



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2025

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Introduction

This Management's Discussion and Analysis of Operations and Financial Condition ("MD&A") of Battery Mineral Resources Corp. ("BMR" or the "Company") should be read in conjunction with the Company's Unaudited Condensed Interim Consolidated Financial Statements (the "Interim Financial Statements") for the three and nine months ended September 30, 2025, and the Company's Audited Annual Consolidated Financial Statements for the year ended December 31, 2024 (the "Annual Financial Statements"). The Interim Financial Statements and Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

This MD&A has been prepared as of December 1, 2025, and was approved and authorized for issue by the Board of Directors on that date.

Unless otherwise stated, all amounts in this MD&A are expressed in Canadian dollars. References to "US\$" refer to the United States dollar. References to "MM" denote millions.

This MD&A includes certain non-IFRS financial measures and ratios, which are not standardized financial measures under IFRS and may not be comparable to similar measures presented by other issuers. These measures are used by management to assess the Company's performance and are provided as supplemental information. Definitions, explanations, and reconciliations of non-IFRS measures to the most directly comparable IFRS measures are provided in the section titled "Non-IFRS Measures."

Additional information regarding the Company, including news releases and technical reports, is available on SEDAR+ at www.sedarplus.ca.

Caution Regarding Forward-Looking Statements

This discussion provides management's analysis of the Company's historical operating and financial results and includes management's estimates regarding future operating and financial performance based on information currently available. Actual results may differ materially from these estimates. Readers are cautioned that historical results are not necessarily indicative of future performance. Cautionary statements regarding forward-looking information are included under the section titled "Caution Regarding Forward Looking Information and Future-oriented Financial Information".

Business Overview

BMR is a public mineral production and energy services company with mineral interests incorporated under the laws of British Columbia on November 26, 2019. Its registered office is located at 1111 West Hastings Street, 15th Floor, Vancouver, BC, Canada V6E 2J3. The Company is a battery-metals-focused, multi-commodity explorer, developer, and producer advancing projects that supply raw materials required to meet anticipated demand growth in the battery and energy storage sectors.

Mining Operations – Punitaqui (Chile)

The Company is currently developing and operating the Punitaqui mining complex ("Punitaqui") located in the Coquimbo region of Chile through its wholly owned Chilean subsidiary, Minera BMR SpA ("Minera").

Equipment & Energy Services (ESI)

BMR holds a 100% ownership interest in ESI Energy Services Inc. ("ESI"). ESI's operations include equipment leasing, equipment sales, proprietary product design, and the manufacturing of specialized construction equipment. ESI primarily serves engineering, procurement, and construction contractors operating within both renewable energy and conventional energy sectors.

The financial position, results of operations, and cash flows of the Company are consolidated in the Interim Financial Statements, and related results and analysis are discussed in this MD&A.

Exploration & Evaluation ("E&E") Portfolio

BMR maintains a diversified E&E portfolio in multiple jurisdictions:

- **Chile** – The Punitaqui land package includes concessions adjacent to the San Andrés, Cinabrio, Cinabrio Norte, and Dalmacia deposits in Region IV, supporting ongoing geological, development, and resource-expansion work.
- **Canada** – The Company oversees a large Cobalt District exploration project in Ontario and Quebec, covering approximately 54,000 hectares in Ontario and 2,000 hectares in Quebec, prospective for cobalt and silver.
- **South Korea** – The Company also owns legacy graphite concessions in South Korea, which are being evaluated as part of an ongoing rationalization of the broader E&E portfolio.

This multi-jurisdictional E&E portfolio is managed with the objective of focusing capital and technical resources on the Company's highest-priority, value-generating assets.

Highlights

Corporate

- **New Leadership**
 - Appointed Laz Nikeas as the Non-Executive Chairman and Chief Executive Officer.
 - Appointed Keith Spano as Non-Executive Director and Chair of the Audit Committee.
 - Appointed Jennifer Fulton Anderson as Chief Financial Officer.
- **Executed Royalty Transaction:** Sold a 0.8232% gross revenue royalty in exchange for a US\$2.7MM reduction of debt owed to Weston Energy.
- **Successful Labour Negotiations:** Concluded collective bargaining processes with two labour unions representing the majority of Punitaqui mining operations, helping ensure labor stability into 2028.
- **Permitting Progress:** Received approval of the Environmental Impact Statement, which supports extension of the operational life at the Los Mantos processing plant at Punitaqui.
- **Portfolio Rationalization:** Further streamlined the exploration and evaluation portfolio by relinquishing its remaining United States E&E assets.

Mining (Punitaqui)

- **Increased Copper Concentrate Sales:** Realized \$31.8MM of copper concentrate sales in the first nine months of 2025, based on 10,790 dry metric tonnes ("DMT") sold at an average copper price of US\$4.29 per pound.

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- **Strong Recent Concentrate Production:** Produced ~2,374 DMT of copper concentrate between September 1 and October 14, 2025, averaging ~25% copper grade and containing ~1.8 million pounds of copper.
- **Higher Underground Throughput:** Underground production increased 80% for September 1–October 14, 2025 compared with 1H25, averaging ~1,800 tonnes per day (“tpd”) (and ~2,000 tpd for October 1–14).
- **Cinabrio Norte Development:** Advanced development of Cinabrio Norte, the third underground operation at Punitaqui.
- **Dalmacia Development:** Continued development planning work at Dalmacia, Punitaqui's fourth underground operation.

ESI (Equipment Rental, Sales, & Services)

- **Revenue Growth:** Achieved \$16.9MM of revenue in the first nine months of 2025, representing a 36% year-over-year increase.
- **Improved Margins:** Delivered strong margins reflecting effective cost control, steady core product demand, and increased activity in the renewable and conventional energy sectors.
- **Technology Advancement:** Announced development of *Ozzie's Omni Crawler*, an autonomous vehicle solution expected to reduce on-site labour usage in high-demand areas such as battery storage construction.
- **International Expansion:** Opened two additional international dealerships in the United Kingdom during Q1 2025 as part of ongoing operational readiness.
- **Strategic Manufacturing:** Established manufacturing partnerships in Thailand and the United Arab Emirates (“UAE”) to support long-term growth.

Results of Operations

Historical Results

The following table summarizes the Company's financial results and position for the eight most recently completed quarters:

		2025			2024				2023
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Gain/(Loss) for the period	\$'000s	281	(3,875)	(1,614)	(44,804)	(3,863)	(3,352)	(4,296)	(4,019)
Comprehensive income (loss) for the period attributable to common shareholders	\$'000s	(133)	(2,795)	(1,896)	(42,544)	(4,638)	(1,886)	(7,286)	(4,601)
Gain/(Loss) per share for the period (basic)	\$	0.00	(0.02)	(0.01)	(0.25)	(0.02)	(0.02)	(0.02)	(0.02)
Gain/(Loss) per share for the period (diluted)	\$	0.00	(0.02)	(0.01)	(0.25)	(0.02)	(0.02)	(0.02)	(0.02)
Basic number of ordinary shares outstanding	'000s	181,320	181,070	181,029	180,963	180,987	180,987	180,758	174,924

Consolidated Overview

For the three months ended September 30, 2025, the Company recorded a net gain from operations of \$1.4MM (Q3 2024 – net loss of \$2.4MM). For the nine months ended September 30, 2025, the Company recorded a net gain from operations of \$0.7MM (9M 2024 – net loss of \$8.2MM). The shift to a positive operating result for the nine-month period, versus a loss in the comparable prior-year period, was driven by three full quarters of Punitaqui production (compared to a single quarter in the prior period), robust sales performance at ESI, and ongoing general and administrative (“G&A”) cost-rationalization. These positive contributions outweighed the E&E property write-down and higher operating and maintenance costs at ESI in the period. The three-month

Management's Discussion and Analysis for the Three and Nine Months Ended September 30, 2025

period showed a similar year-over-year improvement driven by higher production and sales volumes and continued cost discipline.

The following table summarizes the Company's financial results for the three and nine months ended September 30, 2025 and 2024:

Summary of Financial Results (\$CAD)	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Revenue	\$ 15,135,864	\$ 13,735,757	\$ 48,725,422	\$ 21,160,769
Costs and expenses	(13,725,666)	(16,181,603)	(47,988,815)	(29,391,156)
Gain/(Loss) from operations	1,410,198	(2,445,846)	736,607	(8,230,387)

Consolidated Revenue

Revenue for the nine months ended September 30, 2025 was \$48.7MM (9M 2024 – \$21.2MM), attributable to:

- Concentrate sales from the Punitaqui operations of \$31.8MM
- Equipment rentals, sales, and service revenue from ESI totaling \$16.9MM

For the three-month period, consolidated revenue was \$15.1MM (Q3 2024 – \$13.7MM), reflecting higher concentrate sales from Punitaqui production and continued strength in ESI's rental and service activities. The quarterly results were directionally consistent with the year-to-date trends noted above.

Consolidated Expenses

Cost of sales and operational expenses for the nine months ended September 30, 2025 were \$48.0MM (9M 2024 – \$29.4MM), detailed in the table below:

Summary of Expenses (\$CAD)	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Cost of sales	\$ 8,608,815	\$ 9,337,904	\$ 29,122,576	\$ 10,308,337
Depreciation	999,872	1,102,017	3,400,869	2,570,866
Operating and maintenance	1,149,101	1,170,237	4,504,008	3,814,790
General and administration	1,819,291	3,729,916	8,795,985	10,066,961
Management fees	338,938	666,014	811,304	1,641,636
Professional fees	59,583	52,904	586,401	455,098
Restricted stock units expense	585	7,741	8,555	198,613
Performance stock units expense	-	-	-	98,106
Stock based compensation	-	18,342	9,636	136,595
Impairment of exploration and evaluation asset	749,481	-	749,481	3,626
Impairment of property, plant and equipment	-	96,528	-	96,528
Total Expenses	\$ 13,725,666	\$ 16,181,603	\$ 47,988,815	\$ 29,391,156

Cost of Sales and Depreciation

Cost of sales and depreciation for the nine months ended September 30, 2025 totaled \$32.5MM (9M 2024 – \$12.9MM), including:

- Mining, processing, and labour and contractor costs; inventory write-downs or reversals; and royalties together with direct equipment sales and rental costs, totaling \$29.1MM; and
- Depreciation and amortization of \$3.4MM.

For the three-month period, cost of sales decreased year-over-year to \$8.6MM (Q3 2024 – \$9.3MM). The reduction reflects a temporary inventory build-up at Punitaqui that lowered expense recognition in the period, partially offset by higher cost of sales driven by increased ESI sales volumes.

Management's Discussion and Analysis for the Three and Nine Months Ended September 30, 2025

Revenue less cost of sales and depreciation for the nine months ended September 30, 2025 was \$16.2MM (9M 2024 – \$8.3MM), and for the three-month period it was \$5.5MM (Q3 2024 – \$3.3MM).

Operating and Maintenance Expenses

Operating and maintenance expenses, which relate exclusively to ESI, totaled \$4.5MM for the nine months ended September 30, 2025 (9M 2024 – \$3.8MM). These costs include indirect shop labour, routine equipment maintenance, facility operating costs, and other operating overhead. The increase relative to the prior-year period primarily reflects higher sales and rental activity, which drove greater equipment utilization and associated maintenance and shop labour requirements.

For the three-month period, ESI kept operating and maintenance expenses stable at \$1.1MM, broadly consistent with \$1.2MM in Q3 2024 despite higher sales activity.

General & Administrative (G&A) Expenses

G&A expenses for the nine months ended September 30, 2025 including professional and management fees totaled \$10.2MM (9M 2024 – \$12.2MM). These expenditures reflect corporate-level activities supporting executive management, financial reporting, legal and regulatory compliance, strategic planning, and public company obligations across Canada, the United States ("U.S."), and Chile. The year-to-date decrease compared with the prior period reflects lower corporate spending, including reduced staff compensation and the suspension and reversal of previously accrued directors' compensation. The decrease also reflects the transition of Punitaqui from its operational ramp-up phase in the prior-year period to more stable operations in 2025, during which a greater portion of site-level overhead is included in cost of sales rather than recognized as G&A.

For the three-month period, G&A expenses including professional and management fees totaled \$2.2MM (Q3 2024 – \$4.4MM), consistent with the cost reductions and improved allocation of site-level costs realized year-to-date.

The Company continues to monitor discretionary spending and optimize administrative cost structures while supporting the operational and financing requirements of the business.

Impairment and Other Non-Cash Operating Items

Impairment and other non-cash operating items for the nine months ended September 30, 2025 totaled \$0.8MM (9M 2024 – \$0.5MM). These items are non-recurring or non-cash in nature and relate primarily to valuation adjustments on long-lived assets and exploration properties as well as share-based compensation.

For the nine-month period, the Company recorded:

- Impairment of exploration and evaluation assets of \$0.7MM (9M 2024 – \$nil), related to the write off of the U.S. exploration and evaluation asset Bonanza in third quarter 2025.

For the three-month period, impairment and other non-cash operating items totaled \$0.8MM (Q3 2024 – \$0.1MM), primarily reflecting the recognition of the Bonanza impairment noted above.

This non-cash item did not impact the Company's cash flows for the period but did affect the reported operating result. Management continues to monitor the carrying value of its long-lived assets and exploration properties for indicators of impairment or reversal in accordance with IAS 36 and IFRS 6.

Other Income and Expenses

Other income and expenses for the nine months ended September 30, 2025 totaled a net expense of \$5.9MM (9M 2024 – net expense of \$3.3MM). The year-over-year variance primarily reflects higher finance costs associated with increased outstanding borrowings, partially offset by a foreign exchange gain arising from movements in the CAD/USD and CAD/CLP exchange rates. Results for the period also include the non-cash fair value remeasurement of the Company's convertible debentures, recorded in accordance with IFRS for financial liabilities measured at fair value through profit or loss. In addition, the category includes a \$2.8MM (US\$2.0MM) expense related to a milestone payment that became due in the period and was recorded in trade and other payables.

Other income and expenses for the three months ended September 30, 2025 totaled a loss of \$0.2MM (Q3 2024 – loss of \$1.4MM). The quarter's foreign exchange gain, driven by the strengthening of the U.S. dollar against the Chilean peso and Canadian dollar, outweighed the impact of the \$2.8MM (US\$2.0MM) milestone payment recognized in the period.

Net loss for the nine months ended September 30, 2025 was \$5.2MM (9M 2024 – \$11.5MM). The year-over-year improvement primarily reflects the transition of Punitaqui from its operational ramp-up phase in 2024 to full-period production in 2025, resulting in higher gross profit. For the three-month period, the Company recorded a net gain of \$0.2MM (Q3 2024 – net loss of \$3.9MM), supported by a significant non-cash foreign exchange gain on the strength of the U.S. dollar.

Segment Results

Punitaqui

The following table provides a summary of Punitaqui revenue, gross profit, and gross margin for the three and nine months ended September 30, 2025, and 2024, respectively:

Gross Profit and Gross Profit Margin	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Revenue	\$ 9,095,390	\$ 8,739,127	\$ 31,815,322	\$ 8,739,127
Less:				
Cost of sales	7,222,433	8,497,832	25,426,478	8,497,832
Depreciation of equipment	407,812	370,648	1,464,581	370,648
Gross Profit/(Loss)	\$ 1,465,144	\$ (129,353)	\$ 4,924,262	\$ (129,353)
Gross Profit/(Loss) Margin	16%	-1%	15%	-1%

During the three months ended September 30, 2025, the Company sold 3,829 DMT of copper concentrate at an average copper price of US\$4.30 per pound and recorded \$9.1 MM in copper concentrate revenue.

During the nine months ended September 30, 2025, the Company sold 8,127 DMT of copper concentrate at an average copper price of US\$4.24 per pound and recorded \$31.8MM in copper concentrate revenue. As of the date of this MD&A, the spot London Metals Exchange ("LME") copper price was approximately US\$5.15/lb.

For the three and nine months ended September 30, 2025, the Company realized a gross profit from Punitaqui of \$1.5MM and \$4.9MM, respectively (2024 – gross loss of \$0.1MM and \$0.1MM), representing a gross margin of approximately 16% and 15%, respectively (2024 – negative 1% and negative 1%).

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ESI
Revenue

Revenue for the ESI segment totaled \$16.9MM for the nine months ended September 30, 2025, compared to \$12.4MM for the nine months ended September 30, 2024. The 36% year-over-year increase was driven by higher machine sales and increased rental utilization of small padders, screening buckets, and sand delivery machines as customer project requirements shifted during the period.

The following table provides a summary of ESI's revenues for the nine months ended September 30, 2025 and 2024:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Machine rentals	4,260,604	2,808,331	9,633,948	6,825,358
Machine sales	791,444	1,175,972	4,436,633	3,249,304
Other services	988,426	1,012,327	2,839,519	2,346,980
Total	6,040,474	4,996,630	16,910,100	12,421,642

Revenue composition during the period reflected machine rentals as the largest component of revenue at 57%, supplemented by machine sales (26%), and other services (17%). Machine rentals were driven mainly by padding machines (64% of rental revenue in the period). Machine sales reflected customer demand for owned equipment, while mobilization revenue related to the delivery, setup, and return of equipment to and from customer job sites. Other services consisted of ancillary support provided in connection with rental and sales operations.

Gross Profit and Gross Margins

The following table provides a summary of ESI's gross profit and margin for the three months and nine months ended September 30, 2025, and 2024:

Gross Profit and Gross Profit Margin	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Revenue	6,040,474	4,996,630	16,910,100	12,421,642
Cost of sales	1,386,382	840,072	3,696,098	1,810,505
Operating and maintenance expenses	1,149,101	1,170,237	4,504,008	3,814,790
Gross margin	3,504,991	2,986,321	8,709,994	6,796,347
Depreciation	592,061	731,369	1,936,288	2,200,218
Gross profit	2,912,930	2,254,952	6,773,706	4,596,129
Gross Profit Margin	48%	45%	40%	37%

For the nine months ended September 30, 2025, ESI realized a gross profit of \$6.8MM, representing a gross profit margin of approximately 40% compared to a gross profit of \$4.6MM and a gross profit margin of approximately 37% for the nine months ended September 30, 2024. The increase in gross profit and the gross profit margin during the nine months ended September 30, 2025, was primarily due to an increase in revenue.

Non-IFRS Financial Performance Measures

The Company has included certain non-IFRS measures including "Gross profit" and "Gross profit margin" to supplement its financial statements, which are presented in accordance with IFRS. For ESI, gross profit is equal to revenue less the cost of sales, less operating and maintenance expense, less depreciation. Gross profit margin is equal to gross profit divided by revenue.

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The Company believes that these measures provide investors with an alternative view to evaluate the performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. Therefore, they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Liquidity and Capital Resources

Financial Position

The following table provides a summary of the financial position of the Company as of September 30, 2025, and as of December 31, 2024.

Summary of Financial Position	As of September 30, 2025	As of December 31, 2024
Total assets	\$ 105,649,083	\$ 95,357,878
Total current liabilities	89,521,995	73,942,307
Total non-current liabilities	19,695,149	23,710,114

Assets

Cash

The Company's cash flows during the three and nine months ended September 30, 2025, consisted of net cash used by financing activities of \$5.2MM and \$8.2MM (2024 provided by – \$0.5MM and \$15.5MM), offset by net cash provided for in operating activities of \$8.8MM and \$18.0MM (2024 – \$4.0MM and \$1.6MM), and net cash used in investing activities of \$4.7MM and \$13.2MM (2024 – \$2.8MM and \$14.5MM).

Receivables

Accounts receivables as at September 30, 2025, totaled \$5.9MM (December 31, 2024 – \$8.9MM). Sales tax and valued-added (“VAT”) tax receivables totaled \$9.8MM (December 31, 2024 – \$3.6MM).

Liabilities

Trade Payables & Other Accrued Expenses

As of September 30, 2025, trade payables totaled \$18.6MM due primarily to operational activities at Punitaqui and ESI (December 31, 2024 – \$8.6MM). VAT payables totaled \$8.5MM (December 31, 2024 – \$3.7MM). Accrued expenses totaled \$9.5MM (December 31, 2024 – \$5.9MM) and included the recognition of a \$2.8MM (US\$2.0MM) milestone payment obligation in the third quarter 2025. Accrued remuneration and other payables totaled \$2.3MM (December 31, 2024 – \$2.0MM).

Convertible Unsecured Debentures

No new convertible debentures (“Debentures”) were issued during the nine months ended September 30, 2025. The Company's convertible debentures, originally issued in 2023 and 2024 as part of a capital structure consolidation and refinancing initiative, are convertible at US\$0.22 per share, continue to bear interest at 10% per annum, and mature on September 30, 2026. As the debentures are classified as financial liabilities measured at fair value through profit or loss, the Company recognized a fair-value loss of \$1.1MM for the nine months ended September 30, 2025 (2024 – gain of \$3.0MM). As at September 30, 2025, the Debentures had a fair value of \$33.9MM (December 31, 2024 – \$32.6MM) and are classified as current liabilities following the adoption of amendments to IAS 1. Additional details regarding the terms and valuation of the Debentures are provided in Note 16 of the Interim Financial Statements.

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The carrying amount of the Debentures is as follows:

	As of September 30, 2025	As of December 31, 2024
Convertible unsecured subordinated debentures		
Fair value at beginning of the period	\$32,643,225	\$ 24,869,560
Issuance of convertible debentures during the period	-	2,164,871
Accrued interest	2,335,733	2,707,580
Change in fair value	(1,095,030)	2,901,214
Balance, end of period	\$33,883,928	\$ 32,643,225

Working Capital

The Company had a working capital deficiency of \$66.7MM as of September 30, 2025 (December 31, 2024 – \$56.1MM). The increase in the deficiency was primarily driven by higher expenditures related to the initiation of activities at Punitaqui and the increase in the current portion of the Debentures, which continue to be classified as current liabilities following the IAS 1 amendment.

Liquidity

As at September 30, 2025, the Company had cash of \$1.6MM (December 31, 2024 - \$2.9MM). Cash consists primarily of funds held with reputable financial institutions, with excess balances invested in highly liquid, short-term instruments with maturities of 90 days or less.

The Company does not currently generate sufficient revenue to fund its planned exploration and development activities and will require additional financing to carry out these activities and meet its ongoing obligations. There is no assurance that such financing initiatives will be successful. The Financial Statements have been prepared on a going-concern basis and do not reflect the adjustments to the carrying values of assets and liabilities, or the classifications within the consolidated statements of financial position, that would be required if the going-concern assumption were no longer appropriate. Such adjustments could be material.

As at September 30, 2025, current liabilities include a \$2.8MM (US\$2.0MM) milestone payment that became due during the period and remains outstanding. The Company is in discussions with the counterparty regarding timing and settlement of this obligation.

Corporate Financing Activities

During the nine months ended September 30, 2025, the Company sold to Weston Energy II, LLC and Weston Energy III, LLC, investment vehicles of Yorktown Partners, LLC, an additional 0.8232% GRR (gross revenue royalties) in exchange for a US\$2.7MM reduction of debt owed to the investment vehicles. The terms of this GRR are consistent with the royalty agreements completed with Electric Royalties in late 2024 and early 2025. The Company is in active discussions regarding potential financing alternatives to support its ongoing working capital needs and the advancement of activities at Punitaqui; however, there can be no assurance that such financing will be completed on acceptable terms or at all.

Property / Project Updates (E&E)

During the nine months ended September 30, 2025, the Company continued to advance the strategic rationalization of its exploration and evaluation portfolio. This initiative is designed to sharpen the Company's mining-related focus on Punitaqui, simplify the broader project portfolio, and enable more efficient deployment of management time and corporate resources while continuing to support the growth and operational execution of its equipment leasing, sales, and manufacturing business (ESI). Activities during the

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period primarily consisted of regulatory, administrative, and limited field expenditures required to maintain the remaining E&E properties in good standing while management evaluated their strategic fit within the portfolio and assessed alternatives to optimize the Company's capital allocation and long-term value.

During 2024 and year-to-date 2025, the Company fully wrote off five projects—one in South Korea, two in the United States, and two in Canada—as part of its effort to streamline and refocus its asset portfolio. In 2024, the Company's Chilean E&E asset associated with Punitaqui was transferred to mineral properties. The Company retains five E&E projects, all of which are in Canada.

The following table summarizes the Company's E&E and pre-development activities, related expenditures, and project status updates for the nine months ended September 30, 2025, and throughout 2024:

\$	Status	Cumulative to December 31, 2023	Period ending December 31, 2024	Impairment	Transfer to mineral properties	Cumulative to December 31, 2024	Period ending September 30, 2025	Cumulative life of project to date
Canada - Cobalt								
McAra	Active	\$ 7,990,254	\$ 22,747	\$ -	\$ -	\$ 8,013,001	\$ 11,861	\$ 8,024,862
Gowganda	Active	4,887,165	66,375	-	-	4,953,540	8,581	4,962,121
Shining Tree	Active	2,031,810	6,800	-	-	2,038,610	1,753	2,040,363
Fabre	Active	1,956,395	3,912	-	-	1,960,307	3,688	1,963,995
Wilder	Active	1,369,988	19,617	-	-	1,389,605	6,893	1,396,498
Elk Lake	Inactive	2,635,049	36,896	(2,671,945)	-	-	-	-
White Reserve	Inactive	1,318,804	3,487	(1,322,291)	-	-	-	-
Total Canadian		\$ 22,189,465	\$ 159,834	\$ (3,994,236)	\$ -	\$ 18,355,063	\$ 32,777	\$ 18,387,839
Non-Canadian								
Chile - Punitaqui	Transferred	\$ 28,781,885	\$ 4,124,207	\$ -15,551,507	\$ -17,354,585	\$ -	\$ -	\$ -
South Korea Graphite - Geuman & Taehwa	Inactive	2,221,885	168,585	(2,390,470)	-	-	-	-
US Cobalt - Bonanza	Inactive	615,272	145,077	-	-	760,349	(760,349)	\$ -
US Lithium - Amargosa	Inactive	394,830	49,489	(444,319)	-	-	-	-
Total Non-Canadian		\$ 32,013,872	\$ 4,487,358	\$ (18,386,296)	\$ (17,354,585)	\$ 760,349	\$ (760,349)	\$ -
Total Exploration and Evaluation		\$ 54,203,337	\$ 4,647,192	\$ (22,380,532)	\$ (17,354,585)	\$ 19,115,412	\$ (727,573)	\$ 18,387,839

Canada Projects – Cobalt

The Company's Canadian cobalt exploration properties are located within the historic Cobalt Embayment in Ontario and Quebec, Canada, a region hosting numerous past-producing cobalt and silver deposits.

For the nine months ended September 30, 2025, expenditures totaled approximately \$0.03MM, primarily relating to administrative and maintenance costs required to keep the concessions in good standing. No field exploration work was conducted during the period. An ongoing rehabilitation program on the Gowganda mining leases, which commenced in 2018, focuses on mitigating safety hazards associated with historic underground workings and supporting overall site remediation.

During 2024, the Company reduced its holdings of two Canadian exploration properties—Elk Lake and White Reserve—as part of its broader effort to streamline the E&E portfolio and focus on the most prospective land positions.

U.S. Projects – Cobalt & Lithium

The Company's former U.S. exploration properties consisted of the Bonanza cobalt-copper project in Idaho and the Amargosa lithium project in Nye County, Nevada.

Following a strategic review of the Company's exploration and evaluation properties, management elected to streamline the portfolio by relinquishing its remaining U.S. assets. In September 2025, the Company relinquished 100% of the tenure rights associated with the Bonanza project and recorded an impairment of approximately \$0.8MM. During the same period, the Company also relinquished the remaining 20 claims of the Amargosa project, which had previously been fully written off in December 2024.

South Korea Projects – Graphite

The Company's former South Korean graphite exploration properties consisted of the Geumam and Taehwa graphite projects, both past-producing mines located in the Geumam and Taehwa regions of South Korea.

In December 2024, following a strategic review of the Company's property portfolio, management elected to cease exploration activities on the Geumam and Taehwa Projects and fully wrote off the remaining carrying value. For the year ended December 31, 2024, the Company recognized an impairment charge of \$2.4MM, representing the entire carrying amount of the South Korean exploration assets. Following the write-off, the Company consolidated its graphite concessions into three remaining tenures and intends to sell or relinquish these concessions as it winds down the South Korean exploration program. Current project-related expenditures are limited to routine regulatory and administrative costs required to maintain the domestic corporate entity.

Punitaqui Project

The Company's Chilean exploration and evaluation activities historically centered on the Punitaqui project, a past-producing copper mining district in the Coquimbo region of Chile. In the third quarter of 2024, the Punitaqui exploration and evaluation asset was transferred to mineral properties upon the determination that the project had moved beyond the exploration and evaluation stage and was ready for development and operating activities. As a result of this transfer, Punitaqui shows no exploration and evaluation ("E&E") expenditures for the period ended September 30, 2025, and its cumulative carrying amount within E&E is \$nil.

The Company continues to assess additional opportunities within the broader Punitaqui land package and has identified potential exploration targets on ground held outside of the core mineral property area. Any new exploration expenditures incurred in respect of these targets will be recognized as E&E assets or expensed in accordance with IFRS 6, depending on their nature and the Company's accounting policy. As at September 30, 2025, no new E&E assets have been recorded in Chile.

Operations & Development – Punitaqui**Operations**

During the nine months ended September 30, 2025, the Company sold 10,790 dry metric tonnes ("DMT") of copper concentrate at an average realized copper price of US\$4.29 per pound, compared with 3,108 DMT sold at an average realized copper price of US\$4.16 per pound in the nine months ended September 30, 2024. The year-over-year increase in concentrate sold reflects higher underground ore production and improved mill availability during the current period. Revenues for the nine months ended September 30, 2025 were \$31.8MM, compared with \$8.8MM in the prior-year period. Variances in revenue between periods were primarily driven by changes in shipped volumes, copper prices, and the timing of concentrate deliveries.

Mining and Development Activities

During the period, the Company continued underground development and mining at Cinabrio, San Andrés, and Cinabrio Norte, supported by equipment overhauls, mobile-fleet maintenance, and processing plant upgrades. These activities were directed toward increasing ore feed, improving plant reliability, and supporting the progression toward higher sustained production rates. In the first nine months of 2025, the Company also received approval of its DIA (Declaración de Impacto Ambiental or Environmental Impact Declaration), which supports extension of the operational life at the Los Mantos processing plant through the construction of a filtered tailing facility.

Capital and Operating Costs

Expenditures during the period included development and mining activities, plant maintenance work, and associated general and administrative costs, including salaries, legal fees, and other site-support expenses.

Impairment Assessment

In the second quarter of 2024, the Punitaqui exploration and evaluation asset was transferred to mineral properties in accordance with IFRS 6. As part of the transfer, the Company performed an impairment assessment of the Punitaqui cash-generating unit under IAS 36, resulting in the recognition of a \$15.6 million impairment charge, recorded within other expenses. The impairment reflected updated life-of-mine assumptions, revised capital and operating cost estimates, and timing considerations associated with the transition to sustained production.

Mineral Tenure Optimization

During the nine months ended September 30, 2025, the Company completed a comprehensive review of its mineral tenure holdings in the Punitaqui district. As at September 30, 2025, the land package comprised 48 concessions totaling 4,405 hectares, reduced from 83 concessions (9,381 hectares). Concessions relinquished during the period were predominantly peripheral and isolated areas located outside active mining and resource zones, representing a strategic effort to streamline holding costs and focus resources on core operating areas.

Outlook

Punitaqui

Looking ahead to 2026, the Company expects to advance several key capital projects at Punitaqui, including construction of the filtered tailings plant and completion of the ventilation raises at Cinabrio Norte. These initiatives, together with continued development of the Company's underground mines and processing infrastructure upgrades, are intended to support the long-term performance and production capacity of the mine and mill. The scope, value, and timing of these projects remain subject to operational, permitting, market, and other external factors.

ESI

In 2025 year-to-date, ESI focused on the development, sales, and manufacturing of innovative products specifically tailored to the solar industry. Demand for these products has been robust, with a sales increase of 36% year-to-date compared to the same period in 2024. To meet this growing demand, ESI added international manufacturing partners in the United Arab Emirates and Thailand, furthering the global expansion of ESI. This expanded manufacturing capacity not only addresses current demand but also positions ESI to further expand its international dealership network through the remainder of 2025. ESI plans to continue broadening its product offerings, aiming to solidify its presence in key markets and drive growth.

ESI also continues to experience strong sale and rental demand for its padding machines, particularly within the U.S. market. Management expects that it will continue to experience strong rental demand for the foreseeable future, supported by continued activity in renewable energy projects.

The Company previously disclosed a 2025 revenue target of \$22MM for ESI. The Company is not issuing updated financial guidance. Based on year-to-date results and current customer activity, management presently believes that results remain generally consistent with the assumptions underlying the previously

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disclosed target. This forward-looking information is subject to the risks and assumptions described in this MD&A, and actual results may differ materially.

This MD&A also contains future-oriented financial information ("FOFI"), including management's expectations regarding 2025 revenue performance. FOFI is based on assumptions considered reasonable by management as at the date of this MD&A; however, actual results may differ materially. FOFI is provided to assist readers in understanding management's current expectations for 2025 and may not be appropriate for other purposes.

E&E

As part of the ongoing strategic review process of the Company's E&E property portfolio, additional relinquishments are planned to further consolidate the Company's holdings around the most prospective target areas and maximize the assessment work credits available to maintain those higher priority areas. Further rationalization of the Ontario concessions is planned for 2026.

Related Party Transactions

Compensation of Key Management Personnel

Key management personnel include members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer of ESI, and the General Manager of Minera. The aggregate compensation paid or payable to key management personnel during the three and nine months ended September 30, 2025 and 2024 is as follows:

In the third quarter of 2025, director compensation was suspended and all prior director compensation accruals were reversed in their entirety.

Related Party (\$CAD)	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Director Fees	(831,021)	84,873	(660,033)	275,557
Management fees	249,924	355,681	1,459,768	1,156,301
Share-based compensation	585	26,083	18,191	433,314
Total	\$ (580,512)	\$ 466,637	\$ 817,926	\$ 1,865,172

Other Related Party Transactions

During 2024, Weston Energy II, LLC ("Weston II"), an investment company owned by Yorktown Partners LLC, a major shareholder of the Company, subscribed for US\$3,115,000 of Convertible Debentures (Note 16) and provided US\$1,500,000 in funding pursuant to promissory notes issued by the Company (Note 13). Weston Energy III, LLC ("Weston III"), also an investment company owned by Yorktown Partners LLC, provided US\$2,500,000 in funding pursuant to promissory notes issued by the Company.

On July 9, 2025, Weston II and Weston III converted a portion of their indebtedness into a GRR. In addition, Minera's promissory note to Weston III was extended to October 31, 2025.

On July 9, 2025, Minera issued a promissory note to Weston III for US\$0.6MM. The promissory note originally matured on August 8, 2025 and was extended to March 31, 2026.

Off-Balance Sheet Transactions

The Company did not have any off-balance sheet arrangements that would materially impact its financial statements as at September 30, 2025, December 31, 2024, or as of the date of this MD&A.

Outstanding Share Data

As of September 30, 2025, the Company has 181,320,297 shares outstanding (December 31, 2024 - 181,028,630 shares outstanding). As of the date of this MD&A there are 184,320,297 shares outstanding.

Common Shares

During the nine months ended September 30, 2025, the Company issued 291,668 common shares due to the exercise of restricted share units.

Stock Options

As of September 30, 2025 and as of the date of this MD&A, 4,686,666 stock options were outstanding (December 31, 2024 - 8,090,832), of which all were issued to officers, directors, employees, and consultants of the Company. Total stock option compensation expense for the nine months ended September 30, 2025, was \$nil (2024 - \$0.1MM).

The Company's stock option plan provides for the issuance of stock options to its officers, directors, employees and consultants. Stock options are non-transferable, and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed 10% of the issued shares of the Company at the time of granting. The exercise price and vesting terms of stock options is determined by the Board of Directors of the Company at the time of grant.

Restricted Share Units ("RSUs")

As of September 30, 2025, there were 3,066,666 RSUs outstanding, while, as of the date of this MD&A, 66,666 RSUs were outstanding (December 31, 2024 - 3,358,333). RSUs were issued to officers, directors, employees, and consultants of the Company. The total RSU expense for the nine months ended September 30, 2025, was \$nil (2024 - \$0.1MM).

Performance Share Units ("PSUs")

As of September 30, 2025 and as of the date of this MD&A, 1,560,000 PSUs remain outstanding (December 31, 2024 - 1,960,000). The total PSU expense for the nine months ended September 30, 2025, was \$nil (2024 - \$0.1MM).

Subsequent Events

Subsequent to the nine months ended September 30, 2025:

- The maturity date of the Company's promissory note to Weston III was extended to April 30, 2026.
- The maturity date of Minera's promissory note to Weston III was extended to March 31, 2026.
- The Company appointed MNP LLP as its auditor following the resignation of Doane Grant Thornton LLP. Additional information regarding the auditor change is available in the Company's Notice of Change of Auditor filed on SEDAR+ on November 20, 2025.
- New Canaan Capital Advisors LLC exercised 3,000,000 restricted share units.
- Jennifer Fulton Anderson was appointed as Chief Financial Officer on October 31, 2025.
- On October 29, 2025, the Company submitted a request to the Ministry of Economy to extend the deadline from December 31, 2025 to December 31, 2027 for the Company to meet the minimum export requirement under its VAT export program promissory note. As at November 30, 2025, the

Company has 2,640 wet metric tonnes of copper concentrate staged for export. These shipments, once completed, are expected to qualify as eligible exports under the VAT export program and to reduce the Company's outstanding promissory note balance in accordance with the program's requirements.

Financial Instruments and Capital Management

Financial instruments are measured on initial recognition at fair value, and, in the case of financial instruments other than those classified as "fair value through profit and loss" ("FVTPL"), net of directly attributable transaction costs.

Recognition and Measurement

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as FVTPL. The directly attributable transactions costs of financial assets and liabilities measured at FVTPL are expensed in the period in which they are incurred. Subsequent measurement of financial assets and liabilities depends on the classification of such assets and liabilities.

Classification of Financial Assets

Amortized cost: Financial assets that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of financial assets is the amount at which the financial asset is measured at initial recognition minus the principal payments, plus the cumulative amortization using effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The Company's financial assets measured at amortized costs primarily include cash and receivables included in current assets.

Financial Liabilities

Financial liabilities are designated as either: fair value through profit or loss; or amortized cost. Subsequently, they are classified and measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. The Company's financial liabilities which consist of trade and other payables, bridge loan, promissory note, deferred payments on acquisition, loans and borrowings are classified as amortized cost.

Convertible debentures issued by the Company in 2022 are classified as a compound financial instrument includes the host debt component and the equity component, with the proceeds received allocated between the two components at the date of issue. The liability and equity components of convertible debentures are presented separately on the consolidated statement of financial position starting from initial recognition. The

liability component is recognized initially at the fair value, by discounting the stream of future payments of interest and principal at the prevailing market rate for a similar liability of comparable credit status and providing substantially the same cash flows that do not have an associated conversion option. Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method; the liability component is increased by accretion of the discounted amounts to reach the nominal value of the debentures at maturity. The carrying amount of the equity component is calculated by deducting the carrying amount of the financial liability from the amount of the debentures and is presented in shareholders' equity as equity component of convertible debenture. The equity component is not re-measured subsequent to initial recognition except on conversion or expiry. Transaction costs are distributed between liability and equity on a pro-rata basis of their carrying amounts.

Convertible debentures issued by the Company in 2023 and 2024 are classified as a hybrid financial instrument include the host debt component and the convertible component. The Company has elected to not separate the debt host component from its embedded derivatives, and instead, to initially account for the convertible debenture as a single financial liability at fair value. Subsequent to initial recognition, the change in fair value of the liability is recognized in profit or loss. Transaction costs associated with the issuance of the convertible debentures are fully expensed at inception.

The risk exposure arising from these financial instruments is summarized as follows:

Commodity price risk

The demand, pricing and terms for ESI's services in-part depends upon the level of expenditures made by renewable energy companies, pipeline companies and other types of customers. Generally, when demand for commodities is high and expectations of future prices of commodities are high, demand for ESI's equipment is high. The converse is also true. The prices for electricity, crude oil and gas have fluctuated during recent years and may continue to be volatile in the future, as such, ESI has some commodity price risk facing it at the present.

The fair values or cash flows associated with the Company's projects will vary due to changes in the prices of commodities including but not limited to the prices of copper, cobalt, graphite and lithium. The Company does not engage in programs to mitigate its exposure to commodity price risk. On September 30, 2025, the spot LME copper price was US\$4.48/lb. As of the date of this MD&A, the spot LME copper price was approximately US\$4.46/lb.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company minimizes its credit exposure related to short term investments when applicable by selecting counterparties based on credit ratings and monitors all investments to ensure a stable return, avoiding complex investment vehicles with higher risk such as asset backed commercial paper. The Company's cash is held in significant financial institutions, and the Company considers this risk to be remote. The Company invests cash with financial institutions that are financially sound based on their credit rating. The Company's receivables primarily include tax balances receivable from the government of Canada and Chile, which are considered low risk. ESI also has finance lease receivables with exposure to credit risk influenced mainly by the characteristics of its customers, which have historically met its contractual obligations.

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Liquidity Risk

Liquidity risk is the exposure of the Company to the risk of being unable to meet its financial obligations as they come due. The Company manages liquidity risk by monitoring, reviewing, and adjusting actual and forecasted cash flows to ensure there are available cash resources to meet these needs. The Company does not currently generate sufficient revenue to fund its planned exploration and development activities and will need to continue to obtain additional financing to execute such activities and discharge its day-to-day obligations. There is no assurance that the Company's funding initiatives will be successful.

Contractual cash flow requirements as at September 30, 2025 were as follows:

	year 1	year 2	year 3	year 4	> 4 years	Total
Loans and borrowings	\$ 1,087,034	\$ 6,029,938	\$ 117,389	\$ 70,691	\$ 27,885	\$ 7,332,937
Trade payables	18,642,686	-	-	-	-	18,642,686
VAT payables	8,523,432	-	-	-	-	8,523,432
Accrued expenses	9,495,438	-	-	-	-	9,495,438
Accrued remuneration and other payables	2,263,479	-	-	-	-	2,263,479
Income tax payables	219,897	-	-	-	-	219,897
Deferred revenue	588,207	-	-	-	-	588,207
Lease liability	847,295	347,726	-	-	-	1,195,020
Copper prepayment liability	3,235,233	2,899,225	-	-	-	6,134,459
Asset retirement obligation - liability	519,258	138,772	6,061	60,482	7,681,910	8,406,483
VAT Liability	5,926,331	-	-	-	-	5,926,331
Deferred payments on acquisition	1,666,599	1,030,280	-	-	-	2,696,879
Promissory note	3,024,326	-	-	-	-	3,024,326
Royalty payments	1,814,046	2,033,212	2,311,898	2,241,686	4,109,238	12,510,080
Convertible debenture	33,883,928	-	-	-	-	33,883,928
Total	\$ 91,737,189	\$ 12,479,154	\$ 2,435,348	\$ 2,372,858	\$ 11,819,033	\$ 120,843,584

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company does not face other price risk. Currency risk and interest rate risk are discussed below.

Currency risk

The Company conducts exploration and evaluation activities in the United States, Canada, South Korea and Chile and is exposed to currency risk due to fluctuations in the exchange rates of foreign currencies. As at September 30, 2025, the Company had foreign currency assets and foreign currency liabilities in United States Dollars ("USD"), Korean Won ("KRW"), and Chilean Pesos ("CLP"). On September 30, 2025, the spot exchange rates to convert 1 USD, 1 KRW and 1 CLP to Canadian dollars were approximately 1.3921, 0.000994, and 0.00145, respectively. As of the date of this MD&A, the spot exchange rates to convert 1 USD, 1 KRW and 1 CLP to Canadian dollars were approximately 1.3988, 0.000953, and 0.00151, respectively. As at September 30, 2025, a 10% change in United States Dollars, Korean Wan, and Chilean Peso to the Canadian dollar will result in a foreign exchange gain/loss of approximately \$3.8MM, \$14,884 and \$3.4MM, respectively.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk is minimal as the variable rate on the Javelin prepayment, and the Fiera loan are a small component of the overall rates. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

Capital Management

The Company manages its capital structure and adjusts it based on the funds available to the Company, in order to continue as a going concern. The Company considers capital to be the short-term and long-term debt, including the convertible debentures, the copper prepayment liability, promissory note and other loans and borrowings, as well as equity. As at September 30, 2025, the total capital held by the Company is \$49.6MM (December 31, 2024 - \$52.1MM). The Board of Directors of the Company 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 business. Additional funds may be required to finance the Company.

There has been no significant change to the Company's capital management policies during the nine months ended September 30, 2025.

Risks and Uncertainties

The Company is engaged in mineral exploration, development and production activities which, by nature, are speculative. Through ESI, the Company is also engaged in the sale and rental of machines including padding machines and others.

Due to the high-risk nature of the Company's mineral exploration, development and production business division, and the present stage of the Company's various projects, an investment in the Company's common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A under "*Risk Factors related to the Company's Mineral Properties*" and "*Risk Factors related to ESI*". Additional risks not currently known to the Company, or that the Company currently considers immaterial, may also adversely affect the Company's business, result of operations, financial results, prospects, and price of common shares.

Risk Factors Related to the Company's Mineral Properties

Fluctuating Commodity Prices

Historically, copper, gold, silver, cobalt, lithium, graphite and other metals prices have fluctuated widely and are affected by numerous external factors beyond the Company's control, including industrial demand, production and cost levels in major producing regions, short-term changes in supply and demand because of speculative activities, confidence in the global monetary system, the strength of the U.S. dollar (the currency in which metals are generally quoted), interest rates, terrorism and war, and other global or regional political or economic events. Metal prices have fluctuated widely and are sometimes subject to rapid short-term changes because of speculative activities. The exact effect of these factors cannot be accurately predicted, but any one of or any combination of, these factors may result in not receiving an adequate return on invested capital and a loss of all or part of an investment in securities in the Company.

Construction and Start-up of Mines

The success of construction projects and the start-up of mines by the Company is subject to a number of factors including the availability and performance of engineering and construction contractors, mining contractors, mining equipment, suppliers and consultants, the receipt of required governmental approvals and permits in connection with the construction of mining facilities and the commencement of mining operations including the successful completion and commissioning of ore passes, recovery plants and conveyors to move ore, among other operational elements. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Company is dependent in connection with its construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements in connection with mines could delay or prevent the construction, start-up and production of mines as planned. There can be no assurance that current or future construction, start-up or production plans implemented by the Company will be successful, that the Company will be able to obtain sufficient funds to finance construction, start-up or production activities, that personnel and equipment will be available in a timely manner or on reasonable terms to successfully complete construction projects,

that the Company will be able to obtain all necessary governmental approvals and permits or that the completion of the construction, the pre-production costs and the ongoing operating costs associated with the development and production of mines will not be significantly higher than anticipated by the Company. The Company has historically settled its accounts payable in the normal course of business. Any delays in receiving the funding necessary to continue advancing Punitaqui may, in turn, cause the Company to be delayed in settling its accounts payable. Such delays may, individually or in aggregate, cause the Company's estimated timeline for the operations at Punitaqui to be adversely affected. Any of the foregoing factors could adversely impact the operations and financial condition of the Company.

Uncertainty of Production Estimates

Future estimates of production for the Company's mining operations are derived from a mining plan, and these estimates are subject to change. There is no assurance the production estimates will be achieved and failure to achieve production estimates could have a materially adverse effect on the Company's future cash flow, results of operations and financial condition. These plans are based on, among other things, mining experience, reserve estimates, assumptions regarding ground conditions and physical characteristics of ores and estimated rates and costs of production. Actual ore production may vary from estimates for a variety of reasons, including risks and hazards of the types discussed above. Such occurrences could result in damage to mineral properties, interruptions in production, money losses and legal liabilities and could cause a mineral property that has been mined profitably in the past to become unprofitable. Any decrease in production or change to the timing of production or the prices realized for copper and precious metal sales, will directly affect the amount and timing of the cash flow from operations. A production shortfall or any of these other factors would change the timing of the Company's projected cash flow and its ability to use the cash to fund capital expenditures.

Financing Risk

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing debt and equity market conditions, the prices of copper, gold, silver, cobalt, lithium, graphite and other metals, the performance of the Company, and other factors outlined herein. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If the Company raises additional funds through the sale of equity securities or securities convertible into equity securities, shareholders may have their equity interest in the Company diluted. In addition, failure to comply with covenants under the Company's current or future debt agreements or to make scheduled payments of the principal of, or to pay interest on, its indebtedness would likely result in an event of default under the debt agreements and would allow the lenders to accelerate the debt under these agreements, which may affect the Company's financial condition.

Nature of Mineral Exploration and Mining

The economics of exploring, developing and operating mineral properties are affected by many factors including capital and operating costs, variations of the grades and tonnages of ore mined, fluctuating mineral market prices, costs of mining and processing equipment and such other factors as government regulations, allowable production, importing and exporting of minerals and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The operations of the Company are also subject to all of the hazards and risks normally incidental to exploration and development of mineral properties, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The activities of the Company may be subject to prolonged disruptions due to inclement or hazardous weather

conditions depending on the location of operations in which the Company has interests. Hazards, such as unusual or unexpected geological formations, rock bursts, formation pressures, cave-ins, flooding, or other conditions may be encountered in the drilling and removal of material. Other risks include, but are not limited to, mechanical equipment performance problems, industrial accidents, labor disputes, drill rig shortages, the unavailability of materials and equipment, power failures, hydrological conditions, earthquakes, fires, landslides, and other Acts of God. While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Company and, potentially, its financial position.

Estimates of Mineral Resources and Mineral Reserves

Mineral reserves and mineral resources are estimates only, and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserves can be mined or processed profitably. Mineral reserve and mineral resource estimates may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing and other relevant issues. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data, the nature of the ore body and of the assumptions made and judgments used in engineering and geological interpretation. These estimates may require adjustments or downward revisions based upon further exploration or development work or actual production experience. Fluctuations in commodity prices, results of drilling, metallurgical testing and production, the evaluation of mine plans after the date of any estimate, permitting requirements or unforeseen technical or operational difficulties, may require revision of mineral reserve and mineral resource estimates. Prolonged declines in the market price of copper (or applicable by-product metal prices) may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and could materially reduce the Company's mineral reserves. Should reductions in mineral resources or mineral reserves occur, the Company may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Mineral resources and mineral reserves should not be interpreted as assurances of mine life or of the profitability of current or future operations. There is a degree of uncertainty attributable to the calculation and estimation of mineral resources and mineral reserves and corresponding grades being mined and, as a result, the volume and grade of mineral reserves mined and processed, and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of mineral reserves and mineral resources, or of the Company's ability to extract these mineral reserves, could have a material adverse effect on the Company's results of operations and financial condition. Mineral resources are not mineral reserves and have a greater degree of uncertainty as to their existence and feasibility. There is no assurance that mineral resources will be upgraded to proven or probable mineral reserves.

Failure to further develop Punitaqui may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

Risks and unknowns inherent in all projects include, but are not limited to: the accuracy of mineral reserve and mineral resource estimates; metallurgical recoveries; geotechnical and other technical assumptions; capital

and operating costs of ongoing production of the project; the future price of commodities; environmental compliance regulations and restraints; political climate and/or governmental regulation and control; the accuracy of engineering; the ability to manage large-scale construction and scoping of major projects, including delays, aggressive schedules and unplanned events and conditions. The capital expenditures and time period required to further develop Punitaqui are considerable and changes in costs and market conditions or unplanned events or construction schedules can affect project economics. The Company's ability to maintain licenses to operate Punitaqui is also important to the success of this project. Actual costs and economic returns may differ materially from estimates prepared by the Company, or the Company could fail or be delayed in obtaining all approvals necessary for execution of the project, in which case, the project may not proceed either on its original timing or at all. In addition, Punitaqui may not demonstrate attractive economic feasibility at low commodity prices. The capital costs for Punitaqui may outweigh the Company's capital, financial and staffing capacity and may adversely affect the development of Punitaqui. The inability to further develop Punitaqui could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. Projects also require the successful completion of feasibility studies, the resolution of various fiscal, tax and royalty matters, the issuance of, and compliance with, necessary governmental permits and the acquisition of satisfactory surface or other land rights. It may also be necessary for the Company to, among other things, find or generate suitable sources of water and power for the project, ensure that appropriate community infrastructure is developed by third parties to support the project and to secure appropriate financing to fund these expenditures. It is also not unusual in the mining industry for mining operations to experience unexpected problems, resulting in delays and requiring the investment of more capital than anticipated.

If the Company is not able to obtain additional financing required to advance exploration and development at Punitaqui, it may be required to reduce the scope of its planned business objectives which may have a material adverse effect on its future prospects.

The Company will have various exploration and development expenditures as it proceeds to expand exploration and development activities at its mineral properties, develop any such properties or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it. The continued exploration and future development of the Company's exploration and development-stage properties will therefore depend on the Company's ability to obtain the required financing. In particular, any potential development of its projects will require substantial capital commitments, which the Company cannot currently quantify and may not currently have in place. The Company can provide no assurance that it will be able to obtain financing on favorable terms or at all. In addition, the Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the metals & mining industry in particular), the price of copper on the commodities markets (which will impact the amount of asset-based financing available) and/or the loss of key management personnel. If the Company is unable to obtain additional financing as needed, it may not be able to move forward with its planned exploration and development activities for Punitaqui. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

No Assurance of Title

The acquisition of title to mineral projects is a detailed and time-consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in its name where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no

assurance that the interests of the Company in any of its properties may not be challenged or impugned. Title insurance is generally not available for mineral properties, and the Company has a limited ability to ensure that it has obtained secure ownership claims to individual mineral claims. While the Company's intention is to take all reasonable steps to maintain title to its mineral properties, there can be no assurance that the Company will be successful in extending or renewing mineral rights on or prior to expiration of their term or that the title to any such properties will not be affected by an unknown title defect. Should the Company be unsuccessful in extending or renewing mineral rights on or prior to expiration of their term, or if the title to any such properties is affected by an unknown title defect, the Company may not have the ability to explore or operate on any such properties, and their value may be impaired.

Permits and Licenses

The operations of the Company require licenses and permits from various governmental authorities. The Company believes that it presently holds all necessary licenses and permits required to carry on with activities which it is currently conducting under applicable laws and regulations, and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in regulations and in various operating circumstances. Where required, obtaining necessary licenses and permits can be a complex and time-consuming process. The costs and delays associated with obtaining necessary licenses and permits could stop or materially delay or restrict the Company from proceeding with the development of an exploration project. There can be no assurance that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development, and mining operations at its mineral projects or that the Company will be able to comply with the conditions of all such necessary licenses and permits in an economically viable manner.

Environmental Regulations and Potential Liabilities

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental hazards may exist on the properties on which the Company holds interests which are unknown at present, and which have been caused by previous or existing owners or operators of the 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 exploration or mining operations may be required to compensate those suffering loss or damage by reason of the exploration or mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. 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 exploration or operational expenses, increases in capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties. The potential financial exposure may be significant.

Infrastructure

Mining, processing, development, and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, railways, port facilities, telecommunications, internet, power sources and water supply are important determinants, and affect capital and operating costs to varying degrees. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition, and results of operations.

Availability and Costs of Infrastructure, Energy, and Other Commodities

Mining, processing, mine construction and development, capital development projects and exploration activities depend on adequate infrastructure. Reliable access to energy and power sources and water supply are important factors that affect capital and operating costs. If the Company does not have timely access to adequate infrastructure, there is no assurance that it will be able to start or continue exploring, developing and operating projects, complete them on timely basis or at all. There is no assurance that the operations will achieve the anticipated production volume, or that construction costs and operating costs will not be higher than estimates calculated. The profitability of the Company's business is also affected by the market prices and availability of commodities and resources which are consumed or otherwise used in connection with the Company's operations and development projects such as diesel fuel, electricity, finished steel, tires, steel, chemicals, and reagents. Prices of such commodities and resources are also subject to volatile price movements, which can be material and can occur over short periods of time due to factors beyond the Company's control.

If there is a significant and sustained increase in the cost of certain commodities, the Company may decide that it is not economically feasible to engage in production and development activities and this could have an adverse effect on profitability. An increase in worldwide demand for critical resources like input commodities, drilling equipment, mobile mining equipment, tires and skilled labor could affect the Company's ability to acquire them and lead to delays in delivery and unanticipated cost increases, which could have an effect on the Company's operating costs, capital expenditures and production schedules. Further, the Company relies on certain key third party suppliers and contractors for services, equipment, raw materials used in, and the provision of services necessary for, the development, construction, and continuing operation of its assets. As a result, the Company's activities are subject to a number of risks some of which are outside its control, including negotiating agreements with suppliers and contractors on acceptable terms, the inability to replace a supplier or a contractor and its equipment, raw materials or services in the event that either party terminates the agreement, interruption of operations or increased costs in the event that a supplier or contractor ceases its business due to insolvency or other unforeseen event and failure of a supplier or contractor to perform under its agreement with the Company. The occurrences of one or more of these events could have a material effect on the business, results of operations and financial condition of the Company.

Further, the Company's operations include the purchase and processing of third-party ores, and the sale of the resulting concentrates. The ability to earn revenue from these sales is dependent on third party relationships and contracts, and upon the supply of materials pursuant to such relationships and contracts. Accordingly, the Company may decide it is not economically feasible or advisable to continue this practise or the Company may be unable to earn revenue from these sales due to factors beyond the Company's control.

Dependence on Key Personnel

The Company's success is dependent on a relatively small number of key employees. The loss of one or more of these key employees, if not replaced, could have a material adverse effect on the Company's business, results of operations and financial condition.

Dependence on Third Parties

The Company relies significantly on strategic relationships with other entities and also on good relationships with regulatory and governmental departments. The Company also relies upon third parties to provide essential contracting services. There can be no assurance that existing relationships will continue to be maintained or that new ones will be successfully formed, and the Company could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance which causes the early termination or non-renewal of one or more of these key business alliances or contracts, could adversely impact the Company, its business, operating results, and prospects.

Losses from or Liabilities for Risks which are not Insured

Hazards such as unusual or unexpected geological formations and other conditions are involved in mineral exploration and development and mining. The Company may become subject to liability for pollution, cave-ins, or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities would have a material, adverse effect on the Company's financial position and results of operations. Although the Company maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial condition and results of operations.

Governmental Regulation

Exploration, development and mining of minerals are subject to extensive federal, state or provincial, and local laws and regulations governing acquisition of the mining interests, prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, water use, land use, land claims that may be brought by third parties, environmental protection and remediation, endangered and protected species, mine safety and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied or amended in a manner that could have a material adverse effect on the business, financial condition, and results of operations of the Company. The costs and delays associated with obtaining necessary licenses and permits and complying with these licenses and permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the development or operation of a project. Any failure to comply with applicable laws and regulations or licenses and permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties, or other liabilities. The Company may be required to compensate those suffering loss or damage by reason of its mining operations and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. These laws and regulations are administered by various governmental authorities including the federal, state or provincial, and local governments.

Health and Safety

Mining operations generally involve a high degree of risk. Personnel involved in the Company's operations are subject to many inherent risks, including but not limited to, rock bursts, cave-ins, flooding, fall of ground,

electricity, slips and falls and moving equipment that could result in occupational illness, health issues and personal injuries. The Company has implemented various health and safety measures designed to mitigate such risks. Such precautions, however, may not be sufficient to eliminate health and safety risks and employees, contractors and others may not adhere to the occupational health and safety programs that are in place. Any such occupational health and personal safety issues may adversely affect the business of the Company and its future operations.

Tax Matters

The Company's taxes are affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Company's filing position, application of tax incentives or similar 'holidays' or benefits were to be challenged for whatever reason, this could have a material adverse effect on the Company's business, results of operations and financial condition. The Company may be subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively impact the Company's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Company's business. There is no assurance that the Company's current financial condition will not be materially adversely affected in the future due to such changes.

Information Technology

A failure or breach of the Company's network systems could corrupt the Company's financial or operational data and may have a material adverse impact on the Company's reputation and results of operations. Major equipment failures, natural disasters including severe weather, terrorist acts, acts of war, cyber-attacks or other breaches of network systems or security that affect computer systems within the Company's network could disrupt the Company's business functions, including the Company's exploration, development and production activities. The mining industry has become increasingly dependent on digital technologies. Mines and mills are automated and networked, and the Company relies on digital technologies to conduct certain exploration, development, production, processing and other activities. The mining industry faces various security threats, including cyber-security threats. Such attacks are increasing and include malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential information and corruption of data. A cyber-attack could negatively impact the Company's operations. A corruption of the Company's financial or operational data or an operational disruption of the Company's infrastructure could, among other potential impacts, result in accidental discharge; expensive remediation efforts; distraction of management; damage to the Company's reputation or its relationship with customers, vendors and employees; or events of noncompliance, which events could lead to regulatory fines or penalties. Any of the foregoing could have a material adverse impact on the Company's reputation, profitability, future cash flows, earnings, results of operations and financial condition.

Labor Difficulties

Factors such as work slowdowns or stoppages caused by the attempted unionization of operations and difficulties in recruiting qualified miners and hiring and training new miners could materially adversely affect the Company's business. This would have a negative effect on the Company's business and results of operations which might result in the Company not meeting its business objectives.

Competition

There is significant competition in the base and precious metals mining industries for mineral rich properties that can be developed and produced economically, the technical expertise to find, develop, and operate such properties, the labor to operate the properties and the capital for the purpose of funding such properties. Many competitors not only explore for and mine metals but conduct refining and marketing operations on a global basis. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations, develop its projects, and engage in production. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration, production and success in the future. Increased competition can result in increased costs and lower prices for metal and minerals produced and reduced profitability. Consequently, the revenues of the Company, its operations, production and financial condition could be materially adversely affected. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Conflicts of Interest

The directors and officers of the Company may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Company. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director is required by the *Business Corporations Act* (British Columbia) to disclose the conflict of interest and to abstain from voting on the matter.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Russia's invasion of Ukraine led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chains and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect the Company's business, financial condition and results of operations. The Israeli war with Hamas may also have a destabilizing effect on commodity prices and global economies. The extent and duration of the Russia-Ukraine conflict and the Israeli war with Hamas and any related international actions cannot be accurately predicted at this time and the effects of such conflicts may magnify the impact of the other risks identified in this MD&A, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on our shareholders and counterparties on which we rely and transact with, may materialize and may have an adverse effect on the Company's business, results of operation and financial condition.

Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those described in the forward-looking statements, you are cautioned that this list is not exhaustive and there may be other factors that the Company has not identified. Furthermore, the Company undertakes no obligation to update or revise any forward-looking statements included in, or incorporated by reference in, this MD&A if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

Global Pandemics

Though work at the Company's properties is continuing with no significant interruptions to date, the Company may nonetheless be impacted at any time by a global pandemic outbreak, as well as related governmental regulations, restrictions and other measures and business disruptions due to the impact of same on third parties with whom the Company is associated or does business. The Company complies with all federal, provincial or state, and local governmental regulations concerning pandemics. While the majority of our employees and contractors are currently operating following the contagion prevention measures that have been put in place, the ever-changing nature of the situation may have a material adverse impact on the Company as it could result in delays and increased costs. In addition, government authorities could impose new or additional requirements resulting in further limitations on the activities, or the suspension of all activities.

Alternatively, in the event of an outbreak at any of the Company's projects, government authorities, either federally or locally, or the Company could determine that a full suspension of all of its operations is necessary for the safety and protection of the workers. A complete suspension of operations could result in delays, result in additional increases in costs and have a material adverse effect on the financial position of the Company. If authorities were to impose a suspension order caused by a virus outbreak, or if there is a full suspension of activities at any of our project sites for an undefined period of time there could be additional medical and other costs to be incurred, project delays, and cost overruns. Moreover, the actual and threatened further spread of any global pandemic could continue to negatively impact stock markets, including the trading price of the Company's common shares, could adversely impact the Company's ability to raise capital, could cause continued interest rate volatility and movements that could make obtaining financing more challenging or more expensive and could result in any operations affected becoming subject to quarantine. Any of these developments, and others, could have a material adverse effect on the Company's business and results of operations.

Risk Factors related to ESI***Competition***

The industry in which ESI operates is competitive and ESI competes with a substantial number of companies which may have more equipment and personnel as well as greater financial resources. ESI's ability to generate revenue and earnings depends primarily upon its ability to secure new and repeat business. There can be no assurance that such competitors will not substantially increase the resources devoted to the development and marketing of products and services that compete with those of ESI or that new or existing competitors will not enter the various markets in which ESI is active. In certain aspects of its business, ESI also competes with several small and medium-sized companies, which, like ESI, have certain competitive advantages such as low overhead costs and specialized strengths. In addition, reduced levels of activity in the oil and natural gas industry can intensify competition and may result in lower revenue for ESI.

Excess Equipment Levels in the Industry

Due to the long-life nature of service equipment and the long delivery time for equipment being manufactured, the quality of equipment available does not always correspond with the demand for its use. Periods of high demand often lead to increases in capital expenditures, which in turn lead to increased supply and decreased demand. Such increases in supply often lead to downward pricing pressures across the industry which could materially impact the ESI's profitability. Additionally, ESI could fail to secure sufficient work in which to employ its equipment, which could have a material adverse effect on its business, results of operations, financial conditions, and cash flows.

Third-Party Credit Risk

ESI assesses the creditworthiness of its customers on an ongoing basis and monitors the amount and age of balances outstanding. ESI views the credit risks on these amounts as normal for the industry. The carrying amount of accounts receivable represents the maximum credit exposure on this balance. During times of weak economic conditions, the risk of increased payment delays and default increases due to reductions in customers' cash flows. Failure to collect accounts receivable from customers could have a material adverse effect on ESI's business, financial condition, results of operations and cash flows. ESI generally grants unsecured credit to its customers; however, it evaluates all new customers, as appropriate, and analyzes and reviews the financial health of its current customers. Management has assessed the customers as creditworthy and ESI has had no history of collection issues with its customers, however, the inability for ESI's customers to meet their financial obligation to ESI could have a material adverse effect on its business, financial condition, results of operations and cash flows.

Sources, Pricing and Availability of Equipment and Equipment Parts

ESI sources its equipment and equipment parts from a variety of suppliers. Failure of suppliers to deliver supplies and materials in a timely and efficient manner would be detrimental to ESI's ability to maintain levels of service to its customers. ESI attempts to mitigate this risk by maintaining good relations with key suppliers. However, if the current suppliers are unable to provide the supplies and materials or otherwise fail to deliver products in the quantities required, any resulting delays in the provision of equipment to ESI's clients could have a material adverse effect on its results of operations and financial condition.

Liquidity Risk

Liquidity risk is the risk that ESI will not be able to meet its financial obligations as they fall due. ESI's approach to managing liquidity is to continually monitor its financial resources to provide sufficient liquidity to meet its liabilities when due. ESI's processes for managing liquidity risk include preparing and monitoring capital and operating budgets, coordinating, and authorizing project expenditures, and authorization of contractual agreements. ESI seeks to manage its financing based on the results of these processes.

Reliance on Key Personnel

The success of ESI is dependent upon its key personnel. Any loss of the services of such persons could have a material adverse effect on the business and operations of ESI. ESI's ability to provide dependable and quality equipment is dependent on its ability to hire and retain a dedicated and quality pool of employees. ESI strives to retain employees by providing a safe working environment, competitive wages and benefits, and an atmosphere in which all employees are treated equally regarding opportunities for advancement. The unexpected loss of key personnel or the inability to retain or recruit skilled personnel could have a material adverse effect on ESI's business, financial condition, results of operations and cash flows.

Seasonality

In North America, the level of activity in the renewable and conventional energy industries is influenced by seasonal weather patterns. The demand for equipment sales and rentals may be affected by the severity of weather. For example, during excessively rainy periods, equipment moves may be delayed, thereby adversely affecting revenues. The volatility in the weather and temperature can therefore create unpredictability in activity and utilization rates, which could have a material adverse effect on ESI's business, financial condition, results of operations and cash flows.

Income Tax Risk

ESI has risks for income tax matters, including any unanticipated tax and other expenses and liabilities of ESI. ESI must file tax returns in the jurisdictions in which it operates. The tax laws and the prevailing assessment practices are subject to interpretation, and the authorities may disagree with the filing positions adopted by ESI. The impact of any challenges cannot be reliably estimated and may be significant to the financial position or overall operations of ESI.

Caution Regarding Forward Looking Information and Future-oriented Financial Information

This MD&A contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") within the meaning of applicable Canadian securities laws. All statements, other than statements of historical fact, that address activities, events, or developments that the Company expects or anticipates will or may occur in the future are forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those terms, or other similar expressions. Forward-looking information in this MD&A includes, but is not limited to, the Company's expectations regarding operational performance, production levels, sales activity, cost structure, liquidity, financing plans, and other statements regarding the Company's future objectives and strategies.

Forward-looking information reflects management's current expectations, estimates, projections, and assumptions, and is subject to significant risks and uncertainties that may cause actual results to differ materially from those expressed or implied herein. These risks and uncertainties include, but are not limited to, those described under the heading "Risks and Uncertainties" in this MD&A, as well as fluctuations in commodity prices and exchange rates, operational risks inherent in mining and equipment-rental businesses, regulatory developments, financing risks, and general economic conditions. Readers are cautioned that forward-looking information is not a guarantee of future performance and should not be unduly relied upon.

This MD&A also contains future-oriented financial information and financial outlook information (collectively, "FOFI") within the meaning of applicable securities laws, including management's view of performance relative to the previously disclosed 2025 revenue target for ESI. FOFI is based on assumptions about future events and management's expectations at the time such information was prepared. The FOFI included in this MD&A was prepared for the purpose of conveying management's current assessment of expected future financial performance. Readers are cautioned that FOFI, like all forward-looking information, is subject to material risks, uncertainties, and assumptions, and actual results may differ materially. The Company does not undertake to update any forward-looking information or FOFI except as required by applicable securities laws.

Management's Discussion and Analysis for the Three and Nine Months Ended September 30, 2025

Forward-looking information and FOI contained in this MD&A speak only as of the date of this MD&A and are expressly qualified in their entirety by this cautionary statement.

Adoption of New Standards and Interpretations

The Company is in the process of evaluating the amendments that became effective on January 1, 2025 and will complete its assessment in due course. Based on the information available to date, no significant impact is currently anticipated.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited consolidated financial statements for the period-ended September 30, 2025, and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

For the disclosure required under Section 5.3 of National Instrument 51-102 – Continuous Disclosure Obligations, see sections "*Exploration Activities*," and "*Exploration and Evaluation Expenditures*."