Date: May 29, 2026

The following management discussion and analysis ("**MD&A**") of the consolidated financial condition and results of the operations of Rio Silver Inc. (the "**Company**" or "**Rio Silver**") constitutes management's review of the factors that affected the Company's financial and operating performance for the periods ended March 31, 2026 and 2025. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations and should be read in conjunction with the consolidated financial statements of the Company for the years ended March 31, 2026 and 2025, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with IFRS® Accounting Standards ("IFRS"). The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. Please review the cautionary note regarding forward looking statements at the end of this MD&A. Information contained herein is presented as at **May 29, 2026**, unless otherwise indicated. All of the scientific and technical information has been prepared or reviewed by Jeffrey Reeder, P.Geo., Mr. Reeder is a Qualified Person within the meaning of National Instrument 43-101.

Further information about the Company and its operation can be obtained from www.riosilverinc.com.

DESCRIPTION OF BUSINESS

Rio Silver is a Canadian-based resource company with a mandate to acquire, explore and develop precious and base metal deposits in the Americas and is currently focused on properties in Canada and Peru. The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange ("TSXV") under the symbol "RYO".

OVERVIEW - MINERAL EXPLORATION EXPENDITURES AND ACTIVITES

The following table summarizes the continuity of expenditures by the Company's on its various mineral property projects during the years ended March 31, 2026 and December 31, 2025:

Accumulated costs/ expenditures	Niñobamba Peru	Palta Dorada Peru	Gerow Lake	Maria Norte	Total
Balance, December 31, 2024	3,750,529	-	876,633	-	4,627,162
Acquisition costs and annual fees	-	-	-	2,762,535	2,762,535
Expenditures	-	470,957	-	12,292	483,249
Disposition gain for mining concession	(572,500)	-	-	-	(572,500)
Balance, December 31, 2025	3,178,029	470,957	876,633	2,774,827	7,300,446
Expenditures	-	9,915	-	84,634	94,549
Balance, March 31, 2026	3,178,029	480,872	876,633	2,859,461	7,394,995

Niñobamba silver and gold project, Peru

The Company released the results of its successful 2012 trenching program in a news release on January 14, 2013. Highlights from the trenching program at the Niñobamba main zone where the Company discovered a new gold-silver zone include; 56 metres of 1.03 g/t Au and 98.9 g/t Ag in trench TR-01 and 21.77 metres of 1.32 g/t Au and 102.46 g/t Ag in TR-04 ending in mineralization. These results show that the Niñobamba property has a strong gold component, and further exploration is required to determine the precious metal zonation, alteration patterns and widths. The trenches were cut approximately perpendicular to the mineralized structure, and the true width of mineralization cannot be determined at this time. Detailed assays and trenching results can be viewed at the Company's website http://www.riosilverinc.com/peru.php. The Company has closed out the open trenches left from the 2012 program as well as fulfilling its community obligations, employing the community members.

Further work is subject to the Company's successful accessing of exploration funding.

In September 2016 the Company acquired 3 concessions from Newmont/Southern Peru Copper Corp. that adjoin to the west of the principal Niñobamba concession. In January 2017 the Company acquired by application, an additional 553 hectare concession immediately west of and adjoining to the Niñobamba property; this concession is pending title confirmation. The acquisition of the 3 concessions acquired in September 2016 included an extensive database with results and reports from a substantial exploration program which also encompassed the 553 hectares acquired by application. The Company is reviewing data that was part of the acquisition and will undertake follow up exploration work as a result of this compilation and the recommendations from this review.

Significant exploration by the previous owners was completed within the new concession that covers extensive alteration believed to be part of the same high-sulphidation silver-gold system identified on the main Niñobamba zone located 6.5 kilometres to the east. Four prospective areas were identified by the previous owners of which a zone called Jorimina returned prospective precious metal results.

The Jorimina zone is situated within a collapsed caldera and the rocks are dominantly rhyolite to dacite volcanics. Gold and silver mineralization in the zone is related to north easterly striking, steeply dipping, quartz-galena-pyrite veins and veinlets. Surface work programs completed by Newmont Mining included mapping, 2114 rock samples, and induced polarization geophysics that identified a gold anomalous area of approximately 700 metres by 1000 metres and four strong chargeability anomalies coinciding with gold-silver in rock anomalies. Two of the four chargeability anomalies were defined as 680 metres by 150 metres and 700 metres by 200 metres. Highlights of the surface sampling from channel rock samples from the historic database include 17.4 metres of 3.06 grams per tonne ("g/t") Au and 200 metres of 0.26 g/t Au. The Company has not completed work to verify the results of the historical surface work and diamond drilling.

From 2009 to 2010, Newmont Mining Corp. completed thirteen diamond drill holes totaling 4377 metres at Jorimina testing the 4 chargeability anomalies and limited detailed assays are available from the mineralized drill-hole intercepts in this zone. In highlight from the historic reports available, the better intercept from those holes, show drill-hole JOR-001 returned 72.3 metres of 1.19 grams per tonne ("g/t") Au starting at 53 metre depth. The true widths of mineralization from this drilling are not yet known and the Company is reviewing the historic data in preparation for future work programs.

The Jorimina zone is located 6.5 kilometers west of the main Niñobamba mineralized zones located on the original concessions owned by the Company. Historical diamond drilling results conducted by AngloGold in 2001 on the main Niñobamba zone included DDH-2, which reported assay results of 87 g/t silver over a drilled interval of 130 metres starting from a depth of nine metres, and DDH-4, reporting 54 g/t silver over a drilled interval of 96 metres starting from 23 metres. The true widths of mineralization from this drilling are not yet known.

On January 21, 2025, the Company entered into an option agreement (the "Option Agreement") with an arm's length party, African Energy Metals Inc. ("African Energy Metals") for African Energy Metals to earn an 100% undivided interest in the Niñobamba project (the "Project"). Per the terms of the Option agreement, African Energy Metals has the right to earn a 100% interest in the Project upon the full exercise of the option under the Option Agreement.

The Option Agreement requires a payment of $260,000 during the first year of the Option Agreement and further payments of up to US$2,000,000, US$500,000 of which are advance payments on any royalties payable under the royalty agreement, pursuant to which a net smelter return royalty of 2% is granted to Rio Silver. African Energy Metals retains the right to buy back 1% of the NSR for US$1,000,000 prior to commercial production on the Project. The Option Agreement also requires the issuance to the Company of a total of 2,500,000 common shares of African Energy Metals upon receipt of regulatory approval and a further 2,500,000 common shares on the earlier of the date that is one year from the receipt of the Exchange's approval and May 15, 2026. Except for the payment totalling $260,000 which share be paid in cash, African Energy Metals has the right but not the obligation to issue African Energy Metals shares in lieu of 50% of any cash payment obligation. African Energy Metals paid a deposit of $10,000 on a non-refundable basis to the Company when the Option Agreement was executed. The Company will provide operational support and use of the Company's facilities in Peru for a minimum of one year at the Company's cost. The share issuances and payments under the Option Agreement are subject to the approval of the TSX Venture Exchange and the NEX Exchange.

During the year ended December 31, 2025, the Company received $260,000 payment for the Option Agreement and 2,500,000 common shares of African Energy Metals valued at $312,500. During the year ended December 31, 2025, African Energy Metals changed its name to Magma Silver Corp. On March 16, 2026, the Company received $136,695 (US$100,000) advance payments on royalties payable. Subsequent to March 31, 2026, the Company received 2,500,000 common shares of Magma Silver Corp valued at $500,000.

Palta Dorada, Peru

On October 30, 2019, the Company closed a Transfer Agreement dated September 3, 2019, pursuant to which the Company's subsidiary, Minera Rio Plata S.A.C. acquired 100% rights of 2 mining concessions (Palta Dorada property) located in Moro district of Santa province, Ancash, Peru.

The total purchase price agreed upon by Transfer Agreement amounts to the sum of US$250,000 which will be paid as follows:

- On the signing date, the sum of US$100,000 will be paid as down payment (paid);
- On September 30, 2019, the sum of US$100,000 will be paid as down payment (paid);
- On October 15, 2019, the sum of US$50,000 will be paid(paid).

During the year ended December 31, 2020, the Company signed a Memorandum of Understanding ("MOU") with Peruvian Metals Corp ("Peruvian Metals") to jointly explore the Palta Dorada Au-Ag-Cu property ("Palta Dorada" or the "Property") by initially conducting a detailed sampling and mapping program along with a bulk sampling campaign and processing the mineral at Peruvian Metals' 80% owned Aguila Norte Processing Plant ("Aguila Norte or Plant").

The Property is located in the Ancash Mining Department in Northern Peru and covers an area of approximately 1200 hectares. The MOU establishes a joint effort to explore and develop the property. Any sales from metal concentrates produced from the bulk sampling activity and all operational expenses will be shared between companies. Peruvian Metals' 80% owned Plant will charge the joint effort commercial mineral processing rates on a similar basis to its other clients for processing the bulk samples. Peruvian Metals will also have the option to earn a 50% ownership in the Property. Equal ownership will occur once Peruvian Metals has matched Rio Silver's acquisition price of the project of $250,000 US by assuming all capital and exploration expenditures. Any shortfall of capital expense by Peruvian Metals will require a cash payment to the joint effort by December 31, 2021. As at December 31, 2021, Peruvian Metals completed its earn-in requirement by investing USD $250,000 into the project, as result, the Company equally owns Palta Dorada with Peruvian Metals.

As at December 31, 2023, Peruvian Metals has spent USD$684,527 (2022: USD$547,573) toward the Property and has an excess of USD$434,527(2022: USD$297,573). The excess investment contribution is considered as the loan. The loan will charge a 12% interest annually on the amount of exceeding the USD $250,000 from the proposed joint venture to be formed between the Company and Peruvian Metals and will be paid back from the cash flow of sales of concentrates or oxide gold after all operation expenses are paid. 50% of any positive cash flow will be paid to the loan and remining 50% will be divided equally by the Company and Peruvian Metals. The Company has accrued $Nil on this loan and interest as at December 31, 2023 because the proposed joint venture has not been formed.

During the year ended December 31, 2024, the Company sold its 50% interest in the Palta Dorada Property to Peruvian Metals. The consideration for the sale is $343,113 (USD$250,000) with the Company retaining a 3% Net Smelter Royalty ("NSR" or Royalty"). Total payments from the NSR will be capped at US$2 million while the Company is guaranteed USD$250,000 in minimum royalty payments over the next five years, which will be paid semi-annually having a guaranteed minimum semi-annual payment amount of USD$25,000 starting December 2024.

During the year ended December 31, 2024, the Company recognized $642,999 gain from disposal Palta Dorada Property, of which $343,113 (USD$250,000) has been received as at December 31, 2024.

During the year ended December 31, 2025, the Company has received USD$75,000 guaranteed royalty payments.

As of March 31, 2026, the Company recognized an other receivable for the royalty payments at its fair value of $201,401, with $64,741 as the current portion and $136,660 as the long-term portion. This valuation was calculated by discounting the guaranteed minimum royalty payments using an effective interest rate of 10% over the five-year term.

Gerow Lake

The Gerow Lake property is a base metal project located in northwestern Ontario. The Company has a 100% interest subject to a 2.5% NSR applicable to 40% of the revenue generated from 14 of the 36 mineral claims (the Company having the right to purchase 1% of the NSR for $1,000,000) and, a 2% NSR on 100% of the claims (the Company having the right to purchase the NSR for $200,000).

Maria Norte, Peru

On March 26, 2025, the Company signed a definitive agreement for the acquisition of the Minas Maria Norte ("Maria Norte" or the "Property") high grade polymetallic silver, exploitation property, from Peruvian Metals Corp. ("Peruvian") (TSX-V PER) being subject to regulatory approval. On June 25, 2025, August 12, 2025 and September 17, 2025, the agreement was amended.

Under the amended terms of the agreement, the Company will acquire from Peruvian its wholly own 100% ownership interest of Mamanina Exporaciones S.A.C (the "Mamanina"), a Peruvian corporation, which holds mining rights in Maria Norte project located in Peru. Consideration includes a cash downpayment of $15,000 (paid) and US$12,500 (C$17,238), cash payment for the concessions of US$10,000 (C$13,800) (paid) and the issuance of lesser 3,999,999 common shares (issued) representing 9.27% of the issued and outstanding common shares of the Company. Cash payments totaling US$250,000 (C$292,191) will be also payable over a 5 year period (US$50,000 paid).

As of December 31, 2025, the Company recognized an accounts payable for the cash payments of US$200,000 at its fair value of $229,813, with $66,432 as the current portion and $163,381 as the long term portion. This valuation was calculated by discounting the cash payments using an effective interest rate of 10% over the five-year term.

Summary

The Company does not presently have sufficient financial resources to complete, by itself, the exploration required to develop its properties to an advanced stage. The exploration and development of the Company's properties will therefore depend upon the Company's ability to obtain financing through private placement financing, public financing, the joint venturing of projects, or other means. There is no assurance that the Company will be successful in obtaining the required financing.

SELECTED ANNUAL FINANCIAL INFORMATION

The following is selected data derived from the audited consolidated financial statements of the Company at December 31, 2025, 2024 and 2023.

Years Ended December 31,	2025	2024	2023
		$	$
Net loss and comprehensive income (loss) for the year	(4,124,023)	(1,963)	(552,990)
Net loss per share - basic and diluted	(0.20)	(0.00)	(0.01)
Total assets	2,082,139	343,067	72,590

SELECTED QUARTERLY INFORMATION

The following table sets out certain financial information for the last eight quarters:

For the quarters	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Total Revenue ($)	-	-	-	-	-	-	-	-
Comprehensive (income) or Loss for the period ($)	(1,362,510)	(1,480,397)	(264,889)	526,412	(143,636)	38,770	33,685	(218,278)
Basic and Diluted income or Loss per Share ($)	$ (0.03)	$ (0.03)	$ (0.01)	$ 0.03	$ (0.00)	$ 0.01	$ 0.00	$ (0.00)

Basic and diluted income (loss) per share is calculated based on weighted-average number of shares outstanding. Diluted income (loss) per share is similar to basic loss per share as the stock options and warrants outstanding are anti-dilutive and the convertible debentures were issued close to March 31, 2026.

DISCUSSION OF OPERATIONS

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Expenses		
Consulting fees	$ 173,823	$ 20,500
Exchange loss	(55,597)	1,483
Exploration and evaluation expenditures (Note 9)	94,549	84,057
Filling fees	48,526	6,520
Management fees (Note 7)	107,000	22,500
Office and administration	35,281	8,175
Professional fees	140,830	13,499
Rent	1,800	1,800
Stock based compensation	612,816	-
	(1,159,028)	(158,534)
Other income		
Disposition gain for mining concession	-	40,000
Gain or loss on fair value of derivative liability (Note 10)	-	(3,405)
Gain or loss on disposal of portfolio investment	67,851	-
Unrealized gain or loss on portfolio investment	(319,499)	-

Gain or loss on debt extinguishment		49,060		-
Interest expenses		(894)		(21,694)
		(203,482)		14,899
Net income (loss) and comprehensive income (loss) for the period	$	(1,362,510)	$	(143,635)

Three months ended March 31, 2026 compared with three months ended March 31, 2025

For the three months ended March 31, 2026, the Company reported a net and comprehensive loss of $1,362,510, compared to a net and comprehensive loss of $143,635 for the same period in 2025. The increased loss was primarily attributable to the recognition of stock-based compensation of $612,816, higher consulting fees of $173,823 (2025 – $20,500), management fees of $107,000 (2025 – $22,500), professional fees of $140,830 (2025 – $13,499), and filing fees of $48,526 (2025 – $6,520), reflecting increased corporate and operational activities during the period. Exploration and evaluation expenditures also increased to $94,549 from $84,057 in the comparative period. In addition, the Company recorded an unrealized loss on portfolio investments of $319,499. These losses were partially offset by a realized gain on disposal of portfolio investments of $67,851, a gain on debt extinguishment of $49,060, and a foreign exchange gain of $55,597. The comparative period included a gain on disposition of a mining concession of $40,000, which did not recur in the current period.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2026, the Company had cash of $4,340,573 (December 31, 2025 - $1,136,266) and a working capital of $4,188,371 (December 31, 2024 – 1,158,264).

During the three months ended March 31, 2026, the Company's average monthly cash burn rate, excluding exploration and evaluation expenditures, share-based compensation, foreign exchange gains and losses, unrealized and realized gains and losses on portfolio investments, gains on debt extinguishment, and interest expense, was approximately $169,000, compared to approximately $24,000 per month for the three months ended March 31, 2025. The increase was primarily attributable to higher consulting fees, management fees, professional fees, filing fees, and office and administrative expenses incurred during the current period as the Company expanded its corporate and operational activities. The Company expects to continue monitoring and managing operating expenditures prudently; however, future spending levels may fluctuate depending on corporate initiatives and exploration activities. The Company's ability to undertake future exploration programs will remain dependent on its ability to obtain additional financing and maintain adequate working capital.

As a junior exploration stage company, Rio Silver has traditionally relied on equity financings and warrant exercises to fund exploration programs and general working capital requirements of a publicly traded junior resource company. The Company will need additional capital in 2026 to cover its current working capital requirements and fund further exploration work.

The Company's ability to raise additional funds and its future performance are largely tied to the health of the financial markets and investor interest in the junior resource sector. Financial markets continue to be volatile, and are likely to remain so throughout 2026 reflecting ongoing concerns about the stability of the global economy, sovereign debt levels, global growth prospects, tariffs and many other factors that might impact the Company's ability to raise additional funds.

Although the Company has been successful to date in raising capital to fund project exploration programs and meet working capital requirements, there can be no assurance that adequate or sufficient funding will be available in the future on terms that are acceptable to the Company. These circumstances indicate the existence of a material uncertainty which may cast significant doubt as to the ability of the Company to continue as a going concern.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common shares
As at the date of this report, the Company has 59,199,201 common shares issued and outstanding.

Warrants
As at the date of this report, the Company has 23,268,712 common share purchase warrants outstanding.

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

Expiry Date	Number of Options as of report date
December 23, 2026	4,300
September 15, 2026	50,000
November 14, 2026	210,000
September 15, 2027	40,000
November 14, 2027	60,000
December 17, 2027	497,000
March 31, 2028	820,000
July 18, 2028	310,000
May 1, 2029	120,000
November 14, 2030	920,000
March 31, 2031	800,000
	3,831,300

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

RELATED PARTY BALANCES AND TRANSACTIONS

Related parties include the board of directors, officers, and enterprises that are controlled by these individuals as well as persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).
During the years ended March 31, 2026 and December 31, 2025, the Company's related parties consisted of the following officers and directors:

Edward J. Badida	Former Director (Resigned in April 2025)
Steven Brunelle	Chairman and Director
Richard Mazur	Director
Christopher Verrico	Director and Chief Executive Officer
Christopher Hopton	Director and Chief Financial Officer

Remuneration of the President and Chief Executive Officer, Chief Financial Officer, and Chairman was as follows:

	March 31, 2026	March 31, 2025

	$	$
Management fees	27,000	22,500
Accounting fees	18,000	13,500
Bonus	130,000	-
Rent	1,800	1,800
Share-based payments	327,196	-
	503,996	37,800

The Company's related parties consist of its Directors, Chief Executive Officer, and Chief Financial Officer. The following is a summary of the Company's related party transactions and balances during the year:

a. Due to related parties includes $6,380(December 31, 2025 - $4,695) payable to Company's CEO and a private company owned by the Company's CEO; $6,657 (December 31, 2025 - $9,742) payable to the Company's CFO; $769 (December 31, 2025 - $851) payable to the Company's director.

These transactions, occurring in the normal course of operations, are measured at the exchanged amount, which is the amount of consideration established and agreed to by the related parties.

PROPOSED TRANSACTION

The Company has not entered into any significant transaction, nor is it currently reviewing any such transaction, that has not been discussed within this MD&A.

SUBSEQUENT EVENTS

a) Subsequent to the period ended March 31, 2026, 100,000 stock options were exercised for a total proceeds of $27,000.

b) Subsequent to the period ended March 31, 2026, 955,000 warrants were exercised for a total proceeds of $143,250.

c) Subsequent to the period ended March 31, 2026, 250,000 stock options were expired and cancelled.

d) Subsequent to March 31, 2026, the Company received 2,500,000 common shares of Magma Silver Corp valued at $500,000 per the Option Agreement.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present all material respects the financial condition, results of the operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuer and Interim Filings (MI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Critical accounting estimates:

The preparation of these consolidated financial statements requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual outcomes could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting judgments:

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

Evaluation of the Company's ability to continue as a going concern

The continuation of the Company as a going concern is dependent upon its ability to execute its strategy and finance the operations through achieving positive cash flow from operations of by obtaining additional funding through debt or equity financing involves judgments. Management routinely plans future activities including forecasting future cash flows. Management has reviewed their plan with the Directors and has collectively formed a judgement that the Company has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least the next 12 months. In arriving at this judgment, Management has prepared the cash flow projections of the Company. Directors have reviewed this information provided by management and have considered the financial resources available to the Company. The expected cash flows have been modeled based on anticipated debt and equity funding programmed into the model and reducing over time.

Management has assessed and concluded that the going concern assumption is appropriate for a period of at least twelve months following the end of the reporting period. Management applied significant judgement in arriving at this conclusion by considering the following:

- The amount of cash on hand as of year end;
- The ability to source new debt and equity financing to provide sufficient cash flow to continue to fund operations and other committed expenditures; and
- The ability to delay the payment for the due to related parties balance in order to manage cash flows.

Considering the above, Management and Directors continue to adopt the going concern basis in preparing the consolidated financial statements.

Given the judgement involved, actual results may lead to a materially different outcome.

Determination of functional currency of the Company
The functional currency for each of the Company and its subsidiary is the currency of the primary economic environment in which each entity operates. The determination of each entity's functional currency requires analyzing facts that are considered primary factors, and if the result is not conclusive, the secondary factors. The analysis requires management to apply significant judgment since primary and secondary factors may be mixed. In determining its functional currency, management analyzed both the primary and secondary factors, including the currency of each entity's operating cash flow, and sources of financing.

Assets acquisition
Judgement is used in determining whether an acquisition is a business combination or an asset acquisition. The fair value of consideration to acquire the Company in the transaction comprised common shares and cash. Common shares were valued on the date of issuance. The Company applied IFRS 2 Share-based Payment in accounting for the transaction because the accounting acquiree did not constitute a business as of the acquisition date under IFRS 3 Business Combinations.

Key sources of estimation uncertainty

Fair value measurement of other receivable
The determination of the fair value of the other receivable on initial recognition required management to impute an appropriate incremental interest rate as the receivable is non-interest bearing in nature. Management used its best estimate in determining the discount rate and considered many factors, including the credit risk and history with the third party.

Deferred taxes
The calculation of deferred tax is based on assumptions, which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. Deferred tax recorded is also subject to uncertainty regarding the magnitude on non capital losses available for carry forward and of the balances in various tax pools.

Share-based payment transactions and FV value of warrants issued with common shares
The fair value of share-based payment and fair value of warrants are determined using the Black-Scholes option pricing model. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not

necessarily provide reliable measurement of the fair value of the Company's stock options and warrants issued with common shares.

CHANGES IN ACCOUNTING POLICIES

Recent accounting pronouncements not yet effective
Certain pronouncements have been issued by the IASB or the IFRS Interpretations Committee ("IFRIC") that are mandatory for accounting periods ending after these consolidated financial statements. Please refer to the audited annual consolidated financial statements of the Company for the year ended March 31, 2026 Note 3.

CAPITAL MANAGEMENT

The Company considers its cash and share capital as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

When managing capital, the Company's objective is to ensure that the Company continues as a going concern, as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the year ended March 31, 2026. The Company is not subject to externally imposed capital requirements.

FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks. The Company's overall business strategies, tolerance of risk and general risk management philosophy are determined by the directors in accordance with prevailing economic and operating conditions.

Fair value of financial instruments
The Company classifies its fair value measurements in accordance with the three level fair value hierarchies as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of cash, accounts payable and accrued liabilities, and due to related parties approximate their carrying values due to the short-term nature of these instruments. The difference between the fair value and carrying amount is minimal. Other receivable are accounted for at amortized cost using the effective interest rate method, which approximates their fair value based on current interest rate for instruments with similar terms and remaining maturities. The fair value of the derivative liabilities was based on Level 3 inputs.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with reputable financial institutions, for which management believes the risk of loss to be minimal.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash available to meet liabilities when they become due and payable. As at March 31, 2026, the Company had cash of $4,340,573 (December 31, 2025 - $1,136,266) to settle current liabilities of $636,411 (December 31, 2025 - $746,619) (see note 2). All of the Company's financial liabilities have contractual maturities of 30 days or less and are subject to normal trade terms except the long-term accounts payable (note 11) and convertible debentures (note 12).

The long-term accounts payable are classified as non-current liabilities, as they are not contractually due within the next 12 months. These balances are subject to contractual repayment terms extending beyond one year.

Based on the Company's current cash position and expected cash flows, management believes that the Company has sufficient liquidity to meet its short-term obligations as they fall due. The Company's ability to meet its long-term obligations is dependent on its ability to generate sufficient cash flows from operations and/or obtain additional financing, if required.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as foreign currencies and commodity and equity prices.

Foreign currency risk
Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency, and that of all its subsidiaries, is the Canadian dollar. Some of the operational and other expenses incurred outside of Canada are paid in US dollars or Peruvian Nuevo Sol. All assets and liabilities of the Company are recorded in Canadian dollars and as a result, fluctuations in the US dollar or Peruvian Nuevo Sol vis-à-vis the Canadian dollar result in foreign exchange gains/losses. The Company currently has no plans for hedging its foreign currency transactions.

The Company has net financial liabilities of approximately $28,412 (2025 - $63,630) that are denominated in US dollars. A 10% change in the US dollars to the Canadian dollar exchange rate would impact the Company's profit or loss by $2,841 (2025- $6,363).

The Company has net financial assets of approximately $40,394 (2025 - net financial liabilities of approximately of $119,179) that are denominated in Peruvian Nuevo Sol. A 10% change in the Peruvian Nuevo Sol to the Canadian dollar exchange rate would impact the Company's profit or loss by $4,038 (2025 - $11,918).

Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to base and precious metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken by the Company.

OUTLOOK

The capital markets for resource companies, and particularly for those in the junior space, continue to suffer from the continued slowdown in commodity consumption making the environment for financing early-stage exploration projects challenging. (See Liquidity and Capital Resources above).

Management is confident about the prospects for its principal projects and believes it is prudent to continue to move them forward, subject to adequate financing being available, through well managed and modest cost exploration programs.

See section titled "Mineral Exploration Expenditures and Activities" for the Company's plans to develop its exploration properties. There is no guarantee that the Company will discover a viable mineral deposit.

COMMITMENTS AND CONTINGENCIES

The Company acquired from Peruvian its wholly own Peruvian subsidiary which holds the concessions. Consideration includes a cash downpayment of $15,000 (paid) and US$12,500, cash payment for the concessions of $10,000 (paid) and the issuance of 3 million common shares and 1 million warrants of the Company. The warrants will have a strike price of $0.15 per share and an exercise period of 2 years from the date of Exchange approval. Cash payments totaling US$250,000 will be also payable over a 5 year period (US$50,000 paid).

RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.
At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential successes lie in its ability to develop, exploit and generate revenue out of mineral deposits. Revenues, profitability and cash flow from any future mining operations involving the Company will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices have fluctuated widely and are affected by numerous factors beyond the Company's control.

The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its exploration projects, or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Company, with the possible dilution or loss of such interests.

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations of metal prices, the proximity and capacity of milling facilities, mineral markets, processing reagents and equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environment protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

Operating in a Foreign Country Usually Involves Uncertainties Relating to Political and Economic Matters
Peru, where the Company's principle foreign mineral properties are located is considered by the Company to be a mining friendly country. However, any change of government may result in changes to government legislation and policy, which may include changes that impact the Company's ownership of and its ability to continue exploration and, possibly, the development of its properties. Further, changes in the government may result in political and economic uncertainty, which may cause the Company to delay its exploration and, possibly, its development activities or they may decrease the willingness of investors to provide financing to the Company. Accordingly, changes in legislation and policy could result in increased costs to explore and develop the Company's projects and could require the Company to delay or suspend these activities.

Exploration and Development Efforts May Not Be Successful
There is no certainty that the expenditures to be made by the Company in the exploration of its properties as described herein will result in the discovery of mineralized material in commercial quantities. Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any particular level of recovery of ore reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Lack of Cash Flow
None of the Company's properties have advanced to the commercial production stage and the Company has no history of earnings or cash flow from operations. The Company does not expect to generate material revenue from mining operations or to achieve self-sustaining commercial mining operations for several years. The Company has paid no dividends on its shares since inception and does not anticipate doing so in the foreseeable future. Historically, the only source of funds available to the Company is through the sale of its securities. Future additional equity financing would cause dilution to current shareholders.

No Proven Reserves
The properties in which the Company has an interest or the right to earn an interest are in the exploratory stage only and are without a known body of ore in commercial production.

No Guarantee of Clear Title to Mineral Properties
While the Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties and properties in which it has the right to acquire or earn an interest are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

Uncertainty of Obtaining Additional Funding Requirements

Programs planned by the Company may necessitate additional funding, which could cause a dilution of the value of the investment of the shareholders of the Company. The recuperation value of mining properties indicated in the balance sheet depends on the discovery of mineralization that can be profitably exploited and on the Company's capacity to obtain additional funds in order to realize these programs. The Company's exploration activities can therefore be interrupted at any moment if the Company is incapable of obtaining the necessary funds in order to continue any additional activities that are necessary and that are not described in the exploration programs outlined in the Company's geological report for its properties.

Mineral Prices May Not Support Corporate Profit
The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are developed, a profitable market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any substances discovered. The price of minerals is volatile over short periods of time, and is affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining techniques.

Competition
The mining industry is intensively competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified employees.

Environmental Regulations
The current and future operations of the Company, including further exploration, development activities and commencement of production on its properties, require permits from various Provincial, Federal and State governmental authorities.

Such operations are subject to various laws governing land use, the protection of the environment, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances mine safety and other matters. There can be no assurance, however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, 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.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violation of applicable laws or regulations.

Uncertainty of Reserves and Mineralization Estimates

There are numerous uncertainties inherent in estimating proven and probable reserves and mineralization, including many factors beyond the control of the Company. The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may justify revision of such estimates. No assurances can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated. Assumptions about prices are subject to greater uncertainty and metal prices have fluctuated widely in the past. Declines in the market price of base or precious metals also may render reserves or mineralization containing relatively lower grades of ore uneconomic to exploit. Changes in operating and capital costs and other factors including, but not limited to, short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades, may materially and adversely affect reserves.

Operating Hazards and Risks Associated with the Mining Industry
Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected formations and other conditions are involved. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. The Company may become subject to liability for cave-ins and other hazards for which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration activities.

The Ability to Manage Growth
Should the Company be successful in its efforts to develop its mineral properties or to raise capital for other mining ventures it will experience significant growth in operations. If this occurs management anticipated that additional expansion will be required in order to continue development. Any expansion of the Company's business would place further demands on its management, operational capacity and financial resources. The failure to manage growth effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

Lack of Dividend Policy
The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Possible Dilution to Present and Prospective Shareholders
The Company's plan of operation, in part, contemplates the accomplishment of business negotiations by the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares, or securities convertible into common shares, would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence of Key Personnel
The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required, especially since the Company encounters risks that are inherent in doing business in several countries.

Conflict of Interest
Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Lack of Trading
The lack of trading volume of the Company's shares reduces the liquidity of an investment in the Company's shares.

Volatility of Share Price
Market prices for shares of early-stage companies are often volatile. Factors such as announcements of mineral discoveries, financial results, and other factors could have a significant effect on the price of the Company's shares.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in the sections "Overview - Mineral Exploration Expenditures and Activities", "Liquidity and Capital Resources" and "Outlook" of this MD&A constitute 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. Information concerning the interpretation of drill results, mineral resource and reserve estimates and capital cost estimates may also be deemed as forward-looking statements as such information constitutes a prediction of what mineralization might be found to be present and how much capital will be required if and when a project is actually developed. 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 included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A. 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 MD&A. 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 supply and demand for, deliveries of, and the level and volatility of prices of precious metals;
- the availability of financing for the Company's development project on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;
- market competition;
- the accuracy of our resource estimate (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which it is based; and/or
- tax benefits and tax rates.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity prices, access to skilled mining development and mill production personnel, results of exploration and development activities, the Company's limited experience with production and development stage mining operations, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. 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 incorporated by reference herein. See "Risk Factors". 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 Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, accept as otherwise required by applicable law. The Company also cautions readers not to place undue reliance on these forward-looking statements. Moreover, these forward-looking statements may not be suitable for establishing strategic priorities and objectives, future strategies or actions, financial objectives and projections other than those mentioned above.