



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED
MARCH 31, 2026

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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 months ended March 31, 2026 and the Company's Audited Annual Consolidated Financials for the years ended December 31, 2025 and 2024 including the notes thereon (the "Annual Financial Statements") which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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."

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 was prepared as of June 1, 2026, and all information is current as of such date and was approved and authorized for issue by the Board of Directors on that date. 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 mineral production and energy services company with operations in Chile, the United States and Canada.

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 flow statements of the Company are consolidated in the Interim Financial Statements and the Annual 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 holds a five property silver-cobalt exploration project in Ontario and Quebec covering approximately 30,000 hectares in Ontario and 2,000 hectares in Quebec, prospective for cobalt and silver.
- **United States (“U.S.”)** – The Company holds a limited cobalt-copper exploration property in the Blackbird Mining Camp of the Idaho Cobalt Belt.

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

Financial

- **Profitability:** Net income of \$10.6 million, compared to a net loss of \$1.6 million in Q1 2025.
- **Improved Operating Performance:** Operating income of \$9.0 million, compared to \$0.9 million in Q1 2025.
- **Gross Profit Growth:** Achieved gross profit of \$14.2 million, compared to \$6.7 million in Q1 2025, reflecting stronger performance from both Punitaqui and ESI.
- **Positive Operating Cash Flow:** Generated \$3.9 million of cash flow from operating activities during the quarter.
- **Strengthened Cash Position:** Increased cash balances to \$10.7 million as at March 31, 2026, from \$1.7 million at December 31, 2025.

Corporate

- **Debt Reduction:** Converted \$2.2 million of convertible debentures into common shares, reducing debt and improving balance sheet flexibility.
- **Liquidity Enhancement:** Completed a non-brokered private placement financing totaling \$10.0 million, strengthening the Company's liquidity position and supporting ongoing operational and growth initiatives.
- **Portfolio Monetization:** Completed the sale of mining leases at the Gowganda Project, generating \$1.0 million in cash proceeds in addition to equity consideration, deferred consideration, and a retained royalty interest while maintaining exposure to future project upside.
- **U.S. Exploration Re-entry:** Re-established the Company's U.S. exploration footprint through the staking and registration of ten mining claims in Idaho.

Mining (Punitaqui)

- **Increased Copper Concentrate Sales:** Generated \$21.3 million in copper concentrate sales during Q1 2026, compared to \$13.5 million in Q1 2025, representing a 58% increase year-over-year.
- **Cinabrio Norte Development:** Advanced development activities at Cinabrio Norte, Punitaqui's third underground mining operation, including the successful completion of raise-bore drilling for a new ventilation shaft.
- **Dalmacia Development:** Continued mine planning and development work at Dalmacia, expected to become Punitaqui's fourth underground mining operation.

Equipment Rental, Sales, & Services (ESI)

- **Revenue Growth:** Generated \$7.3 million in revenue during Q1 2026, representing a 50% increase compared to Q1 2025, driven by growth in both equipment rentals and equipment sales.
- **International Expansion:** Expanded Ozzies' global distribution network through the appointment of an authorized dealer in Poland, strengthening the Company's presence in Europe and supporting continued growth in international equipment sales.
- **Technology Advancement:** Achieved a key development milestone for the Ozzie's Omni Crawler, with field trials commencing as the Company advances commercialization of its autonomous vehicle solution designed to address labour shortages in battery storage and solar construction projects.

Results of Operations

Historical Results

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

		2026	2025		
		Q1	Q4	Q3	Q2
Net income (loss) for the period	\$'000s	10,562	(9,973)	281	(3,875)
Comprehensive income (loss) for the period attributable to common shareholders	\$'000s	10,416	(10,877)	(133)	(2,795)
Net income (loss) per share - basic	\$	0.03	(0.05)	0.00	(0.02)
Net income (loss) per share - diluted	\$	0.03	(0.05)	0.00	(0.02)
Weighted average number of common shares outstanding	'000s	353,582	343,473	181,320	181,070

		2025	2024		
		Q1	Q4	Q3	Q2
Net income (loss) for the period	\$'000s	(1,614)	(44,804)	(3,863)	(3,352)
Comprehensive income (loss) for the period attributable to common shareholders	\$'000s	(1,896)	(42,544)	(4,638)	(1,886)
Net income (loss) per share - basic	\$	(0.01)	(0.25)	(0.02)	(0.02)
Net income (loss) per share - diluted	\$	(0.01)	(0.25)	(0.02)	(0.02)
Weighted average number of common shares outstanding	'000s	181,029	180,963	180,987	180,987

Q1 2026 marked a significant improvement in financial performance, with the Company reporting net income of \$10.6 million (\$0.03 per share), representing the strongest quarterly result in the eight-quarter period presented. The improvement was driven by stronger operating performance at both Punitaqui and ESI, together with a non-recurring gain of approximately \$2.4 million recognized on the sale of exploration properties.

The weighted average number of common shares outstanding increased to 353.6 million shares in Q1 2026 from 181.0 million shares in Q1 2025. The increase primarily reflects the conversion of convertible debentures into 159.2 million common shares in December 2025, together with the conversion of an additional \$2.2 million of convertible debentures into 10.7 million common shares and the completion of a \$10.0 million non-brokered financing that resulted in the issuance of approximately 50.0 million common shares in March 2026. As the March 2026 transactions occurred late in the quarter, their impact on the Q1 2026 weighted average share count was only partially reflected during the period.

Consolidated Overview

For the three months ended March 31, 2026, the Company reported income from operations of \$9.0 million, compared to \$0.9 million in the corresponding period of 2025. The significant improvement in operating performance was driven by higher revenue from both the Punitaqui mining operations and ESI, improved gross margins resulting from increased production and equipment activity, and lower general and administrative expenses.

The following table summarizes the Company's financial results for the three months ended March 31, 2026 and 2025.

Summary of Financial Results (\$CAD)	Three months ended March	Three months ended March 31,
Revenue	\$ 28,625,797	\$ 18,384,150
Costs and expenses	(19,630,436)	(17,531,959)
Income (loss) from operations	8,995,361	852,191

Consolidated Revenue

Revenue for the three months ended March 31, 2026 was \$28.6 million, compared to \$18.4 million in Q1 2025, representing a 56% increase. Revenue growth was attributable to:

- Copper concentrate sales from the Punitaqui operations of \$21.3 million (Q1 2025 – \$13.5 million); and
- Equipment rentals, equipment sales, and service revenue from ESI of \$7.3 million (Q1 2025 – \$4.9 million).

The increase reflects a full quarter of production at Punitaqui following the operational ramp-up experienced during 2024, combined with continued growth in ESI's equipment rental, sales, and service activities.

Consolidated Expenses

Total costs and expenses for the three months ended March 31, 2026 were \$19.6 million, compared to \$17.5 million in Q1 2025. While expenses increased year-over-year, the increase was substantially lower than the growth in revenue, resulting in significantly improved profitability and operating margins.

Summary of Expenses (\$CAD)	Three months ended March	Three months ended March 31,
Cost of sales	\$ 12,683,207	\$ 10,488,951
Depreciation, depletion and amortization	1,732,225	1,163,392
General and administration	3,222,172	4,723,349
Salaries and benefits	1,992,832	1,143,435
Share-based compensation	-	12,832
Total Expenses	\$ 19,630,436	\$ 17,531,959

Cost of Sales and Depreciation

Cost of sales for the three months ended March 31, 2026 totaled \$12.7 million compared to \$10.5 million in the prior-year period. The increase was primarily attributable to higher production and sales volumes at Punitaqui and increased equipment rental and sales activity at ESI.

Depreciation, depletion and amortization expense totaled \$1.7 million, compared to \$1.2 million in Q1 2025, reflecting increased utilization of operating assets.

Gross profit increased to \$14.2 million for the three months ended March 31, 2026, compared to \$6.7 million in Q1 2025, driven by higher revenues and improved operating leverage across both business segments.

General and Administrative (G&A) Expenses

General and administrative expenses totaled \$3.2 million for the three months ended March 31, 2026, compared to \$4.7 million in Q1 2025. These expenditures include corporate and support costs associated with executive management, finance, legal and regulatory compliance, investor relations, strategic planning, public company administration, indirect labour, routine maintenance activities, facility operating costs, and other overhead functions across Canada, the United States, and Chile. The year-over-year decrease primarily reflects lower corporate and professional service costs, as well as the reversal of previously accrued directors' compensation.

Impairment and Other Non-Cash Operating Items

No impairment charges were recorded during the three months ended March 31, 2026 or 2025.

No material non-cash operating items were recorded during the three months ended March 31, 2026. Share-based compensation expense was nil, compared to \$0.01 million in Q1 2025.

Non-Operating Income and Expenses

Non-operating items resulted in a net gain of \$1.6 million during the three months ended March 31, 2026, compared to a net expense of \$2.5 million in Q1 2025.

The improvement was primarily attributable to:

- a \$2.4 million gain on the sale of exploration properties;
- a \$0.3 million gain on the conversion of convertible debentures;
- lower foreign exchange losses of \$0.5 million (Q1 2025 – \$1.2 million); and
- lower finance and other costs of \$0.5 million (Q1 2025 – \$0.8 million).

The reduction in finance costs reflects the Company's ongoing deleveraging efforts, including the conversion of convertible debentures into common shares during Q4 2025 and Q1 2026.

Net Income and Comprehensive Income

Net income for the three months ended March 31, 2026 was \$10.6 million, compared to a net loss of \$1.6 million in Q1 2025. The improvement reflects stronger operating performance at both Punitaqui and ESI, increased gross profit resulting from higher production volumes and stronger copper prices, reduced general and administrative expenses, lower finance and foreign exchange costs, and a non-recurring gain of approximately \$2.4 million recognized on the sale of exploration properties.

Management's Discussion and Analysis for the Three Months Ended March 31, 2026

Comprehensive income for the three months ended March 31, 2026 was \$10.4 million, compared to a comprehensive loss of \$1.9 million in Q1 2025, reflecting a foreign currency translation loss of \$0.1 million recorded in other comprehensive income.

Segment Results
Punitaqui

The following table provides a summary of Punitaqui revenue, gross profit, and gross margin for the period ended March 31, 2026, and 2025, respectively:

Gross Profit and Gross Profit Margin		Three months ended March 31, 2026		Three months ended March 31, 2025
Revenue	\$	21,302,395	\$	13,493,086
Less:				
Cost of sales		9,797,382		9,609,302
Depreciation of equipment		1,140,511		465,520
Gross Profit	\$	10,364,503	\$	3,418,264
Gross Profit Margin		49%		25%

During the three months ended March 31, 2026, the Company sold 5,581 dry metric tonnes ("DMT") of copper concentrate, compared to 4,416 DMT in the corresponding period of 2025, representing a 26% increase in sales volumes. The Company realized an average copper price of US\$5.83 per pound, compared to US\$4.19 per pound in Q1 2025, representing a 39% increase. As a result, copper concentrate revenue increased to \$21.3 million, compared to \$13.5 million in the prior-year period.

As of the date of this MD&A, the spot London Metal Exchange ("LME") copper price was approximately US\$5.84 per pound.

Punitaqui generated gross profit of \$10.3 million during the three months ended March 31, 2026, compared to \$3.4 million in Q1 2025. Gross margin increased to 49%, from 25% in the prior-year period. The improvement was driven by higher concentrate sales volumes, stronger realized copper prices, and improved operating performance and increased throughput at the operation.

ESI
Revenue

Revenue from the ESI segment totaled \$7.3 million for the three months ended March 31, 2026, compared to \$4.9 million for the three months ended March 31, 2025, representing a 50% increase. The increase was driven by growth across all major revenue streams, reflecting increased customer demand, higher equipment utilization, and continued expansion of the Company's rental and sales activities.

The following table summarizes ESI's revenue for the three months ended March 31, 2026 and 2025:

		Three months ended March 31, 2026		Three months ended March 31, 2025
Machine rentals		3,734,229		2,343,516
Machine and inventory sales		2,894,598		2,082,172
Mobilization and other services		694,575		465,376
Total	\$	7,323,402	\$	4,891,064

Management's Discussion and Analysis for the Three Months Ended March 31, 2026

Machine rentals remained the largest source of revenue, contributing 51% of total segment revenue during the quarter, followed by machine and inventory sales at 40% and mobilization and other services at 9%.

Rental revenue increased 59% to \$3.7 million from \$2.3 million in the prior-year period, reflecting higher fleet utilization and increased rental activity. Machine and inventory sales increased 39% to \$2.9 million from \$2.1 million, driven by continued customer demand for owned equipment. Mobilization and other services revenue increased 49% to \$0.7 million from \$0.5 million, primarily reflecting equipment delivery, setup, demobilization, and other ancillary services provided in support of rental and equipment sales activities.

Gross Profit and Gross Margins

The following table provides a summary of ESI's gross profit and margin for the three months ended March 31, 2026 and 2025:

Gross Profit and Gross Profit Margin	Three months ended March 31, 2026	Three months ended March 31, 2025
Revenue	7,323,402	4,891,064
Cost of sales	2,885,827	2,703,006
Depreciation and amortization	526,733	697,872
Gross Profit	3,910,842	1,490,186
Gross Profit Margin	53%	30%

ESI generated gross profit of \$3.9 million for the three months ended March 31, 2026, compared to \$1.5 million in Q1 2025, representing an increase of 162%. Gross profit margin improved to 53% from 30% in the prior-year period. The improvement was driven by higher rental and equipment sales revenue, increased fleet utilization, and improved operating leverage, as revenue growth of 50% outpaced the increase in direct operating costs.

Financial Performance Measures

The Company uses gross profit and gross profit margin to evaluate the operating performance and profitability of its operating segments. Gross profit is calculated as revenue less cost of sales and depreciation, depletion and amortization. Gross profit margin is calculated as gross profit divided by revenue.

Liquidity and Capital Resources

The Company's objective in managing capital is to maintain sufficient liquidity and financial flexibility to fund operations, meet its obligations as they become due, and support the advancement of its mining and equipment rental and sales businesses. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, operational performance, and financing opportunities.

Summary of Financial Position	As of March 31, 2026	As of December 31, 2025
Cash and cash equivalents	\$ 10,653,861	\$ 1,680,530
Current assets	33,693,855	19,043,024
Current liabilities	65,569,037	69,752,617
Working capital (deficiency)	(31,875,182)	(50,709,593)

As at March 31, 2026, the Company had cash of \$10.7 million, compared to \$1.7 million as at December 31, 2025. The increase primarily reflects the completion of a \$10.0 million non-brokered listed issuer financing exemption ("LIFE") financing during the quarter, operating cash flow of \$3.9 million generated from improved operating performance at both Punitaqui and ESI, and \$1.0 million of cash proceeds received from the sale of the Gowganda mining leases. These inflows were partially offset by capital expenditures, debt repayments, deferred acquisition payments, and other working capital requirements.

The Company reported a working capital deficiency of \$31.9 million as at March 31, 2026, compared to a working capital deficiency of \$50.7 million as at December 31, 2025. The improvement primarily reflects the \$10.0 million equity financing completed during the quarter, the conversion of convertible debentures into common shares, and improved operating performance.

During the quarter, cash increased by approximately \$9.0 million and the Company's working capital deficiency improved by approximately \$18.8 million, reflecting the combined impact of improved operating performance, financing activities, and debt reduction initiatives.

Trade receivables increased to \$10.2 million as at March 31, 2026 from \$4.8 million as at December 31, 2025, primarily reflecting higher revenue generated during the quarter. Trade payables and accrued liabilities totaled \$36.9 million as at March 31, 2026, compared to \$37.4 million at December 31, 2025, and continue to reflect the Company's operating activities and obligations associated with the Punitaqui acquisition.

During the quarter, holders of convertible debentures with an aggregate fair value of approximately \$1.9 million elected to convert their debentures into 10.7 million common shares at a conversion price of \$0.20 per share. The Company recognized a non-cash gain of \$0.3 million on the conversions and a fair value loss of \$0.03 million related to the remeasurement of the remaining balance.

As at March 31, 2026, the remaining convertible debentures had a fair value of approximately \$0.3 million, compared to \$2.5 million at December 31, 2025. The remaining convertible debentures are classified as current liabilities in accordance with the amendments to IAS 1. Additional details regarding the terms and valuation of the convertible debentures are provided in Note 16 to the Interim Financial Statements.

The Company continues to fund its activities through a combination of operating cash flow, debt facilities, equipment financing arrangements, and equity financings. While the Company's liquidity position improved significantly during the quarter, management continues to evaluate financing alternatives and capital allocation opportunities to support ongoing operations, underground development activities, capital expenditure programs, and strategic growth initiatives.

Exploration & Evaluation Assets

The Company continues to manage its E&E portfolio with a focus on disciplined capital allocation, maintaining exposure to prospective mineral opportunities while prioritizing investment in its operating assets.

	As of March 31, 2026	As of December 31, 2025
E&E Assets		
Canadian properties	\$ 16,546,344	\$ 18,432,451
U.S. properties	19,288	-
Total E&E assets	16,565,632	18,432,451

Key priorities include advancement of the filtered tailings facility, continued underground development activities, fleet optimization initiatives, and ongoing improvements to processing plant availability. During the quarter, the Company re-established a U.S. exploration presence through the staking and registration of ten mining claims in the Bonanza cobalt-copper district of Idaho. The claims are located within the Blackbird Mining Camp of the Idaho Cobalt Belt, a historically productive cobalt-copper district, and reflect the Company's continued interest in battery metals opportunities.

Exploration expenditures during the quarter were limited and primarily related to claim maintenance, property administration, and evaluation activities. Consistent with prior periods, management continued to prioritize capital allocation toward the operation and development of the Punitaqui mining complex while preserving long-term exploration upside through a focused portfolio of mineral interests.

Operations & Development – Punitaqui

During the quarter, the Company continued underground mining and mine development activities at the Cinabrio and San Andrés deposits while advancing Cinabrio Norte, the third underground operation within the Punitaqui mining complex. Key activities included underground development, mobile fleet maintenance and upgrades, equipment overhauls, and processing plant optimization initiatives designed to improve production rates and operational reliability.

A significant milestone during the period was the completion of raise-bore drilling of a new ventilation shaft at Cinabrio Norte, supporting the advancement of the deposit toward production. Underground development also progressed at the 408-metre level at San Andrés and the initial 180-metre level at Cinabrio, while remnant mining activities continued within the Cinabrio deposit.

The Company also continued development planning activities at Dalmacia, which is expected to become the fourth underground mining operation within the Punitaqui district.

Outlook

Punitaqui

Looking ahead to the balance of 2026, the Company expects to continue advancing a number of development and operational initiatives at Punitaqui intended to support production, operational reliability, and the long-term sustainability of the operation. Key priorities include advancement of the filtered tailings facility, continued underground development activities, fleet optimization initiatives, and ongoing improvements to processing plant availability.

Development planning activities at Dalmacia, which is expected to become the fourth underground mining operation within the Punitaqui district, are also expected to continue during 2026.

The Company has continued to invest in its underground mining fleet, including the acquisition of two additional load-haul-dump ("LHD") units during the second quarter of 2026. The new equipment is expected to support fleet availability, development activities, and planned production objectives across the Punitaqui mining complex. Management is also evaluating opportunities to optimize and upgrade other components of the underground mining fleet to improve equipment reliability and operating performance.

In addition, the Company expects to continue pursuing initiatives aimed at improving processing plant availability through targeted maintenance programs, equipment upgrades, and operational optimization efforts.

The scope, timing, and ultimate benefits of these initiatives remain subject to operational performance, permitting requirements, financing availability, commodity prices, and other market conditions. There can be no assurance that these initiatives will achieve the anticipated results or be completed within currently expected timeframes.

ESI

ESI continues to focus on the development, manufacture, rental, and sale of specialized equipment serving the renewable energy and infrastructure sectors. During the first quarter of 2026, ESI generated revenue of \$7.3 million, representing a 50% increase compared to the same period in 2025, reflecting growth across both equipment rentals and equipment sales.

During the quarter, ESI fulfilled a significant portion of its backlog of renewable energy equipment orders that had accumulated during the latter part of 2025, converting the backlog into recognized revenue. Management expects to continue fulfilling the remaining backlog throughout 2026 and continues to experience healthy inbound order activity across its core markets.

Demand for ESI's equipment rental fleet, particularly its padding machines, remained robust during the quarter. Rental activity increased across both the pipeline and renewable energy sectors, supported by customer activity on major infrastructure projects throughout the United States. Management expects rental demand to remain strong through the balance of 2026, supported by ongoing investment in energy infrastructure, pipeline construction, and renewable energy development.

ESI also continues to advance the commercialization of its Omni Crawler autonomous vehicle platform. Field trials commenced during the first quarter of 2026, representing an important milestone in the development of technology designed to improve productivity and address labour constraints in battery storage and solar construction projects.

Management expects ESI to continue focusing on opportunities within the renewable energy, utility, and pipeline sectors, supported by ongoing customer activity, equipment rental demand, and the continued development of its proprietary product offerings. Future operating results will remain dependent on customer demand, project activity levels, economic conditions, and broader market factors.

E&E

The Company intends to continue advancing and evaluating its most prospective exploration holdings while assessing opportunities to enhance shareholder value through exploration activities, strategic partnerships, royalty arrangements, or other corporate transactions.

Related Party Transactions

Compensation of Key Management Personnel

Key management personnel include members of the Board of Directors and senior executives with authority and responsibility for planning, directing, and controlling the activities of the Company. The aggregate compensation paid or payable to key management personnel during the period ended March 31, 2026 and 2025 is summarized in the table below:

Related Party Transactions	Three months	Three months
	ended March	ended March
	31, 2026	31, 2025
Directors' fees	\$ -	\$ 85,493
Management fees	328,680	1,021,345
Share-based compensation	-	12,832

During 2025, director compensation was suspended and previously accrued director compensation balances were reversed.

Other Related Party Transactions

Yorktown Partners LLC, a significant shareholder of the Company, has provided financing to the Company through its affiliated investment vehicles, Weston Energy II, LLC ("Weston II") and Weston Energy III, LLC ("Weston III").

During the three months ended March 31, 2026, the Company continued to have related party transactions involving promissory notes with Weston II, Weston III and the Chief Executive Officer. Additional information regarding these arrangements is provided in Note 13 to the Financial Statements.

As at March 31, 2026, principal and accrued interest outstanding under related party promissory notes totaled \$4.2 million (December 31, 2025 – \$3.8 million). Amounts due to directors and officers and included in trade payables and accrued liabilities totaled \$91,554 (December 31, 2025 – \$362,449).

Off-Balance Sheet Transactions

As at March 31, 2026 and December 31, 2025, and as of the date of this MD&A, the Company did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on its financial condition, results of operations, liquidity, capital expenditures, or capital resources.

Outstanding Share Data

As at March 31, 2026, the Company had 404,128,084 common shares issued and outstanding, compared to 343,473,332 common shares as at December 31, 2025. The increase reflects the issuance of 50,000,000

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common shares pursuant to the Company's \$10.0 million non-brokered equity financing and 10,654,752 common shares issued upon the conversion of convertible debentures during the quarter.

As of the date of this MD&A, the Company had 417,928,348 common shares issued and outstanding, reflecting the issuance of an additional 13,800,264 common shares pursuant to a subsequent non-brokered private placement financing.

Stock Options

As at March 31, 2026 and the date of this MD&A, the Company had 3,586,666 stock options outstanding (December 31, 2025 – 3,586,666). All outstanding stock options were held by directors, officers, employees, and consultants of the Company. Share-based compensation expense related to stock options was nil during the three months ended March 31, 2026 (Q1 2025 – \$0.01 million).

Restricted Share Units ("RSUs")

As at March 31, 2026 and the date of this MD&A, the Company had 66,665 restricted share units ("RSUs") outstanding (December 31, 2025 – 66,665). Share-based compensation expense related to RSUs was nil during the three months ended March 31, 2026 (Q1 2025 – \$0.002 million).

Performance Share Units ("PSUs")

On March 30, 2026, all 1,260,000 performance share units ("PSUs") expired unexercised. As a result, no PSUs were outstanding as at March 31, 2026 or the date of this MD&A (December 31, 2025 – 1,260,000).

Subsequent Events

Subsequent to March 31, 2026, the Company has the following activities:

Non-brokered private placements

On April 15, 2026, the Company announced a second LIFE offering of up to 75,000,000 common shares at a price of \$0.20 per share for aggregate gross proceeds of up to \$15.0 million (the "Second LIFE Offering").

Subsequent to quarter-end, the Company completed three tranches of the offering on April 22, 2026, May 7, 2026, and May 29, 2026, issuing an aggregate of 13,800,265 common shares for gross proceeds of approximately \$2.8 million. The Second LIFE Offering was subsequently completed and closed on May 29, 2026.

Financial Instruments and Capital Management

Commodity Price Risk

The Company's operating results are exposed to fluctuations in commodity prices. The demand, pricing, and terms for ESI's products and services are influenced, in part, by activity levels within the renewable energy, pipeline, and infrastructure sectors, which are often correlated with broader commodity market conditions.

The Company's mining operations are directly exposed to changes in commodity prices, particularly copper. Variations in copper prices may significantly impact future revenues, cash flows, and the economic performance of the Punitaqui operations. The Company does not currently engage in commodity price hedging programs.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations. The Company's cash balances are held with major financial institutions, and management considers the associated credit risk to be low.

The Company's receivables primarily consist of trade receivables, finance lease receivables, and government tax receivables in Canada and Chile. Management continuously monitors receivable balances and considers the Company's exposure to credit risk to be limited.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company manages liquidity risk through the preparation and monitoring of operating budgets, capital expenditure plans, and cash flow forecasts.

The Company's liquidity position improved significantly during the three months ended March 31, 2026 as a result of stronger operating performance, the completion of equity financings, proceeds received from the sale of exploration properties, and the conversion of convertible debentures into common shares. Notwithstanding these improvements, the Company continues to require access to debt and equity capital to fund development activities, capital expenditures, and working capital requirements. There can be no assurance that additional financing will be available on acceptable terms or at all.

Contractual cash flow requirements as at March 31, 2026 are summarized in the table below.

	year 1	year 2	year 3	year 4	> 4 years	Total
Loans and borrowings	\$ 6,318,809	\$ 192,910	\$ 111,799	\$ 74,054	\$ 26,234	\$ 6,723,806
Trade payables and accrued liabilities	36,915,184	-	-	-	-	36,915,184
Income tax payables	301,818	-	-	-	-	301,818
Deferred revenue	8,861,424	-	-	-	-	8,861,424
Finance lease	345,592	205,630	-	-	-	551,222
Copper prepayment liability	3,936,968	-	-	-	-	3,936,968
Asset retirement obligation - liability	212,019	6,312	6,312	119,647	10,271,757	10,616,047
VAT export program - promissory note payable	1,218,457	-	-	-	-	1,218,457
Lease liabilities	805,354	321,787	123,995	79,664	26,695	1,357,495
Deferred payments on acquisition	2,735,840	655,008	-	-	-	3,390,848
Promissory notes	4,237,929	-	-	-	-	4,237,929
Convertible debentures	347,570	-	-	-	-	347,570
Total	\$ 66,236,964	\$ 1,381,647	\$ 242,106	\$ 273,365	\$ 10,324,686	\$ 78,458,768

The Company's contractual obligations include a \$10.6 million asset retirement obligation, of which approximately \$10.3 million is expected to be settled beyond four years. Excluding the asset retirement obligation, contractual obligations totaled approximately \$68.2 million as at March 31, 2026.

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. The Company is primarily exposed to currency risk and interest rate risk.

Currency Risk

The Company conducts operations in Canada, the United States, and Chile and is exposed to fluctuations in foreign exchange rates. Foreign exchange risk arises primarily from monetary assets and liabilities denominated in U.S. dollars and Chilean pesos.

Management's Discussion and Analysis for the Three Months Ended March 31, 2026

As at March 31, 2026, a 10% strengthening or weakening of the Canadian dollar against these foreign currencies, with all other variables held constant, would result in a foreign exchange gain or loss of approximately \$3.0 million.

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 exposure to interest rate risk is limited, as only a portion of its debt obligations bear variable interest rates. The Company has not entered into any interest rate hedging arrangements.

Capital Management

The Company's objective when managing capital is to maintain sufficient financial flexibility to support ongoing operations, fund development and growth initiatives, and meet its financial obligations as they become due.

The Company considers capital to include shareholders' equity together with short-term and long-term debt, including convertible debentures, the copper prepayment liability, promissory notes, and other loans and borrowings.

As at March 31, 2026, total capital was \$54.8 million, compared to \$36.4 million as at December 31, 2025. The increase primarily reflects the Company's improved financial position resulting from profitable operations, the completion of the \$10.0 million equity financing, and the conversion of convertible debentures into common shares.

The Board of Directors does not establish quantitative return-on-capital criteria for management but relies on the experience and judgment of management to support the long-term development of the Company's business. Additional capital may be required to fund future growth initiatives, development activities, and working capital requirements.

There were no significant changes to the Company's capital management policies during the three months ended March 31, 2026.

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, labour 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 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 a 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 labour 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 practice 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, labour 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.

Labour 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 labour 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.

Forward-looking information and FOFI 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 adopted the amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures, effective January 1, 2026. Following assessment, management concluded that the adoption of these amendments did not have a material impact on the Company's condensed interim consolidated financial statements.

New Standards Issued but Not Yet Effective

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosures in Financial Statements*, which is effective for annual reporting periods beginning on or after January 1, 2027. The new standard introduces revised requirements for the presentation and disclosure of information in financial statements. Management is currently assessing the impact of IFRS 18 on the Company's consolidated financial statements.

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 March 31, 2026, 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*."