validation drilling, including twinning of historical drill holes, to confirm its understanding of the existing geological model for the known Lomero-Poyatos deposit.

The current MRE, effective as of July 31, 2023, was prepared following the completion of a three-phase drilling campaign carried out by the Company from 2021 through 2023. The surface validation and in-fill drilling campaigns carried out by the Company have identified mineralization over a strike of 1 km with a vertical extension of 400 m and increased the Company's confidence in the geological model using data validated from previous historic drilling campaigns. Drill assays also validated the lateral and horizontal continuity of the massive sulphide and semi-massive sulphide mineralized lenses and confirmed the presence of higher-grade mineralized zones within the broader resource envelope. The geological model and current MRE include the results obtained from a total of 146 holes representing 44,228 meters of drilling completed by the Company plus another 55 historical holes drilled by Cambridge Mineral Resources representing 10,053 meters.

On November 2, 2023, the Company filed the Lomero Technical Report on SEDAR+. The Lomero Technical Report includes an updated MRE for the Lomero Project, with an effective date of July 31, 2023. The updated MRE converted approximately 73% of the initial Inferred MRE prepared in 2022 to the Indicated Mineral Resources category. The updated MRE for the Lomero Project is shown in Table 1 below. The mineral resource evaluation work was completed by Mr. Benjamin Parsons, MAusIMM (CP#222568), Principal Consultant (Resource Geology) with SRK Consulting (U.S.), Inc. ("SRK"), who is an independent qualified person. The Mineral Resources have been reported based on copper equivalent ("CuEq") with the key assumptions included in the notes to the table. In order to meet "reasonable prospects for eventual economic extraction" requirement, the Lomero deposit has been deemed amenable to both open pit and underground mining (for the remaining material which has displayed continuity above the defined cut-off grades), with the cut-off grades of 0.4% CuEq for open pit resources and 0.6% CuEq for underground resources established using benchmarked costs taken from similar deposits within the Iberian Pyrite Belt and metallurgical recoveries based on the outcomes of the initial metallurgical test work completed by the Company between 2022 and 2023.

Table 1: SRK CIM Compliant Mineral Resource Statement effective July 31, 2023 for the Lomero Project, Spain, reported based on Copper Equivalent ("CuEq")⁽²⁾

Class	Mining Type	Mass (Mt)	Average Value					Material Content					Metal	
			Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au (koz)	Ag (koz)	Cu (t)	Pb (t)	Zn (t)	CuEq (%)	CuEq (t)
Indicated	OP ⁽⁴⁾	5.92	2.22	23	0.74	0.45	1.02	422	4,468	43,867	26,492	60,454	1.96	115,702
	UG ⁽⁵⁾	1.82	2.45	28	0.41	0.50	1.07	143	1,627	7,392	9,029	19,439	1.74	31,600
	Total	7.73	2.27	25	0.66	0.46	1.03	565	6,095	51,259	35,521	79,893	1.91	147,302
Inferred	OP ⁽⁴⁾	1.93	1.79	24	0.28	0.60	1.22	111	1,475	5,340	11,562	23,618	1.47	28,317
	UG ⁽⁵⁾	1.52	1.94	21	0.30	0.45	1.12	95	1,003	4,544	6,860	17,045	1.45	22,043
	Total	3.45	1.86	22	0.29	0.53	1.18	206	2,478	9,884	18,422	40,662	1.46	50,359

Notes:

(1) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. Gold, silver, copper, lead and zinc assays were capped where appropriate. It is assumed based on regional benchmarking that all the elements included in the CuEq calculation have a reasonable potential to be recovered and sold.

(2) The CuEq calculation has been defined using the following formula:

$$\text{CuEq} = ((\text{Au} \times 21.38) + (\text{Ag} \times 0.42) + (\text{Cu} \times 69.45) + (\text{Pb} \times 12.68) + (\text{Zn} \times 25.46)) / 99.21 / \text{Cu Recovery}$$

(3) Mineral resources are reported using an assumed CuEq cut-off grade based on metal price assumptions*, variable metallurgical recovery assumptions**, mining costs, processing costs, general and administrative (G&A) costs and variable NSR factors***. Mining, processing and G&A costs total US\$31/t for Open Pit Mining and US\$45/t for Underground Mining which includes assumptions for prices, recoveries and payabilities. The CuEq cut-off grade 0.4% CuEq (OP) and 0.6% CuEq (UG) is calculated by dividing the costs by the Cu Factor and recoveries.

(*) Metal price assumptions considered for the calculation of Metal Equivalent grades are: Gold (US\$/oz 1,900.00), Silver (US\$/oz 24.0), Copper (US\$/lb 4.50), Lead (US\$/lb 1.15) and Zinc (US\$/lb 1.50)

(**) Cut-off grade calculations assume variable metallurgical recoveries as a function of grade and relative metal distribution. Average metallurgical recoveries are: Gold (35%), Silver (55%), Copper (70%), Lead (50%) and Zinc (77%).

(***) Cut-off grade calculations and metal equivalencies assume variable CuEq factors as a function of smelting, transportation costs and royalties (3%).

(4) Open pit (OP) mineral resources are constrained within NPV optimized pits which SRK based on assumed mining costs defined.

(5) Underground (UG) mineral resources represent all material below the proposed limiting pit shell which have been confirmed visually to form contiguous units with a minimum width of 2.5 x 2.5 x 1.25m

Toral Project, Leon Province (Zn, Pb, Ag)

The Company acquired 100% of the issued and outstanding shares (the “TMI Acquisition”) of Toral Metals Iberia S.L.U. (“TMI”, formerly Europa Metals Iberia S.L.U.) from Europa Metals Ltd. (“Europa”) on November 12, 2024. TMI owns a 100% interest in the Investigation Permit N° 15.199 which covers the area occupied by the Toral Project in Northern Spain.

On November 30, 2022, following completion of its 2022 drilling campaign, Europa announced an updated JORC 2012 compliant MRE for the Toral Project prepared by Addison Mining Services Ltd. with an effective date of November 5, 2022. The database supporting the MRE included a total of 61,545 meters of drilling. Europa’s updated MRE for the Toral Project comprised:

- An *Indicated Mineral Resource* of approximately 7Mt @ 5% Zn, 3.7% Pb and 29 g/t Ag, containing 349,000 tonnes of zinc, 260,000 tonnes of lead and 6.6 million ounces of silver, and
- An *Inferred Mineral Resource* of approximately 13Mt @ 4.1% Zn, 2.3% Pb and 19 g/t Ag containing 540,000 tonnes of zinc, 300,000 tonnes of lead and 8 million ounces of silver.

The Company initially got involved in the Toral Project through a Definitive Option Agreement entered into with Europa in November 2022 pursuant to which Europa had granted two options to the Company to acquire up to an 80% ownership interest in TMI by carrying out a specified exploration program. The Company’s work in 2023 and 2024, including a drilling campaign comprised of approximately 6,200 meters of validation and infill drilling in nine holes completed within the project’s known Indicated Mineral Resource area, provided it with confidence in the potential for the Toral Project to become a long-life underground mining operation. Completing the acquisition of 100% of the Toral Project in late 2024 improved the Company’s flexibility to manage the development schedule for its projects in Spain without having to meet the specific obligations mandated under the Definitive Option Agreement, which was terminated on closing of the TMI Acquisition.

In October 2023, as part of the Company’s commitment under the Definitive Option Agreement, a formal application for a mining license for the Toral Project was completed and submitted to the Junta of Castille and Leon, the local mining authority. While the mining license application is being assessed, TMI’s Investigation Permit remains in effect.

In 2024 and 2025, the Company's principal activities at the Toral Project have focused on the technical studies and other information required to support the mining license application process which is expected to reach a conclusion in the second half of 2026. In 2026, the Company plans to update the Mineral Resource Estimate for the Toral Project with a new NI 43-101 compliant technical report.

Results of Operations and Overall Performance

Revenues and Operating Costs

(\$000's, except ounces and per oz data)	First Quarter	
	2026	2025
Gold		
Ounces sold	593	-
Average realized price (\$/oz) ⁽¹⁾	\$ 4,870	\$ -
Silver		
Ounces sold	7,839	-
Average realized price (\$/oz) ⁽¹⁾	\$ 82	\$ -
Revenues		
Gold	\$ 2,888	\$ -
Silver	639	-
Total	3,527	-
Operating costs	\$ 2,054	-
Total cash cost (\$/oz) ⁽¹⁾	2,386	-

(1) Refer to non-GAAP measures on page 24.

The Company commenced mining operations at the Zancudo Project in April 2025. During an "early production phase" until its 1,000 tpd processing plant goes into commercial operation in 2026, the Company is delivering crushed material from the Zancudo Project to port where it is being sold to Trafigura under the Company's long-term offtake agreement. During the current early production phase, Trafigura's payability rates range from 30% to 70% for gold and 20% to 40% for silver, depending on the grades of the material. Trafigura's payability rates in the early production phase reflect the additional costs they will have to incur to bring the material to a saleable condition. When the processing plant becomes operational and the Company begins shipping concentrates, payability rates will increase to 86% to 90% for gold and 35% to 45% for silver.

During the first quarter of 2026, the Company delivered a total of 2,337 tonnes mined at its Zancudo Project to a local port for sale to Trafigura. With grades averaging 11.5 g/t gold and 269.3 g/t silver, these shipments contained approximately 863 ounces of gold and 20,237 ounces of silver. Payable gold and silver amounted to 593 ounces and 7,839 ounces, respectively. Revenue from these shipments amounted to \$3.5 million. There was no production in the first quarter of 2025.

Operating costs associated with the shipments in the first quarter of 2026 comprised the contract mining fee, which is higher in the early production phase and will decrease once the contract miner opens up the new fronts currently in development that will facilitate the use of semi-mechanized mining methods, transportation costs, mine site overhead, royalties and selling costs. Total cash costs ^{NG} amounted to \$2,386 per ounce of gold sold in the first quarter of 2026, resulting in a gross profit of \$2,484 per ounce of gold sold, equivalent to approximately 51% of gold revenue.

The Company's gold sales and total cash costs per ounce sold over the trailing eight quarters is as follows:

\$000's	2026	2025				2024		
	1 st Qtr	4 th Qtr	3 rd Qtr	2 nd Qtr	1 st Qtr	4 th Qtr	3 rd Qtr	2 nd Qtr
Gold sold (ozs)	593	207	113	13	-	-	-	-
Total cash cost (\$/oz) ⁽¹⁾	\$ 2,386	\$ 2,266	\$ 2,522	\$ 2,260	\$ -	\$ -	\$ -	\$ -

(1) Refer to non-GAAP measures on page 24.

Other Profit and Loss Items

(\$000's)	First Quarter	
	2026	2025
G&A expenses	\$ 1,509	\$ 1,265
Share-based compensation expense	689	17
Finance costs	4,795	809
Loss on financial instruments	13,494	2,897
Gain on settlements of gold premiums and interest on Convertible Debentures	339	-

G&A expenses are generally attributed to costs associated with the corporate functions of the public company, including personnel related costs, board fees, legal and audit fees, insurance, business development, shareholder relations and investor relations program costs. G&A expenses of \$1.5 million in the first quarter of 2026, up from \$1.3 million in the first quarter last year, reflect an increase in business development activities.

Share-based compensation expense represents the service cost of stock options and DSUs granted by the Company under its long-term incentive program to executive officers, directors, senior management and consultants. Stock options and DSUs typically vest over a one-year period following the grant date and the service cost is recognized over the vesting period. The \$0.7 million expense recognized in the first quarter of 2026 primarily reflects service cost related to the stock options granted in 2025.

Finance costs during the first quarter of 2026 amounted to \$4.8 million, up from \$0.8 million in the first quarter of 2025, primarily related to borrowing costs associated with the Company's Convertible Debentures, net of amounts capitalized. In the first quarter of 2026, gross borrowing costs, comprising interest and accretion, incurred amounted to \$5.6 million, of which \$0.8 million was capitalized to the Zancudo Project. In the first quarter of 2025, gross borrowing costs amounted to \$1.0 million, of which \$0.3 million was capitalized. Gross borrowing costs include:

- The first quarterly gold premium of approximately \$4.4 million on the Convertible Debentures Series was that was due at the end of January 2026 and was settled in shares;
- Interest of approximately \$0.7 million in the first quarter of 2026 on the Convertible Debentures that was settled in shares. The \$0.7 million of interest on the Convertible Debentures in the first quarter of 2025 was settled in cash; and,
- Other interest and accretion in the first quarter of 2026 totalling approximately \$0.4 million associated with the Zancudo NSR agreement, the Zancudo Prepayment Facility and the short-term borrowings compared with \$0.3 million in the first quarter of 2025.

The Company's Convertible Debentures are financial liabilities and have been designated at fair value through profit and loss ("FVTPL"). Driven primarily by an increase in the Company's share price from CA\$0.71 per

share at December 31, 2025 to CA\$1.01 per share at March 31, 2026, the fair value of the Convertible Debentures increased to \$67.9 million at March 31, 2026 and the Company recognized a **loss on financial instruments** of \$13.5 million in the first quarter of 2026 for the change in the fair value of the Convertible Debentures. Changes in gold prices in the first quarter of 2026 had minimal impact on the fair value of the Convertible Debentures in the first quarter of 2026 as spot gold prices remained above the \$4,000 per ounce maximum amount used in the determination of gold premiums. In the first quarter last year, the Company recognized a loss on financial instruments of \$2.9 million.

In 2025, the Company received approval from the holders of both series of Convertible Debentures to issue shares, rather than cash, to settle the monthly interest and certain gold premiums on the Convertible Debentures commencing June 30, 2025 and continuing through to, and including, May 31, 2026. The number of shares to be issued to settle the monthly interest payments is determined based on the Company's share price 15 days before the respective interest payment date ("Monthly Measurement Date"). The shares are subsequently recorded in shareholders' equity at the closing share price on the date they are issued. The Company issued a total of 10,159,003 shares during the first quarter of 2026 to settle the gold premium due at the end of January 2026 and for the monthly interest due for January through March 2026. The difference between the share prices on the issue date versus the Monthly Measurement Dates resulted in a **gain on settlement of gold premiums and interest on the Convertible Debentures** in the amount of \$0.3 million in the first quarter of 2026. No shares were issued in the first quarter of 2025 to settle gold premiums and interest on the Convertible Debentures.

Net loss

The Company reported a **net loss** of \$18.4 million (\$0.11 per share) in the first quarter of 2026 compared with a net loss of \$4.2 million (\$0.04 per share) in the first quarter of 2025. The increase in the Company's net loss in the first quarter of 2026 primarily reflects an increase in the non-cash loss recognized on financial instruments of \$13.5 million in the first quarter of 2026, up from \$2.9 million in the first quarter last year. The first quarter 2026 net loss also reflects the quarterly gold premium of \$4.4 million on the Company's Convertible Debentures that was settled with shares at the end of January 2026.

Summary of Quarterly Results

\$000's except ounces, per ounce and per share data	2026	2025				2024		
	1 st Qtr	4 th Qtr	3 rd Qtr	2 nd Qtr	1 st Qtr	4 th Qtr	3 rd Qtr	2 nd Qtr
Operating data								
Gold sold (ounces)	593	207	113	13	-	-	-	-
Average realized gold price (\$/oz sold) ⁽¹⁾	\$ 4,870	\$ 4,348	\$ 3,469	\$ 3,303	\$ -	\$ -	\$ -	\$ -
Total cash cost (\$/oz sold) ⁽¹⁾	2,386	2,266	2,522	2,260	-	-	-	-
Financial data								
Revenue	\$ 3,527	\$ 1,151	\$ 456	\$ 49	\$ -	\$ -	\$ -	\$ -
Gross profit	1,473	431	107	14	-	-	-	-
Loss from operations	(725)	(2,666)	(1,394)	(1,413)	(1,282)	(1,236)	(1,080)	(1,773)
Net (loss) income	(18,410)	(10,231)	(11,666)	(5,012)	(4,243)	2,129	(9,466)	8,523
Per share - basic and diluted	(0.11)	(0.07)	(0.09)	(0.05)	(0.04)	0.02	(0.14)	0.13
Exploration and capital expenditures	2,100	2,091	2,064	2,076	1,127	2,332	3,601	3,002

(1) Refer to non-GAAP measures on page 24.

Results of operations can vary significantly by quarter as a result of a number of factors. The Company's level of activity and expenditures during a specific quarter are influenced by the level of working capital, the availability of external financing, the time required for ongoing administration and maintenance of the Company and its exploration and mining projects.

The Company issued the Convertible Debentures Series 1 in 2023 and followed up with the issuance of the Convertible Debentures Series 2 in the second quarter of 2024. The Convertible Debentures are financial liabilities and have been designated at FVTPL. Changes in assumptions used in the determination of fair value estimates for the Convertible Debentures including, but not limited to, volatility factors, risk-free rates, stock price, credit spreads, gold futures curve and liquidity discounts may also generate non-cash losses or gains on financial instruments that cause the results of operations to vary significantly by quarter.

Liquidity and Capital Resources

The Company's capital management objective is to have sufficient capital to be able to execute its business plan and to service its debt obligations. The Company manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions and the risk characteristics of the underlying mining and E&E assets. The continued exploration and development of the Company's mining and E&E assets is dependent on the ability of the Company to secure sufficient funds through operations or other sources. Such funds may not be available on acceptable terms or at all. Subject to market conditions, the Company may complete additional private placements to fund its operating and investing activities as the need arises. When practicable, the Company may also continue to consider using equity to settle certain obligations to preserve its cash resources during the ramp up period for its projects.

In the first quarter of 2026, the Company received \$15.1 million in cash from the exercise of warrants. Subsequent to March 31, 2026, the Company received an additional \$2.9 million from additional warrant exercises. Potential sources of future liquidity for the Company continue to reside within its current issued and outstanding securities. The Company currently has a total of 51.9 million unlisted warrants issued and outstanding as at May 13, 2026, as summarized on page 5 of this MD&A, with expiry dates between 2026 and 2030 that are exercisable at prices ranging from CA\$0.50 to CA\$0.85 per share. The Company's closing share price on Cboe Canada on May 13, 2026 was CA\$0.85 per share and over the last 52 weeks has ranged

between CA\$0.41 and CA\$1.17 per share. The full exercise of these warrants would generate total cash proceeds to the Company of approximately CA\$34.4 million (equivalent to approximately \$25 million). The Company's Convertible Debentures have exercise prices of CA\$0.45 per share for Series 1 and CA\$0.60 per share for Series 2. Exercise of the conversion option by the holders could also result in substantial financial savings to the Company. That being said, the exercise of the warrants or the conversion option on the Convertible Debentures is solely at the discretion of the holders of the securities.

The issuance of equity through private placements is another source of liquidity for the Company. Historically the Company has funded the exploration and development of its projects through private placements. On May 6, 2026, the Company announced that it has been advised by ProGrowth that it would like to make an initial investment of up to a 10% equity interest in Denarius Metals through a private placement expected to be completed in the second quarter of 2026. If completed, the net proceeds of this private placement would be used for exploration at the Company's projects in Spain and for general corporate purposes.

Trafigura Prepayment Financing Related to Zancudo Project

In April 2024, the Company signed a commercial agreement with Trafigura for the sale at market prices of 100% of the high-grade gold-silver concentrates to be produced at its Zancudo Project over the next eight years. In conjunction with this offtake arrangement, the Company executed the Zancudo Prepayment Facility on February 7, 2025 with Trafigura pursuant to which the Company will receive up to a total of \$9.0 million from Trafigura in three advances as the Company reaches certain milestones related to construction activities at its Zancudo Project. In 2025, the Company received the first two advances totaling \$5.0 million under the Zancudo Prepayment Facility and the Company expects to receive the final advance before the end of the third quarter of 2026. Advances under the Zancudo Prepayment Facility bear interest at the three-month SOFR plus 6% (March 27, 2026 – 9.7%). Interest is being capitalized during a Grace Period ending June 30, 2026. Borrowings under the Zancudo Prepayment Facility will be repaid, with interest, over a 26-month period following the Grace Period. The Zancudo Prepayment Facility is secured by certain assets of the Company related to its Zancudo Project.

Zancudo NSR

A portion of the funding raised in 2024 for construction at the Zancudo Project was sourced through the sale in March 2024 of a 3% NSR on future production from the Zancudo Project, receiving gross net proceeds of \$4.7 million.

The Zancudo NSR agreement includes a Minimum Payment Adjustment which is calculated on an annual basis, commencing March 31, 2025, until the Zancudo Project reaches commercial production as defined in the Zancudo NSR agreement. The Minimum Payment Adjustment is to be paid in cash to the Zancudo NSR holders and represents the difference between \$750,000 and the aggregate amount of actual Zancudo NSR paid to the Zancudo NSR holders during the preceding 12-month period. Once commercial production is achieved, the Minimum Payment Adjustment is cancelled. For the 12-month period ended March 31, 2026, the Company is obligated to pay a full Minimum Payment Adjustment of approximately \$616,000 as the Zancudo Project continues its ramp up toward commercial production, as defined in the Zancudo NSR agreement.

The Zancudo NSR agreement also includes a provision that if commercial production, as defined in the Zancudo NSR agreement, has not been achieved by the Zancudo Project by March 31, 2029, then the Zancudo NSR holders may elect to sell to the Company, and the Company shall be obligated to purchase, the Zancudo

NSR for an amount equal to the upfront cash payment totaling \$5.0 million (the “Put Option”). Once commercial production has been achieved, the Put Option is also cancelled.

Based on the Company’s projected ramp up in mining operations and production at the Zancudo Project in the next 12 months, the Company expects to achieve the commercial production level specified in the Zancudo NSR agreement prior to March 31, 2027, thereby cancelling both the Minimum Payment Adjustment and the Put Option prior to that date.

Aguablanca Project Re-Start and Related Financing

As described elsewhere in this MD&A, the Company’s strategy includes a planned re-start of operations at the Aguablanca Project within the next 12 months. Pursuant to the new RNR shareholders agreement entered into with the RNR Shareholders Group at the end of 2024, the Company has advanced a total of \$3.7 million to date to the RNR joint venture to fund overhead and site related costs. The RNR shareholders agreement specifies that these advances will be repaid to the Company, with interest, from future cash flows from the Aguablanca Project within five years of the re-start of operations.

The Company, as operator, has been tasked with coordinating the financing on behalf of the RNR joint venture to fund the capital cost of the re-start activities which are currently estimated to total approximately EUR 22 million (equivalent to approximately \$25 million). In late March and early April 2026, the Company, as operator and on behalf of the RNR joint venture, closed a private placement in two tranches totaling \$7.5 million of RNR Notes. Insiders of the Company, including Serafino Iacono, Executive Chairman, and Federico Restrepo-Solano, CEO and a director, acquired a total of approximately \$2.7 million of the RNR Notes. The Company is also currently in a process with a third party for a EUR 20 million senior secured facility to be undertaken by RNR that is expected to be finalized in the second quarter of 2026. With these financings in place, the RNR joint venture will be in a position to immediately commence the activities to re-start operations at the Aguablanca Project without the need for additional advances from the Company. Production at Aguablanca is expected to commence in the first half of 2027.

Going Concern and Working Capital Deficit

The Company has commenced mining operations and early production at its Zancudo Project. In the first quarter of 2026, revenues amounted to \$3.5 million and gross profit was \$1.5 million. However, the Company reported a net loss in the first quarter of 2026 of \$18.4 million, including a non-cash loss on financial instruments of \$13.5 million, and net cash used in operating activities of \$1.2 million.

As at March 31, 2026, the Company has cash and cash equivalents of \$17.9 million and a working capital deficiency of \$54.8 million, including \$67.9 million for the Convertible Debentures. The Convertible Debentures are carried at fair value through profit or loss. The principal amount of the Convertible Debentures issued and outstanding at the end of 2025 is CA\$34.2 million (equivalent to \$24.6 million) and they are not repayable in cash within the next 12 months. However, the Company must commence paying quarterly gold premiums, as described under *Financial Instruments* on page 22, in cash on the Convertible Debentures starting in June 2026 of up to 30.6% per quarter on the principal amount for Series 1 and up to 25% per quarter on the principal amount for Series 2.

The Company is generating cash flow from its mining operations which is expected to increase as it continues the ramp up of its Zancudo mining operations to reach commercial production before the end of 2026. The Company also has approximately \$3.4 million of financing available through the Zancudo Prepayment Facility

to fund construction at the Zancudo Project. However, it will require additional sources of capital to fund ongoing operational requirements, planned exploration, development and capital expenditures related to its mineral property and E&E assets, and to pay the gold premiums and interest on its Convertible Debentures. To continue as a going concern, the Company must generate sufficient operating cash flow to fund these requirements or secure new funding. There can be no assurance that these initiatives will be successful. These material uncertainties cast significant doubt as to the ability of the Company to meet its business plan and obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company believes that the going concern assumption is appropriate for the Interim Financial Statements and that it will be able to fund its operational requirements, planned exploration and capital programs and its debt service on the Convertible Debentures during the current year and beyond. There is no guarantee that the Company will be successful in its endeavors and no certainty as to the timing of the Company's impending exploration and development programs, the ramp up in mining operations at the Zancudo Project or the commencement of mining operations at the Aguablanca Project. Should the going concern assumption not be appropriate and the Company is not able to realize its assets and settle its liabilities, the Interim Financial Statements of the Company would require adjustments to the amounts and classifications of assets and liabilities, and these adjustments could be material.

Operating activities

Net cash used in operating activities in the first quarter of 2026 amounted to \$1.2 million, benefitting from the gross profit of \$1.5 million from the sale of its gold and silver production from its Zancudo Project and finance income of approximately \$0.1 million which was offset by \$1.5 million of G&A expenses and a \$1.3 million increase in non-cash working capital items. In the first quarter of 2025, G&A expenses were the primary driver of the \$1.2 million net cash used in operating activities.

Investing activities

Net cash used in investing activities in the first quarter of 2026 amounted to \$2.6 million compared with \$2.3 million in the first quarter of 2025, including:

- \$2.1 million, up from \$1.1 million in the first quarter of 2025, for expenditures on the Company's mineral property, plant and equipment and E&E assets as detailed by project in the table on page 22. Activities continue to focus primarily on the Zancudo Project which is ramping up operations in 2026 as it completes the construction of its new processing plant, tailings storage facility, access road and other site facilities.
- \$0.5 million of advances to the RNR joint venture in the first quarter of 2026, compared with \$0.9 million in the first quarter last year, to fund overhead and site related costs while the Company, in its role as operator, coordinates the financing for the RNR joint venture (see page 22).
- \$0.3 million for the final payment in the first quarter of 2025 to the RNR Shareholder Group in connection with the Company's acquisition of its equity interest in the RNR joint venture.

Total E&E and capital expenditures by project over the trailing eight quarters is as follows:

\$000's	2026	2025				2024		
	1 st Qtr	4 th Qtr	3 rd Qtr	2 nd Qtr	1 st Qtr	4 th Qtr	3 rd Qtr	2 nd Qtr
<i>Colombia</i>								
Zancudo Project	\$ 1,678	\$ 1,464	\$ 1,161	\$ 1,247	\$ 711	\$ 1,513	\$ 2,931	\$ 2,132
<i>Spain</i>								
Lomero Project	293	476	617	626	322	804	494	561
Toral Project	129	151	268	221	94	15	176	309
Total expenditures	\$ 2,100	\$ 2,091	\$ 2,046	\$ 2,094	\$ 1,127	\$ 2,332	\$ 3,601	\$ 3,002

Financing activities

Net cash provided by financing activities in the first quarter of 2026 was \$15.1 million, primarily sourced from the proceeds of warrants exercises. In the first quarter of 2025, net cash provided by financing activities was \$5.4 million, including \$2.4 million from the first advance under the Zancudo Prepayment Facility and \$3.4 million of net proceeds from an private placement completed in March 2025, partially offset by \$0.5 million used to pay interest on the Convertible Debentures.

Related Party Transactions

As noted on page 20, insiders of the Company, including Serafino Iacono, Executive Chairman, and Federico Restrepo-Solano, CEO and a director, acquired a total of approximately \$2.7 million of the RNR Notes.

This transaction, occurring in the normal course of operations, was measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Financial Instruments

The nature of the acquisition, exploration, development and operation of mineral properties exposes the Company to risks associated with fluctuations in commodity prices, foreign currency exchange rates and credit risk. The Company may at times enter into risk management contracts to mitigate these risks. It is the Company's policy that no speculative trading in derivatives shall be undertaken.

The Company may at times hold financial instruments, derivatives and/or contracts containing embedded derivatives, which are recorded on its consolidated balance sheet at fair value with gains and losses in each period included in profit (loss) and in other comprehensive income (loss), as appropriate. The most significant of these instruments are the Convertible Debentures.

As of March 31, 2026, the outstanding aggregate principal value of the Convertible Debentures is CA\$34.2 million and the carrying value is \$67.9 million. The Convertible Debentures bear interest at 12% per annum, payable monthly. In addition to the interest, the Convertible Debentures pay a quarterly gold premium starting in 2026. The gold premiums will represent a percentage equal to 25% of (i) the amount, if any, by which the London Bullion Market Association Gold Price (the "Spot Price") on the respective measurement dates exceeds a prescribed floor price (Convertible Debentures Series 1 - \$1,800 per ounce; Convertible Debentures Series 2 - \$2,000 per ounce) divided by (ii) the respective floor price. The quarterly gold premium payments will be equal to the gold premium multiplied by the principal amount of the Convertible Debentures. The Company has not entered into any instruments to hedge against the market movement of gold. To reduce the risk that rising gold prices will result in higher gold premiums to be paid, the Company has implemented a maximum of

\$4,000 per ounce (the “Maximum Spot Price”) for the Spot Price to be used in the gold premium calculations. As current gold prices are above the Maximum Spot Price, the Company has capped its risk associated with the gold premiums. Further information about the Company’s financial instruments, derivatives and contracts containing embedded derivatives and associated risks is outlined in Note 13 to the Interim Financial Statements.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of the consolidated financial statements requires management to make significant estimates and assumptions in determining carrying values. Estimates are continuously evaluated and are based on management’s best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ significantly from the amounts included in the consolidated financial statements. The critical estimates applied in the preparation of the Company’s Interim Financial Statements are consistent with those applied and disclosed in Note 4 to the Company’s audited consolidated financial statements for the year ended December 31, 2025.

Recent Accounting Pronouncements

New accounting standards issued but not yet effective

IFRS 18 – Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in the Financial Statements (“IFRS 18”) replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. The adoption of IFRS 18 will not affect net income, but it will change how income and expenses are presented. Items of income and expenses in the statement of operations will be classified into three new categories of operating, investing, and financing, with new subtotals presented. As a result of IFRS 18, amendments to IAS 7 Statement of Cash Flows were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 Earnings per Share were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Internal controls over financial reporting

The Company's management, including the Chief Executive Officer and Chief Financial Officer, are responsible for establishing adequate internal controls over financial reporting that provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external

purposes in accordance with IFRS. In addition, management, including the Chief Executive Officer and Chief Financial Officer, are responsible for establishing that adequate disclosure controls and procedures have been designed to provide reasonable assurance that all material information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate and recorded, processed, summarized and reported to allow timely decisions with respect to required disclosure, including in its annual filings, interim filings or other reports filed or submitted by it under securities legislation.

Changes in internal controls

During the three months ended March 31, 2026, there were no changes in the Company's internal controls over financial reporting that materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

Limitations of controls and procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Non-GAAP Measures

The Company has included non-GAAP measures in this MD&A such as average realized gold and silver prices per ounce sold, total cash cost (by-product) per ounce sold and AISC per ounce sold. These non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

These measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to other issuers. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's underlying performance of its core operations and its ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Non-GAAP measures referred to in this MD&A are defined and calculated as follows:

- “*Average realized gold and silver prices per ounce sold*” is calculated by dividing gold or silver revenue, as applicable, by the respective number of ounces sold.
- “*Total cash costs per ounce sold*” is calculated on a by-product basis by deducting revenues from silver sales from operating costs and dividing the sum by the number of gold ounces sold. Operating costs

include mining, transportation, mine site overhead, royalties and selling costs.

- “AISC per ounce sold”, as incorporated in the PEA for the Zabcudo Project, includes total cash costs, as defined above, and adds the sum of sustaining capital and exploration expenditures, divided by the number of gold ounces sold.

The following tables reconciles the Company’s average realized gold and silver prices and total cash costs, all on a per ounce sold basis, as disclosed in this MD&A for the quarters and the year ended December 31, 2025:

\$000's, except ounce and per ounce data	First Quarter	
	2026	2025
Revenues		
Gold	\$ 2,888	\$ -
Silver	639	-
	\$ 3,527	\$ -
Ounces sold		
Gold	593	-
Silver	7,839	-
Average realized price (\$/oz sold)		
Gold	\$ 4,870	\$ -
Silver	82	-
Operating costs	\$ 2,054	\$ -
Less: silver revenue	(639)	-
Total cash costs on a by-product credit basis	\$ 1,415	\$ -
Total cash costs per ounce of gold sold	\$ 2,386	\$ -

Risks and Uncertainties

Exploration, development and mining of precious and other metals involve numerous inherent risks as a result of the economic conditions in the various areas of operation. As such, the Company is subject to several financial, operational and political risks that could have a significant impact on its profitability and levels of operating cash flows. Although the Company assesses and minimizes these risks by applying high operating standards, including careful management and planning of its facilities, hiring qualified personnel and developing their skills through training and development programs, these risks cannot be eliminated.

Such risks include:

- General
 - Limited operating history
 - Negative operating cash flow and dependence on third-party financing
 - Uncertainty of additional financing
 - Competitive conditions
 - Title to properties
 - Property commitments
 - Risks related to the cyclical nature of the resource exploration business
 - Conflicts of interest
 - Permits and licenses
 - Environmental and other regulatory requirements
 - Decommissioning and reclamation

- Climate change risks
- Legal and litigation
- Foreign currency translation
- Taxation
- Uninsured and uninsurable risks
- Volatility of share price
- Sales of a significant number of common shares could suppress share price
- Liquidity
- No known mineral reserves or mineral resources
- Exploration risks
- Corruption and bribery laws
- Shareholder activism
- Public corporation obligations
- Community relations
- Reliance upon key personnel
- Colombia specific
 - Emerging market country
 - Economic and political developments
 - Decline in economic growth
 - Extensive controls & changes in laws or regulations
 - Corruption
 - Money laundering and other illegal and improper activities
 - Delays in obtaining environmental and other licenses
 - Seizure or expropriation of assets
 - Protection on mining rights
 - Local legal and regulatory systems
 - Colombia is a less developed country
 - Guerilla and other criminal activity
 - US – Colombia tensions
- Spain specific
 - Economic, political and regulatory environment
 - Macroeconomic and financial risks
 - Political fragmentation and public response capacity
 - Environmental, climate and biodiversity risks
 - Water, permits and social license to operate
 - Geopolitical conflicts and Spain's indirect exposure
 - International trade and dependence on the European environment

If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently aware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the prices of the Company's securities could decline and investors may lose all or part of their investment.

Readers are encouraged to read and consider the risk factors listed above which are more specifically described under the caption "*Risk Factors*" in the Company's Annual Information Form dated as of March 31, 2026 which is available for view under Denarius Metals' profile on SEDAR+ at www.sedarplus.ca. Such risk

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

Cautionary Note Regarding Forward Looking Statements

Certain statements in this MD&A constitute forward-looking information. Often, but not always, forward-looking statements use words or phrases such as: "expects", "does not expect" or "is expected", "anticipates" or "does not anticipate", "plans" or "planned", "estimates" or "estimated", "projects" or "projected", "forecasts" or "forecasted", "believes", "intends", "likely", "possible", "probable", "scheduled", "positioned", "goal", "objective" or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such forward-looking statements, including but not limited to statements with respect to anticipated business plans or strategies, including future exploration activities that may be carried out by the Company, involve known and unknown risks, uncertainties and other factors which may cause the actual actions, events and results to be materially different from estimated actions, events or results expressed or implied by such forward-looking statements. The Company believes the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption "*Risk Factors*" in the Company's Annual Information Form dated as of March 31, 2026 which is available for view under Denarius Metals' profile on SEDAR+ at www.sedarplus.ca. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.