

CMX GOLD & SILVER CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion is management's analysis of CMX Gold & Silver Corp.'s (the "Company" or "CMX") operating and financial data for the year ended December 31, 2025 and 2024 as well as management's estimates of future operating and financial performance based on information currently available. It should be read in conjunction with the audited consolidated financial statements and notes for the years ended December 31, 2025 and 2024.

This Management's Discussion and Analysis ("MD&A") and the consolidated financial statements and comparative information have been prepared in accordance with IFRS.

Technical disclosure for the Clayton Silver Property included in this MD&A has been reviewed by Richard Walker, P.Geo., a Qualified Person under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

All financial information in this MD&A is stated in Canadian dollars, the Company's reporting currency, unless otherwise noted. The MD&A was prepared effective April 17, 2026. Additional information relating to CMX can be found at www.sedarplus.ca.

MATERIAL FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information as contemplated by Canadian securities regulators' Form 51-102F1, also known as forward-looking statements. All estimates and statements that describe the Company's objectives, goals or future plans are forward-looking statements. Readers are cautioned that the forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking statements. The Company will issue updates where actual results differ materially from any forward-looking statement previously disclosed.

RESPONSIBILITY OF MANAGEMENT

The preparation of the financial statements, including the accompanying notes, is the responsibility of management. Management has the responsibility of selecting the accounting policies used in preparing the financial statements. In addition, management's judgment is required in preparing estimates contained in the financial statements.

ABOUT CMX GOLD & SILVER CORP.

CMX is a junior mining company with a silver-lead-zinc property in the United States of America. The Company's focus is the development of its 100%-owned Clayton Silver Property located in Idaho, U.S.A., with the primary focus being to determine the feasibility of reactivating the mine. The property has historically produced silver, lead and zinc with minor amounts of gold. The property is held by CMX's wholly-owned subsidiary, CMX Gold & Silver (USA) Corp.

In Canada, the Company's shares trade on the Canadian Securities Exchange ("CSE") under the trading symbol "CXC", and in the USA, the Company's shares trade on the OTC Markets (Pink) under the trading symbol "CXXMF".

2025 AND 2026 OVERVIEW

The Company's strategy is to proceed with work programs on the Clayton Silver Property, including ore sorting of the stockpile, geophysics, drilling, and preliminary engineering on the refurbishment of the mill. The Company is currently putting together a financing strategy to fund the planned 2026 geophysical program on the property (see "*Exploration and Evaluation Assets*"). Financial market conditions for the junior mining sector are favourable, and investor interest in silver projects continues to increase. CMX's management believes this positive change will enable the Company to raise funds in the second quarter of 2026 for its initial Clayton exploration program. However, changing market conditions and geopolitical events may impact the ability of CMX to raise the capital required for its Clayton programs.

On March 20, 2025 the Company extended the expiry date of warrants as follows: 6,700,000 exercisable at \$0.10 per share extended to June 30, 2026; 3,470,000 exercisable at \$0.10 per share extended to November 19, 2026; 1,430,000 exercisable at \$0.18 per share extended to July 14, 2027; 1,972,000 exercisable at \$0.18 per share extended to September 16, 2027. The new expiry dates are the maximum five-year terms permitted under the rules of the CSE.

Effective March 31, 2025 the Company completed a private placement of convertible debentures aggregating \$257,000. The debentures are due March 31, 2027, bear interest at 10% per annum payable semi-annually and are convertible into common

shares of the Company at \$0.125 per share. Debentures were issued for \$105,317 cash and \$151,683 in settlement of existing debt. A total of \$157,500 of Debentures were issued to related parties.

On October 7, 2025, 2,600,000 stock options were exercised resulting in the issuance of 2,600,000 common shares at \$0.10 per share. Two related parties exercised 2,000,000 of these options with the settlement of \$200,000 in debt. Three other related parties exercised 450,000 of these options with the settlement of \$45,000 in convertible debentures. A consultant to the Company exercised 150,000 of the options with the settlement of \$15,000 in debt.

On October 8, 2025, the Company granted stock options to purchase 4,575,000 common shares at a price of \$0.10 per share. Related parties received 3,425,000 of the options. An aggregate of 3,775,000 options are exercisable for 5 years and vest one-third immediately and another one-third on each of the first and second anniversaries of the date of grant. An aggregate of 500,000 options are exercisable for three years and vest one-half immediately and one-half on the first anniversary of the date of grant. An aggregate of 300,000 options are exercisable for two years and vest one-half immediately and one-half on the first anniversary of the date of grant.

On December 17, 2025, the Company entered into a one-year promotional activities contract with Natrinova Capital Inc. for the provision of investor relations services. The investor relations contract will commence on March 1, 2026. The monthly base fee will be \$3,500. As additional consideration the Company has granted options to purchase 400,000 shares exercisable at \$0.17 per share.

On December 17, 2025, warrants to purchase 850,000 shares were exercised for \$5,000 in cash and \$80,000 of debt.

On January 13, 2026, the Company announced the undertaking of a non-brokered private placement for aggregate proceeds of up to \$2,000,000. At the date of this report the offering has not closed.

On January 20, 2026, the Company announced that it had entered a one-year corporate communications agreement with IBN, Investor Brand Network. The objective is to expand investor awareness focused on investors in the United States. The Company will pay a base fee of US\$3,000 per month.

On April 1, 2026, the Company issued 1,800,000 shares for net proceeds of \$180,000 with the exercise of warrants.

On April 1, 2026, the Company issued 1,520,000 shares for settlement of \$152,000 in debt with the exercise of warrants.

On April 1, 2026, the company issued 1,520,000 shares with respect to the conversion of \$190,000 of convertible debentures.

SELECTED ANNUAL INFORMATION

For the years ended December 31,	2025	2024	2023
Loss before other expense	\$ 595,826	\$ 309,258	\$ 384,447
Loss before other expenses on a per share basis	0.0083	0.0044	0.0055
Net loss	649,750	340,170	321,199
Net loss on a per share basis	0.0091	0.0049	0.0046
Total assets	750,936	741,533	681,390
Total current liabilities	524,660	576,277	351,984
Total long-term liabilities	\$ 208,881	\$ -	\$ -

RESULTS OF OPERATIONS

During the year ended December 31, 2025, the company realized a loss before financing expenses of \$595,826 compared to a loss before other expenses of \$309,258 in 2024, resulting in an increase of \$286,568. The Company issued options during the year which resulted in a non-cash increase in compensation charged during the year of \$163,818. The Company also saw an increase in mineral property expenditures of \$60,918 related to property maintenance costs. As the Company ramps up the start of its programs on the property in 2026 the Company anticipates property expenditures to increase substantially. Management fees saw an increase of \$43,937 which related to an increased focus on completing financing for the Clayton Silver Project programs. This included a focus on meeting with potential high net worth investors and investment dealers in the fourth quarter of the year. There was little change in the remaining operating expenses.

The following table itemizes the net loss from operations for the years ended December 31, 2025 and 2024.

SCHEDULE OF LOSS BEFORE FINANCING EXPENSES

	2025	2024
Management fees	\$ 224,970	\$ 181,033
Share-based compensation expense	163,818	2,964
Mineral property expenditures	73,886	12,968
Professional fees	48,717	48,942
Shareholder reporting and investor communications	34,827	30,656
General and administrative	26,581	11,497
Listing and filing fees	22,988	20,595
Loss (gain) on foreign exchange	39	603
	595,826	309,258

EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation asset is the Clayton Silver Property, which has a carrying value of \$704,443 (US\$513,961). Total exploration expenditures on the property to December 31, 2025, are \$588,377 (\$73,886 during the current period). These expenditures are expensed in the periods incurred for financial reporting purposes.

Clayton Silver Property

The Clayton Silver Mine, discovered in the late 1800's and historically one of the most active underground mines in the Bayhorse Mining District in central Idaho for silver, lead, zinc, and copper with minor gold. Located approximately 30 km south-southwest of Challis in Custer County, central Idaho, the property covers 416 hectares (1,028 acres). The original 29 patented mining claims and two patented mills sites total approximately 228 hectares (562 acres). Additional unpatented mining claims, comprising 187 hectares (466 acres), are contiguous with the Clayton Silver Mine (see **Plans and Status for The Clayton Silver Project** below).

The Company has compiled and comprehensively reviewed available historical drilling and mining information for the Clayton Mine and the Clayton Silver Property. Information available in the public domain was obtained from both the United States and Idaho Geological Surveys. Several sub-surface mine plans were obtained from private sources, as well as the U.S. Department of the Interior, Office of Surface Mining. This data provides the basis for an initial compilation of the sub-surface workings tied to surface.

The Clayton silver-lead-zinc-copper mine had total production of 218,692 kg silver (7,031,110 oz), 39,358,903 kg lead (86,771,527 lbs), 12,778,700 kg zinc (28,172,211 lbs), and 754,858 kg copper (1,664,177 lbs), with 67 kg (2,154 oz) gold from an estimated 2,145,652 tonnes of ore mined between 1934 and 1985 (Hillman, Bob, M.S. Thesis, June 26, 1986, Eastern Washington University). Mineralization was originally discovered in 1877, with the mine operating almost continuously from the 1930s for over 50 years until its closure in 1986 due to low metal prices.

Significant potential is demonstrated in hole 1501-A, drilled in the mid-1960's, which penetrated the mineralized zone at 1,425 feet, which was about 300 feet below the deepest workings. At that depth, the hole intercepted 22 feet (6.70 m) of 4.07 oz Ag/t, 5.75% lead and 5.37% zinc (note: true width is unknown).

The Clayton Mine was developed on eight levels to a depth of 1,100 feet (335 meters) below surface and is comprised of approximately 6,000 meters (19,690 feet) of underground development. Two major ore bodies were partially mined: the "South Ore Body" and the "North Ore Body". Both are tabular ore bodies raking northeast to depth. Production was initiated on the South Ore Body and development extended to the North Ore Body. As a result of lower silver prices, the mine was closed in early 1986. Mineralization is open to the north, the south and to depth, all of which is untested. For example, there is potential for resources to exist at shallower depths below and adjacent to the South Ore Body.

Historical records indicate the "South Ore Body" was mined from the 100-foot level to the 800-foot level, while the "North Ore Body" was mined from the 100-foot level to the 1100-foot level. Internal mine records from 1966 indicate a resource of 597,075 tonnes between the 800-foot level and 1300-foot level, having a weighted average grade of 3.83 oz Ag/t. Values for lead and zinc were not disclosed. Underground development on the 800-foot level was extended to the "North Ore Body", with subsequent development down to the 1100-foot level to access the ore. Records indicate that as of January 1, 1982, there were approximately 458,590 tonnes of ore identified between the 800 and 1100-foot levels. Of this resource, 52,800 tonnes were mined in 1983, 76,110 tonnes in 1984 and 102,258 in 1985, suggesting 227,422 tonnes have not been mined. Additional tonnage identified down to the 1530-foot level was not mined and, therefore, is interpreted to remain available.

On November 23, 2015, CMX filed on SEDAR a NI 43-101 compliant technical report, dated March 7, 2013, for the Clayton Silver Property.

Plans and Status for The Clayton Silver Project

The Company has developed plans to assess the underground resource potential and to exploit the economic potential of the above ground mine stockpile.

The Company will commence programs over the next several years to assess the resource potential within the structures related to the previously mined sections and to expand the search to determine the potential for other mineralized zones in adjacent structures. The Company is finalizing plans to complete a geophysical program on the property. Once the program is complete the Company will then commence a drill program. CMX has concluded that no geophysics were done on the property historically.

Phase 1 Work Programs for the next 12-month period:

The proposed geophysical survey will delineate the known structures and identify other potential ore bodies within and below the existing workings. Utilizing different types of geophysics, the survey will measure the resistivity, conductivity and chargeability of the subsurface to varying depths. The surveys using DCIP (Direct Current Induced Polarization) and MT (Magnetotelluric) will provide requisite detailed subsurface mappable data to strategically locate Diamond Drill Sites (DDS) on CMX's 100%-owned property.

Interpretation of the geophysics is expected to identify the optimum DDS, which will assist CMX in subsequent financings for the diamond drilling programs

Site preparation and clean up	\$	75,000
<i>Underground Resources Potential</i>		
Geophysics		780,000
Drilling – approximately 2,500 metres		720,000
Staking		215,000
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Total estimated expenditures	\$	1,790,000

The drilling costs cover drilling, logging, assaying and interpretation.

Clayton Stockpile Exploitation Potential

The stockpile consists of rock that was not processed through the mill as the grade was not considered high enough at the time it was mined. The stockpile is estimated to contain at least 1,000,000 tonnes of metal-bearing material readily available for immediate processing.

In August 2014, representatives of the Company collected samples from 16 locations on the mine stockpile situated immediately adjacent to the old Clayton Mine workings and extending to the south. An aggregate of over 3,000 kilograms of sample material was collected. Sample locations were selected to ensure representative samples. CMX representatives were on site during sampling to ensure random sample selection. A tracked backhoe was used to dig to a maximum depth of approximately 12 feet and five representative samples, each weighing roughly 33 kg, were taken at 2- to-3-foot intervals for each location.

The results from analysis of the stockpile samples confirmed the presence of a suite of metals of potential interest. Panning of material from the stockpile has confirmed the presence of free, relatively coarse gold, while analysis of the samples documents the presence of gold in each sample. Importantly, assays confirmed gold values up to 2.84 gm/t (Sample 11369) with an average of 0.80 gm/t for the 16 locations comprised of the suite of samples. Statistical averages for the metals of interest from the 16 locations of the mine stockpile sampling program were: gold – 0.80 g/t; silver – 24.31 g/t; lead – 0.44%; zinc – 0.27%.

In 2022, under the supervision of CMX, approximately 400 kilograms of sample material from the stockpile was shipped to TOMRA Systems ASA's ("TOMRA") ore-sorting laboratory in Sydney, Australia. The concentrate produced by sorting was subsequently assayed at Bureau Veritas Australia Pty Ltd.'s laboratory in Sydney. TOMRA is a world-leader in state-of-the-art precision ore sorting technology used to high-grade mine stockpiles of unprocessed rock to enhance the grade of material delivered to a mill. Dual Energy X-Ray Transmission technologies differentiate between rocks based on small fluctuations in density profiles and are effective at removing sulphides and concentrating valuable metals. The sorted rock can be treated at existing mills/smelters where valuable metals will be extracted, and sulphides will be safely handled.

The Company has been informed that the analysis of the sampling program carried out in 2022 on the stockpile shows that ore-sorting is viable for the Clayton Stockpile. Also, the testing results confirmed grades in the stockpile material consistent with CMX's earlier stockpile testing program.

The initial test of the ore-sorting technology comprised a 395-kilogram sample. The results of the test were received by CMX in July 2023. The test recovered more than 70% of the metals and returned a 41-kilogram concentrate of sorted product of about 10% of the initial mass. Assays for the silver, lead, zinc, copper, and gold in the concentrated product returned the following grades:

Ag (g/t)/(oz/t)	Pb (%)	Zn (%)	Cu (%)	Au (g/t)
156/5.02	3.10	1.91	0.096	0.1

Compared to average grades documented in the Company's 2014 stockpile evaluation program (see above), ore-sorting increased the silver grade by 6.4 times and the lead and zinc grades by 7 times.

Based on these results, the Company will work to have an ore sorting system assembled capable of processing from 3,000 tonnes to 4,000 tonnes per day on site within the next two years. This would result in the complete processing of the stockpile during approximately a 10-month period .

SUMMARY OF QUARTERLY RESULTS

	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Loss before financing costs	\$326,099	\$99,977	\$94,154	\$75,596	\$107,635	\$67,639	\$73,117	\$60,867
Loss before financing costs on a per share basis	0.0045	0.0014	0.0013	0.0011	0.0015	0.0010	0.0010	0.0009
Net loss	\$337,491	\$117,002	\$109,618	\$85,639	\$117,431	\$77,476	\$79,628	\$65,632
Net loss on a per share basis	0.0047	0.0016	0.0015	0.0012	0.0018	0.0011	0.0011	0.0009

LIQUIDITY AND CAPITAL RESOURCES

The net loss from operations for the year ended December 31, 2025, was funded through debt and share issuance. As of December 31, 2025, the Company had a net working capital deficiency of \$478,167 (2024 - \$574,257). As stated in the overview above, in 2025 the Company completed convertible debenture funding and share issuances of 3,450,000 shares related to exercise of warrants and stock options. Also, subsequent to the year-end, 1,520,000 shares were issued with respect to the conversion of debentures and 3,320,000 shares were issued with the exercise of warrants for cash proceeds of \$190,000 and a reduction in liabilities of \$152,000. Future operations will be funded by the issuance of capital stock.

In the fourth quarter, the financial environment for mining companies saw a marked improvement, and the Company is noticing renewed interest in the junior mining sector as commodity prices continue to strengthen. The silver markets have seen a significant increase in the price for silver as the global supply/demand deficit continues to increase. Based on these fundamentals, management expects that funding opportunities will continue to increase for the foreseeable future. As stated above, in January 2026, the Company commenced a non-brokered private placement of up to \$2,000,000.

The Company continues to work on plans to generate cash flow from the ore-sorting of the historical stockpile, as well as raise funds through equity offerings to carry out the planned programs on the Clayton Silver Project (see **EXPLORATION AND EVALUATION ASSETS** above).

Estimated Cash Flow Requirements for the Next 12 Months

Sampling, geophysics, drilling, exploration and site preparation on the Clayton property (funding dependent)	\$ 1,790,000
General and administration	<u>420,000</u>
Total estimated cash requirements	<u>\$ 2,210,000</u>

The total exploration program expenditures are contingent on CMX being able to raise sufficient equity capital in the future.

GOING CONCERN RISK

The Company has no source of operating cash flow and operations to date have been funded primarily from the issue of share capital. The Company's ability to continue as a going concern is contingent on obtaining additional financing. Whether the

Company will be successful with any future financing ventures is uncertain, and this uncertainty casts significant doubt upon the Company's ability to continue as a going concern. While the Company intends to advance its plans through additional equity financing, there is no assurance that any funds will ultimately be available for operations.

RISKS AND UNCERTAINTIES

Exploration and Development Risks

It is indeterminable if exploration properties will result in profitable commercial mining operations. Mine development projects such as the Clayton Property require significant expenditures during the exploration and development phase before production is possible. Exploration and development projects are subject to the completion of successful drilling and assay results, feasibility studies and environmental assessments, issuance of necessary governmental permits and availability of adequate financing. The economic feasibility of development projects is based on many factors, including estimation of mineral reserves, anticipated metallurgical recoveries, environmental considerations and permitting, future metal prices, and anticipated capital and operating costs. Although the Clayton property has past operating history, the data is limited upon which to base estimates of future production and cash operating costs. Particularly for development projects, estimates of proven and probable mineral reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of metals from the ore, estimated operating costs and other factors. As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production. Any of the following events, among others, could affect the profitability or economic feasibility of a project. Unanticipated changes in grade and tons of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability and costs of labor, costs of processing and refining facilities, availability of economic sources of power, adequacy of water supply, availability of surface on which to locate processing and refining facilities, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, environmental), fluctuations in metals prices, foreign exchange rates, accidents, labor actions and force-majeure events. It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production.

Title risk

The Company holds patented claims as well as claims on Bureau of Land Management (BLM) land in Idaho. The Company makes searches of mining records in accordance with mining industry practices to confirm satisfactory title to properties in which it holds or intends to acquire an interest. CMX has obtained title insurance on the Clayton patented claims, but coverage is limited to the purchase price of U.S. \$500,000. Although the Company maintains its patented claims by ensuring timely payment of its property taxes and payment of annual fees on its BLM claims, the possibility exists that title to one or more of its claims might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims, or concessions. The ownership and validity of mining claims and concessions are often uncertain and may be contested. There is no guarantee that title to the company's properties and concessions will not be challenged or impugned in the future. The properties may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects.

Share Price Risk

The Company must raise capital through share issuances to fund the ongoing exploration and development of its property, and the dilution factor of this fundraising is heavily affected by the price per share. The market price of a publicly traded stock is affected by many variables not directly related to the success of the Company, including market sentiment toward the resource sector and for all resource sector shares, the breadth of the public market for the stock, the need for certain shareholders to sell shares for external reasons other than those relevant to the Company, and the attractiveness of alternative investments. The effect of these and other factors on the market price of the common shares of the Company on the exchanges on which the common shares are listed suggests that the share price will be volatile.

COMMITMENTS

The Company may enter into management contracts at some future date. These contracts will be negotiated in the normal course of operations and will be measured at the exchange amount, which is the amount of consideration established and agreed by the parties and will reflect the values that the Company would transact with arm's length parties.

The Company currently has the following yearly commitments:

Clayton property: US\$6,615 for property taxes and claims fees.

These commitments will change if the Company acquires other property or completes further claim staking.

SUBSEQUENT EVENTS

Except as disclosed above regarding the exercise of warrants and conversion of debentures, the Company has no other subsequent events to report.

ARRANGEMENTS

The Company does not have any off-balance sheet arrangements, and it is not likely that the Company will enter into off-balance sheet arrangements in the foreseeable future.

CRITICAL ACCOUNTING ESTIMATES

The Company has continuously refined its management and internal reporting systems to ensure that accurate, timely, internal and external information is gathered and disseminated.

The Company's financial and operating results incorporate certain estimates including:

- i) estimated capital expenditures on projects that are in progress;
- ii) estimated future recoverable value of property associated with exploration and evaluation and any associated impairment charges or recoveries; and
- iii) estimated deferred tax assets and liabilities based on current tax interpretations, regulations and legislation that is subject to change.

The Company's management and consultants have the skills required to make such estimates and ensures that individuals with the most knowledge of the activity are responsible for the estimates. Further, past estimates are reviewed and compared to actual results, and actual results are compared to budgets in order to make more informed decisions on future estimates.

The Company's management team's mandate includes ongoing development of procedures, standards and systems to allow the Company to make the best decisions possible.

OUTSTANDING SHARE DATA

	April 17, 2026	
Common Shares Issued and Outstanding	79,326,224	
Balance, as at April 17, 2026	Warrants Outstanding 10,602,000	Weighted Average Exercise Price (CAD) \$ 0.13
Warrants Outstanding and Exercisable	Exercise Price (CAD)	Expiry Date
3,650,000	\$0.10	June 30, 2026
2,350,000	\$0.10	November 19, 2026
1,430,000	\$0.18	July 14, 2027
1,972,000	\$0.18	September 16, 2027
9,402,000		

Stock Option Plan

On December 31, 2024, options to purchase 150,000 shares were exercised.

On May 1, 2025, 700,000 options expired.

On October 7, 2025, options to purchase 2,600,000 shares were exercised.

On October 8, 2025, the Company issued 4,575,000 options (see 2025 overview above).

The following options are outstanding as at April 17, 2026:

Exercise price (per option)	Number of options		Weighted average exercise price (per option)	Year of expiry	Weighted average remaining contractual life
	outstanding	exercisable			
\$0.10	2,058,500	2,058,500	\$0.10	2027	0.82 years
\$0.10	3,775,000	1,258,333	\$0.10	2030	4.52 years
\$0.10	250,000	150,000	\$0.10	2028	2.52 years
\$0.10	250,000	150,000	\$0.10	2026	0.68 years
\$0.10	300,000	150,000	\$0.10	2027	1.52 years
\$0.17	400,000	200,000	\$0.17	2028	2.71 years
	7,033,500	3,966,833			

TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2025, the Company incurred management fees of \$119,880 (2024 – \$95,940) to a corporation controlled by the spouse of a director of the Company.

During the year ended December 31, 2025, the Company incurred management fees of \$24,885 (2024 – \$19,800) to the President of the Company.

During the year ended December 31, 2025, the Company incurred management fees of \$75,205 (2024 – \$65,293) to the Chief Financial Officer of the Company.

During the year ended December 31, 2025, the Company incurred consulting fees of \$5,000 (2024 - \$nil) to the Corporate Secretary of the Company.

During the year ended December 31, 2025, the Company incurred consulting fees of \$4,000 (2024 – \$3,045) to the spouse of the President of the Company.

Any unpaid fees are included in due to related parties.

During the year ended December 31, 2025, related parties made cash advances of \$106,254 and received cash payments of \$57,000 (2024 – related parties made cash advances of \$40,550). Cash advances to the Company were treated as loans, cash payments were applied against outstanding payables.

During the year ended December 31, 2025, \$23,846 (2024 - \$23,636) of related party loan interest was accrued and recorded to financing expenses. Related party accounts payable bear an interest rate of 6% or 8% per annum and are due on demand.

During the year ended December 31, 2025, related parties exercised options resulting in the issuance of 2,450,000 shares in settlement of \$245,000 in debt.

During the year ended December 31, 2025, related parties exercised warrants resulting in the issuance of 800,000 shares in settlement of \$80,000 in debt.

During the year ended December 31, 2024, related parties completed private placements for \$100,000 with the issuance of 1,000,000 shares at \$0.10 per share.

Other than as disclosed above, during the year ended December 31, 2025, related parties had the following transactions:

Related party	Payments from related party	Payments to related parties	GST accrued to related party	Expenses paid by the Related party on behalf of the Company	Expenses paid by the Company on behalf of the related party	Interest accrued on debt	Debenture convertible at \$0.125 per share, 10% interest, due March 31, 1027	Non-debenture debt due to related party at December 31, 2025
Bearing Energy (Canada) Corp. ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,008	\$ 67,289	\$ 151
Brinkton Corporation ⁽²⁾	25,424	-	5,994	-	-	11,017	-	178,764
Jan Alston, President, CEO	16,991	30,000	-	170	(355)	977	-	20,798
Lossie Alston ⁽²⁾	12,250	15,000	-	181	(355)	2,762	21,532	8,791
Dack Resources Ltd. ⁽³⁾	25,002	-	-	-	-	1,333	1,333	2
Lisa O'Sullivan ⁽⁴⁾	5,000	-	-	-	-	533	533	-
LL&S Holdings Ltd. ⁽⁵⁾	10,000	-	-	-	-	533	533	-
Glen Alston, CFO	26,166	12,000	3,750	358	-	8,403	-	137,108
Laurel Alston ⁽⁶⁾	25,423	-	-	15,000	-	3,298	32,298	5,743
Total	\$ 146,256	\$ 57,000	\$ 9,744	\$ 15,709	\$ (710)	\$ 34,864	\$ 123,518	\$ 351,357

Notes:

- (1) President is a director of Bearing Energy (Canada) Corp.
- (2) Spouse of the President is a director of Brinkton Corporation.
- (3) Director of the Company is a director of Dack Resources Ltd.
- (4) Spouse of the Corporate Secretary.
- (5) Director of the Company is a director of LL&S Holdings Ltd.
- (6) Spouse of the CFO.

Payments were applied against balances owed to related parties and advances to the Company were treated as loans to the Company by related parties.

The Company does not have any formal contractual agreements with any related parties. The President and CFO charge fees based on hours worked at hourly rates agreed upon between the related party and the Company.

CONTINGENT LIABILITIES

The Company has no contingent liabilities.

FINANCIAL INSTRUMENTS

At December 31, 2025 and 2024, the fair values of cash, accounts receivable, trade and other payables and due to related parties approximate their carrying values given the expected short-term to maturity of these instruments. The fair value of the convertible debentures is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

The Company is exposed to a variety of financial risks including credit risk, liquidity risk, and market risk. Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

a) 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 and cash equivalents. Cash is held with reputable chartered banks from which management believes the risk of loss is minimal. Management believes that the credit risk concentration with respect to financial instruments is minimal. The maximum credit risk exposure associated with the Company's financial assets is the carrying value.

b) Liquidity risk

Liquidity risk is that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient resources to meet liabilities when due. As at December 31, 2025, the Company had net working capital deficiency of \$478,167 (2024 – \$574,257). Management is continuously monitoring its working capital position and will raise funds through the equity markets as required. However, there is no certainty that the Company will be able to obtain funding by share issuances in the future. The Company is presently seeking to raise capital through equity financing.

The following amounts are the contractual maturities of financial liabilities and other commitments as at December 31, 2025:

	Total	1 year	2 – 5 years
Trade and other payables	\$ 171,483	\$ 171,483	\$ -
Due to related parties	351,358	351,358	-
Income tax payable	1,820	1,820	-
Related party debentures	123,298	10,798	112,500
Non-related party debentures	107,122	7,622	99,500
	<u>\$ 755,081</u>	<u>\$ 543,081</u>	<u>\$ 212,000</u>

The following amounts were the contractual maturities of financial liabilities and other commitments as at December 31, 2024:

	Total	1 year	2 – 5 years
Trade and other payables	\$ 152,005	\$ 152,005	\$ -
Due to related parties	422,032	422,032	-
Income tax payable	2,240	2,240	-
	<u>\$ 576,277</u>	<u>\$ 576,277</u>	<u>\$ -</u>

c) Market risk

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

i) Interest rate risk

When the Company has cash balances its policy is to invest excess cash in investment-grade short-term money market accounts. The Company will periodically monitor the investments it makes to ensure the creditworthiness of its investments. Fluctuations in interest rates do not materially affect the Company as the interest is at a fixed rate.

ii) Foreign currency risk

Currency risk is the risk to the Company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company is exposed to foreign currency exchange risk on cash held in U.S. funds. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Foreign currency risk could adversely affect the Company, in particular the Company's ability to operate in foreign markets. Foreign currency exchange rates have fluctuated greatly in recent years. There is no assurance that the current exchange rates will mirror rates in the future.

The Company currently has minimal foreign currency risk although in the future foreign currency risk may affect the level of operations of the Company. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

As the Company currently holds minimal US currency a change in the exchange rate between the US dollar and the Canadian dollar would not have a significant effect on the Company liquidity or working capital. The Company is exposed to currency risk as its the functional currency of its subsidiary is US dollars.

CAPITAL MANAGEMENT

The Company's objectives in managing its capital will be:

- i) To have sufficient capital to ensure that the Company can continue to meet its commitments with respect to its mineral exploration properties and to meet its day-to-day operating requirements in order to continue as a going concern; and
- ii) To provide a long-term adequate return to shareholders.

The Company's capital structure is comprised of shareholders' deficiency.

The Company is an exploration stage company which involves a high degree of risk. The Company has not determined whether its proposed properties contain economically recoverable reserves of ore and currently does not earn any revenue from its mineral properties and therefore does not generate cash flow from operations. The Company's primary source of funds will come from the issuance of share capital. The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank sponsored instruments.

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 to sustain future development of the Company. The Company is not subject to externally imposed capital requirements. There have been no changes in the Company's capital management in the current year.