

**TERRA ROSSA GOLD LTD.**  
(formerly 0749116 B.C. Ltd)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

**306 – 595 Howe Street**  
**Vancouver, BC V6C 2T5**

## Management's Discussion and Analysis For the years ended December 31, 2025 and 2024

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The following discussion and analysis, prepared as of April 29, 2026, has been prepared by management. The following discussion of performance, financial condition and future prospects should be read in conjunction with the consolidated financial statements for the years ended December 31, 2025 and 2024 of TERRA ROSSA GOLD LTD. (formerly 0749116 B.C. Ltd.) (with its subsidiaries, collectively, the "Company" or "Terra Rosa"). The consolidated financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included in the following Management's Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated.

### FORWARD LOOKING STATEMENTS

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the availability of financing for the Company's objectives on reasonable terms;
- the ability to attract and retain skilled staff and consultants;
- foreign currency and exchange rates;
- market competition; and
- tax benefits and tax rates.

These forward-looking statements involve risks and uncertainties relating to, among other things, risks related to international operations, conclusions of economic evaluations, and changes in project parameters as plans continue to be refined. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.

### DESCRIPTION OF BUSINESS

The Company is a mineral exploration company that is primarily engaged in the acquisition and exploration of mineral properties in Colombia. Terra Rossa was incorporated under the *Business Corporations Act* (British Columbia) on April 1, 2010. The Company's principal place of business is 306 – 595 Howe Street, Vancouver, British Columbia, Canada V6C 2T5.

The Company trades on the Toronto Stock Venture Exchange ("TSXV") under the symbol "TRR". The Company is also listed on the OTCQB under the symbol "TRGXF".

#### ***Minera Vetas Project***

The Minera Vetas Project is located in the Northern Andes of Colombia, approximately 70 kilometres (km) northeast of Bucaramanga, Santander, Colombia. The Minera Vetas Property comprises 9 mineral claims covering a combined area of approximately 313.9 hectares (ha), located in the California-Vetas Mining District, town of Vetas, Santander department, Colombia. The Property is located in a favourable geological setting, within the Santander Massif which is part of a triangular block known as the Maracaibo Subplate Realm.

On November 16, 2020 (the "Effective Date"), and subsequently amended on March 11, 2022 and June 9, 2023, the Company entered into an option agreement to purchase 100% shares in Minera Vetas, a private company which holds a 100% undivided interest in the Minera Vetas Property, comprised of nine core concessions, in Santander, Colombia.

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The Minera Vetás Property is subject to the following royalties:

- a) \$5 per ounce of Measured and Indicated resources reported in 43-101 compliant technical reports payable to the original Colombian vendors.
- b) 4% NSR royalty payable to the Colombian state calculated at 80% of the gold price for an effective royalty of 3.2%.

As per the June 9, 2022 amendment, the Company has completed the following commitments:

- a) Pay \$250,000 USD (\$324,010 CDN) in cash to the optionor (paid during the year ended December 31, 2020);
- b) incur \$500,000 USD of exploration expenditures on the property on or before 18 months from the Effective Date (completed);
- c) pay \$500,000 USD in cash to the optionor on or before March 11, 2022 (paid during the year ended December 31, 2022);
- d) pay \$1,250,000 USD (\$1,250,000 USD paid June 9, 2022); and
- e) issue 10,900,000 common shares of the Company (issued June 9, 2022) subject to certain transfer restrictions.

On June 9, 2022, the Company executed its option on Minera Vetás by completing its cash payments and issuance of common shares whereupon it acquired 100% of the outstanding shares of Minera Vetás.

At the time of acquisition, Minera Vetás was subject to two property negotiations with respect to legacy option agreements:

- 1) Mataperro Claim: Minera Vetás, prior to June 9, 2022, had terminated an option agreement over which the vendors are disputing the requirement to make additional payments. During the year ended December 31, 2025, the Company entered into a transaction agreement to settle and resolve the lawsuit.
- 2) San Marcos Option: On January 24, 2025, the court's ruling was in favour of Minera Vetás. The plaintiff paid Minera Vetás procedural expenses of approximately \$3,142 USD.

### OVERALL PERFORMANCE AND HIGHLIGHTS

To date, the Company has not yet realized profitable operations and has relied on equity financing and loans to fund the losses. The Company recognized a comprehensive loss of \$4,278,520 during the year ended December 31, 2025 (2024 - \$678,051).

#### *Reverse Takeover*

On October 20, 2025, the Company completed a three-cornered amalgamation between the Company, TRG Exploration Corp. ("TRG") and 1460971 B.C. Ltd. ("SubCo"). Accordingly, TRG is considered to have acquired the Company with the transaction being accounted for as a reverse takeover of the Company by TRG shareholders (the "RTO").

As TRG is deemed to be the acquirer for accounting purposes, the years ended December 31, 2025 and 2024 consolidated financial statements of the Company represent a continuation of the financial position and financial performance of TRG prior to the acquisition of Terra Rossa. The results of operations of Terra Rossa are included from October 20, 2025, the deemed date of acquisition of Terra Rossa, onwards.

In connection with the transaction, the Company completed its concurrent non-brokered private placement for the issuance of 11,895,000 special warrants at a price of \$0.50 per special warrant for aggregate gross proceeds of \$5,947,500.

### OUTLOOK

To date, the Company's has had no revenue. The Company is working to enhance financial resources and identify new opportunities through the acquisition, exploration and development of mineral properties.

### OUTSTANDING SHARE DATA

At the date of this report, the Company has:

- 72,992,203 issued and outstanding common shares;
- 17,388,694 warrants; and
- 1,350,000 outstanding stock options

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**SELECTED ANNUAL INFORMATION**

The following table sets forth selected audited financial information of the Company for the last three completed financial years:

	December 31, 2025	December 31, 2024	December 31, 2023
Total revenue	\$ -	\$ -	\$ -
Total assets	13,063,236	8,490,156	9,164,668
Total liabilities	492,122	400,460	469,318
Net and comprehensive loss for the year	(4,278,520)	(678,051)	(578,025)
Loss per share	(0.07)	(0.01)	(0.01)

During the year ended December 31, 2025, total assets increased compared to December 31, 2024 and December 31, 2023 as the Company completed a non-brokered private placement concurrent with the RTO. Total liabilities remained consistent throughout the periods, reflecting offsetting movements across underlying liability categories. The net and comprehensive loss increased from December 31, 2023 to December 31, 2025, primarily due to a one-time listing expense of \$2,839,850 related to the RTO, as well as higher expenditures associated with increased activity.

**SUMMARY OF QUARTERLY RESULTS**

	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Net loss and comprehensive loss for the period	\$ (3,366,007)	\$ (343,943)	\$ (255,027)	\$ (313,543)
Basic and diluted loss per share	(0.05)	(0.01)	(0.00)	(0.01)

  

	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Net loss and comprehensive loss for the period	\$ (215,625)	\$ (240,564)	\$ (93,833)	\$ (128,029)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

The increase in net loss and comprehensive loss for the period December 31, 2025 is primarily due to a one-time listing expense of \$2,839,850. The periods from March 31, 2024 to September 30, 2025 remained relatively consistent due to stable operating activities and no significant changes in overall cost structure.

**RESULTS OF OPERATIONS**

*For the three months ended December 31, 2025*

For the three months ended December 31, 2025, the Company recognized a comprehensive loss of \$3,366,007 (2024 – \$215,625). Significant expenses included in comprehensive loss are as follows:

- Consulting fees of \$95,607 (2024 - \$15,000) is associated with payments for financial reporting and general consulting services and to the Chief Executive Officer and Chief Financial Officer.
- Exploration expenditures of \$106,937 (2024 - \$36,254) done on the Minera Vetas Project.
- Filing fees of \$84,278 (2024 - \$nil) is primarily associated with the RTO costs.
- Listing expense of \$2,839,850 (2024 - \$nil) is a one-time expense from the three-cornered amalgamation.
- Professional fees of \$192,684 (2024 - \$112,318) is primarily from legal fees due to corporate matters.

*For the year ended December 31, 2025*

For the year ended December 31, 2025, the Company recognized a comprehensive loss of \$4,278,520 (2024 – \$678,051). Significant expenses included in comprehensive loss are as follows:

- Consulting fees of \$149,307 (2024 - \$47,583) is associated with payments for financial reporting and general consulting services and to the Chief Executive Officer and Chief Financial Officer.

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- Exploration expenditures of \$365,839 (2024 - \$168,616) done on the Minera Vetas Project.
- Filing fees of \$89,626 (2024 - \$nil) is primarily associated with the RTO costs.
- Listing expense of \$2,839,850 (2024 - \$nil) is a one-time expense from the three-cornered amalgamation.
- Professional fees of \$600,448 (2024 - \$243,513) is primarily from legal fees due to corporate matters.

#### LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has not yet realized profitable operations and has relied on equity financings to fund the losses. The Company's growth and success is dependent on additional external sources of financing until such time that profitable operations are achieved. The Company reported a net loss for the year ended December 31, 2025 of \$4,278,520 (2024 - \$678,051) and as of that date had an accumulated deficit of \$10,557,480 (2024 - \$6,278,960) and working capital of \$6,072,328 (2024 - \$1,531,879). The Company incurred negative cash flows from operations of \$1,341,851 (2024 - \$692,697) for the same period. The Company will need to raise additional funds in the short term to continue to be able to operate, meet its commitments and execute on its acquisitions as it moves towards profitable operations.

Although the Company has been able in the past to obtain financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

#### For the year ended December 31, 2025

As at December 31, 2025, the Company had cash of \$5,899,302 and working capital of \$6,072,328, compared with cash of \$1,401,759 and working capital of \$1,531,879 as of December 31, 2024.

##### *Cash Used in Operating Activities*

Cash used in operating activities during the year ended December 31, 2025 was \$1,341,851 (2024 - \$692,697) resulting from a net loss of \$4,278,520 (2024 - \$678,051) from operations and net of non-cash and working capital adjustments.

##### *Cash Provided by Investing Activity*

Cash provided by investing activity during the year ended December 31, 2025 was \$62,391 (2024 - \$nil) from cash received in the RTO.

##### *Cash Provided by (Used in) Financing Activities*

For the year ended December 31, 2025, cash provided by financing activities was \$5,777,003 (2024 - cash used \$32,017). The Company received \$5,947,500 (2024 - \$nil) from a private placement, offset by \$138,480 (2024 - \$nil) in share issuance costs and \$32,017 (2024 - \$32,017) in lease payments.

##### *Requirement of Additional Equity Financing*

The Company has relied primarily on equity financings to date for its operations. The Company needs additional funds to finance its ongoing operating costs. The Company intends to continue relying upon the issuance of securities to finance its operations and acquisitions until such time that the Company becomes self-sustaining.

#### RELATED PARTY TRANSACTIONS

##### Management Compensation

The key management personnel of the Company include the directors and officers of the Company including the Chief Executive Officer and Chief Financial Officer.

During the year ended December 31, 2025, \$16,000 was paid or accrued to the Chief Executive Officer (2024 - \$nil).

During the year ended December 31, 2025, \$60,000 was paid or accrued to the Chief Financial Officer (2024 - \$45,000).

Share-based payments attributable to directors and officers for stock options granted, vested or modified in the year ended December 31, 2025 was \$66,624 (2024 - \$65,240).

As at December 31, 2025, there was amounts due to related parties included in accounts payable and accrued liabilities of \$16,821 (2024 - \$5,000).

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Payments to related parties were made in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

### Off Balance Sheet Arrangements and Proposed Transactions

The Company has no off-balance sheet arrangements. There are no proposed transactions other than as disclosed elsewhere in this document.

### Accounting Policies and Estimates

The Company's material accounting policies are disclosed in note 2 of the Company's consolidated financial statements for the year ended December 31, 2025.

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates. The Company's significant use of judgments and estimates are disclosed in note 2 of the Company's consolidated financial statements for the year ended December 31, 2025.

In preparing this MD&A, management has made significant assumptions regarding the circumstances and timing of the transactions contemplated therein, which could result in a material adjustment to the carrying amount of certain assets and liabilities if changes to the assumptions are made.

### Financial Risk Management

The Company's financial instruments are exposed to the following risks:

#### *Credit Risk*

The Company's primary exposure to credit risk is the risk of illiquidity of cash amounting to \$5,899,302 at December 31, 2025 (2024 - \$1,401,759). The Company's policy is to keep cash holdings with major Canadian banks and to use reputable foreign banks and keeping balances in foreign jurisdictions to a manageable amount. As at December 31, 2025, the credit risk is considered by management to be low.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet operating requirements. As at December 31, 2025, the Company had working capital of \$6,072,328 (2024 - \$1,531,879). The Company does not generate revenues and is reliant on capital investments to finance operations once current resources have been depleted.

#### *Foreign Exchange Risk*

The Company incurs expenses in Colombia in Colombian Peso ("COP") which requires the use of the United States dollar ("USD") and COP. The carrying amounts of the Company's foreign currency denominated financial instruments are as follows:

<b>Canadian dollar equivalent of COP financial instruments</b>	
	\$
Cash	4,444
Receivables	10,320
Accounts payable and accrued liabilities	(4,715)

Based on the balances held as at December 31, 2025, a 10% increase (decrease) in the COP to the Canadian dollar exchange rates on this date would have resulted in a decrease (increase) in the net loss for the year of approximately \$1,005.

#### *Interest Rate Risk*

The Company is exposed to interest rate risk on its cash. Interest income is not significant to the Company's operating plan and is not a significant risk to the Company.

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### *Fair Value of Financial Instruments*

The Company's financial instruments comprise cash, receivables, investment, and accounts payable and accrued liabilities.

Cash and receivables are classified as amortized cost. Amortized cost approximates fair market value due to the short-term nature of the balances. Balances that relate to income or indirect taxes payable or receivable are not considered financial instruments.

Investments are classified as fair value through profit and loss and are recorded in the consolidated financial statements at estimated fair value. As at December 31, 2025, the Company's investments consist of common shares in a private company which the Company values using Level 3 inputs.

Accounts payable and accrued liabilities are recorded in the consolidated financial statements at amortized cost. The fair value of these instruments approximates the carrying value due to the short-term nature of these instruments.

### **RISK FACTORS**

Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. A more complete, but not exhaustive, listing of risks is included in the Company's filing statement filed on Sedar ([www.sedarplus.ca](http://www.sedarplus.ca)) on September 29, 2025. The risks described herein are not the only risks that affect the Company. Other risks and uncertainties that the Company does not presently consider to be material, or of which the Company is not presently aware, may become important factors that affect the Company's future business, financial condition and result of operations. Select risks significant to the Company are included here:

#### **Santurban Paramo Decree**

The Company has been operating with exploration activities that are not implicated by the Temporary Reserve Zones ("TRZ"), and anticipate future drill programs to commence after the expiry of the TRZ. Further, the Company believes it has a reasonable basis for the argument that the TRZ would not presently affect the Vetas Gold Project and that regular mineral exploration related activities may continue regardless. The Company anticipates that operations will be unaffected by the TRZ as a result. If the TRZ is extended and the Company needs new permits, it is likely that those permits will be granted if they do not imply the expansion of new mining fronts or increase the volumes of exploitation with respect to those initially authorized. If the Santurban Paramo's final delimitation covers all the Vetas Gold Project, further exploration activity at part of (or all of) the Vetas Gold Project would become prohibited, and operations as the property would cease. Any such action could have a material adverse effect on the Company's business, financial condition and results of operations. As such, an investment in the Company's should be considered highly speculative. While management of the Company believe they will continue to successfully operate under the TRZ, there can be no assurance that it will continue in this regard.

#### **Exploration, Development and Operating Risks**

Mining operations generally involve a high degree of risk. The Company's operations will be subject to all the hazards and risks normally encountered in the exploration, development and production of gold and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. The financing, exploration, development and mining of any of the Company's properties is furthermore subject to a number of macroeconomic, legal and social factors, including commodity prices, laws and regulations, political conditions, currency fluctuations, the ability to hire and retain qualified people, the inability to obtain suitable adequate machinery, equipment or labour and obtaining necessary services in jurisdictions in which the Company operates. Unfavorable changes to these and other factors have the potential to negatively affect the Company's operations and business.

Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a gold or other precious or base metal or mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; mineral prices which are highly cyclical; and

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government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures to be made by the Company towards the exploration and evaluation of gold or other minerals will result in discoveries or production of commercial quantities of gold or other minerals. In addition, once in production, mineral reserves are finite and there can be no assurance.

#### **Commodity Prices**

The Company's business is strongly affected by the world market price of gold. Global metal prices fluctuate widely and are affected by numerous factors beyond the Company's control, including global demand and production levels; political and economic conditions; producer hedging activities; speculative activities; inflation; interest rates; central bank lending, sales and purchases of gold; the strength of, and confidence in, the U.S. dollar, the currency in which the price of gold is generally quoted; and currency exchange rates.

The price of gold has fluctuated widely in recent years, and future sustained gold price declines could cause continued development of, and commercial production from, Company's projects to be uneconomic. Depending on the price of gold, Company's cash flow from any mining operations may be insufficient to meet its operating needs and capital expenditures, and as a result Company could experience losses and/or may curtail or suspend some or all of its exploration, development, construction and mining activities or otherwise revise its mine plans, and exploration, development and construction plans, and could lose its interest in, or be forced to sell, some or all of its properties.

In addition to adversely affecting the Company's Mineral Reserve estimates and the Company's financial condition, declining commodity prices could impact operations by requiring a reassessment of the feasibility of the Company's projects. Such a reassessment may be the result of a management decision or may be required under financing mergers related to a particular project. Even if such project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

The Company's operating results are expected to be substantially dependent upon the market price of gold. These prices fluctuate widely. The volatility of precious metal prices represents a substantial risk, which no amount of planning or technical expertise can fully eliminate. In the event gold prices decline or remain low for prolonged periods of time, we might be unable to develop our properties, which may adversely affect our results of operations, financial performance and cash flows.

#### **Title to Mineral Property Interests may be Challenged**

There may be challenges to title to the mineral properties in which the Company holds a material interest. If there are title defects with respect to any properties, the Company might be required to compensate other persons or perhaps reduce its interest in the affected property. Furthermore, in any such case, the investigation and resolution of these issues would divert the Company management's time from ongoing exploration and development programs. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties. If title to the Company's mineral properties is challenged or impugned, this could have a material adverse impact on the Company's business, results of operations, financial results and prospects.

#### **Uncertainty in the Estimation of Mineral Resource**

Mineral resource estimates will be based upon estimates made by the Company's personnel and independent geologists. These estimates are inherently subject to uncertainty and are based on geological interpretations and inferences drawn from drilling results and sampling analyses and may require revisions based on further exploration or development work. The estimation of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. Inferred resources are resources for which there has been insufficient exploration to define as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

The grade of mineralization which may ultimately be mined may differ from that indicated by drilling results and such differences could be material. The quantity and resulting valuation of mineral reserves and mineral resources may also vary depending on, among other things, mineral prices (which may render mineral reserves and mineral resources uneconomic), cut-off grades

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applied and estimates of future operating costs (which may be inaccurate). Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Any material change in quantity of mineral resources, mineral reserves, grade, or stripping ratio may also affect the economic viability of any project undertaken by the Company. In addition, there can be no assurance that mineral recoveries in small scale, and/or pilot laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.

There is no certainty that any of the mineral resources identified on any of the Company's properties will be realized, that any mineral resources will ever be upgraded to mineral reserves, that any anticipated level of recovery of minerals will in fact be realized, or that an identified mineral reserve or mineral resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. Until a deposit is actually mined and processed, the quantity of mineral resources and mineral reserves and grades must be considered as estimates only.

#### **Community and Stakeholder Relations**

The Company's relationships with the community in which it operates are critical to ensure the future success of its existing operations. The future success of the Company is reliant on a healthy relationship with local communities in which it operates. While the Company is committed to operating in a socially responsible manner, there is no guarantee that its efforts will be successful, in which case interventions by third parties could have a material adverse effect on the Company's business, financial position and operations.

#### **Risk of Foreign Operations**

The Company's material property is located in Colombia. Operations in Colombia are subject to risk due to the potential for social, political, economic, legal and fiscal instability. The government in Colombia faces ongoing problems including but not limited to inflation, unemployment and inequitable income distribution. In addition, Colombia experiences narcotics-related violence, a prevalence of kidnapping and extortionist activities and civil unrest in certain areas of the country. Such instability may require the Company to suspend operations. As such, the Company is subject to political, economic and other uncertainties, including, without limitation, expropriation of property without fair compensation, changes in mining policies or the personnel administering them, nationalization, currency fluctuations and devaluations, exchange controls and royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations will be conducted, as well as risks of loss due to civil strife, acts of war and insurrections.

The Company's operations may also be adversely affected by the laws and policies of Colombia affecting foreign trade, taxation and investment. Although the Company is not presently aware of any circumstances or facts which may cause the following to occur, other risks may involve matters arising out of -the evolving laws and policies in Colombia, any future imposition of special taxes or similar charges, as well as foreign exchange fluctuations and currency convertibility and controls, the unenforceability of contractual rights or the taking or nationalization of property without fair compensation, restrictions on the use of expatriates in the Company's operations, or other matters.

In the event of a dispute arising in connection with the Company's operations in Colombia, the Company may be subject to the exclusive jurisdiction of Colombian courts and may not be successful in subjecting foreign persons to the jurisdiction of the courts of Canada or enforcing Canadian judgments in other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's planned business activities in Colombia could be substantially affected by factors beyond the Company's control, any of which could have a material adverse effect on the Company.

#### **Political and Economic Risks**

The Company's exploration, development and production activities are conducted in Colombia and, as such, the Company's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, economic uncertainties; the existence or possibility of terrorism; hostage taking; military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; uncertainty as to the outcome of any litigation in foreign jurisdictions; uncertainty as to enforcement of local laws; environmental controls and permitting; restrictions on the use of land and natural resources; renegotiation or nullification of existing concessions; licenses; permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; corruption; unstable legal systems; changing political conditions; changes in mining and social policies; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or

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require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or require equity participation by local citizens; and other risks arising out of foreign sovereignty issues, which could have a significant effect on the Company.

Colombia is a developing country and the Company's mineral exploration and mining activities may be affected in varying degrees by political instability and governmental legislation and regulations relating to foreign investment and the mining industry. Changes, if any, in mining or investment policies or shifts in political attitude in Colombia, may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by: government regulations with respect to, but not limited to, restrictions on production, price controls, exchange controls, export controls, currency remittance, income or other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, local content and ownership, water use and mine safety; and the lack of certainty with respect to foreign legal systems, which may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's business, financial condition and results of operations. Furthermore, in the event of a dispute arising from the Company's activities, we may be subject to the exclusive jurisdiction of courts or arbitral proceedings outside of North America which could unexpectedly and adversely affect the outcome of a dispute.

#### ***Environmental Risks and Hazards***

The Company's operations are subject to extensive environmental regulations in the jurisdictions in which it operates, including federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all Applicable Laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present and social risks may be significant in Colombia.

#### ***Limited Operating History***

The Company has no history of earnings. The Company will carry out exploration and development with the objective of establishing economic quantities of mineral reserves. There can be no assurance that the Company will achieve profitability in the future.

#### ***Negative Operating Cash Flow***

The Company has negative operating cash flow and has incurred losses since its founding. The losses and negative operating cash flow are expected to continue for the foreseeable future as funds are expended on the exploration program on the projects and on administrative costs. The Company cannot predict when it will reach positive operating cash flow.

#### ***Management of Growth***

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

#### ***The Company as a Going Concern***

The continued operation of the Company as a going concern is dependent upon the Company's ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities and acquisitions. While the Company continues to review its operations in order to identify strategies and tactics to increase revenue streams and financing opportunities, there is no assurance that the Company will be successful in such efforts; if the Company is not successful, it may be required to significantly reduce or limit operations, or no longer operate as a going concern. It is also possible that operating expenses could

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### **For the years ended December 31, 2025 and 2024**

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increase in order to grow the business. If the Company does not significantly increase its revenue to meet these increased operating expenses and/or obtain financing until its revenue meets these operating expenses, its business, financial condition and operating results could be materially adversely affected. The Company cannot be sure when or if it will ever achieve profitability and, if it does, it may not be able to sustain or increase that profitability.

#### ***Conflicts of Interest***

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may become involved in other transactions which conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

#### ***Internal Controls***

One or more material weaknesses in the Company's internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, the Company's internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the Company's policies or procedures may deteriorate. If the Company fails to maintain the adequacy of its internal controls, including any failure or difficulty in implementing required new or improved controls, its business and results of operations could be harmed, the Company may not be able to provide reasonable assurance as to its financial results or meet its reporting obligations and there could be a material adverse effect on the price of its securities.

#### ***Uninsurable Risks***

In the course of exploration, development and production of mineral properties, certain risks may occur, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased production costs, damage to, or destruction of, mineral properties or production facilities and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on Company property, and punitive awards in connection with those claims and other liabilities. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage the Company's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to the Company. These could include loss or forfeiture of mineral interests or other assets for nonpayment of fees or taxes, and legal claims for errors or mistakes by our personnel. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the common shares.

#### ***Competition***

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire additional suitable properties or prospects in the future.

### ***Litigation***

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for common shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

### ***Liability for Actions of Employees, Contractors and Consultants***

The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Company.

The Company is exposed to the risk that its employees, contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; (ii) manufacturing standards; (iii) fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and the Company is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, the curtailment of the Company's operations or asset seizures, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

### ***Reliance on Key Personnel***

The success of the Company is highly dependent upon the ability, expertise, judgment, discretion and good faith of its limited number of senior management personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

### ***Growth Will Require New Personnel***

Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff on the operations side. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

### ***International Conflicts***

International conflicts and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Volatility in commodity prices and supply chain disruptions may adversely affect the Company's business, financial condition and results of operations.

### ***Dividends***

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company intends to retain earnings, if any, to finance the growth and development of the Company's business. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

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***Dilution***

Future sales or issuances of equity securities could decrease the value of the common shares, dilute shareholders' voting power and reduce future potential earnings per common share. The Company intends to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into common shares) and may issue additional equity securities to finance our operations, development, exploration, acquisitions or other projects. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the common shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the common shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per common share.

***Additional Financing***

The Company will require equity and/or debt financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to fund ongoing operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Company's business, results of operations, financial condition or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.