

HISPANIA RESOURCES INC.
MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
DATED NOVEMBER 28, 2025

HISPANIA RESOURCES INC.
Management's Discussion & Analysis

Introduction

This Management's Discussion and Analysis ("MD&A") has been prepared by management of Hispania Resources Inc. (formerly Merida Minerals Holdings Inc.) (the "Company" or "Hispania") as at and for the three and nine months ended September 30, 2025 and 2024, and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2025, and the annual audited consolidated statements for the years ended December 31, 2024 and 2023 (the Financial Statements"). The Financial Statements have been prepared using IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. All amounts are in Canadian dollars unless otherwise specified. The Financial Statements may be found under the Company's SEDAR profile at www.sedarplus.ca.

This MD&A contains commentary from the Company's management regarding the Company's strategy, operating results, financial position and outlook. Management is responsible for the accuracy, integrity, and objectivity of the MD&A, and develops, maintains and supports the necessary systems and controls to provide reasonable assurance as to the accuracy of the comments contained herein.

The Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the Financial Statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports prior to filing.

Forward-Looking Statements

Certain sections of this MD&A may contain "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include 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 words or other similar or comparable words. Forward-looking statements may relate to the Company's future financial conditions, results of operations, plans, objectives, performance or business developments. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in our other filings with applicable securities regulators in Canada. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, or to explain any material difference between

subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

Corporate Overview

Hispania Resources Inc. (the “Company”) was incorporated under the Business Corporations Act (Alberta) on October 22, 2018 as a Capital Pool Corporation (“CPC”) as defined in Policy 2.4 of the TSX Venture Exchange (the “Exchange”). On March 31, 2022, the Company completed its qualifying transaction pursuant to the rules of the Exchange (the “Qualifying Transaction”), resulting in a reverse takeover of the Company by Merida Minerals Inc. (“Merida”). Merida was incorporated on August 8, 2018, under the Business Corporations Act (Ontario).

The address of the Company’s registered and head office is 60 Wellesley Street West, Unit 2, Toronto, Ontario, M5S 3L2, Canada.

Business of Hispania

Hispania Resources Inc. is a Canadian mineral exploration company focused on developing mining projects in Spain. Headquartered in Toronto, it is publicly traded on the TSX Venture Exchange under the ticker symbol ESPN.

Herrerias Property

On March 31, 2021 the Company entered into an asset purchase agreement with Amaiur to acquire 100% interest in Herrerias Property.

The various terms of the acquisition are as follows: (a) receipt of notification from the Junta de Extremadura of the mining permit extension; (b) application for the authorization of 100% of the Project transfer will be submitted to the Junta de Extremadura after the Asset Purchase Agreement has been duly notarized; (c) cash consideration of €90,750 (inclusive of VAT) and two million three hundred thousand (2,300,000) Hispania Common Shares (which have already been issued); and a one percent (1%) net smelter return royalty (“NSR Royalty”) in favour of the Vendor.

Execution of the purchase agreement was conditional upon the extension of the investigation permit by the Spanish mining authority. During the quarter, the permit was extended for an additional year, during which the Company is required to complete the prescribed exploration program. The Company also made the remaining property payment. Legal title to the property will be transferred to the Company upon completion of the required exploration program.

Property Description and Location

The Project covers an area of 90 km² which consists of 299 individual Mining Grid rectangles, which form a contiguous block and includes a Zn-Cu-Pb-Ag prospect, known as Las Herrerías. The Project is located approximately 80 km east-southeast of Badajoz, Spain and is accessible by road.

Segoviana West Property

The Company entered into an agreement with Sociedad De Investigación Y Explotación Minera De Castilla Y León, Sa (“Siemcalsa”), to acquire 100% of the Segoviana West Property in Spain for a purchase price of EUR300,000 (the “Purchase Price”). The acquisition is subject to approval of the Spanish mining authority (“Mining Authority”) and the transfer of the permit by the Mining Authority to the Company. In

accordance with the agreement, the Company paid the Purchase Price as a fully refundable deposit which shall be returned to the Company if the Mining Authority does not grant the transfer of the permit. On November 8, 2023, the Company received notice that the transfer of the Siemcalsa permit to the Company's wholly owned subsidiary La Joya, has been approved. During the year ended December 31, 2024, the Company accrued \$6,717 (EUR 4,500) (2023 - \$6,568) in land transfer taxes of the Segoviana West Property that remained payable as at December 31, 2024 and September 30, 2025.

Lumbrales Property

The Company entered into an agreement with (“Siemcalsa”), to acquire 100% of the Lumbrales Property in Spain for a purchase price of EUR250,000 (the “Purchase Price”). The acquisition is subject to approval of the Mining Authority and the transfer of the permit by the Mining Authority to the Company. In accordance with the agreement, the Company paid the Purchase Price as a fully refundable deposit which shall be returned to the Company if the Mining Authority does not grant the transfer of the permit. In March 2023, the Company received notice that the transfer of the Lumbrales permit to the Company's wholly owned subsidiary La Joya, has been approved subject to the following conditions:

- (i) Extension granted for 3 years from the date of the notice of approval
- (ii) Prior to the commencement of any work, a deposit of €7,400, must be made.
- (iii) An annual work plan for the first year of the extension and to communicate the commencement of work on the extension.

During the year ended December 31, 2024, the Company accrued \$5,598 (EUR 3,750) (\$5,474, 2023) in land transfer taxes of the Lumbrales Property that remained payable as at December 31, 2024 and September 30, 2025.

In May 2023, management, members of the board of directors, and geological teams completed site visits for two weeks across Spain. During these visits, the teams completed property inspections, as well as meetings with Regional and local municipal authorities. With respect to the Lumbrales project, the final transfer documents were signed and notarized with Siemcalsa representatives. Thereafter, the teams reviewed and collected in country material and project reports and visited the Marie Tere site to determine property conditions and begin work activity planning.

The team also visited the regional government office and Mineral Department in Extremadura, the town of Puebla de la Reina and it's Mayor. Arrangements were also made to call a tender for Airborne Geophysical survey work to consist of Gravemetric and Magnetic surveys over the expansive Herraris Permit.

On May 1, 2024, the Company announced that it has retained a Canadian geological services company to complete technical reports in compliance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") ("NI 43-101 Report") Technical Reports at its recently acquired properties Otero and Lumbrales in Castille Y Leon, Spain.

Results of Operations

As at September 30, 2025, the Company had \$81,977 (December 31, 2024 - \$2,622) in current assets, comprised of cash \$42,393 (December 31, 2024 - \$2,622) and sales tax receivable of \$39,584 (December 31, 2024 - \$nil). The long-term assets consisted of \$1,011,793 of exploration and evaluation assets (being the final payment for the Herrerias Property, the original deposits placed on the two properties, as noted above, and land transfer tax fees.), and equipment of \$6,425.

Liabilities comprised of accounts payable and accrued liabilities of \$617,083 (December 31, 2024 - \$429,345), a loan payable of \$653,879 (December 31, 2024 - \$10,000) and amounts due to related parties of \$1,966,639 (December 31, 2024 - \$2,252,939). During the period, a third party acquired a loan previously advanced to the Company by a director and related companies. The outstanding principal acquired was \$653,878. (see related party section).

Revenue

The exploration properties acquired by the Company are still in the early exploration and development stage. Until sufficient work has been completed to confirm the feasibility of any specific interest being placed into production, it is not anticipated that the Corporation will have any material revenue. No revenues have been reported since inception.

Loss from Operations for three and nine months ended September 30, 2025 and 2024 are detailed below:

(Expressed in Canadian dollars)

	Three months ended September 30		Nine months ended September 30,	
	2025	2024	2025	2024
Expenses				
General and corporate	164,172	153,596	459,722	582,349
Mineral property investigation expenses	19,100	6,691	26,075	21,101
Net Loss	(183,272)	(160,287)	(485,797)	(603,450)
Other comprehensive income/ (loss)				
<i>Items that may be reclassified to profit or loss</i>				
Foreign currency translation gain	(12,533)	16,595	(19,614)	20,219
Comprehensive loss	(195,805)	(143,692)	(505,411)	(583,231)

General and corporate includes legal, accounting, management, marketing, rent and administration to support its operations. The breakdown of these expenses is as follows:

Nine months ended September 30,	2025	2024
Management and director fees	\$ 139,500	\$ 154,400
Professional and legal fees	140,397	119,933
Business development	76,500	76,500
Administration	75,633	124,028
Regulatory	12,692	9,298
Marketing	15,000	98,190
	\$ 459,722	\$ 582,349

The decrease in general and corporate expenses compared to the prior year primarily reflects reduced marketing campaigns (\$15,000 vs. \$98,190 in 2024) and lower administrative costs related to Spanish and local operations (\$75,633 vs. \$124,028). Professional fees increased slightly (\$140,397 vs. \$119,933) mainly related to monthly regional government and environmental support in Spain.

Liquidity and Capital Resources

As at September 30, 2025, the Company had a working capital deficit of \$3,155,624 (December 31, 2024 – working capital deficit of \$2,689,662); being defined as current assets less current liabilities.

During the nine months ended September 30, 2025, the Company had cash used in operating activities of \$229, compared to \$70,427 in the same period in 2024.

In the nine months ended September, 30, 2025, the Company spent cash of \$180,000 to payments related to the Herrerias Property.

Financing activities netted \$220,000. This represented cash received from a private placement that closed subsequent to the end of the reporting period.

On October 3, 2025, the Company closed the first tranche of a non-brokered private placement, issuing 20,000,000 units at \$0.025 per unit for gross proceeds of \$500,000. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable into one common share at \$0.05 for a period of 36 months from issuance.

On October 31, 2025, the Company closed the second and final tranche of the financing, issuing an additional 15,000,000 units at \$0.025 per unit for gross proceeds of \$375,000. In total, the Company raised \$875,000 under the offering.

At its current operating level, the Company will not have sufficient funds to cover short-term operational needs. The Company expects to still operate at a loss for at minimum the next 12 months. To help with the liquidity issues, management and directors have been deferring compensation, and have in the past, settled part of these fees in exchange for common shares (to help preserve cash). As such, the Company will need additional financing for costs related to corporate operations and exploration activities. The Company is currently addressing its liquidity concerns by proactively planning future financings through the sale of equity and settling other fees and debt with the issuance of shares. In 2024, the Company relied on support from one of its directors for working capital. The Company has been successful in the past at raising necessary funds but the timing and ability to do so will depend on the continued support of this director, the liquidity of the financial markets, economic conditions, as well as the acceptance of investors to small cap companies. There can be no guarantee that the Company will be able to secure any required financing.

The primary need for liquidity is to fund exploration programs and to maintain general corporate operations. The primary source of liquidity in the past has primarily been private financing, and loans from related parties. At times, management has deferred salaries, and/or has agreed to accept common shares in lieu of cash to help alleviate liquidity issues.

Overall, given the working capital at September 30, 2025, the Company will not be able to meet its general operational requirements for 2025 and will require additional capital for exploration programs in 2025-2026 and to funds general operations.

The Company's management continues to hold discussions on securing financing. There are no assurances that the Company will be successful in obtaining any form of financing on a timely basis or on reasonable or acceptable terms, or at all. If the Company cannot obtain financing or otherwise improve liquidity, then the Company's treasury will be depleted, and it will be required to curtail all of its operations and may be required to liquidate its assets under a formal process. Failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis, which would differ from the going concern basis.

Selected Quarterly Information (in accordance with IFRS)

The following table summarizes the Company's financial information for the last eight quarters:

Financial Results	Q3 2025 \$	Q2 2025 \$	Q1 2025 \$	Q4 2024 \$	Q3 2024 \$	Q2 2024 \$	Q1 2024 \$	Q4 2023 \$
Revenue	nil							
Total Expenses	183,272	137,009	165,516	290,022	160,267	229,439	213,745	141,445
Net Income (Loss)	(183,272)	(137,009)	(165,516)	(290,022)	(160,267)	(229,439)	(213,745)	(340,163)
Basic profit (loss) per share	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)
Fully-diluted profit (loss) per share	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)

The Company's level of activity and expenditure during a specific quarter have been influenced by the availability of working capital, the availability of additional external financing and the status of projects and level of expenditures required to complete them. All figures are reported in accordance with IFRS.

Proposed Transactions

As at the date of this MD&A there are no proposed transactions.

Off-balance Sheet Arrangements

As at the date of this MD&A, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the results of operations or financial condition of the Company.

Share capital

Hispania's authorized share capital consists of an unlimited number of Common Shares without par value. All the common shares have the same rights in respect of the distribution of dividends and the repayment of capital.

As at the date of this MD&A, there were 93,510,159 Common Shares outstanding, and 35,000,000 share purchase warrants outstanding, exercisable at \$0.05.

Risk Factors

The Company's business is subject to a number of risk factors which are described in the Filing Statement which was filed on SEDAR on February 16, 2022. Additional risks and uncertainties not presently known to us or that we currently consider immaterial also may impair our business and operations and cause the price of the Common Shares to decline.

If any of the noted risks actually occur, our business may be harmed and the financial condition and results of operations may suffer significantly. In that event, the trading price of the Common Shares could decline, and shareholders may lose all or part of their investment.

In addition to risks disclosed in prior filings, the Company is currently exposed to financing risks given its working capital deficit, as well as jurisdictional and permitting risks related to exploration in Spain. Management continues to monitor commodity market conditions and investor sentiment towards small-cap resource issuers.

Critical accounting estimates

The preparation of the financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based compensation

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

The Company bases its estimates and judgements on current facts and various other factors that it believes to be reasonable under the circumstances. The actual results by the Company may differ materially and adversely from the Company's estimates and could affect future results of operations and cash flows.

Going concern assumption

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the

foreseeable future. The assessment of the Company’s ability to source future operations and continue as a going-concern involves judgement. Estimates and assumption are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. If the going concern assumption is not appropriate for the financial statements, then adjustments would be necessary in the carrying value of assets and liabilities.

Determination of functional currency

The Company determines the functional currency through the analysis of several indicators such as expenses and cash flow, financing activities, and frequency of transactions with the reporting entity.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The capital of the Company consists of share capital, warrants, contributed surplus and options. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

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

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

The Company is not subject to any externally imposed capital requirements.

Related Party Transactions and Balances

Compensation of key management personnel

Key management includes members of the board of directors, Chief Executive Officer and the Chief Financial Officer and any companies associated with them. Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows:

Nine months ended September 30,	2025	2024
Management fees – Chief executive officer (i)	\$ 112,500	\$ 112,500
Management fees – Chief Financial Officer (ii)	27,000	27,000
Professional and legal fee (iii)	46,800	41,814
Consultancy fees (iv)	76,500	76,500
Administrative fees (v)	15,000	15,000
	\$277,800	\$272,814

- (i) For the nine months ended September 30, 2025, the Chief Executive Officer (the “CEO”) charged fees of \$112,500 (2024 – \$112,500) for management services. As at September 30, 2025, \$789,488 (December 31, 2024 – \$662,363) was owed to the CEO and is included in due to related parties.
- (ii) For the nine months ended September 30, 2025, CFO Advantage Inc. (“CFO”), a corporation controlled by the Chief Financial Officer, charged fees of \$27,000 (2024 – \$27,000) for management services. As at September 30, 2025, \$209,250 (December 31, 2024 - \$178,740) was owed to CFO and is included in due to related parties.
- (iii) For the nine months ended September 30, 2025, Leonolarte Abogados (“Olarde”), a law firm in which a director of the Company is a partner, charged fees of \$46,800 (2024 – \$41,814) for legal services. As at September 30, 2025, \$215,028 (December 31, 2024 - \$166,700) was owed to Olarde and is included in due to related parties.
- (iv) For the nine months ended September 30, 2025, 1843482 Ontario Inc. (“184”), a corporation controlled by a relative of a director, charged fees of \$76,500 (2024 – \$76,500) for business development services. As at September 30, 2025, \$543,937 (December 31, 2024 - \$494,290) was owed to 184 and is included in due to related parties.
- (v) For the nine months ended September 30, 2025, a relative of the CEO charged fees of \$15,000 (2024 – \$15,000) for administrative services. As at September 30, 2025, \$144,075 (December 31, 2024 - \$127,125) was owed to the related party and is included in due to related parties.
- (vi) As at September 30, 2025 one director is owed \$64,861 (December 31, 2024- \$541,353) for expense paid on behalf of the Company. During the period, the director and companies controlled by that director assigned to an unrelated third-party, certain loans previously advanced to the Company, see note 6 to the interim financial statements for details.
- (vii) All amounts are non-interest bearing and unsecured.

Financial Risk Factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions, from which management believes the risk of loss to be remote. Management believes that the credit risk concentration with respect to these items is remote.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As at September 30, 2025 the Company had a cash balance of \$42,393 (December 31, 2024 - \$2,622) to settle current liabilities of \$3,237,600 (December 31, 2024 - \$2,692,284). The continuing operations of the Company are dependent upon its ability to obtain adequate financing and to commence profitable operations in the future.

Market risk

(a) Interest rate risk

The Company has cash balances and no long-term debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company considers this risk to be minimal.

(b) Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's subsidiary in Spain is exposed to foreign exchange risk related to variation in exchange rates between Canadian dollars and Euros. The Company has not entered into any foreign currency contracts or other instruments to mitigate this risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not a producing entity.

Fair value of financial assets and liabilities

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Company uses observable market data, as much as possible. Fair values are classified into different levels in a hierarchy based on the inputs used in the valuation techniques, as follows:

Level 1: quoted prices (without adjustments) in active markets for identical assets or liabilities.

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

Level 3: inputs, for assets or liabilities, that are not based on observable market information (non-observable inputs).

As at September 30, 2025, the fair values of Company's financial instruments approximate their carrying values, given their short-term nature.

Additional Information

Additional information relating to the Company can be found under the Company's profile on SEDAR at www.sedarplus.ca