

FORM 2B
LISTING APPLICATION



Pecoy Copper Corp.

Application for Listing on the TSX Venture Exchange of the common shares in the capital of Pecoy Copper Corp., the issuer resulting from the transactions described herein.

As of September 3, 2025

Neither the TSX Venture Exchange nor any securities regulatory authority has expressed an opinion about the securities which are the subject of this listing application, or the merits of the transactions described herein.

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GLOSSARY

In this Listing Application, unless there is something in the subject matter inconsistent therewith, the following terms shall have the respective meanings set out below, words importing the singular number shall include the plural and vice versa and words importing any gender shall include all genders. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the policies of the TSX Venture Exchange and applicable securities laws. In the event of a conflict between a term defined in this Glossary and a term defined in the policies of the TSX Venture Exchange, the definition of the TSX Venture Exchange will govern.

“2018 MRE”	has the meaning ascribed to it under “ <i>Schedule A – Historical Resource and Reserve Estimates in Pecoy Project.</i> ”
“2021 MRE”	has the meaning ascribed to it under “ <i>Schedule A – Historical Resource and Reserve Estimates in Pecoy Project.</i> ”
“Acquisition Agreements”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV – General Development of the Business.</i> ”
“AcquisitionCo”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV - Pembroke Acquisition Agreement.</i> ”
“Affiliate”	means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by or is under common control with such Person.
“Agency Agreement”	means the agency agreement dated July 8, 2025 between Pecoy Copper, SPV and the Lead Agent entered into in connection with the Concurrent Private Placement.
“Agents’ Expenses”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING THE RTO - Concurrent Private Placement.</i> ”
“Agents’ Fee”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING THE RTO - Concurrent Private Placement.</i> ”
“Agents”	means each of the Lead Agent, BMO Nesbitt Burns Inc., Cormark Securities Inc., Desjardins Securities Inc., Haywood Securities Inc., National Bank Financial Inc., Scotia Capital Inc., Ventum Capital Cop. and 3L Capital Inc., as agents in connection with the Concurrent Private Placement.
“Agnico Conversion Amount”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV – General Development of the Business.</i> ”
“Agnico Eagle”	Agnico Eagle Mines Limited.
“Agnico Investor Rights Agreement”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV – General Development of the Business.</i> ”
“Amalco Shares”	means the common shares in the capital of Amalco.
“Amalco”	means the corporation resulting from the Amalgamation, which is anticipated to be named “Pecoy Copper (Ontario) Ltd.”
“Amalgamating Parties”	means, collectively, SPV and Pecoy Copper Subco.
“Amalgamation”	means the amalgamation of SPV and Pecoy Copper Subco under the provisions of the OBCA on the terms set forth in the Business Combination Agreement.
“Articles of Amalgamation”	means the articles of amalgamation giving effect to the Amalgamation required under the OBCA to be filed with the Director appointed under Section 278 of the OBCA.

“Arunteni”	has the meaning ascribed to it under “ <i>Schedule A – History of the south sector of the Pecoy Project (Ocaña Project).</i> ”
“Associate”	has the meaning ascribed to such term in TSXV Policy 1.1 – <i>Interpretation.</i>
“Audit Committee”	means the audit committee of the Resulting Issuer.
“Author”	has the meaning ascribed to it under “ <i>Schedule A – The Pecoy Project.</i> ”
“Awards”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING THE RESULTING ISSUER – Material Terms of Resulting Issuer LTIP.</i> ”
“Bankable Feasibility Study”	means an integral design and a cost assessment of one or more mineral deposits in the “Barreno 1” and “Barreno 2” mining concessions, owned by Pecoy Peru, in which appropriate evaluations have been made in connection to geological, mining, metallurgical, economic, commercial, legal, social, environmental, governmental, engineering, operative and any other matters, realistically undertaken, with enough detail to demonstrate when informing that the extraction is reasonably justified (economically exploitable) and the factors that are reasonably used as a basis for a final decision of a sponsor or financial institution to accept or finance the development of such deposit(s) for the production of minerals.
“BCBCA”	means the <i>Business Corporations Act</i> (British Columbia).
“Board Reconstitution”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING THE RTO –Summary of the RTO.</i> ”
“Business Combination Agreement”	means the business combination agreement dated as of July 3, 2025 between Pecoy Copper and SPV.
“CCV Acquisition Agreement”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV – General Development of the Business.</i> ”
“CCV Advisory Agreement”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV – General Development of the Business.</i> ”
“CCV Share Acquisition”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV – General Development of the Business.</i> ”
“CCV Shares”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV – General Development of the Business.</i> ”
“CCV”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV – General Development of the Business.</i> ”
“CEO”	means chief executive officer.
“CFO”	means chief financial officer.
“China Copper”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV – General Development of the Business.</i> ”
“Commencement of Commercial Production”	shall be understood as the first day following the date in which the extraction and/or processing of a conventional mineral processing plant built within or adjacent to the “Barreno 1” and “Barreno 2” mining concessions, owned by Pecoy Peru., which produces minerals (a) has operated continuously during a period of no less than three consecutive calendar months and (b) has reach an average production during said period of 60% or more of the production

	capacity of said processing of said mining and/or processing operations pursuant to the Bankable Feasibility Study.
“Commodity Partners”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING THE RESULTING ISSUER – Investor Relations Arrangements.”</i>
“Compensation and Corporate Governance Committee”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING THE RESULTING ISSUER – Objective, Oversight, and Description of Director and NEO Compensation”</i> .
“Computershare”	means Computershare Trust Company of Canada.
“Concurrent Private Placement”	means the brokered “best efforts” private placement offering of 105,800,000 Subscription Receipts at a price of \$0.60 per Subscription Receipt for aggregate gross proceeds of \$63,480,000, pursuant to the terms and conditions of the Agency Agreement, which closed on July 8, 2025.
“Copper X Acquisition”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Copper X Options”	means stock options to acquire common shares in the capital of Copper X.
“Copper X Peru”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Copper X Purchase Agreement”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Copper X Shareholders”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Copper X”	means Copper X Mining Corp.
“Cormin”	has the meaning ascribed to it under <i>“Schedule A – The Pecoy Project.”</i>
“Dissenting Shareholders”	means a registered holder of SPV Shares who, in connection with the special resolution of the SPV Shareholders approving the Amalgamation, has exercised the right to dissent pursuant to Section 185 of the OBCA in strict compliance with the provisions thereof and thereby becomes entitled to be paid the fair value of their SPV Shares and who has not withdrawn the notice of the exercise of such right as permitted by Section 185 of the OBCA.
“DSUs”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING THE RESULTING ISSUER – Material Terms of Resulting Issuer LTIP.”</i>
“Effective Date”	means the date shown on the certificate of amalgamation issued by the Director giving effect to the Amalgamation.
“Effective Time”	means 12:01 a.m. (Toronto time) on the Effective Date, or such other time on the Effective Date as may be agreed by Pecoy Copper and SPV.
“EIA”	has the meaning ascribed to it under <i>“Schedule A – The Pecoy Project.”</i>
“Escrow Agent”	means Computershare, as escrow agent in respect of the Resulting Issuer Escrow Shares.

“Escrow Release Conditions”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING THE RTO - Concurrent Private Placement.”</i>
“Escrowed Funds”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING THE RTO - Concurrent Private Placement.”</i>
“Exchange Policy 5.4”	means <i>Policy 5.4 – Escrow, Vendor Consideration and Resale Restrictions</i> of the TSXV.
“Final Exchange Bulletin”	means the TSXV bulletin which is issued following the submission of all required documentation and that evidences the final TSXV acceptance of the Listing.
“Historic Offtake Agreement”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“IFRS”	means the International Financial Reporting Standards.
“Inspectorate Bureau Veritas”	has the meaning ascribed to it under <i>“Schedule A – The Pecoy Project.”</i>
“Inversiones Minerales”	has the meaning ascribed to it under <i>“Schedule A – History of the south sector of the Pecoy Project (Ocaña Project).”</i>
“IP”	has the meaning ascribed to it under <i>“Schedule A – History of the north sector of the Pecoy Project (Old Pecoy Project).”</i>
“ISO”	has the meaning ascribed to it under <i>“Schedule A – The Pecoy Project.”</i>
“Km”	has the meaning ascribed to it under <i>“Schedule A – The Pecoy Project.”</i>
“Lead Agent”	means Canaccord Genuity Corp.
“Letter of Intent”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING THE RTO – Background of the RTO.”</i>
“Listing Application”	means this TSXV Form 2B – Listing Application to list the Resulting Issuer Shares on the TSXV.
“Listing”	means the listing on the TSXV of the Resulting Issuer Shares.
“MCV Option Agreement”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“MCV Option”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“MCV Shares”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“MCV”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Micon”	has the meaning ascribed to it under <i>“Schedule A – The Pecoy Project.”</i>

“Minandex Claims”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV – General Development of the Business.</i> ”
“Minandex Option Agreement”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV – General Development of the Business.</i> ”
“Minandex”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV – General Development of the Business.</i> ”
“MP”	has the meaning ascribed to it under “ <i>Schedule A – History of the north sector of the Pecoy Project (Old Pecoy Project).</i> ”
“MPA”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV – General Development of the Business.</i> ”
“Named Executive Officer” or “NEO”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV – Executive Compensation.</i> ”
“NGOs”	has the meaning ascribed to it under “ <i>RISK FACTORS – Community and Social Risks in Peru.</i> ”
“NI 43-101”	means National Instrument 43-101 - Standards of Disclosure for Mineral Projects
“NI 52-109”	means National Instrument 52-109 – Certification of Disclosure in Issuers’ Annual and Interim Filings.
“NI 52-110”	means National Instrument 52-110 – Audit Committees.
“NI 58-101”	means National Instrument 58-101 – Disclosure of Corporate Governance Practices.
“NP 58-201”	means National Policy 58-201 – Corporate Governance Guidelines.
“OBCA”	means the <i>Business Corporations Act</i> (Ontario).
“Offering Price”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING THE RTO - Concurrent Private Placement.</i> ”
“Old Pecoy Project”	has the meaning ascribed to it under “ <i>Schedule A – The Pecoy Project</i> ”
“Options”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING THE RESULTING ISSUER – Material Terms of Resulting Issuer LTIP.</i> ”
“OREAS”	has the meaning ascribed to it under “ <i>Schedule A – The Pecoy Project.</i> ”
“Orion”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING SPV – Intercorporate Relationships of SPV.</i> ”
“Participant”	has the meaning ascribed to it under “ <i>INFORMATION CONCERNING THE RESULTING ISSUER – Material Terms of Resulting Issuer LTIP.</i> ”
“PEA”	has the meaning ascribed to it under “ <i>Schedule A – The Pecoy Project.</i> ”
“Pecoy Copper Shareholders”	means the holders of Pecoy Copper Shares from time to time.

“Pecoy Copper Shares”	means the common shares in the capital of Pecoy Copper.
“Pecoy Copper Subco Shares”	means the common shares in the capital of Pecoy Copper Subco.
“Pecoy Copper Subco”	means 1001283691 Ontario Inc., a wholly-owned subsidiary of Pecoy Copper, newly incorporated under the OBCA for the sole purpose of effecting the Amalgamation.
“Pecoy Copper”	means Pecoy Copper Corp.
“Pecoy Land Agreement”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Pecoy Peru”	means Pecoy Sociedad Minera S.A.C.
“Pecoy Project”	means, collectively, the Pembroke Claims and the Minandex Claims, as further described in the Technical Report.
“Pembroke Acquisition Agreement”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Pembroke Acquisition”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Pembroke Advisory Agreement”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Pembroke Claims”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Pembroke Convertible Debt”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Pembroke Options”	means stock options to acquire common shares in the capital of Pembroke.
“Pembroke”	means Pembroke Copper Corp.
“Pemco Transfer Share”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Pemco”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – Intercorporate Relationships of SPV.”</i>
“Person”	includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative.
“PG1”	has the meaning ascribed to it under <i>“Schedule A – The Pecoy Project.”</i>
“PG2”	has the meaning ascribed to it under <i>“Schedule A – The Pecoy Project.”</i>
“Policies”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING THE RESULTING ISSUER – Corporate Governance.”</i>
“Policy 2.2”	means TSXV Policy 2.2 – <i>Sponsorship and Sponsorship Requirements.</i>

“President’s List”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING THE RTO - Concurrent Private Placement.”</i>
“Principals”	has the meaning set out in the policies of the Exchange.
“PSUs”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING THE RESULTING ISSUER – Material Terms of Resulting Issuer LTIP.”</i>
“Put Notice”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Qualified Person”	has the meaning ascribed to it under <i>“GENERAL INFORMATION – Scientific and Technical Information.”</i>
“Resulting Issuer Board”	means the board of directors of the Resulting Issuer as the same is constituted from time to time, following the completion of the RTO.
“Resulting Issuer LTIP”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING THE RTO – Summary of the RTO.”</i>
“Resulting Issuer Option”	means stock options to acquire Resulting Issuer Shares.
“Resulting Issuer Shares”	means the common shares in the capital of the Resulting Issuer, post-RTO.
“Resulting Issuer Warrant”	means common share purchase warrants to acquire Resulting Issuer Shares.
“Resulting Issuer”	means Pecoy Copper Corp., upon completion of the RTO.
“RSUs”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING THE RESULTING ISSUER – Material Terms of Resulting Issuer LTIP.”</i>
“RTO”	means the business combination of Pecoy Copper, Pecoy Copper Subco, and SPV by way of a “three-cornered” amalgamation under the provisions of the OBCA, and will be read to include, collectively, as the context permits or requires, the Amalgamation, the Board Reconstitution, and such other transactions contemplated by the Business Combination Agreement.
“SEDAR+”	means the System for Electronic Document Analysis and Retrieval Plus accessible at www.sedarplus.ca
“SPPCB”	has the meaning ascribed to it under <i>“Schedule A – The Pecoy Project.”</i>
“SPV Board”	means the board of directors of SPV as the same is constituted from time to time.
“SPV Options”	means stock options to acquire SPV Shares.
“SPV Shareholder”	means the holder from time to time of SPV Shares.
“SPV Shares”	means the common shares in the capital of SPV.
“SPV Warrants”	means share purchase warrants to acquire SPV Shares.
“SPV”	means Pecoy Copper Limited, a corporation existing under the OBCA.
“SRM”	has the meaning ascribed to it under <i>“Schedule A – The Pecoy Project.”</i>

“SSRRs”	means the seed share resale restrictions pursuant to section 4 of Exchange Policy 5.4.
“Subscription Receipt Agent”	means Computershare, as agent of the Subscription Receipts issued pursuant to the Concurrent Private Placement.
“Subscription Receipt Agreement”	means the subscription receipt agreement dated July 8, 2025, by and among the Subscription Receipt Agent, Pecoy Copper, SPV, and the Lead Agent (on behalf of the Agents) in connection with the Concurrent Private Placement.
“Subscription Receipts”	means the subscription receipts issued by SPV pursuant to the Concurrent Private Placement, with each such subscription receipt convertible, for no additional consideration, into one SPV Share upon the satisfaction of the Escrow Release Conditions.
“Technical Report”	means the technical report in respect of the Pecoy Project entitled “NI 43-101 Technical Report Mineral Resource Estimate – Pecoy Project, Condesuyos Province, Arequipa – Peru”.
“Termination Date”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING THE RTO - Concurrent Private Placement.”</i>
“Termination Event”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING THE RTO - Concurrent Private Placement.”</i>
“Torion Claims”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Torion Transfer Share”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Torion”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – Intercorporate Relationships of SPV.”</i>
“Tororume”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – Intercorporate Relationships of SPV.”</i>
“Trafigura”	means Trafigura Pte Ltd.
“TSXV” or the “Exchange”	means the TSX Venture Exchange.
“Urion Mexico Holdings”	has the meaning ascribed to it under <i>“Schedule A – The Pecoy Project.”</i>
“Urion Share Purchase Agreement”	has the meaning ascribed to it under <i>“INFORMATION CONCERNING SPV – General Development of the Business.”</i>
“Urion”	means Urion Mexico Holdings Ltd.
“UST”	has the meaning ascribed to it under <i>“Schedule A – The Pecoy Project.”</i>

GENERAL INFORMATION

This Listing Application is being prepared in accordance with TSXV Form 2B and Form 3D2 in connection with, among other things, the reverse takeover of Pecoy Copper by SPV. All capitalized terms used in this Listing Application (including the appendices and schedules hereto, unless otherwise stated) but not otherwise defined herein have the meanings set forth under the heading “Glossary”.

Information contained in this Listing Application is given as of September 3, 2025, unless otherwise specifically stated. No person has been authorized to give any information or make any representation in connection with the Transaction or any other matters disclosed herein other than those contained in this Listing Application and, if given or made, any such information or representation must not be relied upon as having been authorized.

Readers are cautioned not to construe the contents of this Listing Application as legal, tax or financial advice and are advised to consult their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Listing Application.

Any information concerning SPV and the Pecoy Project contained in this Listing Application has been provided by SPV. With respect to this information, the board of directors of Pecoy Copper has relied exclusively upon SPV, without independent verification by Pecoy Copper. Although Pecoy Copper has no knowledge that would indicate that any of such information is untrue or incomplete, Pecoy Copper does not assume any responsibility for the accuracy or completeness of such information or the failure by SPV to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Pecoy Copper.

Unless otherwise indicated, any information concerning the Resulting Issuer in this Listing Application is a reference to Pecoy Copper following the completion of the RTO (assuming the RTO is completed).

This Listing Application does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Currency Presentation

Unless otherwise indicated, all currency amounts are stated in Canadian dollars.

Financial Information

Unless otherwise indicated, all financial information referred to in this Listing Application was prepared in accordance with IFRS.

Scientific and Technical Information

Scientific and technical information relating to the Pecoy Project included in this Listing Application is derived from, and in some instances extracted from, and based on the assumptions, qualifications and procedures set out in, the Technical Report and has been reviewed and approved by María del Carmen Muñoz Lizarve, P. Geo., MAIG (QP). María del Carmen Muñoz Lizarve is a “qualified person” within the meaning of NI 43-101. Reference should be made to the full text of the Technical Report, a copy of which has been filed and is available for review under Pecoy Copper’s company profile on SEDAR+ at www.sedarplus.ca.

Cautionary Note Regarding Forward-Looking Information

This Listing Application contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management’s expectations regarding the growth, results of operations, performance and business prospects and opportunities of Pecoy Copper, SPV, and the Resulting Issuer. All statements other than statements of historical fact are forward-looking statements. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue”, “target” or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Listing Application may contain forward-looking statements attributed to third party industry sources.

Forward-looking statements include, but are not limited to, statements with respect to the terms and conditions of the proposed transactions; use of proceeds from the Concurrent Private Placement; future development plans; and the business and operations of each of Pecoy Copper, SPV, and the Resulting Issuer after the proposed transactions. These forward-looking statements are based on the beliefs of the management of each of Pecoy Copper and SPV as well as on assumptions which management believes to be reasonable, based on information currently available at the time such statements were made. However, there can be no assurance that forward-looking statements will prove to be accurate. Such assumptions and beliefs include, among other things: the ability of each of Pecoy Copper and SPV to realize the benefits of the RTO; the discretion of management of each of Pecoy Copper and SPV and the board of the Resulting Issuer to use the proceeds of the Concurrent Private Placement and total available funds upon listing on the TSXV other than as disclosed herein; the ability of Resulting Issuer to execute its business plan successfully or as disclosed herein, such that the future growth, results of operations, performance and business prospects and opportunities of Resulting Issuer will be as anticipated; the ability for Resulting Issuer to obtain financing on acceptable terms; and the ability for Resulting Issuer to retain skilled management and employees.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such risk factors include, but are not limited to: the Business Combination Agreement may be terminated by SPV or Pecoy Copper in certain circumstances; there can be no certainty that all conditions precedent to the RTO will be satisfied; the TSXV may not approve the Resulting Issuer's Listing Application; SPV and Pecoy Copper will incur costs even if the RTO is not completed; uninsurable risks; environmental Regulations, Permits and Licenses; exploration and development risks; lack of availability of resources; mineral exploration and mining carry inherent risks; metal prices are volatile; infrastructure; an increase in prices of power and water supplies, including infrastructure, could negatively affect the Resulting Issuer's future operating costs, financial condition, and ability to develop and operate a mine; the impacts of climate change may adversely affect the Resulting Issuer's operations and/or result in increased costs to comply with changes in regulations; operations in Peru; political risks in Peru; community and social risks in Peru; labour and employment relations in Peru; reliance on key personnel; competition; financing risks; use of net proceeds; global financial conditions; risk associated with an emerging and developing market; trade tariffs; market for the Resulting Issuer's shares; market price of Resulting Issuer shares; dividend policy; dilution; risk of litigation; internal controls; conflicts of interest; credit risk; liquidity risk; and share price fluctuations

This list is not exhaustive of the factors that may affect any of the forward-looking statements regarding each Pecoy Copper, SPV, and the Resulting Issuer. Forward-looking statements are statements about the future and are inherently uncertain. Actual events or results could differ materially from those projected in the forward-looking statements including as a result of the matters set out in this Listing Application generally and certain economic and business factors, some of which may be beyond the control of each of Pecoy Copper, SPV, and the Resulting Issuer. Some of the important risks and uncertainties that could affect forward-looking statements are described under the heading "*Risk Factors*". Pecoy Copper, SPV, and the Resulting Issuer do not intend, and do not assume any obligation, to update any of the forward-looking statements after the date of this Listing Application so as to conform such statements to actual results or to changes in the expectations of the Resulting Issuer, other than as required by applicable securities law.

For all these reasons, readers should not place undue reliance on the forward-looking statements contained herein, as the Resulting Issuer's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect Resulting Issuer's business, or if Resulting Issuer's estimates or assumptions prove inaccurate. The forward-looking statements contained in this Listing Application are expressly qualified by this cautionary statement.

Income Tax Considerations

The tax consequences of the RTO for each shareholder of Pecoy Copper will depend upon each shareholder's particular circumstances. Accordingly, all shareholders of Pecoy Copper should consult their own independent tax advisors for advice with respect to the income tax consequences of the RTO applicable to them having regard to their own particular circumstances.

Board Approval

This Listing Application has been approved by the board of directors of each of Pecoy Copper and SPV. Each of Pecoy Copper and SPV has, where information contained in this Listing Application rests particularly within the knowledge of a person other than itself, relied upon the information furnished by such person.

SUMMARY

The following is a summary of information relating to Pecoy Copper, SPV, and the Resulting Issuer (assuming completion of the RTO) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Listing Application, including the schedules hereto.

General

This Listing Application is prepared in accordance with the Exchange Form 2B and Form 3D2 in connection with the completion of the RTO, whereby SPV will complete a reverse takeover of Pecoy Copper by way of a three-cornered amalgamation pursuant to the terms of the Business Combination Agreement, following which SPV will become the wholly-owned subsidiary of the Resulting Issuer, as more particularly described in this Listing Application.

This summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere herein. Unless otherwise specified, the information in this Listing Application has been prepared on a pro forma basis assuming completion of the RTO and the Concurrent Private Placement. Unless otherwise indicated, all currency amounts are stated in Canadian dollars. Capitalized terms used in this summary are defined in “Glossary.”

The Companies

Pecoy Copper

Incorporation

Pecoy Copper was incorporated on October 16, 2014, under the BCBCA as “Priyanka Capital Inc.” and subsequently changed its name to “Pecoy Copper Corp.” on July 23, 2025. Pecoy Copper is a “reporting issuer” (within the meaning of applicable securities legislation) in the provinces of British Columbia and Alberta. Its registered and head office is located at Suite 1500, 1055 West Georgia Street, Vancouver British Columbia V6E 4N7.

Business of Pecoy Copper

Since incorporation, the principal business of Pecoy Copper has been to identify, evaluate, and then acquire an interest in a business or assets.

On July 3, 2025, Pecoy Copper entered into the Business Combination Agreement, pursuant to which SPV and Pecoy Copper Subco will amalgamate to form a subsidiary of Pecoy Copper. Upon completion of the Amalgamation, it is the intention of the parties that Pecoy Copper will continue the business of SPV.

Capitalization of Pecoy Copper

Pecoy Copper is currently authorized to issue an unlimited number of common shares without par value of which 3,000,000 Pecoy Copper Shares are issued and outstanding as of the date hereof. There are no securities convertible into Pecoy Copper Shares issued and outstanding. As of the date of this Listing Application, the Pecoy Copper Shares are not listed or quoted for trading on any stock exchange.

Pecoy Copper Subco

Pecoy Copper Subco was incorporated on June 30, 2025, under the OBCA for the sole purpose of effecting the Amalgamation as described in this Listing Application. Since the date of its incorporation, Pecoy Copper Subco has never carried out any activities, other than activities ancillary to, and in preparation for, the Amalgamation.

Pecoy Copper Subco is currently authorized to issue an unlimited number of Pecoy Copper Subco Shares, of which one (1) Pecoy Copper Subco Share is issued and outstanding as at the date hereof. As of the date of this Listing Application, the Pecoy Copper Subco Shares are not listed or quoted for trading on any stock exchange.

SPV

Incorporation

SPV was incorporated on March 24, 2025, under the OBCA as “1001184918 Ontario Inc.” and subsequently changed its name to “Pecoy Copper Limited” on June 4, 2025. Its registered and head office is located at Suite 2700 – 161 Bay Street, Toronto, Ontario M5J 2S1.

Business of SPV

SPV is a Canadian-based mineral exploration company that is primarily engaged in the acquisition and exploration of mineral properties. Since its incorporation SPV, has entered into definitive agreements to consolidate a 100% interest in the Pecoy Project located in the Condesuyos Province, Arequipa, Peru.

Capitalization of SPV

SPV is currently authorized to issue an unlimited number of SPV Shares. The following securities of SPV are expected to be issued and outstanding immediately prior to the completion of the RTO (including SPV securities to be issued in connection with the Concurrent Private Placement, the Copper X Acquisition, the Pembroke Acquisition, the exercise of the MCV Option, and the CCV Share Acquisition):

- 191,261,020 SPV Shares;
- 7,954,675 SPV Options; and
- 12,000,000 SPV Warrants.

In addition, Pembroke convertible notes in the principal amount of \$6,040,354 will be outstanding, which will be converted into 8,333,333 Resulting Issuer Shares and 4,166,667 Resulting Issuer Warrants upon completion of the RTO.

As of the date of this Listing Application, the SPV Shares are not currently listed or quoted for trading on any stock exchange.

Terms of the RTO

In accordance with the terms and conditions of the Business Combination Agreement, the RTO will be completed by way of a three-cornered amalgamation, whereby, among other things: (i) Pecoy Copper Subco will amalgamate with SPV to form an amalgamated company; (ii) holders of SPV Shares will receive one Pecoy Copper Share for each SPV Share held and the SPV Shares will be cancelled; (iii) stock options and warrants of SPV will be exchanged for like securities of the Resulting Issuer; (iv) the amalgamated entity will become a wholly- owned subsidiary of Pecoy Copper; and (v) the board of directors of the Resulting Issuer will be reconstituted to nominees of Copper X and SPV. Pecoy Copper will issue an aggregate of 191,261,020 Pecoy Copper Shares at a deemed price of \$0.60 per Pecoy Copper Share as consideration for the acquisition of SPV.

SPV has entered into three separate acquisition agreements and an option agreement, pursuant to which it holds the rights to acquire a 100% interest in the Peruvian mining property known as the “Pecoy Project”. Each of the acquisitions contemplated by the acquisition agreements will be completed immediately prior to closing of the RTO and are conditional upon the concurrent closing of each of the other acquisitions.

See “*Information Concerning the RTO*”.

Interests of Insiders, Promoters or Control Persons

No Insider, Promoter, or Control Person of Pecoy Copper or SPV, or their respective Associates and Affiliates, has any interest in the RTO other than any interest arising from their ownership of Pecoy Copper Shares, SPV Shares, or any convertible securities of Pecoy Copper and/or SPV, as applicable.

Arm's Length Transactions

The RTO constitutes an Arm's Length Transaction within the meaning of the policies of the TSXV.

Shareholder Approval

No approval of the RTO by the Pecoy Copper Shareholders is required. Pursuant to the provisions of the OBCA, the Amalgamation requires the approval of shareholders of SPV and the approval Pecoy Copper in its capacity as the sole shareholder of Pecoy Copper Subco. Shareholders of each of SPV and Pecoy Copper Subco have approved the Amalgamation.

Use of Proceeds and Principal Purposes

The following table summarizes the expenditures anticipated by the Resulting Issuer required to achieve its business objectives during the 18 months following the date hereof:

<u>Principal Purpose</u>	<u>Estimated Amount</u>
Satisfaction of Pembroke's liabilities pursuant to the Pembroke Acquisition Agreement	\$6,500,000
Consideration for the CCV Shares pursuant to the CCV Acquisition Agreement	\$1,800,000
Payments to acquire the Minandex Claims pursuant to the Minandex Option Agreement ⁽¹⁾	\$6,277,600
Phase 1 of the Proposed Medium-Term Exploration and Study Program and Budget for the Pecoy Project	\$6,400,000
Phase 2 of the Proposed Medium-Term Exploration and Study Program and Budget for the Pecoy Project	\$14,500,000
Surface Validity Payments	\$150,000
Fees and expenses payable in connection with the Listing ⁽²⁾	\$1,500,000
General and administrative expenses for 18 months	\$2,400,000
Unallocated Working Capital	\$21,231,488
Total	\$60,759,088

Notes:

- (1) USD\$4,550,000 converted to CAD using the daily exchange rate published by the Bank of Canada on August 1, 2025.
- (2) Includes accounting, TSXV and legal fees.

The Resulting Issuer intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives or to pursue other opportunities that management believes are in the interests of the Resulting Issuer. See "*Risk Factors– Risks Relating to the Operations of the Resulting Issuer –Net Proceeds*".

See "*Information Concerning the RTO – Concurrent Private Placement*" for further information regarding the Concurrent Private Placement and the use of proceeds therefrom.

Financial Information

Assuming completion of the RTO, the following table sets out certain unaudited *pro forma* financial information for the Resulting Issuer. The following information should be read in conjunction with the Resulting Issuer Pro Forma Financial Statements set forth in this Listing Application. See "*Appendix "N" – Pro Forma Financial Statements of the Resulting Issuer (Unaudited)*".

<u>Item</u>	<u>SPV (as at April 30, 2025)</u>	<u>Pembroke (as at June 30, 2025)</u>	<u>Copper X (as at April 30, 2025)</u>	<u>Pecoy Copper</u>	<u>Pro Forma Adjustments⁽¹⁾</u>	<u>Resulting Issuer Pro</u>

				(as at April 30, 2025)		<i>Forma</i> Consolidation
Current Assets	1,103,915	401,586	293,887	-	49,519,228	51,318,616
Total assets	1,166,757	40,621,437	1,429,668	2	63,661,574	106,879,438
Current Liabilities	112,193	13,914,438	671,233	284,373	(13,740,426)	1,241,811
Total Liabilities	112,193	14,853,445	671,233	284,373	(14,679,433)	1,241,811
Shareholders' Equity (Deficit)	1,054,564	25,767,992	758,435	(284,371)	78,341,007	105,637,627
Net Loss (Income)	39,413	(1,399,078)	214,670	13,238	2,192,275	1,060,518

Notes:

- (1) These pro forma adjustments include, amongst other things, the adjustments for the Concurrent Private Placement, the Copper X Acquisition, the Pembroke Acquisition, the exercise of the MCV Option, and the CCV Share Acquisition.

Market for Securities and Market Prices

Neither the Pecoy Copper Shares nor the SPV Shares are listed on any stock exchange and there is currently no public market for the Pecoy Copper Shares or SPV Shares. It is anticipated that the Resulting Issuer Shares will be listed and posted for trading on the TSXV upon completion of the RTO under the ticker symbol "PCU".

Conditional Approval

Pecoy Copper and SPV intend to complete the RTO in accordance with the policies of the TSXV. The TSXV has conditionally accepted the listing of the Resulting Issuer Shares following completion of the RTO subject to the parties fulfilling all of the requirements of the TSXV. The proposed listing of the Resulting Issuer Shares is subject to final acceptance by the TSXV, and neither Pecoy Copper nor SPV will proceed with the RTO if regulatory acceptance or approval is not obtained. There can be no assurance that all of the requisite approvals will be granted on a timely basis or on conditions satisfactory to Pecoy Copper and SPV or that approvals will be granted at all.

Conflicts of Interest

The directors of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests that they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the Resulting Issuer Board, any director with a conflict will disclose his or her interest and abstain from voting on such matter in accordance with the BCBCA.

There are no known existing or potential conflicts of interest between the Resulting Issuer and its proposed directors and officers or other proposed members of management of the Resulting Issuer as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as a director or officer of such other companies.

Experts

To the knowledge of Pecoy Copper and SPV, no person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Application or as having prepared or certified a report or valuation described or included in this Listing Application (i) holds any beneficial interest, direct or indirect, in more than 1% of the Pecoy Copper Shares or the SPV Shares, (ii) holds any property of Pecoy Copper or SPV, or of an Associate or Affiliate of Pecoy Copper or SPV, respectively, and (iii) is expected to be elected, appointed or employed as a director, officer or employee of Pecoy Copper or SPV or of an Associate or Affiliate of Pecoy Copper or SPV, respectively.

Sponsorship

The TSXV has granted Pecoy Copper and SPV a waiver from the sponsorship requirement under Section 3.4(a)(i) of TSXV Policy 2.2 in connection with the application to list the Resulting Issuer Shares on the TSXV.

Risk Factors

There are risks associated with the business of the Resulting Issuer, including but not limited to: (i) the need for additional capital by the Resulting Issuer, through financings and the risk that such funds may not be raised; (ii) reliance on management; (iii) the potential for conflicts of interest; and (iv) other risks associated with the Resulting Issuer as described in “*Cautionary Note Regarding Forward-Looking Information*” and “*Risk Factors*” of this Listing Application.

Indebtedness of Directors and Executive Officers

No current or former directors, executive officers or employees of Pecoy Copper or SPV, or any subsidiary thereof, have any indebtedness owing to Pecoy Copper or SPV, or any subsidiary thereof.

Additional Information

Additional information is available on SEDAR+ (www.sedarplus.ca) under Pecoy Copper’s issuer profile.

INFORMATION CONCERNING THE RTO

Background of the RTO

Pecoy Copper was incorporated on October 16, 2014 under the BCBCA as “Priyanka Capital Inc.” and subsequently changed its name to “Pecoy Copper Corp.” on July 23, 2025. Pecoy Copper is a “reporting issuer” (within the meaning of applicable securities legislation) in the provinces of British Columbia and Alberta. Its registered and head office is located at Suite 1500, 1055 West Georgia Street, Vancouver British Columbia V6E 4N7.

SPV was incorporated on March 24, 2025 under the OBCA as “1001184918 Ontario Inc.” and subsequently changed its name to “Pecoy Copper Limited” on June 4, 2025. Its registered and head office is located at Suite 2700 – 161 Bay Street, Toronto, Ontario M5J 2S1.

On June 6, 2025, Pecoy Copper and SPV entered into a letter of intent to set out the basis upon which the parties would continue discussions in connection with a proposed reverse takeover of Pecoy Copper by SPV (the “**Letter of Intent**”). During the month of June 2025, the parties conducted customary due diligence investigations of each other and negotiated the terms and conditions of the Business Combination Agreement and certain other matters ancillary to the RTO. On July 3, 2025, the parties entered into the Business Combination Agreement which superseded the Letter of Intent and described the principal terms and conditions of the RTO, and publicly announced their agreement to complete the RTO. As of the date of this Listing Application, neither the Pecoy Copper Shares nor SPV Shares are listed or quoted for trading on any stock exchange.

Reasons for the RTO

The RTO, together with the release of the Escrowed Funds, will provide SPV with additional capital to pursue its business objectives. The RTO will also provide SPV with potentially greater access to capital markets in the future and may facilitate the completion of acquisitions on accretive terms in the future. Further, the RTO provides the potential for liquidity to SPV’s existing shareholders.

Summary of the RTO

In connection with the RTO, Pecoy Copper and SPV propose to complete the following transaction steps:

- (a) the Subscription Receipts will be converted into SPV Shares, which will be exchanged for Resulting Issuer Shares on a one-for-one basis;
- (b) the Escrowed Funds will be released from escrow and remitted to SPV, subject to the terms of the Subscription Receipt Agreement;
- (c) Pecoy Copper will acquire SPV through the Amalgamation, the steps of which are described further below under the heading “*The Business Combination Agreement and the RTO*”;
- (d) the Resulting Issuer Board and management will be reconstituted to include (the “**Board Reconstitution**”):

Name	Title
Vincent Metcalfe	Director, Chief Executive Officer, and President
Annie Dutil	Chief Financial Officer and Corporate Secretary
Vincent Cardin-Tremblay	Chief Geologist Officer
Paul Matysek	Chairman
Luis Zapata	Director and Managing Director - Peru
Jerrold Annett	Director
Jose Luque	Director

- (e) the Resulting Issuer Board will approve a suite of corporate governance policies, including a Code of Business Conduct and Ethics, a Compensation and Corporate Governance Committee, a Whistleblower Policy, an Insider Trading Policy, a Disclosure Policy, and a Diversity Policy; and
- (f) the Resulting Issuer Board will adopt a long-term incentive plan (the “**Resulting Issuer LTIP**”) consistent with the requirements of the TSXV and current corporate governance best practices providing for the grant of stock options, restricted share units, deferred share units, and performance share units and which will constitute a “rolling up to 10%” plan as defined in TSXV Policy 4.4. See “*Appendix “O” Resulting Issuer Long Term Incentive Plan.*”

The RTO is intended to be completed immediately prior to the Listing and will result in the reverse takeover of Pecoy Copper by the shareholders of SPV. Completion of the RTO is subject to compliance with the terms and conditions set forth in the Business Combination Agreement, which are discussed further below under the heading “*Information Concerning the RTO – The Business Combination Agreement and the RTO*”. If the terms and conditions of the Business Combination Agreement are satisfied (or waived, as applicable), it is expected that the RTO will be completed and become effective on or about September 3, 2025, or such other date as may be determined by the parties thereto. However, the effective date of the RTO could be delayed for a number of reasons. See “*Risk Factors*”.

A corporate organizational chart reflecting the expected corporate structure of the Resulting Issuer following the Effective Date is set forth below in “*Information Concerning SPV –Intercompany Relationships of SPV.*”

The terms of the RTO, as set out in the Business Combination Agreement and summarized below, were established through arm’s length negotiations between the respective management of Pecoy Copper and SPV.

The Business Combination Agreement and the RTO

The Business Combination Agreement

On July 3, 2025, Pecoy Copper and SPV entered into the Business Combination Agreement. The Amalgamation is structured as a three-cornered amalgamation under the OBCA whereby Pecoy Copper Subco and SPV will amalgamate and continue as one corporation, which is anticipated to be named “Pecoy Copper (Ontario) Ltd.” (“**Amalco**”), on terms more particularly set forth in the Business Combination Agreement and will result in the reverse takeover of Pecoy Copper by SPV. Pursuant to the Amalgamation, Pecoy Copper will acquire a 100% interest in Amalco. As a result of the Amalgamation, the former securityholders of each of SPV and Pecoy Copper Subco will become securityholders of the Resulting Issuer.

The following description of certain provisions of the Business Combination Agreement is a summary only. The summary of certain provisions of the Business Combination Agreement below and in this Listing Application is not comprehensive and is qualified in its entirety by reference to the full text of the Business Combination Agreement which may be viewed under Pecoy Copper’s issuer profile on SEDAR+ at www.sedarplus.ca.

Representations, Warranties and Covenants

Pecoy Copper and SPV agreed to certain representations and warranties relating to, among other things: the incorporation and valid existence of each party; the power, capacity, and authority to enter into and perform the obligations under the Business Combination Agreement; no conflict; compliance with law; the binding nature and validity of the Business Combination Agreement; the capitalization of each party; the absence of legal or governmental proceedings; the financial statements of each party; the conduct of their business; the payment of taxes; their material contracts; their status under Canadian securities laws; third party approvals; the availability and accuracy of the information provided; and the accuracy of the statements made by each party. Some of these representations and warranties were also made by Pecoy Copper in respect of Pecoy Copper Subco.

Effect of Amalgamation

In order to effect the Amalgamation Pecoy Copper and SPV shall file the Articles of Amalgamation, and as of the Effective Time:

- (a) SPV and Pecoy Copper Subco will amalgamate under the provisions of the OBCA and continue as one amalgamated corporation, being Amalco;
- (b) subject to any Dissenting Shareholders, holders of outstanding SPV Shares shall receive one (1) Resulting Issuer Share for each one (1) SPV Share held and the SPV Shares will be cancelled;
- (c) each outstanding Pecoy Copper Subco Share will be exchanged for one (1) Amalco Share;
- (d) as consideration for the issuance of the Pecoy Copper Shares to the holders of SPV Shares to effect the Amalgamation, Amalco will issue to Pecoy Copper one (1) fully paid Amalco Share for each Pecoy Copper Share so issued;
- (e) all of the property and assets of each of SPV and Pecoy Copper Subco will be the property and assets of Amalco and Amalco will be liable for all of the liabilities and obligations of each of SPV and Pecoy Copper Subco; and
- (f) Amalco will be a wholly-owned subsidiary of the Resulting Issuer.

Immediately following the filing of the Articles of Amalgamation to effect the Amalgamation, Pecoy Copper will reconstitute its board of directors to give effect to the Board Reconstitution.

Additionally, effective at the Effective Time, and in accordance with and under the terms of each of the SPV Warrants and SPV Options, each holder of SPV Warrants and SPV Options will be entitled to receive (and such holder will accept) upon the exercise of such SPV Warrants and SPV Options, in lieu of SPV Shares to which such holder was theretofore entitled upon such exercise, and for the same aggregate consideration payable therefor, the Resulting Issuer Shares which the holder would have been entitled to receive as a result of the transactions contemplated by the RTO if, immediately prior to the Effective Time, such holder of SPV Warrants and SPV Options had been the registered holder of the number of SPV Shares to which such holder of SPV Warrants and SPV Options would have been entitled if such holder had exercised such holder's SPV Warrants and SPV Options immediately prior to the Effective Time. Each SPV Warrant and SPV Option will continue to be governed by and be subject to the terms of the applicable certificate representing such SPV Warrant and SPV Option, subject to any supplemental exercise documents issued by the Resulting Issuer to holders of SPV Warrants and SPV Options to facilitate the exercise of the SPV Warrants and SPV Options and the payment of the corresponding portion of the exercise price thereof.

Concurrent Private Placement

On July 8, 2025, SPV completed the Concurrent Private Placement of 105,800,000 Subscription Receipts at a price of \$0.60 per Subscription Receipt, for aggregate gross proceeds of \$63,480,000. As part of the Amalgamation, the SPV Shares underlying the Subscription Receipts will be exchanged on a one-for-one basis for Resulting Issuer Shares. The Concurrent Private Placement was completed pursuant to the Agency Agreement dated July 8, 2025 between Pecoy Copper, SPV and the Lead Agent, which contained representations, warranties, covenants and termination provisions that are customary for an offering of this kind.

Pursuant to the terms and conditions of the Subscription Receipt Agreement, each Subscription Receipt will be automatically converted into one SPV Share. The gross proceeds of the Concurrent Private Placement, less (i) the Agents' reasonable out-of-pocket expenses and the reasonable fees and disbursements of the Agents' legal counsel; and (ii) 50% of the Agents' Fee (the "**Escrowed Funds**"), are held in escrow pursuant to the Subscription Receipt Agreement in an interest bearing account pending the earlier of: (i) the satisfaction of the Escrow Release Conditions and (ii) the occurrence of a Termination Event. Upon satisfaction of the Escrow Release Conditions on or prior to the Termination Date, the Subscription Receipt Agent will release (i) the remaining 50% of the Agents' Fee together with all interest earned thereon, to the Lead Agent (or as the Lead Agent may direct) on behalf of the Agents from the Escrowed Funds and (ii) the balance of the Escrowed Funds to SPV.

The "**Escrow Release Conditions**" are as follows:

- (a) the receipt of all required corporate, shareholder and regulatory approvals in connection with the Concurrent Private Placement, RTO and the Listing, including, without limitation, the conditional approval for the listing of the Resulting Issuer Shares (including the common shares of the Resulting Issuer issued in exchange for

the SPV Shares underlying the Subscription Receipts upon completion of the RTO) and any relevant listing documents having been accepted for filing with the TSXV;

- (b) the completion or the satisfaction of all conditions precedent to the RTO, substantially in accordance with the definitive agreements relating to the RTO, to the satisfaction of the Agents;
- (c) the completion or the satisfaction of all conditions precedent to the Pembroke Acquisition Agreement, Copper X Purchase Agreement, CCV Acquisition Agreement, and MCV Option Agreement, except for the cash payments required to be made thereunder and the satisfaction of the Escrow Release Conditions;
- (d) SPV shall not be in breach or default of any of its covenants or obligations under the Subscription Receipt Agreement or the Agency Agreement, except (in the case of the Agency Agreement only) for those breaches or default that have been waived by the Agents and all conditions set out in the Agency Agreement shall have been fulfilled;
- (e) delivery of a legal opinion of counsel to SPV that the Resulting Issuer shares issued in exchange for the SPV Shares underlying the Subscription Receipts under the RTO will not be subject to a hold period under applicable securities laws; and
- (f) SPV and the Lead Agent having delivered a joint notice to the Subscription Receipt Agent confirming that the conditions set forth in (a) through to (e) above have been met or waived.

If (i) the Escrow Release Conditions have not been satisfied prior to 5:00 p.m. (Toronto time) on that date which is 90 days following the Closing Date, (ii) the RTO is terminated at any earlier time, or (iii) SPV advises the Lead Agent, on behalf of the Agents, or announces to the public that it does not intend to satisfy the Escrow Release Conditions (in any case, a “**Termination Event**”, and the date upon which such event occurs, the “**Termination Date**”), the Subscription Receipt Agent shall return to the holders of the Subscription Receipts an amount equal to the aggregate Offering Price of the Subscription Receipts held by each such holder and their pro-rata portion of interest and other income earned on the Escrowed Funds and the Subscription Receipts shall be cancelled. SPV shall be responsible and liable to the holders of the Subscription Receipts for any shortfall between the aggregate Offering Price paid by the original purchasers of the Subscription Receipts and the Escrowed Funds.

In connection with the issue and sale of the Subscription Receipts pursuant to the Concurrent Private Placement, the Agents will receive a cash commission (the “**Agents’ Fee**”) of \$3,546,270, equal to 6.0% of the gross proceeds from the Concurrent Private Placement, except in respect of orders from certain individuals agreed to between the Corporation and the Agents (the “**President’s List**”) for which a reduced cash commission of 1.5% was payable. 50% of the Agents’ Fee was paid to the Agents upon completion of the Concurrent Private Placement and the remainder shall be paid to the Agents upon release of the Escrowed Funds.

Other than the Agents’ Fee, no other fee or commission is payable by SPV to the Agents in connection with the completion of the Concurrent Private Placement; however, SPV will pay, whether or not the Concurrent Private Placement is completed, the reasonable fees and disbursements of the Agents’ Canadian legal counsel and all reasonable “out-of-pocket” expenses of the Agents in connection with the Concurrent Private Placement (plus applicable taxes), as set out in the Agency Agreement (the “**Agents’ Expenses**”).

Approvals Necessary for the RTO

Shareholder Approval

No approval of the RTO by the Pecoy Copper Shareholders is required. Pursuant to the provisions of the OBCA, the Amalgamation requires the approval of shareholders of SPV and the approval Pecoy Copper in its capacity as the sole shareholder of Pecoy Copper Subco. Shareholders of each of SPV and Pecoy Copper Subco have approved the Amalgamation.

TSXV Approval

The TSXV conditionally approved the Listing of the Resulting Issuer Shares on August 11, 2025. Legally, the Effective Date of the Amalgamation will be on the date a certificate of amalgamation is issued in respect of the Amalgamation. However, the Listing will be completed on the date the TSXV issues a Final Exchange Bulletin

in respect of the Listing, which is expected to be shortly following the Effective Date, provided all required documentation is filed with the TSXV.

Sponsorship

Sponsorship in the context of the RTO is required by the TSXV unless waived in accordance with TSXV Policy 2.2. Pecoy Copper has obtained a waiver from the sponsorship requirements pursuant to TSXV policies.

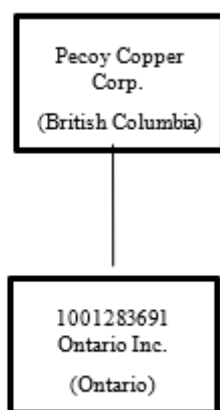
INFORMATION CONCERNING PECOY COPPER

Name, Address and Incorporation of Pecoy Copper

Pecoy Copper was incorporated on October 16, 2014, under the BCBCA as “Priyanka Capital Inc.” and subsequently changed its name to “Pecoy Copper Corp.” on July 23, 2025. Pecoy Copper is a “reporting issuer” (within the meaning of applicable securities legislation) in the provinces of British Columbia and Alberta. Its registered and head office is located at Suite 1500, 1055 West Georgia Street, Vancouver British Columbia V6E 4N7.

Intercorporate Relationships of Pecoy Copper

Pecoy Copper’s sole subsidiary is Pecoy Copper Subco. Pecoy Copper Subco was incorporated on June 30, 2025 under the OBCA for the sole purpose of effecting the Amalgamation as described in this Listing Application. A corporate organizational chart reflecting the current corporate structure of Pecoy Copper at the date hereof is set forth below:



General Development of the Business

Pecoy Copper was incorporated under the BCBCA on October 16, 2014, as a wholly-owned subsidiary of Leucadia Finance Partners Inc. (“**Leucadia**”). On December 8, 2014, Leucadia entered into an arrangement agreement (the “**Leucadia Arrangement Agreement**”) with Pecoy Copper, Glenmac Capital Inc., Nishal Capital Inc., Priyanka Capital Inc., Ravensden Capital Inc. and Real Difference Capital Inc., all of which were private British Columbia companies and wholly-owned subsidiaries of Leucadia. Pursuant to the terms and conditions of the Leucadia Arrangement Agreement, Leucadia transferred approximately \$30,000 in cash and a promissory note in the principal amount of \$35,833 to each of the subsidiaries, including Pecoy Copper, in consideration for the issuance of 1,316,670 common shares of each of the subsidiaries, including Pecoy Copper, and to distribute these common shares to Leucadia’s shareholders on a pro-rata basis pursuant to a plan of arrangement under the BCBCA (the “**Leucadia Arrangement**”). Following the completion of the Leucadia Arrangement, Pecoy Copper became a reporting issuer in the Provinces of British Columbia and Alberta.

Since its incorporation the principal business of Pecoy Copper has been to identify, evaluate, and then acquire an interest in a business or assets.

The Transaction

On July 3, 2025, Pecoy Copper entered into the Business Combination Agreement, pursuant to which SPV and Pecoy Copper Subco will amalgamate to form a subsidiary of Pecoy Copper. Upon completion of the Amalgamation, it is the intention of the parties that Pecoy Copper will continue the business of SPV.

Shareholder Approval

No approval of the RTO by the Pecoy Copper Shareholders is required. Pursuant to the provisions of the OBCA, the Amalgamation requires the approval of Pecoy Copper in its capacity as the sole shareholder of Pecoy Copper Subco. Pecoy Copper, in its capacity as the sole shareholder of Pecoy Copper Subco, has approved the Amalgamation.

Financial Information and Management's Discussion and Analysis

Selected Financial Information

The following table sets forth selected financial information of Pecoy Copper for the unaudited interim six-month period ended April 30, 2025, and for the fiscal years ended October, 2024 and 2023. Such information is derived from Pecoy Copper's financial statements and should be read in conjunction with such financial statements and the auditor reports thereon and notes thereto. Included as Appendix "B" to this Listing Application are audited annual financial statements of Pecoy Copper for the years ended October 31, 2024 and 2023. Included as Appendix "D" to this Listing Application are the unaudited interim financial statements of Pecoy Copper for the three months and six months ended April 30, 2025.

Date	For the six months ended April 30, 2025 (Unaudited) (\$)	For the year ended October 31, 2024 (Audited) (\$)	For the year ended October 31, 2023 (Audited) (\$)
Current Assets	\$-	\$-	\$-
Current Liabilities	\$284,373	\$271,135	\$254,085
Shareholders' Deficiency	\$(284,371)	\$(271,133)	\$(254,083)
Operating Loss	\$13,238	\$17,050	\$9,200
Loss and comprehensive loss	\$13,238	\$17,050	\$9,200

Management's Discussion and Analysis

Included as Appendix "C" to this Listing Application is the MD&A of Pecoy Copper for the years ended October 31, 2024 and 2023. Included as Appendix "E" to this Listing Application is the MD&A of Pecoy Copper for the three months and six months ended April 30, 2025. The Pecoy Copper MD&A should be read in conjunction with the applicable Pecoy Copper Financial Statements, including the applicable auditor's report thereon, which are included as Appendix "B" and Appendix "D" to this Listing Application.

Description of Securities

Pecoy Copper

Pecoy Copper is currently authorized to issue an unlimited number of common shares of which 3,000,000 Pecoy Copper Shares are issued and outstanding as of the date hereof. As of the date of this Listing Application, the Pecoy Copper Shares are not listed or quoted for trading on any stock exchange.

Pecoy Copper Shares

Holders of Pecoy Copper Shares shall be entitled to receive notice of and to attend all meetings of shareholders of Pecoy Copper and at all such meetings shall be entitled to one vote in respect of each common share held. The holders of Pecoy Copper Shares shall be entitled to receive dividends if and when declared by the board of directors of Pecoy Copper. Furthermore, holders of Pecoy Copper Shares are entitled to receive the remaining property or assets of Pecoy Copper upon the liquidation, dissolution or winding-up of its affairs or other distribution of its assets for the purpose of winding-up its affairs. The Pecoy Copper Shares do not carry any pre-

emptive, subscription, redemption or conversion rights, nor do they contain any sinking fund or purchase fund provision.

Pecoy Copper Subco

Pecoy Copper Subco is currently authorized to issue an unlimited number of Pecoy Copper Subco Shares, of which one (1) Pecoy Copper Subco Share is issued and outstanding as at the date hereof. As of the date of this Listing Application, the Pecoy Copper Subco Shares are not listed or quoted for trading on any stock exchange.

Pecoy Copper Subco Shares

Holders of Pecoy Copper Subco Shares shall be entitled to receive notice of and to attend all meetings of shareholders of Pecoy Copper Subco and at all such meetings shall be entitled to one vote in respect of each common share held. The holders of Pecoy Copper Subco Shares shall be entitled to receive dividends if and when declared by the board of directors of Pecoy Copper Subco. Furthermore, holders of Pecoy Copper Subco Shares are entitled to receive the remaining property or assets of Pecoy Copper Subco upon the liquidation, dissolution or winding-up of its affairs or other distribution of its assets for the purpose of winding-up its affairs. The Pecoy Copper Subco Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking fund or purchase fund provision.

Prior Sales

The following tables set forth the number and price at which securities of Pecoy Copper have been issued within the 12-month period prior to the date hereof.

Date	Number of Securities	Issue Price per Security	Aggregate Issue Price
June 18, 2025	2,601,500	\$0.10	\$260,150.00
July 2, 2025	385,313	\$0.10	\$38,531.30

No convertible securities exercisable into Pecoy Copper Shares have been issued within the 12-month period prior to the date hereof.

Trading Price and Volume

The Pecoy Copper Shares are not currently traded or quoted on a Canadian or foreign marketplace.

Dividends and Other Distributions

Pecoy Copper has not declared or paid any cash dividends to its shareholders during the three most recently completed financial years or during its current financial year. Pecoy Copper's current policy is to retain earnings to finance the growth and development of its business, and it is expected that such policy will continue to be applied by the Resulting Issuer.

Executive Compensation

The following discussion describes the significant elements of Pecoy Copper's current executive compensation programs. For the period ended October 31, 2024 the NEOs for Pecoy Copper were Glen Macdonald and Donald Gordon.

Objective, Oversight, and Description of Director and NEO Compensation

The general objectives of Pecoy Copper's compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results, with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; and (c) attract and retain highly qualified executive officers.

The Pecoy Copper Board considers and assesses the implications of risks associated with Pecoy Copper's compensation policies and practices and devotes such time and attention as is believed to be necessary in the circumstances. Pecoy Copper's practice of compensating its officers primarily through base salary and performance bonuses is designed to mitigate risk by: (a) ensuring that Pecoy Copper retains such officers; and (b) aligning the interests of its officers with the short-term and long-term objectives of Pecoy Copper and its shareholders. As at the date hereof, the Pecoy Copper Board had not identified risks arising from Pecoy Copper's compensation policies and practices that are reasonably likely to have a material adverse effect of Pecoy Copper.

Employment, Consulting and Management Agreements

Pecoy Copper has not entered into any employment or consulting contracts.

Pension and Retirement Plans

Pecoy Copper does not have any pension or retirement plan or deferred compensation plan in the 12 months following completion of the RTO.

Summary Compensation Table

The following table provides a summary of the compensation paid by Pecoy Copper to its NEOs and directors for the periods indicated:

<u>Name and position</u>	<u>Year ended October 31</u>	<u>Salary, consulting fee, retainer or commission (\$)</u>	<u>Bonus (\$)</u>	<u>Committee or meeting fees (\$)</u>	<u>Value of perquisites (\$)</u>	<u>Value of all other compensation (\$)</u>	<u>Total compensation (\$)</u>
Glen Macdonald (former CEO)	2024	Nil	Nil	Nil	Nil	Nil	Nil
Donald Gordon (former CFO)	2024	Nil	Nil	Nil	Nil	Nil	Nil

Options and Other Compensation Securities

Pecoy Copper does not have an option plan or any other incentive plan.

Arm's Length Transactions

The RTO constitutes an Arm's Length Transaction within the meaning of the policies of the TSXV.

Legal Proceedings

Pecoy Copper is not aware of any existing or contemplated legal proceedings or regulatory actions material to Pecoy Copper to which Pecoy Copper is a party or to which any of its property is subject since the beginning of its most recently completed financial year.

Auditor, Transfer Agent and Registrar

The auditors of Pecoy Copper are Clearhouse LLP, Chartered Professional Accountants, at its office located at 2560 Matheson Blvd E #527, Mississauga, ON L4W 4Y9.

The registrar and transfer agent for the Pecoy Copper Shares is Computershare Investor Services Inc., at its office located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

Material Contracts

Except for contracts entered into by Pecoy Copper in the ordinary course of business, the only current material contracts entered into or currently anticipated to be entered into by Pecoy Copper which can reasonably be regarded as presently material are:

- the Business Combination Agreement;
- the Subscription Receipt Agreement; and
- the Agency Agreement.

After completion of the RTO, the material agreements listed above will be considered to be the material agreements of the Resulting Issuer.

A copy of all material agreements referred to in this Listing Application will be available on the Resulting Issuer's SEDAR+ profile at www.sedarplus.ca.

INFORMATION CONCERNING SPV

Name, Address and Incorporation of SPV

SPV was incorporated on March 24, 2025, under the OBCA as "1001184918 Ontario Inc." and subsequently changed its name to "Pecoy Copper Limited" on June 4, 2025. Its registered and head office is located at Suite 2700 – 161 Bay Street, Toronto, Ontario M5J 2S1. SPV is not a reporting issuer in any jurisdiction of Canada and no public market exists for its securities.

Intercorporate Relationships of SPV

Immediately prior to the RTO, SPV will have two wholly-owned subsidiaries named Copper X Mining Corp. ("**Copper X**"), which was incorporated on January 6, 2025 under the BCBCA, and Pembroke Copper Corp., which will be the amalgamated entity resulting from the Pembroke Acquisition which shall be carried out in accordance with the BCBCA. Notwithstanding Copper X's incorporation on January 6, 2025, Copper X was inactive until February 6, 2025, and Copper X's activities are deemed to have officially started on February 6, 2025.

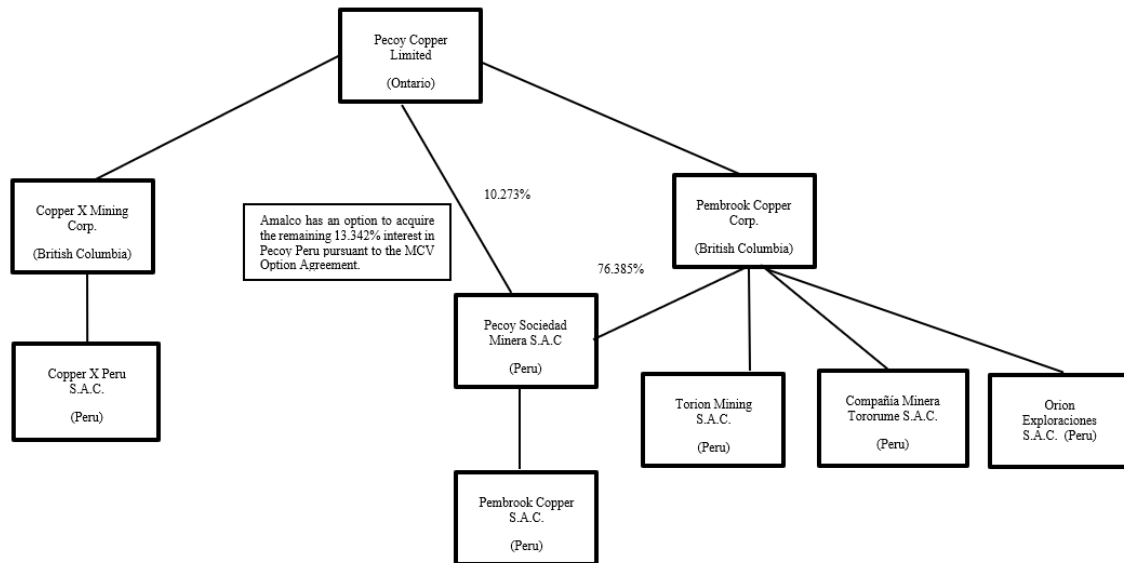
Copper X holds a 99.99% interest in Copper X Peru S.A.C. (formerly Ajita Resources S.A.C.) ("**Copper X Peru**"). Copper X Peru was incorporated pursuant to the laws of the Republic of Peru on December 18, 2018. Luis Zapata holds the remaining 0.01% interest in Copper X Peru.

Pembroke has three subsidiaries, holding a 99.99% interest in each: (a) Compañía Minera Tororume S.A.C. ("**Tororume**"), which was incorporated pursuant to the laws of the Republic of Peru on December 29, 2012, (b) Torion Mining S.A.C. ("**Torion**"), which was incorporated pursuant to the laws of the Republic of Peru on April 18, 2013, (c) Orion Exploraciones S.A.C. ("**Orion**"), which was incorporated pursuant to the laws of the Republic of Peru on December 27, 2011. Torion holds the remaining 0.01% interest in Tororume. Dan Innes holds the remaining 0.01% interest in Torion and Orion. Dan Innes' 0.01% interest in each of Torion and Orion will be transferred to Vincent Metcalfe (Director, CEO, and President of the Resulting Issuer) in connection with closing of the Pembroke Acquisition.

Prior to the RTO, SPV and Pembroke will collectively hold an 86.658% interest in Pecoy Sociedad Minera S.A.C. ("**Pecoy Peru**") (76.385% is held directly by Pembroke and 10.273% is held directly by SPV). Pecoy Peru was incorporated pursuant to the laws of the Republic of Peru on December 13, 2007. SPV has an option to acquire the remaining 13.342% interest in Pecoy Peru pursuant to the MCV Option Agreement. Pecoy Peru has a subsidiary of which it holds a 99.99% interest named Pembroke Copper S.A.C. ("**Pemco**"), which was incorporated pursuant to the laws of the Republic of Peru on April 18, 2013. Dan Innes holds the remaining 0.01%

interest in Pemco, which will be transferred to Vincent Metcalfe (Director, CEO, and President of the Resulting Issuer) in connection with closing.

A corporate organizational chart reflecting the anticipated corporate structure of SPV as of immediately prior to the completion of the RTO:



General Development of the Business

SPV was incorporated on March 24, 2025. Since incorporation SPV has completed various non-brokered private placements.

SPV is a Canadian-based mineral exploration company that is primarily engaged in the acquisition and exploration of mineral properties. Since its incorporation SPV has entered into definitive agreements to consolidate a 100% interest in the Pecoy Project located in the Condesuyos Province, Arequipa, Peru. Each of the Pembrook Acquisition, CCV Share Acquisition, and the Copper X Acquisition will be completed immediately prior to the completion of the RTO. Through the Pembrook Acquisition, SPV will also acquire an interest in certain claims referred to as the “Tororume claims”. SPV has no current plans to conduct exploration or development activities on the Tororume claims. See Schedule “A” for further details pertaining to the Pecoy Project.

Pembrook Acquisition Agreement

SPV has entered into an acquisition agreement (the “**Pembrook Acquisition Agreement**”) with Pembrook and 15406446 B.C. Ltd. (“**AcquisitionCo**”), a wholly-owned subsidiary of SPV, dated May 27, 2025. Pursuant to the terms and conditions of the Pembrook Acquisition Agreement, SPV will acquire Pembrook through a three-cornered amalgamation whereby AcquisitionCo will amalgamate with Pembrook with the resulting amalgamated company being a wholly-owned subsidiary of SPV to be named “Pembrook Copper Corp.” (the “**Pembrook Acquisition**”). In consideration for the acquisition of Pembrook, SPV will issue to the shareholders of Pembrook an aggregate of 29,314,356 SPV shares. In addition, SPV will satisfy up to \$7,200,000 of Pembrook’s liabilities and payables. Further, each Pembrook Option will be exchanged for 0.14667 of a SPV Option having an exercise price equal to the exercise price of the original option divided by 0.14667. In connection with the Pembrook Acquisition one shareholder of Pembrook, China Copper Minerals Resources Co. Ltd. (“**China Copper**”), holding 13,220,000 Pembrook shares, which would entitle them to receive 1,938,977 Resulting Issuer Shares, has dissented. As of the date of this Listing Application there has been no settlement made with China Copper. China Copper will be paid the fair market value of their 13,220,000 Pembrook shares in accordance with their dissent rights in accordance with the BCBCA.

Pembrook is the registered holder of 29,531,045 shares of Pecoy Peru, representing 76.385% of the shares in the capital of Pecoy Peru. Pecoy Peru is the registered holder of certain mineral concessions (the “**Pembrook**

Claims”), which together with the Minandex Claims form the Pecoy Project. Further, Pecoy Peru is the owner of 12,611,087 shares in the capital of Pemco, representing 99.99% of the outstanding shares of Pemco. Dan Innes is the registered holder of one share of Pemco (the “**Pemco Transfer Share**”). Pemco is a party to the “Authorization Agreement for the Use and Enjoyment of Surface Lands for Mining Purposes and Other Agreements” (the “**Pecoy Land Agreement**”) signed with the Arirahua Community, formalized by public deed dated October 28, 2018.

Pembrook is also the owner of 27,650,469 shares in the capital of Torion, representing 99.99% of the outstanding shares of Torion. Dan Innes is the registered holder of one share of Torion (the “**Torion Transfer Share**”). Torion is the registered holder of certain mineral concessions (the “**Torion Claims**”).

Among others, it is a condition precedent to the completion of the Pembrook Acquisition that the Pecoy Land Agreement shall remain in full force and effect, without any material amendments having been made to any such agreements since the date of Pembrook Acquisition Agreement, and that each of the Pemco Transfer Share and Torion Transfer Share are transferred to a nominee of SPV.

In accordance with the Pembrook Acquisition Agreement, SPV agreed to work with Pembrook to arrange, effect or cause (i) the conversion of the principal amounts under the outstanding convertible debt of Pembrook (the “**Pembrook Convertible Debt**”) into shares of Pembrook, and (ii) the cancellation of all interest under the Pembrook Convertible Debt.

As partial consideration for the foregoing restructuring of the Pembrook Convertible Debt held by Agnico Eagle, SPV, Pecoy Copper, and Pembrook entered into a conversion agreement with Agnico dated July 8, 2025 (the “**Agnico Conversion Agreement**”). Pursuant to the terms and conditions of the Agnico Conversion Agreement, the secured convertible promissory note with a principal amount of \$6,040,354 held by Agnico will be converted into the following securities of the Resulting Issuer following completion of the RTO: (a) 8,333,333 common shares in the capital of the Resulting Issuer; and (b) 4,166,667 common share purchase warrants of the Resulting Issuer. Concurrently with the execution of the Agnico Conversion Agreement, Agnico and the Resulting Issuer entered into an investor rights agreement (the “**Agnico Investor Rights Agreement**”). Pursuant to the terms and conditions of the Agnico Investor Rights Agreement, Agnico Eagle will be granted certain rights, provided Agnico Eagle maintains certain ownership thresholds in the Resulting Issuer, including: (a) the right to participate in equity financings and top-up its holdings in relation to dilutive issuances in order to maintain its pro rata ownership in Resulting Issuer at the time of such financing or acquire up to a 9.99% ownership interest in the Resulting Issuer, on a partially-diluted basis; and (b) the right (which Agnico Eagle has no present intention of exercising) to nominate one person (and in the case of an increase in the size of the board of directors of Resulting Issuer to eight or more directors, two persons) to the board of directors of the Resulting Issuer. The Agnico Investor Rights Agreement will become effective following the completion of the RTO.

In connection with the completion of the Pembrook Acquisition, Pembrook will pay MPA Morrison Park Advisors Inc. (“**MPA**”) a cash success fee of \$836,216 pursuant to the terms and conditions of a Financial Advisory Engagement Agreement dated April 30, 2025, entered into between Pembrook and MPA (the “**Pembrook Advisory Agreement**”). Pursuant to the terms and conditions of the Pembrook Advisory Agreement, MPA provided Pembrook with financial advisory services with respect to the entry into the Pembrook Acquisition Agreement and proposed Pembrook Acquisition.

Pecoy Peru Acquisition

Pembrook acquired 9,510,347 shares of Pecoy Peru from Urion Mexico Holdings Ltd. (“**Urion**”) pursuant to the terms and conditions of a share transfer agreement dated March 21, 2021 (the “**Urion Share Purchase Agreement**”). Pursuant to the terms and conditions of the Urion Share Purchase Agreement, Urion sold, and Pembrook purchased, 9,510,347 shares of Pecoy Peru for a purchase price of USD\$750,000 (which has been paid), plus a variable amount of up to USD\$11,000,000 which is payable as follows:

- no later than five (5) business days following the preparation and delivery to Urion of the Bankable Feasibility Study;
 - USD\$1,000,000, if the copper price published in the London Metal Exchange, or any publication substituting it, is equal to or less than USD\$3.50 per ounce;

- USD\$2,000,000, if the copper price published in the London Metal Exchange, or any publication substituting it, is higher than USD\$3.50 per ounce, but equal to or less than USD\$3.99 per ounce; or
- USD\$3,000,000, if the copper price published in the London Metal Exchange, or any publication substituting it, is equal to or higher than USD\$4.00 per ounce; and
- no later than five (5) business days following the Commencement of Commercial Production on the Pembroke Claims:
 - USD\$3,000,000, if the copper price published in the London Metal Exchange, or any publication substituting it, is equal to or less than USD\$3.50 per ounce;
 - USD\$5,000,000, if the copper price published in the London Metal Exchange, or any publication substituting it, is higher than USD\$3.50 per ounce, but equal to or less than USD\$3.99 per ounce; or
 - USD\$8,000,000, if the copper price published in the London Metal Exchange, or any publication substituting it, is equal to or higher than USD\$4.00 per ounce.

As of the date of this Listing Application no Bankable Feasibility Study has been completed.

Offtake Agreement

Pecoy Peru has entered into an agreement with Trafigura Pte Ltd. (“**Trafigura**”) dated August 28, 2013, with Purchase Contract Number 303-13PTU-119-0-P (the “**Offtake Agreement**”). Pursuant to the terms and conditions of the Offtake Agreement, Pecoy Peru has agreed to sell, and Trafigura has agreed to purchase, 50% of the total production of the copper concentrates, dore and/or other products obtained from the Pembroke Claims. The Offtake Agreement has a term commencing at the start of production on the Pembroke Claims and continues thereafter for the life of the mine. The price payable per dry metric ton of copper concentrate, dore and/or other products produced from the Pembroke Claims, which must conform to the specifications to be agreed to by Pecoy Peru and Trafigura, shall be the sum of the less the deductions specified below:

	<u>Copper</u>	<u>Silver and Gold Payables</u>
<u>Payments</u>	• For copper content below 33%, pay 96.50% of the final copper content, subject to a minimum deduction of 1 unit; • For copper content equal to or above 33% and below 37%, pay 96.60%; and • For copper content equal to or above 37%, pay 96.70%, at the official London Metal Exchange cash settlement quotation for Grade ‘A’ copper, as published in the Metal Bulletin in US\$ and averaged over the quotational period.	The silver and gold payables shall be negotiated and agreed in writing during the calendar year prior to the expected start of production on the Pembroke Claims.
<u>Deductions</u>	• The treatment charge and copper refining charge applicable for each year of the term shall be the international benchmark terms agreed for that year between Freeport McMoRan Copper and Gold and the Japanese smelter pool for Grasberg-type quality of copper concentrate, as published in CRU and Brook Hunt. • Rollback should be added for CIP deliveries. Rollback including maritime freight basis (5 kwmnts), Insurance, Warehousing and Loading applicable for each year should be	The silver and gold refining charges applicable for each year of the term shall be negotiated and agreed in writing during the fourth quarter of the preceding year.

	negotiated and agreed in writing during the fourth quarter of the preceding calendar year.	

CCV Purchase Agreement

SPV has entered into an acquisition agreement (the “**CCV Acquisition Agreement**”) with Camila Carlessi Vargas (“**CCV**”) dated May 27, 2025. CCV is the registered holder of 3,971,781 shares of Pecoy Peru (the “**CCV Shares**”), representing 10.273% of the shares in the capital of Pecoy Peru. Pursuant to the terms and conditions of the CCV Acquisition Agreement, SPV will acquire the CCV Shares for cash consideration of \$1,800,000 (the “**CCV Share Acquisition**”). SPV will also be required to make an additional post-closing cash payment of \$350,000 subject to certain conditions as set forth in the CCV Acquisition Agreement.

In connection with the completion of the CCV Share Acquisition, CCV will pay MPA a cash success fee of \$263,784 pursuant to the terms and conditions of a Financial Advisory Engagement Agreement dated April 30, 2025, entered into among Compania de Inversiones Olimpo SAC, CCV, and MPA (the “**CCV Advisory Agreement**”). Pursuant to the terms and conditions of the CCV Advisory Agreement, MPA provided CCV with financial advisory services with respect to the entry into the CCV Acquisition Agreement and proposed CCV Share Acquisition.

MCV Option Agreement

SPV has entered into an option agreement (the “**MCV Option Agreement**”) with Carlos Mauricio Carlessi Vargas (“**MCV**”) dated May 27, 2025. MCV is the registered holder of 5,158,152 shares of Pecoy Peru (the “**MCV Shares**”), representing 13.342% of the shares in the capital of Pecoy Peru. Pursuant to the terms and conditions of the MCV Option Agreement, SPV acquired an option (the “**MCV Option**”) to acquire the MCV Shares by issuing MCV 9,480,000 SPV Shares immediately prior to the completion of the RTO, which shall be held in escrow and released upon the exercise of the MCV Option. The MCV Option is exercisable by SPV during the period commencing on January 2, 2026, and ending on January 31, 2026. However, if SPV does not exercise the MCV Option during the exercise period, MCV has the right to put the MCV Shares to SPV by providing notice of the put (the “**Put Notice**”). In connection with the closing of the MCV Option, whether as a result of SPV exercising the MCV Option or MCV providing SPV with the Put Notice, the Resulting Issuer shall issue MCV 9,480,000 Resulting Issuer Shares in exchange for the 9,480,000 SPV Shares issued in escrow as consideration for the MCV Shares.

Three arbitration proceedings are ongoing between MCV, Pecoy Peru and Pembroke. The disputes center around contested corporate actions, shareholder rights, and the validity of certain share transfers and related exercises of control within Pecoy Peru. The matters involve challenges to shareholder resolutions, obligations under the shareholders’ agreement, and the legitimacy of actions taken by stakeholders following changes in ownership. Each of these proceedings have been suspended by the parties for the time being. Concurrently with the execution of the MCV Option Agreement, Copper X Purchase Agreement, CCV Acquisition Agreement, and Pembroke Acquisition Agreement (together, the “**Acquisition Agreements**”), Pembroke and MCV entered into a settlement agreement which provides, among other things, for the cancellation and termination of the existing arbitration proceedings effective as of the completion of the RTO.

Copper X Purchase Agreement

SPV has entered into a share exchange agreement dated May 27, 2025 (the “**Copper X Purchase Agreement**”) with Copper X and each of the shareholders of Copper X (the “**Copper X Shareholders**”) pursuant to which SPV will acquire 100% of the issued and outstanding common shares in the capital of Copper X (the “**Copper X Acquisition**”). Pursuant to the terms and conditions of the Copper X Purchase Agreement, in consideration for the acquisition of Copper X, SPV will issue the Copper X Shareholders an aggregate of 21,666,664 SPV Shares on a *pro rata* basis. In addition, the holders of the outstanding options and warrants to acquire Copper X shares will be entitled to receive, upon the exercise of such convertible security, in lieu of shares of Copper X to which such securityholder was theretofore entitled upon such exercise, and for the same aggregate consideration payable therefor, the SPV Shares which the Copper X convertible securityholder would have been entitled to receive as a result of the Copper X Acquisition, if prior to closing of the Copper X Acquisition such securityholder had exercised such warrants and/or options, as applicable.

Copper X Peru is a wholly-owned subsidiary of Copper X. Copper X Peru is party to an option agreement dated February 7, 2025 (the “**Minandex Option Agreement**”) with Minera Andina de Exploraciones S.A.A and its

subsidiary S.M.R.L. Rosita No. 1 de Arequipa (collectively, “**Minandex**”). Pursuant to the terms and conditions of the Minandex Option Agreement, Copper X Peru has the option to acquire certain mineral concessions (the “**Minandex Claims**”), which together with the Pembroke Claims form the Pecoy Project. Upon completion of the RTO and in order to exercise the option, the Resulting Issuer will be required to pay Minandex a US\$3,050,000 cash payment and US\$3,000,000 of Resulting Issuer Shares priced at the Offering Price. In addition, the Resulting Issuer will be required to pay to Minandex an additional cash payment of US\$1,500,000 and US\$1,500,000 of Resulting Issuer Shares one year from the exercise of the option.

The Business Combination Agreement

SPV, Pecoy Copper, and Pecoy Copper Subco entered into the Business Combination Agreement pursuant to which they will complete a business combination by way of a “three-cornered” amalgamation under the provisions of the OBCA. See “*Information Concerning the RTO – The Business Combination Agreement and the RTO.*”

Concurrent Private Placement

In connection with the RTO, SPV completed the Concurrent Private Placement. See “*Information Concerning the RTO - Concurrent Private Placement.*”

Significant Acquisitions and Dispositions

In connection with the completion of the RTO, SPV will acquire Pembroke and Copper X. See “*Information Concerning SPV – General Development of the Business – Pembroke Acquisition Agreement*” and “*Information Concerning SPV – General Development of the Business – Copper X Purchase Agreement.*” To the knowledge of Pecoy Copper and SPV, there have been no prior valuations on either Pembroke or Copper X within the last 12 months from the date hereof.

The audited annual financial statements of Pembroke for the financial years ended December 31, 2024 and 2023, and the interim financial statements of Pembroke for the three and six month periods ended June 30, 2025, are attached as Appendix “J” and Appendix “L” to this Listing Application. Pembroke’s management’s discussion and analysis for the financial years ended December 31, 2024 and 2023, and for the three and six month periods ended June 30, 2025, are attached as Appendix “K” and Appendix “M” to this Listing Application.

The audited financial statements of Copper X as at April 30, 2025 and for the 84-day period then ended are attached as Appendix “I” to this Listing Application, and Copper X’s management’s discussion and analysis as at April 30, 2025 and for the 84-day period then ended is included as Appendix “H” to this Listing Application.

Narrative Description of the Business

SPV’s primary business is to continue to develop the Pecoy Project through carrying out the work program recommended in the Technical Report. Information with respect to the Pecoy Project is set forth in Schedule “A” to this Listing Application

Trends

SPV is subject to the cycles of the mineral resource sector and the financial markets as they relate to junior companies. SPV’s financial performance is dependent upon many external factors. Both prices and markets for metals are volatile, difficult to predict and subject to changes in domestic and international, political, social and economic environments. Circumstances and events beyond its control could materially affect the financial performance of SPV. Apart from this risk, and the risk factors noted under the heading “*Risk Factors*”, SPV is not aware of any other trends, commitments, events or uncertainties that are reasonably likely to have a material adverse effect on SPV’s business, financial conditions or results of operations.

Competitive Conditions

The mineral exploration industry is competitive, with many companies competing for the limited number of precious and base metals acquisition and exploration opportunities that are economic under current or foreseeable metals prices, as well as for available investment funds. Competition also exists for the recruitment of qualified personnel and equipment. See “*Risk Factors*”.

Government Regulation

Mining operations and exploration activities in the Peru are subject to various federal, state and local laws and regulations which govern prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances and other matters. SPV operates in compliance in all material respects with applicable statutes and the regulations passed in Peru.

Environmental Regulation

The various federal, state, and local laws and regulations governing protection of the environment are amended often and are becoming more restrictive. SPV's policy is to conduct its business in a way that safeguards public health and the environment. SPV believes that its operations are conducted in material compliance with applicable environmental laws and regulations. SPV does not anticipate that it will not incur material capital expenditures for environmental control facilities during the current fiscal year.

The Peco Project

Information with respect to the Peco Project is set forth in Schedule "A" to this Listing Application.

Selected Financial Information and Management's Discussion and Analysis

Selected Financial Information

The following table sets out certain selected financial information of SPV in summary form for the period from incorporation on March 24, 2025 to April 30, 2025. This selected financial information should be read in conjunction with the audited financial statements of SPV as at April 30, 2025 and for the 38-day period then ended and the auditor reports thereon and notes thereto, which is attached to this Listing Application as Appendix "F".

Selected Financial Information	As at April 30, 2025 and for the 38-day period then ended (Audited) (\$)
Current Assets	\$1,103,915
Current Liabilities	\$112,193
Shareholders' Equity	\$1,054,564
Operating Loss	\$39,413
Loss and Comprehensive Loss	\$39,413

Management's Discussion and Analysis

The SPV MD&A as at April 30, 2025 and for the 38-day period then ended are included as Appendix "G" to this Listing Application. The SPV MD&A should be read in conjunction with the applicable SPV Financial Statements, including the applicable auditor's report thereon, which is included as Appendix "F" to this Listing Application.

Description of Securities

SPV is currently authorized to issue an unlimited number of SPV Shares. The following securities of SPV are expected to be issued and outstanding immediately prior to the completion of the RTO (including SPV securities to be issued in connection with the Concurrent Private Placement, the Copper X Acquisition, the Pembroke Acquisition and the CCV Share Acquisition):

- 191,261,020 SPV Shares;
- 7,954,675 SPV Options; and
- 12,000,000 SPV Warrants.

In addition, Pembroke convertible notes in the principal amount of \$6,040,354 will be outstanding, which will be converted into 8,333,333 Resulting Issuer Shares and 4,166,667 Resulting Issuer Warrants upon completion of the RTO.

As of the date of this Listing Application, the SPV Shares are not listed or quoted for trading on any stock exchange.

Holders of SPV Shares shall be entitled to receive notice of and to attend all meetings of shareholders of SPV, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each common share held. The holders of SPV Shares shall be entitled to receive dividends if and when declared by the board of directors of SPV. Furthermore, holders of SPV Shares are entitled to receive the remaining property or assets of SPV upon the liquidation, dissolution or winding-up of its affairs or other distribution of its assets for the purpose of winding-up its affairs. The SPV Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking fund or purchase fund provision.

Consolidated Capitalization

The following table sets out the consolidated capitalization of SPV as at: (i) April 30, 2025 and (ii) as of the date of this Listing Application (prior to giving effect to the RTO, the Copper X Acquisition, the Pembroke Acquisition, and the CCV Share Acquisition). The following table should be read in conjunction with the audited financial statements of SPV as at April 30, 2025 and for the 38-day period then ended, included as Appendix “F” to this Listing Application and the MD&A of SPV for the 38-day period ended April 30, 2025, included as Appendix “G” to this Listing Application.

<u>Type of Security</u>	<u>Amount Authorized</u>	<u>Amount Outstanding as at April 30, 2025</u>	<u>Amount Outstanding as at Filing Statement Date (prior to giving effect to the RTO, the Copper X Acquisition, the Pembroke Acquisition, and the CCV Share Acquisition)</u>	<u>Amount Outstanding as at Filing Statement Date (prior to giving effect to the RTO, but after giving effect to the Copper X Acquisition, the Pembroke Acquisition, the exercise of the MCV Option, and the CCV Share Acquisition)</u>
SPV Shares	Unlimited	18,333,331	25,000,000	85,461,020
SPV Options	N/A	-	3,750,000 ⁽¹⁾	7,954,675 ⁽¹⁾
SPV Warrants	N/A	-	6,000,000 ⁽²⁾	12,000,000 ⁽²⁾
Subscription Receipts	N/A	-	105,800,000	105,800,000
Convertible Notes	N/A	-	-	\$6,040,354 ⁽³⁾

Notes:

- (1) Representing (i) 7,500,000 SPV Options which have an exercise price of \$0.60 and are exercisable until May 27, 2030; (ii) 269,873 SPV Options which have an exercise price of \$8.52 and are exercisable until June 7, 2028; (iii) 155,468 SPV Options which have an exercise price of \$2.73 and are exercisable until November 30, 2030; and (iv) 29,334 SPV Options which have an exercise price of \$2.73 and are exercisable until August 24, 2031.
- (2) Represents SPV Warrants exercisable to acquire one SPV Share at an exercise price of \$0.75 for a period of five (5) years from the closing date of the RTO.
- (3) Convertible notes with a principal amount of \$6,040,354 will be outstanding following the Pembroke Acquisition, which will be converted into 8,333,33 Resulting Issuer Shares and 4,166,667 Resulting Issuer Warrants upon completion of the RTO.

Prior Sales

The following table sets forth the number and price at which SPV Shares have been issued within the 12-month period prior to the date hereof.

<u>Date</u>	<u>Number of Securities</u>	<u>Issue Price per Security</u>	<u>Aggregate Issue Price</u>
March 25, 2025	13,600,000 ⁽¹⁾⁽²⁾	\$0.06	\$816,000.00
April 21, 2025	4,633,333	\$0.06	\$277,999.98
April 30, 2025	100,000	\$0.06	\$6,000.00
May 13, 2025	4,626,668	\$0.30	\$1,388,000.40
May 14, 2025	166,667	\$0.30	\$50,000.10
May 16, 2025	300,000	\$0.30	\$90,000.00
May 21, 2025	165,000	\$0.30	\$49,500.00
May 30, 2025	100,000	\$0.30	\$30,000.00
June 2, 2025	82,500	\$0.30	\$24,750.00
June 3, 2025	1,066,499	\$0.30	\$319,950.00
June 5, 2025	100,000	\$0.30	\$30,000.00
June 18, 2025	59,333 ⁽³⁾	\$0.30	\$17,799.90

Notes:

- (1) Includes the issuance of 4,000,000 SPV Shares issued to Vincent Metcalfe, a director and officer of SPV, for an aggregate issue price of \$240,000.
- (2) Includes the issuance of 1,600,000 SPV Shares to Nomad Resource Partners Inc., an entity partially controlled and directed by Vincent Metcalfe, a director and officer of SPV, for an aggregate issue price of \$96,000.
- (3) Includes the issuance of 10,050 SPV Shares to Nomad Resource Partners Inc., an entity partially controlled and directed by Vincent Metcalfe, a director and officer of SPV, for an aggregate issue price of \$3,014.24.

The following table sets forth the number and price at which securities convertible into SPV Shares have been issued within the 12-month period prior to the date hereof.

<u>Date</u>	<u>Number of Securities</u>	<u>Issue Price per Security</u>	<u>Aggregate Issue Price</u>
July 8, 2025	105,800,000 ⁽¹⁾	\$0.60	\$63,480,000

Note:

- (1) Subscription Receipts issued pursuant to Concurrent Private Placement.

Trading Price and Volume

The SPV Shares are not currently traded or quoted on a Canadian or foreign marketplace.

Dividends and Other Distributions

SPV has not declared or paid any cash dividends to its shareholders since incorporation. SPV's current policy is to retain earnings to finance the growth and development of its business.

Executive Compensation

The following discussion describes the significant elements of SPV's current executive compensation programs. For the period ended April 30, 2025 the sole NEO for SPV was Vincent Metcalfe.

Objective, Oversight, and Description of Director and NEO Compensation

The general objectives of SPV's compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results, with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; and (c) attract and retain highly qualified executive officers.

The SPV Board considers and assesses the implications of risks associated with SPV's compensation policies and practices and devotes such time and attention as is believed to be necessary in the circumstances. SPV's practice of compensating its officers primarily through base salary and performance bonuses is designed to mitigate risk by: (a) ensuring that SPV retains such officers; and (b) aligning the interests of its officers with the short-term and long-term objectives of Pecoy Copper and its shareholders. As at the date hereof, the SPV Board had not identified risks arising from SPV's compensation policies and practices that are reasonably likely to have a material adverse effect of SPV.

Employment, Consulting and Management Agreements

SPV has not entered into any employment or consulting contracts.

Pension and Retirement Plans

SPV does not have any pension or retirement plan or deferred compensation plan in the 12 months following completion of the RTO.

Summary Compensation Table

The following table provides a summary of the compensation paid by SPV to its NEO and director for the period ended April 30, 2025:

<u>Name and position</u>	<u>Salary, consulting fee, retainer or commission (\$)</u>	<u>Bonus (\$)</u>	<u>Committee or meeting fees (\$)</u>	<u>Value of perquisites (\$)</u>	<u>Value of all other compensation (\$)</u>	<u>Total compensation (\$)</u>
Vincent Metcalfe (President)	Nil	Nil	Nil	Nil	Nil	Nil

Options and Other Compensation Securities

SPV currently has 3,750,000 SPV Options outstanding, each of which is exercisable at a price of \$0.60 until May 27, 2030.

Non-Arm's Length Party Transactions

SPV has not, since its incorporation, acquired any assets or services or provided any assets or services in any transaction, or in any proposed transaction, where SPV or any subsidiary of SPV has obtained such assets or services from (a) any director, officer, or promoter of SPV, (b) a securityholder disclosed in this Listing Application as a principal securityholder, either before or after giving effect to the RTO, or (c) an Associate or Affiliate of any of the persons or companies referred to in paragraph (a) or (b).

Legal Proceedings

Except as set forth below, SPV is not aware of any existing or contemplated legal proceedings or regulatory actions material to Pecoy Copper to which Pecoy Copper or a subsidiary of Pecoy Copper is a party or to which any of its property is subject since the beginning of its most recently completed financial year.

Three arbitration proceedings are ongoing between MCV, Pecoy Peru and Pembroke. The disputes center around contested corporate actions, shareholder rights, and the validity of certain share transfers and related exercises of control within Pecoy Peru. The matters involve challenges to shareholder resolutions, obligations under the shareholders' agreement, and the legitimacy of actions taken by stakeholders following changes in ownership. Each of these proceedings have been suspended by the parties for the time being. Concurrently with the execution of the Acquisition Agreements, Pembroke and MCV entered into a settlement agreement which provides, among

other things, for the cancellation and termination of the existing arbitration proceedings effective as of the completion of the RTO.

Auditor, Transfer Agent and Registrar

The auditors of SPV are Crowe MacKay LLP located at 1400 – 1185 West Georgia Street, Vancouver, British Columbia V6E 4E6.

SPV does not currently have a transfer agent or registrar.

Material Contracts

Except for contracts entered into by SPV, Pembroke, or Copper X in the ordinary course of business, the only current material contracts entered into or currently anticipated to be entered into by SPV, Pembroke, or Copper X which can reasonably be regarded as presently material are:

- the Union Share Purchase Agreement;
- the Offtake Agreement;
- the Pembroke Acquisition Agreement;
- the CCV Acquisition Agreement;
- the MCV Option Agreement;
- the Copper X Purchase Agreement;
- the Minandex Option Agreement;
- the Business Combination Agreement;
- the Subscription Receipt Agreement; and
- the Agency Agreement.

After completion of the RTO, the material agreements listed above will be considered to be the material agreements of the Resulting Issuer.

A copy of all material agreements referred to in this Listing Application will be available on the Resulting Issuer's SEDAR+ profile at www.sedarplus.ca.

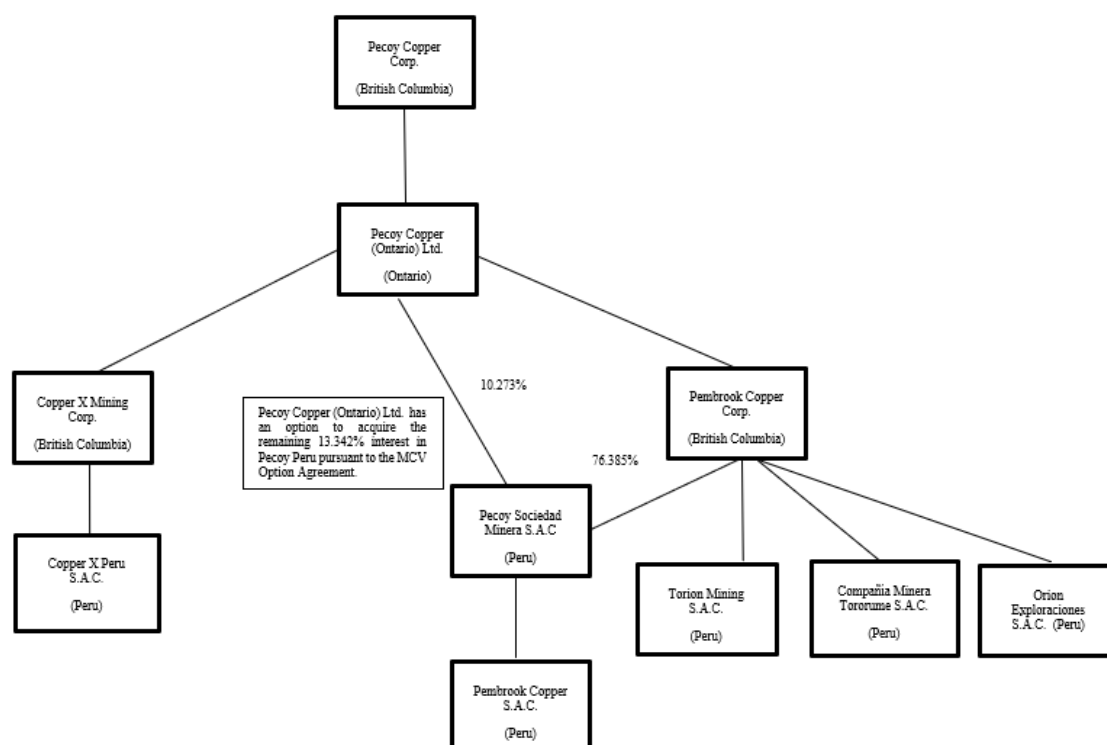
INFORMATION CONCERNING THE RESULTING ISSUER

Name, Address and Incorporation

Upon completion of the RTO, the Resulting Issuer will exist under the BCBCA. It is expected that, upon completion of the RTO, the Resulting Issuer's registered and head office will be located at Suite 1500, 1055 West Georgia Street, Vancouver British Columbia V6E 4N7.

Intercorporate Relationships

Upon completion of the RTO, Amalco will be a wholly-owned subsidiary of the Resulting Issuer. A corporate organizational chart reflecting the expected corporate structure of the Resulting Issuer following the Effective Date is set forth below:



Business of the Resulting Issuer

Following the RTO, the Resulting Issuer will be the sole shareholder of Amalco, which itself will continue the business of SPV. The Resulting Issuer's primary business objective will be to continue to develop the Pecoy Project through carrying out the work program recommended in the Technical Report. See "Information about SPV – Narrative Description of the Business." Information with respect to the Pecoy Project is set forth in Schedule "A" to this Listing Application.

Available Funds and Principal Purposes

Available Funds

The estimated net proceeds from the Concurrent Private Placement will be \$59,718,088, after deducting the Agents' Fee of \$3,546,270 and Agents' Expenses of \$215,642.

Following listing on the TSXV, the Resulting Issuer expects to have the following total available funds:

Net Proceeds from the Concurrent Private Placement	\$59,718,088

Estimated combined working capital of Pecoy Copper, SPV, Copper X and Pembroke as at August 31, 2025	\$1,041,000
Estimated Total Available Funds	\$60,759,088

Use of Proceeds and Principal Purposes

The following table summarizes the expenditures anticipated by the Resulting Issuer required to achieve its business objectives during the 18 months following the date hereof:

<u>Principal Purpose</u>	<u>Estimated Amount</u>
Satisfaction of Pembroke's liabilities pursuant to the Pembroke Acquisition Agreement	\$6,500,000
Consideration for the CCV Shares pursuant to the CCV Acquisition Agreement	\$1,800,000
Payments to acquire the Minandex Claims pursuant to the Minandex Option Agreement ⁽¹⁾	\$6,277,600
Phase 1 of the Proposed Medium-Term Exploration and Study Program and Budget for the Pecoy Project	\$6,400,000
Phase 2 of the Proposed Medium-Term Exploration and Study Program and Budget for the Pecoy Project	\$14,500,000
Surface Validity Payments	\$150,000
Fees and expenses payable in connection with the Listing ⁽²⁾	\$1,500,000
General and administrative expenses for 18 months	\$2,400,000
Unallocated Working Capital	\$21,231,488
Total	\$60,759,088

Notes:

- (1) USD\$4,550,000 converted to CAD using the daily exchange rate published by the Bank of Canada on August 1, 2025.
- (2) Includes accounting, TSXV and legal fees.

The Resulting Issuer intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives or to pursue other opportunities that management believes are in the interests of the Resulting Issuer. See "*Risk Factors – Risks Relating to the Operations of the Resulting Issuer – Net Proceeds*".

Business Objectives and Milestones

The Resulting Issuer's primary objective is the development of the Pecoy Project. To that end, the Resulting Issuer has budgeted \$20,900,000 for the completion of the recommended work program outlined in the Technical Report as detailed below:

<u>Objectives</u>	<u>Projected Timeline</u>	<u>Approximate Cost (C\$)</u>
Complete Phase 1 of the Proposed Medium-Term Exploration and Study Program and Budget for the Pecoy Project	Q3/Q4 2025	\$6,400,000
Complete Phase 2 of the Proposed Medium-Term Exploration and Study Program and Budget for the Pecoy Project	2026	\$14,500,000
	<u>Total</u>	<u>\$20,900,000</u>

See "*Schedule A – The Pecoy Project*."

Description of Securities

It is expected that following the RTO, the Resulting Issuer will be authorized to issue an unlimited number of Resulting Issuer Shares. Assuming the completion of the RTO, approximately 202,594,353 Resulting Issuer Shares will be issued and outstanding following the Effective Time. The following securities of the Resulting Issuer are expected to be outstanding immediately following the completion of the RTO:

- 202,594,353 Resulting Issuer Shares;
- 7,954,675 Resulting Issuer Options; and
- 16,166,667 Resulting Issuer Warrants.

Resulting Issuer Shares

Holders of the Resulting Issuer Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Resulting Issuer, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each Resulting Issuer Share held. The holders of Resulting Issuer Shares shall be entitled to receive dividends if and when declared by the board of directors of Resulting Issuer. Furthermore, holders of Resulting Issuer Shares are entitled to receive the remaining property or assets of the Resulting Issuer upon the liquidation, dissolution or winding-up of its affairs or other distribution of its assets for the purpose of winding-up its affairs. The Resulting Issuer Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking fund or purchase fund provision.

Resulting Issuer Options

Upon completion of the RTO there will be 7,954,677 Resulting Issuer Options outstanding, the details of which are as follows:

- 7,500,000 Resulting Issuer Options which have an exercise price of \$0.60 and are exercisable until May 27, 2030;
- 269,873 Resulting Issuer Options which have an exercise price of \$8.52 and are exercisable until June 7, 2028;
- 155,468 Resulting Issuer Options which have an exercise price of \$2.73 and are exercisable until November 30, 2030; and
- 29,334 Resulting Issuer Options which have an exercise price of \$2.73 and are exercisable until August 24, 2031.

The Resulting Issuer Options will not be listed or quoted for trading on any stock exchange.

Resulting Issuer Warrants

Upon completion of the RTO there will be 16,166,667 Resulting Issuer Warrants outstanding. 12,000,000 of the Resulting Issuer Warrants are exercisable at a price of \$0.75 for a period of five (5) years from the completion of the RTO and shall vest and become exercisable by the holders thereof as follows:

- 1/3 of the Resulting Issuer Warrants shall vest upon the announcement or publication by the Resulting Issuer of a mineral resource estimate in respect of the Pecoy Project demonstrating that the combined total of inferred, indicated and measured resources for the Pecoy Project equals or exceeds 1.2 billion tonnes of mineralized material with copper content, calculated in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves;

- 1/3 of the Resulting Issuer Warrants shall vest upon the announcement or publication by the Resulting Issuer of an initial resource estimate in respect of the Tororume claims, calculated in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves; and
- 1/3 of the Resulting Issuer Warrants shall vest upon the announcement or publication by the Resulting Issuer of a preliminary economic assessment in respect of at least one of the Resulting Issuer's material mineral projects.

Notwithstanding the above, all unvested Resulting Issuer Warrants shall immediately vest if the volume-weighted average price of the Resulting Issuer Shares on the TSXV or on any Designated Stock Exchange (as defined under Canadian securities laws) meets or exceeds \$0.90 during any five (5) consecutive trading day period.

The remaining 4,166,667 Resulting Issuer Warrants will be issued in accordance with the Agnico Conversion Agreement. See *"INFORMATION CONCERNING SPV – General Development of the Business."* The 4,166,667 Resulting Issuer Warrants to be issued to Agnico Eagle will have an exercise price of \$1.00 and be exercisable for a period of thirty-six (36) months from the date of issuance. However, the expiry date can be accelerated by the Resulting Issuer if the Resulting Issuer Shares trade at a volume-weighted average trading price of at least \$1.50 on the TSXV for a period of twenty (20) consecutive trading days. The acceleration right is only exercisable by the Resulting Issuer following the first anniversary of the date such Resulting Issuer Warrants are issued.

The Resulting Issuer Warrants will not be listed or quoted for trading on any stock exchange.

Pro Forma Consolidated Capitalization

The following table sets forth the share capital of the Resulting Issuer on a consolidated basis after giving effect to the RTO.

<u>Designation of Security</u>	<u>Amount Authorized or to be Authorized</u>	<u>Number Outstanding After Giving Effect to the RTO</u>
Resulting Issuer Shares	Unlimited	202,594,353
Resulting Issuer Warrants	N/A	16,166,667 ⁽¹⁾
Resulting Issuer Options	N/A	7,954,675 ⁽²⁾
Notes:		
(1) Representing (i) 12,000,000 Resulting Issuer Warrants with an exercise price of \$0.75 for a period of five (5) years from the completion of the RTO, and (ii) 4,166,667 Resulting Issuer Warrants with an exercise price of \$1.00 for a period of thirty-six (36) months from the completion of the RTO, subject to acceleration.		
(2) Representing (i) 7,500,000 Resulting Issuer Options which have an exercise price of \$0.60 and are exercisable until May 27, 2030; (ii) 269,873 Resulting Issuer Options which have an exercise price of \$8.52 and are exercisable until June 7, 2028; (iii) 155,468 Resulting Issuer Options which have an exercise price of \$2.73 and are exercisable until November 30, 2030; and (iv) 29,334 Resulting Issuer Options which have an exercise price of \$2.73 and are exercisable until August 24, 2031.		

Fully-Diluted Share Capital

The Resulting Issuer is seeking to list the Resulting Issuer Shares on the TSXV under the symbol "PCU". The following table sets forth the expected fully-diluted share capital of the Resulting Issuer upon completion of the RTO and Listing:

<u>Designation of Security</u>	<u>Amount Outstanding after the Completion of the RTO</u>	<u>Percentage of Total Number of Resulting Issuer Shares to be Issued and Outstanding following Completion of the RTO on a Fully-Diluted Basis</u>
Resulting Issuer Shares based on the outstanding Pecoy Copper Shares prior to the Completion of the RTO	3,000,000	1.26%

<u>Designation of Security</u>	<u>Amount Outstanding after the Completion of the RTO</u>	<u>Percentage of Total Number of Resulting Issuer Shares to be Issued and Outstanding following Completion of the RTO on a Fully-Diluted Basis</u>
Resulting Issuer Shares underlying the Subscription Receipts issued in connection with the Concurrent Private Placement	105,800,000	44.60%
Resulting Issuer Shares based on the outstanding SPV Shares immediately prior to the Completion of the RTO (excluding SPV Shares to be issued in connection with the Pembroke Acquisition and Copper X Acquisition)	25,000,000	10.54%
Resulting Issuer Shares based on the outstanding SPV Shares to be issued in connection with the Pembroke Acquisition immediately prior to the Completion of the RTO	29,314,356	12.36%
Resulting Issuer Shares to be issued to Agnico Eagle under the Agnico Conversion Agreement	8,333,333	3.51%
Resulting Issuer Shares based on the outstanding SPV Shares to be issued in connection with the Copper X Acquisition immediately prior to the Completion of the RTO	21,666,664	9.13%
Resulting Issuer Shares to be issued in connection with the exercise of the MCV Option	9,480,000	4.00%
Total (non-diluted)	202,594,353	85.40%
Resulting Issuer Shares to be issued in connection with the exercise of the Minandex Option	10,500,000 ⁽¹⁾	4.43%
Resulting Issuer Shares reserved for issuance upon exercise of the Resulting Issuer Warrants	12,000,000 ⁽²⁾	5.06%
Resulting Issuer Shares reserved for issuance upon exercise of the Resulting Issuer Warrants issued to Agnico Eagle under the Agnico Conversion Agreement	4,166,667	1.76%
Resulting Issuer Shares reserved for issuance upon exercise of the Resulting Issuer Options	7,954,675 ⁽²⁾	3.35%
Total (fully-diluted)	237,215,695	100%
Notes: (1) Equal to US\$4,500,000 of Resulting Issuer Shares priced at the Offering Price converted to CAD using the daily exchange rate published by the Bank of Canada on the last business day immediately preceding the date of issuance. (2) Issued in connection with the RTO pursuant to the Business Combination Agreement. See “ <i>Information Concerning the RTO – The Business Combination Agreement</i> ” and “ <i>Information Concerning Pecoy Copper – Description Of Securities.</i> ”		

Financial Information

Assuming completion of the RTO, the following table sets out certain unaudited *pro forma* financial information for the Resulting Issuer. The following information should be read in conjunction with the Resulting Issuer Pro Forma Financial Statements set forth in this Listing Application. See “Appendix “N” – Pro Forma Financial Statements of the Resulting Issuer (Unaudited)”.

<u>Item</u>	<u>SPV (as at April 30, 2025)</u>	<u>Pembrook (as at June 30, 2025)</u>	<u>Copper X (as at April 30, 2025)</u>	<u>Pecoy Copper (as at April 30, 2025)</u>	<u>Pro Forma Adjustments⁽¹⁾</u>	<u>Resulting Issuer Pro Forma Consolidation</u>
Current Assets	1,103,915	401,586	293,887	-	49,519,228	51,318,616
Total assets	1,666,757	40,621,437	1,429,668	2	63,661,574	106,879,438
Current Liabilities	112,193	13,914,438	671,233	284,373	(13,740,426)	1,241,811
Total Liabilities	112,193	14,853,445	671,233	284,373	(14,679,433)	1,241,811
Shareholders' Equity (Deficit)	1,054,564	25,767,992	758,435	(284,371)	78,341,007	105,637,627
Net Loss (Income)	39,413	(1,399,078)	214,670	13,238	2,192,275	1,060,518

Notes:

- (1) These pro forma adjustments include, amongst other things, the adjustments for the Concurrent Private Placement, the Copper X Acquisition, the Pembrook Acquisition, the exercise of the MCV Option, and the CCV Share Acquisition.

Dividends and Other Distributions

Neither Pecoy Copper nor SPV has declared or paid any cash dividends to its shareholders during the three most recently completed financial years or during its current financial year. Pecoy Copper’s and SPV’s current policy is to retain earnings to finance the growth and development of its business, and it is expected that such policy will continue to be applied by the Resulting Issuer. This policy may be reviewed in the future. Pecoy Copper and SPV are not aware of any restrictions that could prevent the Resulting Issuer from paying dividends.

Principal Securityholders

No Person or company beneficially owns, controls or directs, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of Pecoy Copper or SPV, or will, to Pecoy Copper’s or SPV’s knowledge, beneficially own, directly or indirectly, or exercise control or direction over 10% or more of the outstanding Resulting Issuer Shares following the completion of the RTO.

Directors, Officers and Promoters

Name, Occupation and Security Holding

The following table provides the names, province or state and country of residence, position, and principal occupations of each individual expected to be an executive officer and/or director of the Resulting Issuer, as well as the number and percentage of Resulting Issuer Shares that are expected to be beneficially owned, directly or indirectly, or which control or direction is expected to be exercised, by each such person. It is expected that the term of each director listed below will conclude at the end of the Resulting Issuer’s next annual meeting of shareholders subject to reappointment by the shareholders of the Resulting Issuer at such meeting.

<u>Name and Province/State and Country of Residence</u>	<u>Positions Held with Resulting Issuer</u>	<u>Principal Occupation During Last Five Years</u>	<u>Number of Resulting Issuer Shares Beneficially Owned, or Controlled</u>	<u>Percentage of Resulting Issuer Shares Beneficially Owned, or Controlled⁽¹⁾</u>
Vincent Metcalfe <i>Montreal, Quebec</i>	Director, Chief Executive Officer, and President	CIO of Evolve Royalties – March 2024 to present Chair and CEO of Comet Lithium – October 2023 to present Chair and CEO of Nomad Royalty Company – May 2021 to August 2023	5,667,000 ⁽²⁾⁽³⁾	2.80%
Annie Dutil <i>Montreal, Québec</i>	Chief Financial Officer and Corporate Secretary	Director of Midland Exploration Inc. Director of SIDEX Vice President and Corporate Controller of Nomad Royalty Company Ltd	250,000	0.12%
Vincent Cardin-Tremblay <i>Montreal, Quebec</i>	Chief Geologist Officer	Partner at Nomad Resource Partners and Vice President, Exploration Comet Lithium	4,095,000 ⁽²⁾	2.02%
Luis Zapata <i>Vancouver, British Columbia</i>	Director and Managing Director – Peru	CEO of Vista Gold SAC and President & Director of Axcap Ventures Inc.	4,925,000	2.43%
Paul Matysek <i>Vancouver, British Columbia</i>	Director (Chairman)	Director of LithiumBank Resources Corp. since Feb 2022; Director of Nevada King Gold Corp. since Jan 2019; Director of Freeman Gold Corp. since Sept 2021	2,667,000 ⁽⁴⁾	1.32%
Jerrold Annett <i>Mississauga, Ontario</i>	Director	Senior VP, Strategy & Capital Markets of Capstone Copper – Sept 2019 to Oct 2024 President of Cupric II Corp - Present	8,000,000	3.95%
Jose Luque <i>Lima, Peru</i>	Director	CEO of Gea Mining	Nil	-

Notes:

(1) Based on 202,594,353 Resulting Issuer Shares issued following closing of the RTO.

- (2) Nomad Resource Partners Inc., an entity partially controlled and directed by Vincent Metcalfe and Vincent Cardin-Tremblay, will also own 1,610,050 Resulting Issuer Shares.
- (3) Vincent Metcalfe's spouse will also own, and have control and direction over, 89,813 Resulting Issuer Shares.
- (4) Paul Matysek's spouse will also own, and have control and direction over, 3,465,000 Resulting Issuer Shares.

The executive officers and directors of the Resulting Issuer are expected to own, directly or indirectly, or exercise control or direction over 27,214,050 Resulting Issuer Shares, representing approximately 13.43% of the Resulting Issuer Shares expected to be issued and outstanding following the RTO.

Biographies

Biographical information regarding each such director and executive officer is presented below.

Vincent Metcalfe, Age 41, *Proposed Director, Chief Executive Director, and President*

Mr. Metcalfe is an accomplished senior executive with over 20 years of experience building companies and advancing mining projects. Mr. Metcalfe brings deep expertise in M&A, financial engineering, and capital raising. Mr. Metcalfe is the Co-Founder of Evolve Royalties and former CEO and Chair of Nomad Royalty, sold to Sandstorm. Mr. Metcalfe is also the recipient of the YMP Peter Munk Award for leadership and innovation in mining.

Mr. Metcalfe will be an employee of the Resulting Issuer.

Annie Dutil, Age 44, *Proposed Chief Financial Officer and Corporate Secretary*

Ms. Dutil is a member of the Ordre des comptables professionnels agréés du Québec (Québec CPA Order) and was Vice President and corporate controller at Nomad Royalty Company Ltd until 2022. Prior to joining Nomad Royalty Company, Ms. Dutil has held a number of positions at PwC from 2004 to 2020, including a role of director where she has led the Capital Markets and Accounting Advisory Services group in Montréal. Ms. Dutil has over 15 years of progressive experience in the mining industry, specifically in the areas of public accounting, compliance with financial information obligations and regulatory matters. Ms. Dutil is also a founding member of Women In Mining Montréal.

Ms. Dutil will be an employee of the Resulting Issuer.

Vincent Cardin-Tremblay, Age 41, *Proposed Chief Geologist Officer*

Mr. Cardin-Tremblay is an accomplished geologist with extensive exploration, geology and mining experience across the Americas and Africa. Mr. Cardin-Tremblay served as VP, Geology at Nomad Royalty Company prior to its acquisition by Sandstorm Gold. Mr. Cardin-Tremblay has held senior technical roles at Harte Gold, Golden Star, and IAMGOLD, and worked with Freeport-McMoRan and Glencore at the Matagami and Raglan mines.

Mr. Cardin Tremblay will be an employee of the Resulting Issuer.

Luis Zapata, Age 41, *Proposed Director and Managing Director – Peru*

Mr. Zapata is a finance and mining executive with 15 years of experience in resource development. Mr. Zapata has financed and operated numerous mining and energy projects. Mr. Zapata currently serves as CEO of a private Peruvian gold producer, and as President & Director of Axcap Ventures. Mr. Zapata has held senior roles including Head of Latin American Equities at Canaccord Genuity.

Mr. Zapata will be an employee if the Resulting Issuer.

Paul Matysek, Age 68, *Proposed Chairman*

Mr. Matysek is a serial entrepreneur, M&A specialist, and geologist with over 40 years of experience in the mining industry. Since 2007 as CEO or Chairman Mr. Matysek has sold six publicly listed companies, in aggregate worth over \$3 billion, with two assets going into commercial production: Bethune Mine - Potash One and Lindero Mine - Goldrock Mines. Most recently, Mr. Matysek was the CEO & Director of Gold X Mining Corp. that was sold to

Grand Columbia Gold Corp. for approximately \$365 million. Mr. Matysek was awarded EY Entrepreneur of the Year for Mining & Resources in September 2018.

Mr. Matysek will be an independent contractor to the Resulting Issuer.

Jerrold Annett, Age 54, Proposed Director

Mr. Annett is a global mining and capital markets specialist, and metallurgist with 29+ years of experience in mining. Mr. Annett is most recently responsible for leading Capstone Copper's investor relations, marketing and metal sales activities. Mr. Annett worked at Teck Resources and Falconbridge as a metallurgist, followed by 10 years in capital markets, including with Scotiabank where he was Head of Mining Institutional Sales. Mr. Annett holds a P. Eng. and has a Bachelor of Applied Science in Mining and Mineral Engineering from Queen's University

Jose Luque, Age 55, Proposed Director

Mr. Luque is a senior executive with over 30 years of experience building shareholder value. Mr. Luque possesses profound insights in mining operations, M&A negotiations, organizational leadership, project management, financial management and business restructuring. Mr. Luque serves as CEO of Gea Mining which promotes the development of underground mines and exploration of copper porphyry targets. Mr. Luque has held senior executive positions in several S&P 500 multinational companies in the US and Latin America.

Reporting Issuer Experience

The following table describes each director and officer's personal experience as a director or officer of another reporting issuer (or the equivalent in another jurisdiction) in the last five-year period:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market (s)	Position Held	From	To
Vincent Metcalfe	Comet Lithium Corporation (British Columbia)	TSXV	Chief Executive Officer and Chair	October 26, 2023	Present
	Nomad Royalty Company	TSX; NYSE	CEO and Chair	January 2020	August 2022
Annie Dutil	Midland Exploration Inc. (Québec)	TSXV	Director	March 2021	Present
	Nomad Royalty Company Ltd	TSX; NYSE	Vice President and Corporate controller	July 2020	August 2022
Vincent Cardin Tremblay	Comet Lithium Corporation (British Columbia)	TSXV	Vice President Exploration	October 25, 2023	Present
	Nomad Royalty Company	TSX; NYSE	Vice President, Geology	December 2020	August 2022
	Harte Gold Corp.	TSX	Vice President, Geological Services	April 2020	December 2020
Luis Zapata	Axcap Ventures Inc. (British Columbia)	CSE	Director	September 25, 2024	Present
	Silver X Mining Corp. (British Columbia)	TSXV	Director	June 11, 2020	September 15, 2022
Paul Matysek	Carbon Done Right Developments Inc. (Formerly Klimat X	TSXV	Director	November 26, 2021	May 11, 2023

<u>Name</u>	<u>Name and Jurisdiction of Reporting Issuer</u>	<u>Name of Trading Market (s)</u>	<u>Position Held</u>	<u>From</u>	<u>To</u>
	Developments Inc.) (British Columbia)				
	LithiumBank Resources Corp. (British Columbia)	TSXV	Director	February 7, 2022	Present
	Forsys Metals Corp. (Ontario)	TSX	Director	October 22, 2007	June 28, 2024
	Nevada King Gold Corp. (British Columbia)	TSXV	Director	January 21, 2019	Present
	Freeman Gold Corp. (British Columbia)	TSXV	Director	September 1, 2021	Present
	Nano One Materials Corp. (British Columbia)	TSX	Director	January 29, 2002	October 1, 2024
	Planet X II Capital Corp. (British Columbia)	TSXV	Director	February 10, 2022	Present
	Planet X Capital Corp. (British Columbia)	TSXV	Director	February 10, 2022	Present
Jerrold Annett	Capstone Copper Corp. (British Columbia)	TSX	Senior Vice President Strategy & Capital Markets	March 23, 2022	October 21, 2024
	Highlander Silver Corp. (Ontario)	TSX	Director	October 21 2024	Present

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed below, no person expected to be a director or executive officer of the Resulting Issuer, is, as of the date of this Listing Application, or has been, within the 10 years preceding the date of this Listing Application, a director, chief executive officer or chief financial officer of any company, that:

was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Luis Zapata was a director of Silver X Mining Corp., a TSXV listed company, at a time a management cease trade order was issued by the British Columbia Securities Commission on May 4, 2022 due to a delay in the filing of its audited annual financial statements, management's discussion and analysis and related certifications for the financial year ended December 31, 2021. The management cease trade order is no longer in effect.

No person expected to be a director or executive officer of the Resulting Issuer, or to the best of Pecoy Copper's or SPV's knowledge, a shareholder holding a sufficient number of shares to materially affect control of the Resulting Issuer:

- is, as of the date of this Listing Application, or has been within 10 years preceding the date of this Listing Application, a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal

under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- has, within the 10 years before the date of this Listing Application, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No person expected to be a director or executive officer of the Resulting Issuer, or to the best of Pecoy Copper's or SPV's knowledge, a shareholder holding a sufficient number of shares to materially affect control of the Resulting Issuer, has been subject to:

- any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the proposed directors and officers of the Resulting Issuer will be subject to in connection with the operations of the Resulting Issuer. In particular, certain of the proposed directors and officers of the Resulting Issuer are involved in managerial or director positions with other energy companies whose operations may, from time to time, be in direct competition with those of the Resulting Issuer or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies available under the BCBCA. The BCBCA provides that, in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the BCBCA. As at the date of this Listing Application, the Resulting Issuer is not aware of any existing or potential material conflicts of interest between the Resulting Issuer and any proposed director or officer of the Resulting Issuer.

Executive Compensation

The following discussion describes the significant elements of the Resulting Issuer's anticipated executive compensation programs, with emphasis on the process for determining compensation payable to the Resulting Issuer's CEO and CFO and, other than the CEO and the CFO, the Resulting Issuer's most highly-compensated executive officer, or most highly compensated individual acting in a similar capacity, as further described in National Instrument 51-102 – Continuous Disclosure Obligations (collectively, the “**Named Executive Officers**” or “**NEOs**”).

It is anticipated that the NEOs for the Resulting Issuer will be Vincent Metcalfe, Annie Dutil, Vincent Cardin-Tremblay, Luis Zapata and Paul Matysek.

Objective, Oversight, and Description of Director and NEO Compensation

The Resulting Issuer is expected to adopt executive compensation policies following the completion of the RTO. Upon listing on the TSXV, it is anticipated that the Resulting Issuer will establish a compensation and corporate governance committee (the “**Compensation and Corporate Governance Committee**”) which will recommend how directors and executive officers will be compensated for their services as directors and executive officers. See “*Information Concerning the Resulting Issuer - Audit Committee and Corporate Governance - Corporate Governance - Compensation*” for further details.

Executive officer compensation will be determined by the Resulting Issuer Board, based on recommendations from the Compensation and Corporate Governance Committee. The Resulting Issuer Board recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility. The objectives of the Resulting Issuer's compensation policies and practices will include the following:

- attracting and retaining highly-qualified individuals;
- creating among directors, officers, consultants and employees, a corporate environment which will align their interests with those of the Shareholders; and
- ensuring competitive compensation that is also affordable for the Resulting Issuer.

The compensation program is designed to provide competitive levels of compensation. The Resulting Issuer recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, the Resulting Issuer's directors and officers may receive compensation that comprises three components:

- base salary, wages or contractor payments;
- Resulting Issuer Option grants; and
- incentive bonuses.

The objectives and reasons for this system of compensation are to allow the Resulting Issuer to remain competitive compared to its peers in attracting experienced personnel. The salaries are set on the basis of a review and comparison of salaries paid to executives at similar companies.

Grants of Resulting Issuer Options are designed to reward directors and officers for success on a similar basis as the Shareholders, although the level of reward provided by a particular Resulting Issuer Option grant is dependent upon the volatile stock market.

Any bonuses paid are allocated on an individual basis and are based on review by the Resulting Issuer Board of the work planned during the year and the work achieved during the year, administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

As a mineral exploration and development company, the Resulting Issuer will be at risk of losing qualified personnel to companies with greater financial resources and it attempts to mitigate this risk wherever possible through appropriately written contracts.

Base Salary

The objectives of the base salary are to provide compensation in accord with market value, and to acknowledge the competencies and skills of individuals. The base salary paid to NEOs will be reviewed annually by the Resulting Issuer Board as part of the annual review of executive officers. The decision whether to grant an increase to the executive's base salary and the amount of any such increase will be in the sole discretion of the Resulting Issuer Board.

Incentive Bonuses

Incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees.

Resulting Issuer LTIP

The Resulting Issuer LTIP will be used to attract, retain and incentivize qualified and experienced personnel. The Resulting Issuer LTIP is an important part of the Resulting Issuer's long-term incentive strategy for its directors and officers, as well as for other persons eligible to receive grants of equity awards thereunder, permitting them to participate in any appreciation of the market value of the Resulting Issuer Shares over a stated period of time. The Resulting Issuer LTIP is designed to foster a proprietary interest in stock ownership, and to reinforce a commitment to the Resulting Issuer's long-term growth, performance and success as well as increasing shareholder value. See "Information Concerning the Resulting Issuer – Material Terms of Resulting Issuer LTIP".

The Resulting Issuer Board will review the grant of equity awards to directors and officers from time to time, based on various factors such as the officer's level of responsibility and role and importance in the Resulting Issuer achieving its corporate goals, objectives and prospects. Previous grants of Resulting Issuer Options will be taken into account when considering new grants of equity awards.

The Resulting Issuer will not have any equity compensation plans other than the Resulting Issuer LTIP.

Employment, Consulting and Management Agreements

It is anticipated that upon completion of the RTO, the Resulting Issuer will enter into employment agreements with Vincent Metcalfe, Annie Dutil, Vincent Cardin-Tremblay, and Luis Zapata, and a consulting agreement with Paul Matysek, which will provide for the compensation to be paid as set forth in the table under the heading "Summary Compensation Table, excluding Compensation Securities." Each of the employment agreements and consulting agreement will include customary provisions related to non-competition, non-solicitation, and confidentiality.

If the employment agreements to be entered into between the Resulting Issuer and each of Vincent Metcalfe, Annie Dutil, and Vincent Cardin Tremblay are terminated (i) by the Resulting Issuer without just cause, or (ii) by the employee or the Resulting Issuer within six (6) months prior to or twelve (12) months following a change of control, the Resulting Issuer will be required to pay the applicable employee a lump sum payment equal to twenty-four (24) months of base salary plus two times the amount of any annual bonus paid or earned by the employee for the prior calendar year.

The employment agreement to be entered into with Luis Zapata and the consulting agreement to be entered into with Paul Matysek will provide for the same benefits set forth above in the event their agreements are terminated in within six (6) months prior to or twelve (12) months following a change of control, however, if the Resulting Issuer terminates their agreements without just cause they will be entitled to a lump sum payment equal to the greater of (a) twenty-four (24) months of base salary or annual fees, as applicable, less the number of months worked as of the date of termination, or (b) twelve months of base salary or annual fees, as applicable, plus two times the amount of any annual bonus paid or earned for the prior calendar year.

Pension and Retirement Plans

It is not anticipated that the Resulting Issuer will have any pension or retirement plan or deferred compensation plan in the 12 months following completion of the RTO.

Summary Compensation Table, excluding Compensation Securities

The following table provides a summary of the compensation expected to be paid by the Resulting Issuer to NEOs and directors for the 12-month period subsequent to the Effective Date:

<u>Name and position</u>	<u>Salary, consulting fee, retainer or commission (\$)</u>	<u>Bonus (\$)</u>	<u>Committee or meeting fees (\$)</u>	<u>Value of perquisites (\$)</u>	<u>Value of all other compensation (\$)</u>	<u>Total compensation (\$)</u>
Vincent Metcalfe (Director, Chief Executive Officer, and President)	\$300,000	\$150,000	Nil	Nil	Nil	\$450,000

<u>Name and position</u>	<u>Salary, consulting fee, retainer or commission (\$)</u>	<u>Bonus (\$)</u>	<u>Committee or meeting fees (\$)</u>	<u>Value of perquisites (\$)</u>	<u>Value of all other compensation (\$)</u>	<u>Total compensation (\$)</u>
Vincent Cardin-Tremblay (Chief Geologist Officer)	\$250,000	\$125,000	Nil	Nil	Nil	\$375,000
Paul Matysek (Director (Chairman))	\$150,000	\$75,000	Nil	Nil	Nil	\$225,000
Annie Dutil (Chief Financial Officer and Corporate Secretary)	\$150,000	\$52,500	Nil	Nil	Nil	\$202,500
Luis Zapata (Director and Managing Director – Peru)	\$150,000	\$52,500	Nil	Nil	Nil	\$202,500

Options and Other Compensation Securities

Following the completion of the RTO and Listing the Resulting Issuer will have 7,954,677 Resulting Issuer Options outstanding. See “*INFORMATION CONCERNING THE RESULTING ISSUER - Description of Securities - Resulting Issuer Options.*”

Audit Committee and Corporate Governance

Audit Committee

Composition of the Audit Committee

The following individuals will be the members of the Resulting Issuer’s Audit Committee: Jerrold Arnett, Jose Luque, and Vincent Metcalfe. All audit committee members will be financially literate and the majority of the members of the Audit Committee will be independent. Vincent Metcalfe will be the non-independent member as he will be the President and Chief Executive Officer of the Resulting Issuer.

For additional details regarding the relevant experience of each member of the Resulting Issuer’s Audit Committee, see the relevant biographical experiences for each of the Resulting Issuer’s directors and officers under the heading “*Information Concerning the Resulting Issuer – Biographies*”.

Audit Committee Oversight

The primary function of the Audit Committee will be to assist the Resulting Issuer Board in fulfilling its financial oversight responsibilities by reviewing the Resulting Issuer’s (i) financial statements and other financial information provided by the Resulting Issuer to regulatory authorities and shareholders, and (ii) auditing, accounting and financial reporting processes.

The Resulting Issuer Board will adopt a written charter for the Audit Committee which sets out the Audit Committee’s responsibility in reviewing the financial statements of the Resulting Issuer and public disclosure

documents containing financial information and reporting on such review to the Resulting Issuer Board, ensuring that adequate procedures are in place for the review of the Resulting Issuer's public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors, setting policies and procedures for the engagement of non-audit services and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management.

Reliance on Certain Exemptions

As the Resulting Issuer will be listed on the TSXV, it will be a "venture issuer" and may avail itself of exemptions from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110, which require the independence of each member of an audit committee, subject to limited exceptions and the disclosure of audit committee information in an annual information form, respectively.

External Auditor Services Fees

Pecoy Copper's auditor is Clearhouse LLP Chartered Professional Accountants. The following table provides the aggregate fees billed by Pecoy Copper's external auditor in each of the last two fiscal years.

<u>Nature of Services</u>	<u>Fees Billed by Auditor for the fiscal year ended</u>	
	<u>2024</u>	<u>2023</u>
Audit Fees ⁽¹⁾	\$9,500	\$5,500
Tax Fees ⁽²⁾	Nil	Nil
All Other Fees ⁽³⁾	Nil	Nil
Total	\$9,500	\$5,500

Notes:

- (1) "**Audit Fees**" include fees necessary to perform the annual audit reviews of Pecoy Copper's consolidated financial statements. Audit Fees include aggregate fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes aggregate fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (3) "**All Other Fees**" include all other non-audit services, in the aggregate.

SPV's auditor is Crowe MacKay LLP. The following table provides the aggregate fees billed by SPV's external auditor for the period indicated.

<u>Nature of Services</u>	<u>Fees Billed by Auditor for the period ended April 30, 2025</u>
Audit Fees ⁽¹⁾	Nil
Tax Fees ⁽²⁾	Nil
All Other Fees ⁽³⁾	Nil
Total	Nil

Notes:

- (1) "**Audit Fees**" include fees necessary to perform the annual audit reviews of SPV's consolidated financial statements. Audit Fees include aggregate fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes aggregate fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(3) “All Other Fees” include all other non-audit services, in the aggregate.

Corporate Governance

Canadian securities regulatory policy as reflected in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) requires that venture issuers like the Resulting Issuer must disclose on an annual basis their approach to corporate governance. National Policy 58-201 – *Corporate Governance Guidelines* (“NP 58-201”) provides regulatory staff guidance on preferred governance practices, although the guidelines are not prescriptive, other than for audit committees. The Resulting Issuer’s approach to corporate governance in the context of NI 58-101 and NP 58-201 (together the “Policies”) as well as its compliance with the mandatory rules relating to audit committees is set out below.

Board of Directors

The Policies require that the board of directors of a venture issuer determine and disclose the status of each director as independent or not, based on each director’s interest in or other relationship with the issuer. Under the Policies, the applicable definition of independence is that contained in National Instrument 52-110 – *Audit Committees* (“NI 52-110”), under which a director is “independent” where he or she “has no direct or indirect material relationship” with the issuer. A “material relationship” is a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgement. NI 52-110 also deems certain individuals as having a material relationship with the issuer, and who are therefore not independent.

The Resulting Issuer intends to have five directors. A majority of the directors of the Resulting Issuer will be independent. Vincent Metcalfe and Luis Zapata will not be considered to be independent, as they will serve as the Chief Executive Officer and Managing Director – Peru, respectively, of the Resulting Issuer.

The Resulting Issuer Board will have responsibility for the stewardship of the Resulting Issuer including responsibility for strategic planning, identification of the principal risks of the Resulting Issuer’s business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Resulting Issuer’s internal control and management information systems.

The Resulting Issuer Board will set long-term goals and objectives for the Resulting Issuer and will formulate the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Resulting Issuer Board may delegate the responsibility for managing the day-to-day affairs of the Resulting Issuer to senior management but will retain a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Resulting Issuer and its business. The Resulting Issuer Board is responsible for protecting Shareholders’ interests and ensuring that the incentives of the Shareholders and of management are aligned.

Directorships

The proposed directors currently hold directorships with other reporting issuers. See “*Information Concerning the Resulting Issuer – Reporting Issuer Experience.*”

Orientation and Continuing Education

It is not anticipated that the Resulting Issuer Board will adopt formal policies respecting continuing education for Resulting Issuer Board members. Resulting Issuer Board members will be encouraged to communicate with management, legal counsel, auditors and consultants of the Resulting Issuer, to keep themselves current with industry trends and developments and changes in legislation with management’s assistance, and to attend related industry seminars and visit the Resulting Issuer’s operations. Resulting Issuer Board members will have full access to the Resulting Issuer’s records. It is not anticipated that the board of the Resulting Issuer will adopt formal guidelines in the 12 months following Listing.

Ethical Business Conduct

It is expected that the Resulting Issuer Board will adopt a written Code of Business Conduct and Ethics for its directors, officers, employees, and contractors. The Resulting Issuer Board will be responsible for monitoring compliance with the Code of Business Conduct and Ethics.

The Resulting Issuer Board will take appropriate measures to exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer may have a material interest. Where appropriate, directors will abstain from portions of board or committee meetings to allow independent discussion of points in issue.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of a company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, if a director of a company also serves as a director or officer of another company engaged in similar business activities to the first company, that director must comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors that evoke such a conflict.]

Nomination of Directors

It is expected that the Resulting Issuer will establish the Compensation and Corporate Governance Committee. The Compensation and Corporate Governance Committee will be responsible for establishing sound corporate governance practices that are in the interest of shareholders and contribute to effective and efficient decision making and filling vacancies on the Resulting Issuer Board and recommending potential nominees for directors. The Compensation and Corporate Governance Committee will analyze the needs of the board when vacancies arise and identify and propose new nominees who have the necessary competencies and characteristics to meet those needs. In order to foster an objective nomination process, the independent members of the Resulting Issuer Board will be encouraged to recommend nominees for the Resulting Issuer Board. In addition, the Compensation and Corporate Governance Committee is expected to have responsibilities for, amongst other things, monitoring and ensuring board independence, establishing procedures for Resulting Issuer Board meetings to ensure that board members possess an appropriate balance of skills and Compensation and Corporate Governance Committee areas of expertise needed to effectively govern the Resulting Issuer's affairs, establishing position descriptions for the key members of the Resulting Issuer Board and senior management and overseeing the Resulting Issuer Board's diversity, renewal, orientation and continuing education.

The following will be the members of the Compensation and Corporate Governance Committee: Jerrold Annett (Chair), Paul Matysek, and Jose Luque.

For additional details regarding the relevant experience of each member of the Resulting Issuer's Compensation and Corporate Governance Committee, see the relevant biographical experiences for each of the Resulting Issuer's directors and officers under the heading "*Information Concerning the Resulting Issuer – Name, Occupation and Security Holding*".

Compensation

The Compensation and Corporate Governance Committee will also review directors' compensation at least once a year, taking into consideration the compensation paid to directors of comparable publicly traded Canadian companies. The Compensation and Corporate Governance Committee will decide the compensation of the Resulting Issuer's officers based on industry standards and the Resulting Issuer's financial situation. In addition, the Compensation and Corporate Governance Committee will assist the Resulting Issuer Board in its oversight of executive and director compensation, including with respect to: (i) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of these goals and objectives and, either as a committee or together with other independent directors, determining and approving the CEO's compensation level based on such evaluation; (ii) recommending to the Resulting Issuer Board non-CEO compensation, incentive-based plans, equity-based plans and policies relating to the determination and payment of bonuses, if any; (iii) reviewing compensation disclosure in public documents, and producing the Compensation and Corporate Governance Committee's annual report on executive compensation, in accordance with applicable

rules and regulations; and (iv) performing any other activities consistent with the mandate of the Compensation and Corporate Governance Committee.

Other Board Committees

The Resulting Issuer Board will review its corporate governance practices and consider, among other matters, whether it would be desirable to establish additional committees of the Resulting Issuer Board.

Assessments

The Resulting Issuer Board will monitor the adequacy of information given to directors, communication between the Resulting Issuer Board and management and the strategic direction and processes of the Resulting Issuer Board and its committees.

Indebtedness of Directors and Executive Officers

No director, executive officer or senior officer of Pecoy Copper, SPV, or expected director, executive officer or senior officer of the Resulting Issuer, or any associates of such persons, is indebted to Pecoy Copper, SPV or is expected to be indebted to the Resulting Issuer immediately following the completion of the RTO and no indebtedness of such persons in the Listing Application subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by Pecoy Copper, SPV or the Resulting Issuer.

Investor Relations Arrangements

Except as set forth below, neither SPV nor Pecoy Copper have entered into any written or oral agreement or understanding with any Person to provide promotional or investor relations services, or to engage in activities for the purposes of stabilizing the market.

The Resulting Issuer will engage Commodity Partners Inc. (“**Commodity Partners**”) pursuant to an agreement to be entered into upon closing of the RTO to provide certain capital markets advisory and investor relations services on behalf of the Resulting Issuer. Commodity Partners is a boutique merchant bank and advisory firm based in Vancouver, B.C. These services shall include making relevant transactional introductions to the Resulting Issuer, advising on capital structuring, investor presentations, and financial modelling, attending investor conferences on behalf of the Resulting Issuer, distributing press releases, maintaining relationships with shareholders and interested investor groups, advising the Resulting Issuer on strategic financing alternatives, and providing other capital markets advisory services. The term of Commodity Partners’ engagement will commence upon completion of the RTO and shall continue until June 30, 2026, after which, upon mutual agreements of the parties, Commodity Partners’ engagement shall continue on a month-to-month basis until terminated by either party with 30 business days’ written notice to the non-terminating party. In connection with such engagement, the Resulting Issuer shall pay Commodity Partners a monthly fee of \$10,000 plus GST.

Commodity Partners will not have direct or indirect beneficial ownership of, or control or direction over, any securities of the Resulting Issuer. Commodity Partners does not have any right to acquire securities of the Resulting Issuer, either in full or partial compensation for the services being provided.

Long-Term Incentive Plan

In connection with the completion of the RTO, the Resulting Issuer Board will adopt the Resulting Issuer LTIP to attract and retain employees, consultants, officers or directors of the Resulting Issuer and to motivate them to advance the interests of the Resulting Issuer by affording them with the opportunity to acquire an equity interest in the Resulting Issuer.

Resulting Issuer LTIP Awards Outstanding

Upon completion of the RTO, the following Resulting Issuer Options will be outstanding:

<u>Recipient/Position</u>	<u>Number of Resulting Issuer Options</u>	<u>Exercise Price</u>	<u>Grant Date</u>	<u>Expiry Date</u>

Vincent Metcalfe (Director, Chief Executive Officer, and President)	1,100,000	\$0.60	May 27, 2025	May 27, 2030
Vincent Cardin-Tremblay (Chief Geologist Officer)	1,100,000	\$0.60	May 27, 2025	May 27, 2030
Jerrold Annett (Director)	750,000	\$0.60	May 27, 2025	May 27, 2030
Annie Dutil (Chief Financial Officer and Corporate Secretary)	250,000	\$0.60	May 27, 2025	May 27, 2030
Paul Matyssek (Director - Chairman)	1,500,000	\$0.60	May 27, 2025	May 27, 2030
Luis Zapata (Director and Managing Director – Peru)	1,000,000	\$0.60	May 27, 2025	May 27, 2030
Employees and Consultants	1,250,000	\$0.60	May 27, 2025	May 27, 2030
	550,000	\$0.60	May 27, 2025	May 27, 2030

Material Terms of Resulting Issuer LTIP

The following is a summary of the material terms of the Resulting Issuer LTIP, subject to the full text of the Resulting Issuer LTIP attached hereto as Appendix “O”. Any capitalized terms used in this summary but not defined shall have the meanings ascribed to such terms in the Resulting Issuer LTIP.

- **Eligible Participants:** The Resulting Issuer LTIP permits the issuance of stock options (“**Options**”), deferred share units (“**DSUs**”), restricted share units (“**RSUs**”), and performance share units (“**PSUs**”) and together with Options, DSUs and RSUs, “**Awards**”) to directors, officers, employees, consultants, management company employees, and Investor Relations Service Providers of the Resulting Issuer and its affiliates (each, a “**Participant**”).
- **Types of Awards:**
 - **Options:** Rights to purchase Resulting Issuer Shares at a specified exercise price.
 - **DSUs:** Bookkeeping entries equivalent in value to a Resulting Issuer Share, typically granted to non-employee directors in lieu of cash fees.
 - **RSUs:** Units entitling the holder to receive Resulting Issuer Shares or cash upon vesting, subject to time-based vesting conditions.
 - **PSUs:** Units that vest upon the achievement of performance goals set by the Resulting Issuer Board or committee thereof.
- **Share Reserve:**
 - The aggregate number of Resulting Issuer Shares that may be reserved for issuance under the Resulting Issuer LTIP, including all Options, RSUs, PSUs, and DSUs, will not exceed 10% of the issued and outstanding Resulting Issuer Shares at any given time (on a rolling basis).
 - Awards granted to Investor Relations Service Providers are restricted to Options only, and those must vest in equal quarterly tranches over at least 12 months.
 - The total number of Options that may be granted to Investor Relations Service Providers is limited to 2% of the issued and outstanding Resulting Issuer Shares in any 12-month period.
 - For purposes of calculating these limits, the full number of Awards exercised, surrendered, or converted (not just net Resulting Issuer Shares issued) must be counted.

- **Award Limits:**
 - The number of Resulting Issuer Shares issuable to Insiders at any time, under all security-based compensation arrangements, must not exceed 10% of the issued and outstanding Resulting Issuer Shares.
 - Within any 12-month period, the number of Resulting Issuer Shares issued to Insiders under such arrangements must also not exceed 10% of the issued and outstanding Resulting Issuer Shares.
 - No individual may receive Awards exceeding 5% of the issued and outstanding Resulting Issuer Shares in any 12-month period.
 - No Consultant may receive Awards exceeding 2% of the issued and outstanding Resulting Issuer Shares in any 12-month period.
 - Investor Relations Service Providers may not receive Awards exceeding an aggregate of 2% of the issued and outstanding Resulting Issuer Shares in any 12-month period, and only in the form of Options.
- **Exercise Price of Options:**
 - The Plan Administrator will establish the exercise price for Options at the time the Options are granted, which exercise price must in all cases be not less than the greater of (i) the Discounted Market Price (as defined in the policies of the TSXV) on the Date of Grant, and \$0.05.
- **Award Agreements and Non-Transferability:** All Awards are subject to an Award Agreement and are non-transferable except in limited cases such as death, in accordance with TSXV requirements.
- **Vesting and Expiry:**
 - The Plan Administrator determines the vesting schedules for all granted Awards, subject to the policies of the TSXV.
 - Options granted to Investor Relations Service Providers must follow a fixed vesting schedule: 25% after 3 months, then additional 25% increments every 3 months thereafter for one year.
 - DSUs, RSUs, and PSUs must vest no earlier than one year from grant date, subject to limited exceptions.
 - Options granted under the Resulting Issuer LTIP shall be subject to a maximum exercise period of no more than ten (10) years unless extended in accordance with the terms of the Resulting Issuer LTIP.
- **Termination of Employment or Services:**
 - Upon termination of employment or service, unvested Awards generally expire immediately unless otherwise provided by the Plan Administrator or the Award Agreement.
 - Vested Awards may be exercised for up to 90 days following termination, or such other period (not exceeding one year) as may be determined at the time of grant.
 - If termination occurs due to death, the Awards may be exercised by the Participant's estate for up to one year.
 - In the event of termination for cause, all vested and unvested Awards are forfeited immediately.
 - The Plan Administrator has discretion to accelerate vesting upon termination in certain circumstances, subject to TSXV approval.
- **Settlement of Awards:**
 - DSUs, RSUs, and PSUs may be settled in Resulting Issuer Shares, cash, or a combination thereof, at the Resulting Issuer's discretion.
 - DSUs must be settled within one year of the Participant's separation from service.
 - RSUs and PSUs must be settled no later than the final business day of the third calendar year following the year of grant.
- **Cashless and Net Exercise:** The Resulting Issuer LTIP allows for Options to be exercised by Participants on either a cashless exercise basis through a broker or, for Participants that are not Investor Relations Service Providers, on a net exercise basis, in each case as further described in the Resulting Issuer LTIP.
- **Change of Control:** In the event of a change of control, the Plan Administrator may accelerate the vesting of Awards to allow Participants to participate fully in the transaction.

- **Dividends:** Participants who are granted DSUs, PSUs, or RSUs will receive additional units as dividend equivalents when cash dividends are paid, unless stated otherwise. These follow the same vesting and settlement terms as the original units. If issuing them would exceed the restrictions in the Resulting Issuer LTIP or the TSXV limits, the Resulting Issuer may pay the equivalent amount in cash instead.
- **Amendments:** The Resulting Issuer Board may amend the Resulting Issuer LTIP without shareholder approval for administrative changes. However, shareholder approval is required for any amendment that would:
 - Increase the maximum share reserve.
 - Extend the term of Options held by Insiders.
 - Permit the transferability of Awards beyond what is currently allowed.
 - Reduce the exercise price of an Option for an Insider.

Escrowed Securities and Resale Restrictions

Pecoy Copper has obtained an exemption from the TSXV from the requirements for escrow of Principal securities and seed share resale restrictions (SSRR) under Exchange Policy 5.4 on the basis that the Resulting Issuer will have a market capitalization greater than \$100 million after completion of the RTO.

To the knowledge of SPV and Pecoy Copper, the following securities of the Resulting Issuer will be subject to resale restrictions after giving effect to the RTO pursuant to contractual restrictions.

<u>Designation of Class</u>	<u>Number of securities held in escrow or that are subject to a contractual restrictions on transfer</u>	<u>Percentage of Class⁽¹⁾</u>
Resulting Issuer Shares which will be subject to contractual restrictions on transfer pursuant to the Agency Agreement	25,604,000 ⁽²⁾	12.5%
Resulting Issuer Shares which will be subject to contractual restrictions on transfer pursuant to lock-up agreements	74,909,452 ⁽³⁾	37.0%

Notes:

- (1) Percentage of issued and outstanding Resulting Issuer Shares on a non-diluted basis.
- (2) Resulting Issuer Shares subject to contractual restrictions on transfer entered into in favour of the Agents under the Agency Agreement.
- (3) 64,909,452 of such Resulting Issuer Shares are subject to Voluntary Lock-Up Agreements entered into by MCV and certain former shareholders of SPV, Pembroke and Copper X and 9,999,998 of such Resulting Issuer Shares are subject to a contractual four month hold period agreed to by certain former shareholders of SPV and Copper X.

Concurrent Financing Lock-Up Agreements

In connection with the Concurrent Private Placement, the Agents required that each director and officer of the Resulting Issuer enter into lock-up agreements in favour of the Agents, pursuant to which each such individual agreed that, commencing on the date of the closing of the Concurrent Private Placement and ending on the date that is 90 days following the completion of the RTO, such individuals will not, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any common shares of the Resulting Issuer, whether now owned directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of common shares of the Resulting Issuer, whether such transaction is settled by the delivery of common shares of the Resulting Issuer, other securities, cash or otherwise other than pursuant to a take-over bid or any other similar transaction made generally to all of the shareholders of the Resulting Issuer.

Voluntary Resale Restrictions

In connection with the RTO, certain former shareholders of SPV, Pembroke and Copper X who will hold an aggregate of 37,596,119 Resulting Issuer Shares entered into lock-up agreements in favour of SPV (the “**Voluntary Lock-Up Agreements**”). Pursuant to the terms and conditions of the Voluntary Lock-Up Agreements such Resulting Issuer Shares will be subject to a 24-month voluntary escrow regime beginning on the Effective Date with the following escrow release schedule:

- 22% of subject shares will be released 4 months following the Effective Date;
- 22% of subject shares will be released 8 months following the Effective Date;
- 26% of subject shares will be released 12 months following the Effective Date;
- 10% of subject shares will be released 16 months following the Effective Date;
- 10% of subject shares will be released 20 months following the Effective Date; and
- 10% of subject shares will be released 24 months following the Effective Date.

Additionally, in connection with the RTO, 55,929,452 Resulting Issuer Shares held by former shareholders of SPV and Copper X are subject to a contractual restricted resale period of four months following the Effective Date.

Auditor, Transfer Agent, and Registrar

After completion of the RTO, it is proposed that the registrar and transfer agent for the Resulting Issuer be Computershare Investor Services Inc., at its office located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

After completion of the RTO, it is proposed that the auditors of the Resulting Issuer be Crowe MacKay LLP located at 1400 – 1185 West Georgia Street, Vancouver, British Columbia V6E 4E6. Crowe MacKay LLP is independent of the Resulting Issuer within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

GENERAL MATTERS

Sponsorship and Agent Relationship

The TSXV has granted Pecoy Copper and SPV a waiver from the sponsorship requirement under Section 3.4(a)(i) of TSXV Policy 2.2 in connection with the application to list the Resulting Issuer Shares on the TSXV.

Promoters

No person is, or has been within the two years immediately preceding the date of the Listing Application, a promoter of Pecoy Copper or SPV.

Interests of Management and Others in Material Transactions

Other than as set out in this Listing Application, within three years prior to the date of this Listing Application, no director, executive officer, or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of outstanding voting securities of each of SPV or Pecoy Copper, or any known associates or Affiliates of such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect each of SPV or Pecoy Copper.

In addition, other than as set out in this Listing Application, within three years prior to the date of this Listing Application, no director, executive officer, or person expected to be a director, executive officer, or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of outstanding voting securities of the Resulting Issuer, or any known associates or Affiliates of such persons, has any material interest, direct or indirect, in any transaction or in any proposed transaction that is reasonably expected to materially affect the Resulting Issuer.

Finder's Fees

Except as otherwise described in this Listing Application, no finder's fee or commission will be payable in connection with the RTO or the Concurrent Private Placement.

Experts

The following persons and companies are named as having prepared or certificated a report, valuation, statement or opinion in this Listing Application, either directly or in a document incorporated by reference in this Listing Application, and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company:

- Clearhouse LLP, Chartered Professional Accountants, being the auditors of Pecoy Copper;
- Crowe MacKay LLP, being the auditors of SPV, Pembroke and Copper X; and
- María del Carmen Muñoz Lizarve, P. Geo., MAIG (QP), a qualified person who authored the Technical Report.

Clearhouse LLP, Chartered Professional Accountants, is independent of Pecoy Copper within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct, and Crowe MacKay LLP is independent of each of SPV, Pembroke, and Copper X within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

The Qualified Person, María del Carmen Muñoz Lizarve, MAIG, is responsible solely for the scientific and technical information derived from the Technical Report. For matters related to title, ownership, and permitting related to the Pecoy Project she has relied upon information provided by SPV's legal experts and has not independently verified these aspects. The Qualified Person has not reviewed or verified any legal, financial, or other non-technical information contained in this Listing Application.

To the knowledge of Pecoy Copper and SPV, no person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Application or as having prepared or certified a report or valuation described or included in this Listing

Application (i) holds any beneficial interest, direct or indirect, in more than 1% of the Pecoy Copper Shares or the SPV Shares, (ii) holds any property of Pecoy Copper or SPV, or of an Associate or Affiliate of Pecoy Copper or SPV, respectively, and (iii) is expected to be elected, appointed or employed as a director, officer or employee of Pecoy Copper or SPV or of an Associate or Affiliate of Pecoy Copper or SPV, respectively.

Other Material Facts

There are no material facts about Pecoy Copper, SPV, the Resulting Issuer or the RTO that are not otherwise disclosed in this Listing Application and are necessary in order for the Listing Application to contain full, true and plain disclosure of all material facts relating to Pecoy Copper, SPV, and the Resulting Issuer, assuming completion of the RTO.

Additional Information – Mining or Oil and Gas Applicants

See “**Schedule A** – *The Pecoy Project*.”

Exemptions

No discretionary exemption from a securities regulator or securities regulatory authority has been applied for or received by SPV or Pecoy Copper within the 12 months preceding the date of this Listing Application.

Board Approval

This Listing Application has been approved by the board of directors of each of Pecoy Copper and SPV.

Financial Statement Disclosure for Issuers

Included as Appendix “B” to this Listing Application are audited annual financial statements of Pecoy Copper for the years ended October 31, 2024 and 2023.

Included as Appendix “C” to this Listing Application is the MD&A of Pecoy Copper for the years ended October 31, 2024 and 2023.

Included as Appendix “D” to this Listing Application are the reviewed interim financial statements of Pecoy Copper for the three months and six months ended April 30, 2025.

Included as Appendix “E” to this Listing Application is the MD&A of Pecoy Copper for the three months and six months ended April 30, 2025.

Included as Appendix “F” to this Listing Application are the audited financial statements of SPV as at April 30, 2025 and for the 38-day period then ended.

Included as Appendix “G” to this Listing Application is the MD&A of SPV as at April 30, 2025 and for the 38-day period then ended.

Included as Appendix “H” to this Listing Application are audited financial statements of Copper X as at April 30, 2025 and for the 84 day period then ended.

Included as Appendix “I” to this Listing Application is the MD&A of Copper X as at April 30, 2025 and for the 84-day period then ended.

Included as Appendix “J” to this Listing Application are the audited annual financial statements of Pembroke for the years ended December 31, 2024 and 2023.

Included as Appendix “K” to this Listing Application is the MD&A of Pembroke for the years ended December 31, 2024 and 2023.

Included as Appendix “L” to this Listing Application are the reviewed interim financial statement of Pembroke for the three and six months ended June 30, 2025.

Included as Appendix “M” to this Listing Application is the MD&A of Pembroke for the three and six months ended June 30, 2025.

Included as Appendix “N” to this Listing Application is the pro forma consolidated financial statements for the Resulting Issuer as of April 30, 2025.

RISK FACTORS

An investment in the securities of SPV, Pecoy Copper, or the Resulting Issuer is highly speculative, involves a high degree of risk and should be undertaken only by Persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prior to investing in such securities, you should carefully consider the risks described below, together with other information included in or incorporated by reference into this Listing Application and filed on SEDAR+ at www.sedarplus.ca. If any of the following risks materialize, the business, financial condition, results of operation and future prospects of SPV, Pecoy Copper, and the Resulting Issuer will likely be materially and adversely affected. This could cause actual future events to differ materially from those described in forward-looking statements and may cause the trading price of the Resulting Issuer's securities to decline.

The risks presented below should not be considered exhaustive and may not be all the risks the Resulting Issuer may face. Management of SPV and Pecoy Copper believe that factors set out below could cause actual results to be different from expected and historical results. Other sections of this Listing Application include additional factors that could have an effect on the business and financial performance of the Resulting Issuer's business following the completion of the RTO. New risks may emerge from time to time and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results. Additional risks and uncertainties not presently known to SPV and Pecoy Copper or which SPV and Pecoy Copper currently deem immaterial may also impair the Resulting Issuer's business operations. If any of the possibilities described in such risks actually occurs, the Resulting Issuers' business, financial condition and operating results could be materially adversely harmed. The following risk factors may not be a definitive list of all risk factors associated with the RTO, an investment in the Resulting Issuer or in connection with the Resulting Issuer's business or operations.

References below to "Pecoy Copper" will, as the context permits or requires, be read to include the "Resulting Issuer" upon the completion of the RTO. Furthermore, references below to the "Resulting Issuer" refer to the Resulting Issuer and all of its subsidiaries, as applicable.

Risks Relating to the Amalgamation

The Business Combination Agreement may be terminated by SPV or Pecoy Copper in certain circumstances

Each of SPV and Pecoy Copper has the right to terminate the Business Combination Agreement in certain circumstances. Accordingly, there is no certainty that the Business Combination Agreement will not be terminated by SPV or Pecoy Copper before the completion of the RTO. For example, each of SPV and Pecoy Copper has the right to terminate the Business Combination Agreement if any party is in material breach of the Business Combination Agreement. There is no assurance that such a breach will not occur before the Effective Date, in which case SPV or Pecoy Copper could elect to terminate the Business Combination Agreement and the RTO would not proceed.

There can be no certainty that all conditions precedent to the RTO will be satisfied

The completion of the RTO is subject to several conditions precedent certain of which are outside the control of SPV or Pecoy Copper. There can be no assurance that any of the conditions will be met or that the RTO will be completed on the terms set out in the Business Combination Agreement. In the event that any of the conditions precedent are not satisfied or waived by the relevant party, the RTO may not be completed. The RTO may not be completed, due to failure to obtain consents or approvals, failure to timely satisfy conditions to closing, termination of the Business Combination Agreement by either party, or for other reasons. There is no guarantee that (i) the conditions to closing will be timely satisfied, or (ii) the circumstances under which SPV or Pecoy Copper may terminate the Business Combination Agreement will not occur. As such, the RTO may not occur.

There is no assurance that the RTO will receive necessary regulatory and Exchange approval or approval of any third parties, as applicable.

The TSXV may not approve the Resulting Issuer's Listing Application

The Resulting Issuer Shares are currently not listed. Although an application has been made to have the Resulting Issuer Shares listed on the TSXV, any such listing is subject to the approval of the TSXV in accordance with its

original listing requirements and there is no assurance that the TSXV or another stock exchange will approve the Listing Application. The lack of a listing may make it difficult to sell the Resulting Issuer Shares and could lead to the price of the Resulting Issuer Shares being depressed.

SPV and Pecoy Copper will incur costs even if the RTO is not completed

Certain costs related to the RTO, such as legal, accounting and certain financial advisor fees, must be paid by SPV and Pecoy Copper even if the RTO is not completed. There are also opportunity costs associated with the diversion of management attention away from the conduct of SPV's and Pecoy Copper's business in the ordinary course.

Risks Relating to the Operations of the Resulting Issuer

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks may occur, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased production costs, damage to, or destruction of, mineral properties or production facilities and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on Company property, and punitive awards in connection with those claims and other liabilities. It is not always possible to fully insure against such risks and the Resulting Issuer may decide not to take out insurance against such risks as a result of high premiums or other reasons. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage the Resulting Issuer's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to the Resulting Issuer. These could include loss or forfeiture of mineral interests or other assets for nonpayment of fees or taxes, and legal claims for errors or mistakes by our personnel. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Resulting Issuer Shares.

Environmental Regulations, Permits and Licenses

The Resulting Issuer's operations may be 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. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Resulting Issuer intends to comply fully with all environmental regulations. The current or future operations of the Resulting Issuer, including development activities and commencement of production on its properties, require permits from various federal, provincial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require the Resulting Issuer to obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Resulting Issuer may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Resulting Issuer might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional

equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

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 Resulting Issuer and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Exploration and Development Risks

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

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Resulting Issuer's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Resulting Issuer's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Lack of Availability of Resources

Mining exploration requires ready access to mining equipment such as drills, and personnel to operate that equipment. There can be no assurance that such resources will be available to the Resulting Issuer on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in the Resulting Issuer's exploration and/or development programs.

Mineral Exploration and Mining Carry Inherent Risks

Mineral exploration and mining operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact exploration and production throughput. Although the Resulting Issuer intends to take adequate precautions to minimize risk, there is a possibility of a material on the Resulting Issuer's operations and its financial results.

Metal Prices are Volatile

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that the Resulting Issuer's properties can be mined at a profit. Factors beyond the control of the Resulting Issuer may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, the Resulting Issuer's principal products and exploration

targets, gold, copper and silver, is affected by various factors, including political events, economic conditions and production costs.

Infrastructure

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

An increase in prices of power and water supplies, including infrastructure, could negatively affect the Resulting Issuer's future operating costs, financial condition, and ability to develop and operate a mine

The Resulting Issuer's ability to obtain a secure supply of power and water at a reasonable cost at the Resulting Issuer's mineral projects depends on many factors, including: global and regional supply and demand; political and economic conditions; problems that can affect local supplies; delivery; infrastructure, weather and climate conditions; and relevant regulatory regimes, all of which are outside the Resulting Issuer's control. The Resulting Issuer may not be able to obtain secure and sufficient supplies of power and water at reasonable costs at any of the Resulting Issuer's mineral projects and the failure to do so could have a material adverse effect on the Resulting Issuer's ability to develop and operate a mine, and on the Resulting Issuer's financial condition and results of operations.

The impacts of climate change may adversely affect the Resulting Issuer's operations and/or result in increased costs to comply with changes in regulations

Climate change is an international and community concern which may directly or indirectly affect the Resulting Issuer's business and current and future activities. The continuing rise in global average temperatures has created varying changes to regional climates across the world and extreme weather events have the potential to delay or hinder the Resulting Issuer's activities at its mineral projects, and to delay or cease operations at any future mine. This may require the Resulting Issuer to make additional expenditures to mitigate the impact of such events which may materially and adversely increase the Resulting Issuer's costs and/or reduce production at a future mine. Governments at all levels are amending or enacting additional legislation to address climate change by regulating, among other things, carbon emissions and energy efficiency, or where legislation has already been enacted, regulation regarding emission levels and energy efficiency are becoming more stringent. As a significant emitter of greenhouse gas emissions, the mining industry is particularly exposed to such regulations. Compliance with such legislation, including the associated costs, may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, prospects and the Resulting Issuer's ability to commence or continue our exploration and future development and mining operations.

Changing climate patterns may also affect the availability of water. If the effects of climate change cause prolonged disruption in the delivery of essential commodities then production efficiency may be reduced, which may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and prospects.

In addition, climate change is perceived as a threat to communities and governments globally and stakeholders may demand reductions in emissions or call upon mining companies to better manage their consumption of climate-relevant resources. Negative social and reputational attention towards the Resulting Issuer's operations may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and prospects. A number of governments have already introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulations relating to emission levels (such as carbon taxes) and energy efficiency are becoming more stringent. If the current regulatory trend continues, this may result in increased costs at some or all of the Resulting Issuer's mineral projects.

Operations in Peru

The Resulting Issuer will be exposed to various levels of political, economic, regulatory and other risks and uncertainties associated with conducting business and mineral operations in Peru. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; local drug gang activities; military repression; expropriation and nationalization; extreme fluctuations in currency exchange rates; changes in royalty regimes,

including the elimination of tax exemptions; underdeveloped industrial and economic infrastructure; unenforceability of judgements; prohibitions on restrictions for carrying out mining activities due to legal actions by Indigenous communities; high rates of inflation; labour unrest; the risks of war or civil unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions arising from changes in government and otherwise, currency controls, import and export regulations and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Political Risks in Peru

Peru is currently subject to political instability, changes and uncertainties, which may cause changes to existing governmental regulations affecting mineral exploration and mining activities, changes in the interpretation of existing regulations or stricter enforcement of such regulations. Current President Boluarte is Peru's sixth president since 2018 and none of her five predecessors in office have completed the five-year term established by the Constitution. Several former presidents are in prison or have been prosecuted in judicial proceedings. President Boluarte has publicly encouraged economic stability and private investment and is trying to amend several policies enacted during the Castillo government. However, the Resulting Issuer cannot guarantee that political instability or future regulatory changes will not adversely affect the Resulting Issuer's business, financial condition or results of operations.

Peru's status as a developing country may make it more difficult for the Resulting Issuer to obtain any required financing for its projects. Any changes in governmental laws, regulations, economic conditions or shifts in political attitudes or stability in Peru are beyond the control of the Resulting Issuer and may adversely affect the Resulting Issuer's business.

Mining companies are required to pay the Peruvian government mining royalties and/or mining taxes. The Resulting Issuer cannot guarantee that the Peruvian government will not impose additional mining royalties or taxes in the future or that such mining royalties or taxes will not have an adverse effect on the Resulting Issuer's results of operations or financial condition. The legal and regulatory requirements in Peru with respect to conducting mineral exploration and mining activities and banking systems and controls are different from those in Canada. The officers and directors of the Resulting Issuer will rely on local legal counsel and local consultants and advisors in respect of legal, banking, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect operations in Peru, and to assist the Resulting Issuer with its governmental relations. The Resulting Issuer will also rely on those members of management and the Resulting Issuer Board who have previous experience working and conducting business in Peru. The failure to comply with all material legal and regulatory requirements may lead to the revocation of certain rights, penalties or fees, which may have an adverse effect on the Resulting Issuer.

Community and Social Risks in Peru

The Pecoy Project is located in an area of Peru that may be of particular interest or sensitivity to one or more Indigenous groups, local groups or interest groups. There is no assurance that the Resulting Issuer's relationships with such groups will be positive. Accordingly, it is possible that operations at the Pecoy Project could be interrupted or otherwise adversely affected in the future by political uncertainty, community opposition, tax reforms, land claims entitlements, expropriations of property, illegal, artisanal and small-scale miners, changes in applicable governmental policies and policies of relevant local or interest groups. Any changes in community or government relations or shifts in political conditions may be beyond the Resulting Issuer's control and may adversely affect its business and operations, including the ability to obtain or maintain necessary permits, and if significant, may result in the impairment or loss of mineral concessions or other mineral rights, or may make it impossible to continue mineral exploration and mining activities in the applicable area, any of which could have an adverse effect on the results of operations, cash flows and financial position. There are illegal miners in the area covered by the Pecoy Project's mining concessions. Illegal mining has affected gold mining operations in Peru and could potentially expose the Pecoy Project to business interruptions, damage to its assets and injuries to its personnel.

There is an increasing level of public concern relating to the effects of mining on the natural landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") that oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction

activities, which have resulted in disruption and delays to the relevant operation. NGOs or local community organizations could direct adverse publicity against and/or disrupt the Resulting Issuer's operations in respect of one or more of the Resulting Issuer's properties, regardless of the Resulting Issuer's successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Resulting Issuer has an interest or the Resulting Issuer's operations specifically. In recent years, certain areas in the south and northern highlands of Peru with significant mining projects have experienced strikes and protests related to the environmental impact of mining activities. Such strikes and protests have resulted in disruptions and a climate of uncertainty with respect to future mining projects. Peru has experienced recent periods of civil unrest, and on March 17, 2025, the Peruvian government declared a state of emergency for a 30-day period in the provinces of Lima and Callao, due to a rise in violent crime. If the Resulting Issuer were to experience resistance or unrest in connection with its Peruvian operations, it could have a material adverse effect on its operations and profitability.

Labour and Employment Relations in Peru

Competition for skilled employees in the resource sector results in employee turnover at the Resulting Issuer's operations and a need to constantly recruit and train new employees. This competition for qualified employees occasionally results in workforce shortages, which can often be supplemented with more costly contract labour. As technology evolves and automation increases, the skill mix required also changes and the Resulting Issuer may not be able to attract the required capabilities for new ways of working, or re-skill those skills sets that will be changed in the future. Relations between the Resulting Issuer and its employees may be impacted by changes in labour relations which may be introduced by, among others, employee groups, unions, and the relevant governmental authorities in whose jurisdictions the Resulting Issuer carries on business. Labour in Peru is customarily unionized and there are risks that labour unrest or wage agreements may adversely impact the Resulting Issuer's operations. Changes in employment legislation or otherwise in the Resulting Issuer's relationship with the Resulting Issuer's employees may result in higher ongoing labor costs, employee turnover, strikes, lockouts or other work stoppages, any of which could have a higher material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

Reliance on Key Personnel

The Resulting Issuer's development will depend on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Resulting Issuer's business. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Resulting Issuer's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Resulting Issuer's ability to employ the specific personnel required. Due to the relatively small size of the Resulting Issuer, the failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Resulting Issuer's business, results of future operations and financial condition. The Resulting Issuer does not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

Competition

The mining industry is intensely competitive in all its phases, and the Resulting Issuer competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Resulting Issuer's ability to acquire additional suitable properties or prospects in the future.

Financing Risks

As at the Effective Time, it is expected that the Resulting Issuer will have sufficient cash and cash equivalents, although the Resulting Issuer has no source of operating cash flow and no assurance that additional funding will be available to it for further growth and exploration of the Pecoy Project.

Net Proceeds

The Resulting Issuer's management will have broad discretion in using the net proceeds from the Concurrent Private Placement in ways that it deems most efficient. The application of the proceeds to various items may not benefit the business or increase its value. If proceeds are not applied effectively, this misapplication could adversely affect its business, results of operations and financial condition.

Global Financial Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing, particularly for energy companies which have been negatively impacted. These conditions may affect the Resulting Issuer's ability to obtain equity or debt financing in the future on terms favourable to the Resulting Issuer or at all. If such conditions continue, the Resulting Issuer's operations could be negatively impacted.

Risk Associated with an Emerging and Developing Market

The disruptions recently experienced in the international and domestic capital markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. Companies located in countries in the emerging markets may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging and developing markets is significantly influenced by levels of investor confidence in such markets as a whole and as such any factors that impact market confidence (for example, a decrease in credit ratings, state or central bank intervention in one market or terrorist activity and conflict) could affect the price or availability of funding for entities within any of these markets.

Trade Tariffs

The imposition of trade tariffs, particularly by the United States, or other trade restrictions could have significant repercussions for Canadian businesses, and the broader economy. Increased costs of goods and services may contribute to inflation. These tariffs, and any changes to these tariffs or imposition of any new tariffs, taxes or import or export restrictions or prohibitions, could have a material adverse effect on the Resulting Issuer's business. Furthermore, there is a risk that the tariffs imposed by the United States on other countries will trigger a broader global trade war which could have a material adverse effect on the Canadian, United States and global economies. Overall, trade policy restrictions create financial uncertainty for companies, disrupt trade relationships, and put downward pressure on economic growth.

Market for the Resulting Issuer's Shares

There can be no assurance that an active market for the Resulting Issuer's Shares will develop or be sustained. If an active public market for the Resulting Issuer's Shares does not develop, the liquidity of a purchaser's investment may be limited, and the share price may decline.

Market Price of Resulting Issuer Shares

The Resulting Issuer Shares do not currently trade on any exchange or market. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Other factors unrelated to the Resulting Issuer's performance that may have an effect on the price of the Resulting Issuer Shares include the following: (i) the extent of analytical coverage available to investors concerning the Resulting Issuer's business may be limited if investment banks with research capabilities do not follow the Resulting Issuer's securities; (ii) lessening in trading volume and general market interest in the Resulting Issuer's securities may affect an investor's ability to trade significant numbers of Resulting Issuer Shares; (iii) the size of the Resulting Issuer's public float may limit the ability of some institutions to invest in the Resulting Issuer's securities; and (iv) a substantial decline in the price of the Resulting Issuer Shares that persists for a significant period of time could cause the Resulting Issuer's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Resulting Issuer Shares at any given point in time may not accurately reflect the Resulting Issuer's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Resulting Issuer may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The fact that no market currently exists for the Resulting Issuer Shares may affect the pricing of the Resulting Issuer Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Resulting Issuer Shares and the extent of the regulations to which the Resulting Issuer is subject.

Dividend Policy

No dividends on the Resulting Issuer Shares have been paid by the Resulting Issuer to date. Investors in the Resulting Issuer's securities cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is unlikely that investors will receive any return on their investment in the Resulting Issuer's securities other than through possible share price appreciation.

Dilution

While the Resulting Issuer believes that it is well financed to carry out its proposed business plans in the near term, the Resulting Issuer may require additional monies to fund research and development programs and potential acquisitions. The Resulting Issuer cannot predict the size of future issuances of Resulting Issuer Shares or the issuance of debt instruments or other securities convertible into Resulting Issuer Shares. Likewise, the Resulting Issuer cannot predict the effect, if any, that future issuances and sales of the Resulting Issuer's securities will have on the market price of the Resulting Issuer Shares. If the Resulting Issuer raises additional funds by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. Sales of substantial numbers of Resulting Issuer Shares, or the availability of such Resulting Issuer Shares for sale, could adversely affect prevailing market prices for the Resulting Issuer's securities.

Risk of Litigation

The Resulting Issuer may become involved in disputes with other parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty. If the Resulting Issuer is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Resulting Issuer to carry out its business plan.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Resulting Issuer has a very limited history of operations and has not made any assessment as to the effectiveness of its internal controls. Though the Resulting Issuer intends to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, there are limited internal controls currently in place.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Resulting Issuer's certifying officers, as a venture issuer, are not required to make representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers of the Resulting Issuer will not be required to make any representations that they have:

- designed, or caused to be designed, DC&P to provide reasonable assurance that information required to be disclosed by the Resulting Issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- designed, or caused to be designed, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

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

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer also serve as directors and/or officers of other companies involved in the mining sector and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Resulting Issuer should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Resulting Issuer and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the OBCA and other applicable laws.

Credit Risk

Credit risk arises from the potential that debtors will fail to satisfy their obligations as they come due. Credit risk with respect to trade and another receivables is considered low as the balance is made up of amounts due for grant applications and sales taxes. Credit risk with respect to cash is considered low as it is held by a major Canadian financial institution.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Resulting Issuer's objective in managing liquidity risk will be to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of acquisitions and/or other development or construction projects is not currently determinable and it is not currently known precisely when the Resulting Issuer will require external financing in future periods.

Share Price Fluctuations

In recent years, securities markets have experienced a high level of price and volume volatility. The securities of many companies have experienced wide fluctuations in market prices which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Assuming the Resulting Issuer Shares are listed on the TSXV, there can be no assurance that the price of the Resulting Issuer Shares will be unaffected by any such volatility.

CERTIFICATE OF PECOY COPPER LIMITED

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Listing Application and of any material fact not otherwise required to be disclosed under an item of this Listing Application.

Dated September 3, 2025.

“Vincent Metcalfe”

President

“Robert Mason”

Secretary

On Behalf of the Board of Directors of Pecoy Copper Limited

“Vincent Metcalfe”

Director

CERTIFICATE OF PECOY COPPER CORP.

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Listing Application and of any material fact not otherwise required to be disclosed under an item of this Listing Application.

Dated September 3, 2025.

“Robert Dubeau”

Chief Executive Officer

“Christina Phalen”

Interim Chief Financial Officer

On Behalf of the Board of Directors of Pecoy Copper Corp.

“Ken Ralfs”

Director

“Glen McDonald”

Director

ACKNOWLEDGMENT – PERSONAL INFORMATION

“Personal Information” means any information about an identifiable individual.

SPV represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the TSXV of the Personal Information contained in or submitted pursuant to this Listing Application for the purposes described in Appendix “A” to this Listing Application.

Dated September 3, 2025.

“Vincent Metcalfe”

Vincent Metcalfe

Pecoy Copper represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the TSXV of the Personal Information contained in or submitted pursuant to this Listing Application for the purposes described in Appendix “A” to this Listing Application.

Dated September 3, 2025.

“Robert Dubeau”

Robert Dubeau

SCHEDULE “A”

THE PECOY PROJECT

The Peco Project

Current Technical Report

Unless otherwise stated, the following disclosure relating to the Peco Project has been summarized, compiled or extracted from the Technical Report prepared by María del Carmen Muñoz Lizarve, P. Geo., MAIG (QP) (the “**Author**”). The Author is fully independent of the SPV and is a “Qualified Person” as defined in NI 43-101. The Technical Report has an effective date of April 30, 2025.

Property Description, Location and Access

The Peco Project lies in the districts of Yanaquihua and Chichas in the province of Condesuyos in the Department of Arequipa, southern Peru, approximately 275 kilometers (“**km**”) northwest of Arequipa. The Project lies along the northern extension of the Southern Peru Porphyry Copper Belt, where copper projects are located as shown in Figure 5-1. The projects shown in this figure are not part of the Peco Project; however, they are shown as a reference of projects with similar geological characteristics and located in the same metallogenic trend.

The Peco Project covers an area of 9,975 hectares (“**ha**”) with steep terrain and considerable topographic relief. Regionally, large rivers and their tributaries have cut deeply into the elevated plateau that slopes from the high Andes further inland from the coast. Elevations range from about 700 m at the Rio Ocoña, which flows from north to south along the west side of the concessions, to over 4,000 m along the ridges that surround the river.

The properties are distributed in 19 concessions without prior mining activity, of which 6 concessions are under the administration of Pembroke and 13 concessions are managed by Minandex. The concession block is located approximately 45 km west of the village of Chuquibamba, which lies along on the AR-105 road. Access to the project is via approximately 45 km of dirt road. All access roads are public and provide legal access to the project area.

The Tororume property, subject to a transfer agreement in favour of a subsidiary of SPV, is located approximately 8 km north of the Peco Project, is comprised of 14 mining concessions covering 9,797 hectares, and is not contiguous with the Peco Project. It therefore is not considered part of the Peco Project for the purposes of the Technical Report.

The nearest population center is the small village of La Barrera which lies along the Rio Ocoña, approximately 24 km to the south of the concessions. Other than La Barrera, the mining camps of San Cristobal and Soledad lie within and immediately east of the concession block. Artisanal miners at these camps are mining gold in sulfide veins outside of the project area. The larger village of Chuquibamba, located about 45 km east of the concessions, serves as a local hub and provides logistical support to the region.



Figure 5-1: Location map of the Pecoy Project within the Coastal Porphyry Belt (Source: Pecoy Copper Corp. 2025)

The Pecoy Project is readily accessible from Arequipa, the capital of the Department of Arequipa, Peru. Arequipa is the second largest city in the country, with a departmental population of approximately 1.3 million inhabitants, of which around 75% are concentrated in the city, as of August, 2017, according to the National Institute of Statistics and Informatics. It is serviced by numerous daily flights from Lima, the capital city of Peru, as well as major highways and a railroad.

From Arequipa, the project is accessed via either the Andean plateau or by driving along the coast. The coastal option follows approximately 220 km of the paved Pan-American Highway to Ocoña, a small seaside village at the mouth of the Rio Ocoña. From there, another 85 km of graded dirt road along the east side of the Rio Ocoña ends at a river ford (San Antonio), which can be crossed when the water is low during the dry season. During the wet season, people, equipment and goods must use a cable tram to cross the river and then continue by dirt road along the west side of the river to the settlement of Huajanchu, located at the confluence with Quebrada San Cristobal, the main valley that hosts the project. Again, during the dry season there is a ford about one kilometer upstream, but during the flood season (mid-December to end of April) a cable tram is used to get people and goods across. A single-track road on the east side of the river provides current access for the final 10 km to the camp, located in the center of the project area.

Access from the plateau lying east of the project area is possible year-round via the Majes Valley (mixed pavement and dirt roads), heading north through the towns of Chuquibamba and Ispacas, and then west, descending from Mina Arirahua into Quebrada Uchocoyoj, which joins Quebrada San Cristobal a few kilometers northwest of camp. Pick-up trucks, tractors, and small trucks can manage the tight switchbacks on this road, but longer vehicles are restricted. This road is maintained by the adjacent project operators and is only usable when they are active. Permission from Mina Arirahua is sometimes also required. The approximate driving time from Arequipa to the project site via the Majes Valley route is around 9 hours, depending on road conditions.

Access within the Pecoy Project is via drill roads and footpaths. The sharply incised topography presents some difficulties for convenient access and safe operations.

Access to the Pecoy Project is shown in Figure 5-1. The approximate driving time from Arequipa to the project site via the Majes Valley-Chuquibamba route is around 9 hours, while using the Camaná–Ocoña route would take approximately 12 hours, depending on road conditions.

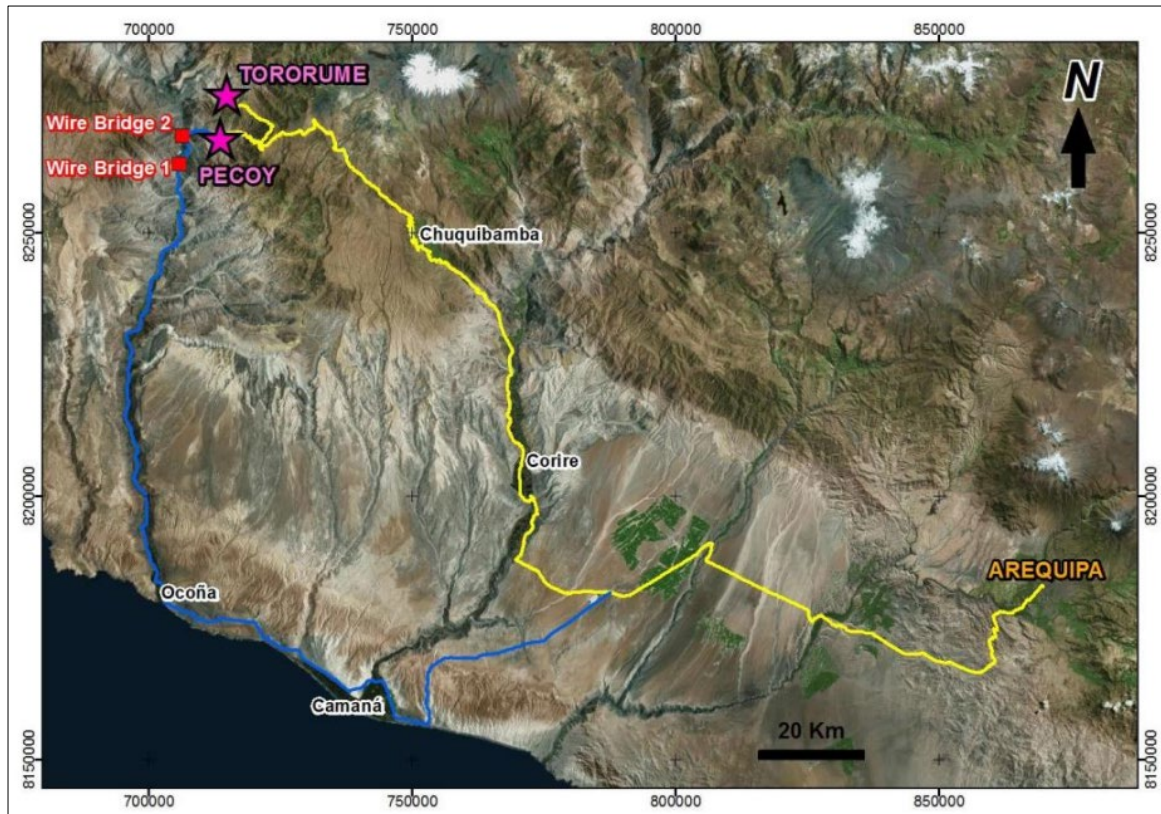


Figure 5-2: Access and the Two Routes to the Peco Projects (Source: Micon Report 2018)

Ownership

Peco Peru owns the Pembroke Claims. Minandex owns the Minandex Claims, which are adjacent to and surround the Pembroke Claims. The combination of the Pembroke Claims and the Minandex Claims is referred to as the Peco Project. The Peco Project is currently in the process of being consolidated.

SPV has entered into the Pembroke Acquisition Agreement, the CCV Acquisition Agreement, and the MCV Option Agreement. Following the completion of the Pembroke Acquisition, the CCV Share Acquisition, and the exercise of the MCV Option, SPV will hold a 100% interest in Peco Peru.

SPV has also entered into the Copper X Purchase Agreement pursuant to which it will complete the Copper X Acquisition. Copper X Peru, a subsidiary of Copper X, is party to the Minandex Option Agreement pursuant to which it has an option to acquire the Minandex Claims.

Following the Pembroke Acquisition, the CCV Share Acquisition. And the Copper X Acquisition, SPV will own, directly or indirectly, or have an option to acquire, all the claims comprising the Peco Project.

The Qualified Person, María del Carmen Muñoz Lizarve, relied upon information provided by SPV's legal experts for verification of the title, ownership and permitting status of the Peco Project. The Qualified Person did not independently verify legal agreements or surface rights.

History

The Peco Project has been independently explored as two adjoining properties with different previous owners and project names as follows:

- In the southern sector lies the so-called "Arirahua Project", a name originally assigned by Minandex. It was referred to as the Ocaña Project by Indico Resources Ltd. (Indico) under a purchase option agreement signed with Minandex in 2010, and later renamed the Irmin Project in June 2015; however, the agreement was not finalized, and the property reverted to Minandex. For the purpose of simplicity, the area will be

referred to as Ocaña, as the principal exploration activities were conducted by Indico under that project name.

- On the north sector the so-called Pecoy Project (“**Old Pecoy Project**”) and from which the name of the combined Pecoy Project has been retained. The exploration in this area was completed by Trafigura Group (“**Cormin**”) and Pembroke.

History of the south sector of the Pecoy Project (Ocaña Project)

Minandex, the initial owner of the south Sector of Pecoy Project, signed in 2010 a contract with a purchase option with Inversiones Minerales S.A.C. (“**Inversiones Minerales**”), who renamed the project the Ocaña Project. Subsequently, this company was associated with Indico and in May of 2015, Indico in turn associated with the Company Aruntani S.A.C. (“**Aruntani**”), to continue developing the Project, establishing the company called Irmin S.A.C., in which Aruntani has the 70% participation and Indico the remaining 30%.

Indico developed exploration works as part of the contract with a purchase option; however, in 2015, the full right of the contract between Minandex with Inversiones Minerales was terminated, so the Ocaña Project returned to Minandex administration.

There is no recorded history of work on the Ocaña concessions prior to Indico acquiring them. There is artisanal mining throughout Peru and, based on the existing activity on the edges of the concessions, there would likely have been some activity historically. However, no records are available, and there is little surface evidence, other than a couple shallow excavations on the slope south of camp.

Initial exploration has been performed on the adjoining, non-Indico resources, Barreno-1 and Barreno-2 concessions, administered by Pembroke.

The small Arirahua gold vein mine lies approximately 5 km east of the center part of the Ocaña concession block. Approximately 15 km to the southeast is the Yanaquihua Project. The extent of exploration activities on these projects is not known. The artisanal miner camps of Soledad and San Cristobal are apparently very successful based on the difficulty required to sustain an existence high on the steep side of a dry mountain. These camps are within and adjacent to the eastern margin of the Ocaña concession block.

History of the north sector of the Pecoy Project (Old Pecoy Project)

The Barreno 1 and Barreno 2 concessions were obtained in the early 1980’s by the Carlessi family, who own the Arirahua Mine (MINARSA), located 6.5 km east of Cerro Pecoy.

The Carlessi family only carried out a minimal amount of prospecting on the property, including the collection of 178 rock samples in the mid 90’s. Subsequently, companies such as Teck Comico Ltd., Anglo and Noranda carried out surveys and sampling. In the database, Pembroke has identified 97 rock samples collected by the first 2 companies. Additionally, magnetometer and induced polarization (“**IP**”) geophysical surveys were conducted by Teck.

In 2008, the Trafigura Group (“**Urion México Holdings**”) optioned the Pecoy property, and together with the Carlessi family, formed Pecoy Sociedad Minera (51% and 49%, respectively). Trafigura became the operator of the Project and analyzed the existing geochemical and geophysical data, conducted further mapping and sampling and undertook a drilling program in 2009.

Trafigura’s diamond drilling campaign consisted of 11 drill holes totaling 3,454.80m. The results of the program were relatively encouraging with porphyry-type mineralization defined, but only one drill hole intersected significant mineralization. The exploration group from Cormin proposed another exploration phase, but it was never completed.

In 2012, Trafigura organized a site visit for various companies with the aim of optioning the property.

Pembroke showed interest in the Project and after some coordination with Trafigura conducted a regional geological mapping exercise at a scale of 1:2000, in November 2012. Pembroke eventually signed the Subscription, Option and Shareholders’ Agreement and mining assignment agreement with the concession holder, Pecoy Sociedad Minera on August 28, 2013.

In 2021, Mich Resources Ltd. (“**Mich**”) had been involved in internal agreements for a proposed Reverse Takeover Transaction involving Mich, Pembroke, and Minandex. As part of these efforts, various technical studies were conducted with the support of Mining Plus Peru S.A.C. (“**MP**”), including the preparation of a Mineral Resource Estimate (“**2021 MRE**”). However, as these agreements ultimately did not materialize, all information generated remained for internal use only and was not publicly disclosed.

General results of historical exploration in Pecoy Project

Table 5-1 and Table 5-2 show a summary of the results obtained from the historical surface sampling and the historical drill holes.

Table 5-1: Summary of historical surface samples result taken in Pecoy Project

<u>Company</u>	<u>Type</u>	<u>N. Samples</u>	<u>Au ppm</u>		<u>Ag ppm</u>		<u>Cu ppm</u>		<u>Mo ppm</u>	
	<u>Sample</u>		<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>
Indico	Channels	341	0.0005	0.235	0.25	6.4	60.9	4670	0.5	945.5
	Rock Chips	288	0.0004	0.698	0.05	5.3	2	9876.5	0.25	2110
Indico Total		629	0.0004	0.698	0.05	6.4	2	9876.5	0.25	2110
Cormin	Channels	67	0.001	0.145	0.1	29	146	4550	0.5	509
	Rock Chips	26	0.006	0.136	0.1	35.6	182	2850	5	471
	Selective	1	0.012	0.012	0.7	0.7	871	871	32	32
	(blank)	85	0.002	0.296	0.1	82	53	10000	3	320
*Cormin Total		548	0	0.357	0.1	82	1	10000	0.5	2580
Pembroke	Unknown	1	0.011	0.011	0.5	0.5	1860	1860	54	54
	Channels	529	0.0005	0.629	0.25	12.8	27	25240	0.5	557
	Rock Chips	8	0.0005	0.011	0.25	0.9	109	2880	0.5	14
Pembroke Total		538	0.0005	0.629	0.25	12.8	27	25240	0.5	557

**Cormin includes superficial sampling of other companies (Angloamerican, Teck, Minarsa, Orion) carried out at Pecoy Project during his administration or prior to Cormin (370 samples).*

Table 5-2: Summary of historical drilling result in Pecoy Project

<u>Company</u>	<u>N. Holes</u>	<u>Meter Drilled</u>	<u>Au ppm</u>			<u>Ag ppm</u>			<u>Cu %</u>			<u>Mo %</u>		
			<u>Min.</u>	<u>Max.</u>	<u>Mean</u>	<u>Min.</u>	<u>Max.</u>	<u>Mean</u>	<u>Min.</u>	<u>Max.</u>	<u>Mean</u>	<u>Min.</u>	<u>Max.</u>	<u>Mean</u>
Indico	57	9903.3	0.0025	0.887	0.054	0.25	34.7	1.339	0.0114	2.818	0.264	0.0001	0.4	0.010
Cormin	11	3454.7	0.0025	1.015	0.036	0.1	32.6	0.842	0.0182	2.31	0.199	0.0002	0.1126	0.005
Pembroke	53	35218	0.0005	82.6	0.042	0.25	711	1.094	0.0006	5.66	0.218	0.00005	0.74	0.008

Historical Resource and Reserve Estimates in Pecoy Project

In 2018 Pembroke engaged Micon International Limited (“**Micon**”) to prepare a technical report and mineral resource estimate in accordance with NI 43-101 which includes the Old Pecoy Project and Ocaña Project combined as the Pecoy Project. However, as a non-reporting issuer the report was never filed on SEDAR and this estimate has been considered as a historical estimate.

The 2018 Micon Report considers two mining scenarios: the first being a pit constrained to the Pembroke (Old Pecoy Project) owned concessions only and excluding any resources on the adjacent land, and the second assuming that the adjacent Minandex (Ocaña) ground is available for pit expansion.

MP reviewed the historical mineral resource estimate prepared by Micon in 2018 (“**2018 MRE**”) and subsequently completed an independent estimate using a similar approach in 2021. Since that time, no new technical data has been generated that would materially affect the 2021 MRE. Accordingly, the 2021 MRE is considered current and

has been carried forward without modification in the Technical Report and is herein referred to as the 2025 MRE. While there are minor differences between the 2018 and 2025 MREs, these are not considered material.

Production from the Pecoy Project

There has been no meaningful historical production from the Pecoy properties. There is intermittent production from a number of gold bearing veins in the region and these support a large number of artisanal miners.

Geological Setting

The following sections are taken from Micon (2018) which was in turn taken from “*Reporte del Programa de Exploraciones*” (2017) written by the geologists Eduardo Silva and Bruno Medrano, which summarized the descriptions of the regional and local geology.

Regional Geology

The Pecoy concessions are situated along the northwest extension of the Southern Peru Porphyry Copper Belt (“**SPPCB**”), a belt of late Cretaceous to early Tertiary magmatism. Plutonic rocks of intermediate composition have intruded basement of Precambrian orthogneiss and metasediments, as well as Paleozoic to Mesozoic sedimentary rocks, see Figure 5-3. Volcanic rocks contemporaneous with plutonism bury earlier rocks and are more extensively exposed to the southeast along the SPPCB.

The SPPCB hosts the large porphyry copper deposits of Toquepala, Quellaveco, Cuajone, Cerro Verde, and Cerro Negro which have been in production for more than 30 years. More recent exploration of the belt has resulted in discovery of the Zafranal porphyry copper-gold system, which is currently being developed by Compañía Minera Zafranal S.A.C., a joint venture owned 80% by Teck Resources Limited and 20% by Mitsubishi Materials Corporation. These deposits were formed during Late Cretaceous and Early Tertiary time in basement and intrusive rocks. Associated plutonic rocks include quartz monzonite to diorite plutons further intruded by dacitic dikes and stocks. Plutonic rocks of this belt also are known as the Coast Batholith.

Andean uplift formed a high plain which links the topographically high active volcanic belt inland with the coast. This plain gently slopes toward the Pacific with elevations ranging from 3600 m inland to sea level at the coast. The plane is deeply dissected by rivers which drain the Andes. Canyons are up to 3000 m deep with tributaries joining the main rivers with steep local gradients.

The Incahuasi granodiorite predominates in the area of mineralization, with orthogneiss occurring as minor inliers and roof pendants to the south and north. Almost all the mineralization is hosted by stock of subvolcanic dacite porphyry, with minor but important fine diorite/diabase as both dikes and xenoliths. These have been intruded by a central elliptical, east-west trending breccia diatreme. A subvertical, late-mineral dacite dike partially bisects the deposit; this unit widens considerably off the concession to the north. Alteration consists of potassic and silica alteration overprinted with intense argillic near the center of the system, grading outward to mainly quartz-sericite and weak propylitic alteration.

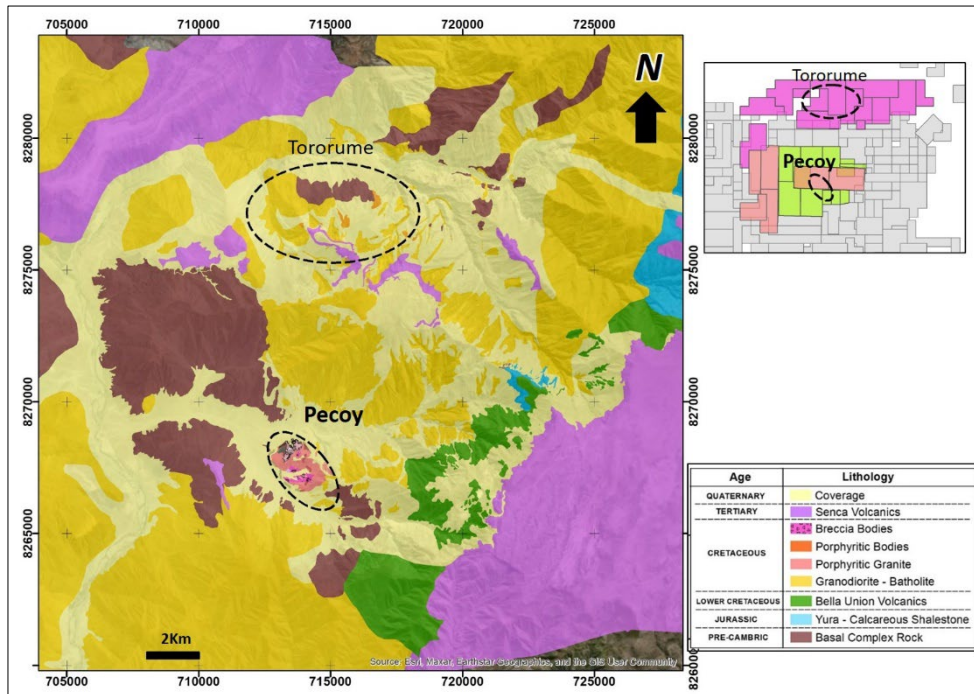


Figure 5-3: Regional geology (Source: Pembroke 2025)

Local Geology

Lithological units

The lithological units present at the Peco Project are described below.

Basal Complex Rocks

This rock unit is the oldest at the Peco Project and it is composed mainly of banded and foliated gneisses of light gray to dark gray coloration and by layers of thin dark metasediments. The gneisses show abundant quartz and feldspar in the felsic horizons and are interspersed with biotite-rich horizons. These rocks can be seen in the form of xenoliths within the Porphyritic Granite 1 and primarily within the breccia bodies. Where these rocks are in contact with the intrusives, they are strongly fractured and cracked.

Diabase

This is a field term used to describe a black colored intrusive rock. It takes the form of sills and dikes cross-cutting the gneisses, in the northwest section of Peco Hill. It is also frequently found as clasts or fragments in breccia bodies. The diabase has two types of textures. The first is the porphyritic type constituted by plagioclase crystals 1 mm in size within a fine to very fine matrix of dark coloration which forms sills on the property. The second type has a very fine to aphanitic texture, is dark gray to black in color and forms subvertical dikes. Occasionally this very fine texture may be confused with the fine-breccia event (rock dust) observed in the breccia bodies. The latter can be seen cutting Porphyritic Granite 1 as part of its relationship to the breccias and it is interesting because it has been determined that it often has copper mineralization in the form of green oxides or in the form of chalcophyrite.

Granodiorite

This rock unit belongs to the great body that makes up the Peruvian Coastal Batholith. The unit has a light gray coloration with a medium-thick to medium grain equigranular texture. The rock unit is composed primarily of quartz, feldspar and biotite. Its composition varies from granodiorite to quartz diorite to diorite. This rock unit extends to the north and east of the main area of the Peco Project.

Porphyritic Granite 1 (“PG1”)

The Porphyritic Granite 1 rock unit is heavily leached on the surface and emerges as a large stock measuring 1.9 km by 1.5 km along the Cerro Pecoy. This body is one of the units that hosts the porphyry-style mineralization and has been affected by the heavily mineralized bodies of breccia which intrude it. Its texture ranges from inequigranular to slightly porphyritic. It contains abundant phenocrysts of feldspars (20% to 60%), plagioclase (2% to 35%) and distinctive quartz eyes 2 to 6 mm in diameter (20% to 30%) within a finer host mass also composed of potassium feldspar, plagioclase, quartz and biotite. Porphyritic Granite 1 is light gray in color and is located mainly in the central part of the Project.

Although according to the petrography study that was conducted compositionally, this unit would be a monzogranite/syenogranite, the field name is Porphyritic Granite 1.

It is not known if this unit is one of the last phases of the Coastal Batholite or whether it is in fact a precursor stock for the Pecoy Porphyritic System. However, Pembroke geologists believe it to be the latter.

Porphyritic Granite 2 (“PG2”)

This unit has not been traced on surface during the exploration mapping, although, its location in the drill holes serves as a good guide. Typically, this rock unit has a white coloration with pink tones and has been found in the southern contact with the Southern Breccia. According to the petrographic study, almost all of the potassium feldspar is primary. This rock unit also contains large quartz eyes, between 2 to 5 mm in size, and it may have trace to weakly disseminated biotite. The texture is mostly porphyritic, and inclusions of pyrite and chalcopyrite are weak, with $\leq 0.15\%$ Cu on average. There may also be a significant presence of molybdenite in portions of the unit.

This rock unit has a similar composition to and can often be confused with the Porphyritic Granite 1. However, in addition to the pinkish tone, it is distinguishable by the moderate to strong presence of irregular quartz veins, some of them classified as unidirectional solidification texture (“UST”) type (Sillitoe, September 2014), besides being cross-cut by a sequence of aplites of fine texture and almost equigranular which appear to be pegmatites. This unit can be found as clasts within or near the border of the South Breccia body.

Breccia bodies / units

(a) Magmatic-Hydrothermal Breccias

The magmatic-hydrothermal breccia bodies contain both the best and the primary mineralization within the Pecoy Project. In general, the breccias contain more than 0.30% Cu and some have an elevated gold content. In these breccia bodies, mainly the one that is in the south, one can observe evidence of different geological characteristics that show that there were multiple breccia events. These events are evidenced by presence of clasts of quartz veins and broken sulfides.

These bodies of polymictic breccia have a mineral rich matrix which is composed of quartz-biotite-rock-sulfide powder $\pm$ magnetite $\pm$ anhydrite $\pm$ epidote, which gives it a dark gray to black coloration. The clasts that are present in these breccias vary between dark black, fine-grained clasts which are considered part of the diabbases or as clasts of fine-grained rock. Also, altered clasts of PG 1 and PG 2, gneisses and even clasts of veins of broken sulfides are present.

The copper-gold mineralization is associated in a significant way with the matrix and as clastic disseminations, and sulfide veins such as pyrite and chalcopyrite, with locally abundant magnetite and associated with high gold + copper values. Biotite and magnetite are the minerals that generate the dark coloration of the breccia.

At this time, 3 breccia bodies of this type have been defined at the Pecoy Project: Southern Breccia (0.8 km x 0.3 km x 0.7 km), East Breccia (0.25 km x 0.10 km x 0.5 km) and Central Breccia (0.15 km x 0.15 km x 0.50 km). The Central Breccia does not outcrop at surface and has been one of the new discoveries made at the Pecoy Project as a result of drilling. These breccia bodies show strong potassic alteration, mainly secondary biotite, which, in some areas, has been replaced and altered to chlorite, sericite and clays. There is weak to moderate presence of epidote in the East and Central Breccias but, in the South Breccia, epidote is very sporadic.

Due to the multiple breccia events, it is possible to differentiate between 2 types of textures in the South Breccia. The first type is the so-called thick texture where the size of the clasts is greater than 5 mm and it is possible to clearly differentiate them from the matrix. The second texture type is known as fine texture or texture of rock dust where the clasts are very thin with sizes smaller than 1 mm, which often do not allow differentiation of the clasts from the matrix. The South Breccia continues onto the Ocaña Project to the south where it extends for approximately another 200 m in width.

(b) Transitional Breccias

Transitional breccias are rock units that define the transitional step from the main body of the mineralized breccias to the host rock either PG 1 or PG 2. This breccia body is irregular in thickness and consists almost entirely of the clasts of the host rock that the breccia cuts through. The copper mineralization is weak and is primarily associated with the small matrix of quartz-biotite-rock fragments. The mineralization in the clasts is trace to weak.

(c) Breccia Host Rock

This breccia event appears to be predominantly magmatic with a lower presence of hydrothermal fluids. The clasts are predominantly gneisses and PG 1 of various sizes (centimeters to meters) within a greyish to gray matrix rich in chlorite-quartz and biotite. The matrix has been strongly chlorite altered, replacing the secondary biotite which is often only visible as remnants. This rock unit is frequently cut by dykes and late stocks to post-mineral stocks. The presence of sulfides is very weak; mainly pyrite is observed with sporadic chalcopyrite. The copper grade of these bodies is low and fluctuates between 0.06% and 0.22% Cu.

The breccia host rock includes 2 breccia bodies which are basically differentiated by their inclination and apparent form but could be part of the same event or body. The Northern Breccia (0.5 km x 0.5 km) has a subvertical dip (80° to 85°) to the north defined by up to 4 drill holes and is in contact with PG 1 on its south side. The West Breccia (0.4 km x 0.2 km) has not been well explored but, from what has been observed on the surface, it is presumed that it has an angle of inclination of 45° to 50°. Further exploration of this breccia body is necessary to better understand its shape.

Dacitic Porphyry 1

This is an intermineral unit of dark gray coloration with green tonality by area. It contains abundant phenocrysts of feldspars, minor quartz and plagioclase within a fine crystalline matrix of plagioclase, feldspar, quartz and biotite. It is of dacitic composition.

This unit has been identified in the form of thin subvertical dykes (0.2 to 4 m) and a body (0.15 km x 0.20 km) cutting through the South Breccia. It has also been observed cross-cutting the North Breccia in the form of dykes that are centimeters in width. These dykes show a slight potassic alteration and contain weak mineralization of pyrite and chalcopyrite. The copper values in this unit average 0.1 to 0.15% Cu.

Feldspathic Porphyry

This porphyritic rock is a light gray color with slight greenish tonality. It contains abundant phenocrysts of feldspar, minor quartz and biotite within a finer mass of feldspar-quartz-biotite. This unit has been recognized to the north of Cerro Pecoy where its cross-cuts the Host Rock Breccia in the form of low angle dikes (20° to 40°) and its source (subvertical dike) to the south, in a north-northeast to south-southwest direction. The alteration that is present is a weak chloritization of the mafics and it is also weakly epidotized. It contains sporadic mineralization with copper grading $\leq 0.1\%$. Although it has not been possible to understand its contact relationship with the Dacitic Porphyry 1, due to the weak mineralization and alteration, it is considered to be a post-mineral phase.

Dacitic Porphyry 2

This lithologic unit has a light gray to whitish coloration with the presence of mafic minerals (biotite and hornblende). It has a porphyritic texture, with the presence of plagioclase with less quartz within a fundamental intercrystalline mass of feldspar-quartz-biotite. The composition is granodiorite-dacite with a weak propylitic alteration with chlorite and epidote replacing mafic minerals and feldspars, respectively. This rock unit forms subvertical dikes cutting both the north and south breccia bodies. This unit is interpreted as a post-mineral intrusion and does not contain economically significant mineralization. Minor mineralization observed may be

attributed to remobilization processes, the nature and extent of which warrant further investigation in subsequent programs.

Structural Geology

At the regional level, the Pecoy Project is located at the intersection of a northwest-southeast striking fault system which is probably associated with the Incapuquio System, and with an east-west fault system that belongs to the Iquipi-Clavelinas system. At the local level in Cerro Pecoy, there is a series of structural and radially concentric fault orientations. Quartz and quartz-sulfide veins towards the southern part of the Project in the Porphyritic Granite present a preferential orientation of N330°-335°.

Mineralization

Five mineral zones of irregular shape and thickness have been defined at the Pecoy Project.

Leached zone

This area is heavily developed on the surface, mainly to the south of the property, and covers an area of approximately 1.4 km x 0.4 km. It is divided into two sub-zones. The first is a jarosite leached sub-zone (0.9 km x 0.25 km in size), located in the southeast section of the Project in the South Breccia area. The jarosite leached sub-zone has a yellowish coloration with a strong stockwork filled with jarosite and the sporadic presence of sulfur. The second sub-zone is of major economic importance and is a reddish-colored hematite-goethite sub-zone (0.6 x 0.4 km in size) located west of the jarosite leached sub-zone in the west zone of the PG 1.

In the jarosite leached sub-zone typical copper values range from 300 to 1,000 ppm, but the copper values are generally higher in the hematite-goethite sub-zone.

Supergene zone

The supergene zone at the Pecoy Project is not typical of those seen in porphyry-type systems. Macroscopically, this zone contains characteristics similar to the leached zone, but it has been possible to identify the presence of secondary copper minerals (oxides or chalcocite), which generate values between 0.1 and 0.25% Cu. This zone can be considered as a transitional area between the leached zone and the secondary enrichment zone.

Copper oxide zone

This area is developed in the highest elevation parts of Cerro Pecoy in an area of 0.60 km x 0.45 km. Chrysocolla, brochantite, tenorite and neotocite are the representative minerals in this section. The main thickness of this zone is still not well defined because only three drill holes have been completed, which are located on the western (PEC-014 and PEC-017) and eastern (PEC-059) edges, respectively. The mineralization is found in disseminated form and filling some fractures. The copper values obtained on surface within this section range from 0.1% to 1%. More drilling is needed within this zone in order to better define its shape and thickness.

Secondary enrichment zone

This mineralized zone is better developed and preserved in PG 1 and in the East Breccia, where it has a thickness of between 20 and 100 m. The average thickness is 60 m but, in the Southern Breccia, its thickness averages 20 m. One of the factors that may have caused this difference in thickness could be the location of the Breccia body at the bottom of the gully, where it would have been heavily eroded.

The best portions of the enrichment zone are associated with the chlorite-sericite alteration. Chalcocite is the typical mineral which primarily replaces chalcopyrite and, to a lesser extent the pyrite, where it is observed as crusts and/or layers. In the veins and fractures, chalcocite replaces the primary sulfides more intensely. Covellite is sporadic and when observed it is always at the bottom of the enrichment zone. A particular characteristic observed in the drill holes was the presence of azurite towards the base of this zone, which may be due to the subsequent water percolation that caused a slight oxidation of the chalcocite.

Based on the characteristics observed in the drill holes, it has been determined that this zone of enrichment is younger, with average copper values varying between 0.3% to 0.5%.

Transitional mineralization zone

A transitional zone (enriched zone mixed with primary zone) in the Pembroke area, where it was observed that there is a good continuity of the transitional zone which presented secondary sulfides (chalcocite) in veinlets in the primary zone.

Primary mineralization zone

The highest concentrations of primary mineralization are distributed within the Porphyritic Granite 1 and hydrothermal breccia bodies (Southern, Eastern and Central Breccias).

In the PG 1, the primary mineralization (chalcopyrite) is associated with both chlorite-sericite alteration and potassium alteration, where the chalcopyrite is in the form of disseminations (associated with secondary biotite) and in veinlets (quartz-pyrite-chalcopyrite and quartz-chalcopyrite-molybdenite). In this type of mineralization, the average copper values vary between 0.15% and 0.35% Cu. However, there is a better mineralization event that is constituted by a ghostly vein, and/or halos of quartz-sericite-chlorite $\pm$ biotite that is rich in chalcopyrite, of a greenish-gray color, and which slightly obliterates the texture of the rock. These streaks were classified by R. Sillitoe (Comments on the Pecoy Porphyry Prospect, September, 2014) as EDM (Early Dark Micaceous) type stencils, similar to those present in deposits such as the Pelambres in Chile, Haquira in Peru and Butte in U.S.A. In this type of mineralization, the copper grade increases considerably and varies between 0.5% and 1.0%.

In the hydrothermal breccias, the chalcopyrite mineralization is mainly disseminated in the matrix along with pyrite, quartz and biotite, but it also occurs in clasts and veinlets. The average copper values are $>0.3\%$. Within the South Breccia there are some sections where the chalcopyrite mineralization is higher and can reach averages greater than 1% Cu, also with interesting gold values. An example of this is drill hole PEC-046 which has 32 m grading 1.225% Cu and 0.229 g/t Au.

Deposit Types

Parts of the following sections are taken from Micon (2018) which was in turn taken from “*Reporte del Programa de Exploraciones*” (2017) written by the geologists Eduardo Silva and Bruno Medrano, which summarized descriptions of deposit types.

The Pecoy Project is classified as a porphyry copper-molybdenum-gold system, representative of the Peruvian Coastal Porphyry Belt, which includes major deposits such as Cuajone, Toquepala, Cerro Verdem Zafranal, and Quellavaco. This metallogenic belt is composed of a series of porphyry-style deposits aligned sub-parallel to the Pacific coast and hosted within the Coastal Batholith belt of southern Peru. These deposits, including Pecoy, are spatially and genetically related to mid- to late Cretaceous to early Paleogene intrusive events.

Porphyry copper deposits from large, long-lived hydrothermal systems generated by the emplacement of subvolcanic stocks and associated dikes at shallow crustal levels. These intrusions are generally of intermediate to felsic composition (e.g., quartz monzonite, granodiorite, tonalite) and act as both the heat engine and metal source for the mineralizing system. As metal-rich fluids ascend and cool or react with surrounding host rocks, sulphide minerals of copper, molybdenum, and gold are precipitated, forming broad zones of disseminated and stockwork-hosted mineralization. These systems commonly produce large, low- to moderate-grade deposits that are suitable for open-pit mining. While copper is the dominant metal, gold, molybdenum, and silver can contribute significantly to the overall economic value.

The Pecoy system displays the classic alteration zonation associated with porphyry deposits:

- A central potassic zone (biotite + K-feldspar $\pm$ magnetite), typically hosting the highest copper grades;
- An intermediate phyllic alteration halo (quartz + sericite + pyrite);
- A peripheral propylitic zone (chlorite + epidote + carbonate), generally with lower sulphide content.

Importantly, the Pecoy system also includes mineralized hydrothermal-magmatic breccias, which are interpreted to result from explosive pressure release events associated with latestage intrusive activity. These breccias consist of angular fragments of porphyritic intrusions and host rocks cemented by a matrix rich in quartz, tourmaline, and

copper-bearing sulphides such as chalcopyrite and bornite. These breccias can be zones of enhanced metal concentration and may play a key role in fluid focusing and metal deposition within the broader porphyry environment.

In regions like Peco that experience warm, semi-arid climates, porphyry systems typically develop a weathering-related zonation:

- An upper leached cap where copper, has been removed by oxidation;
- An intermediate supergene enrichment zone, containing secondary copper minerals such as chalcocite and covellite, which can significantly improve copper grades;
- A lower hypogene Zone, preserving the primary sulphide mineralization ((chalcopyrite $\pm$ molybdenite $\pm$ bornite).

This geological model directly informs the exploration and development strategy at Peco. Current and planned drilling is focused on:

- Delineating the extent and geometry of both hypogene and supergene mineralization;
- Identifying higher-grade zones, including mineralized breccias;
- Evaluating by-product potential from molybdenum, gold, and silver.

Exploration

Peco Copper Corp. has not conducted any exploration work at the Peco Project. The exploration work described here refers to exploration work done by previous owners.

Peco Project

The Peco Project has been explored by 3 companies: Indico, Trafigura and Pembroke; however, Trafigura's early exploration works are described within the Pembroke section below.

The early exploration works of Indico and Pembroke are summarized below:

Indico Exploration

Exploration in 2010-2011 consisted primarily of surface mapping and sampling of outcrops and talus fines, guided by remote sensing (satellite) imagery; see Figure 5-4. The clay alteration footprint of at least one significant deposit was immediately clear, and the geochemical work defined it as a copper-gold-molybdenum porphyry deposit. The high-resolution satellite imagery over the Peco clearly shows a large (3 km) coherent area of intense clay and iron alteration at the Jimena Prospect, typical of a large porphyry system. The camp and access trails were developed in this time period as well.

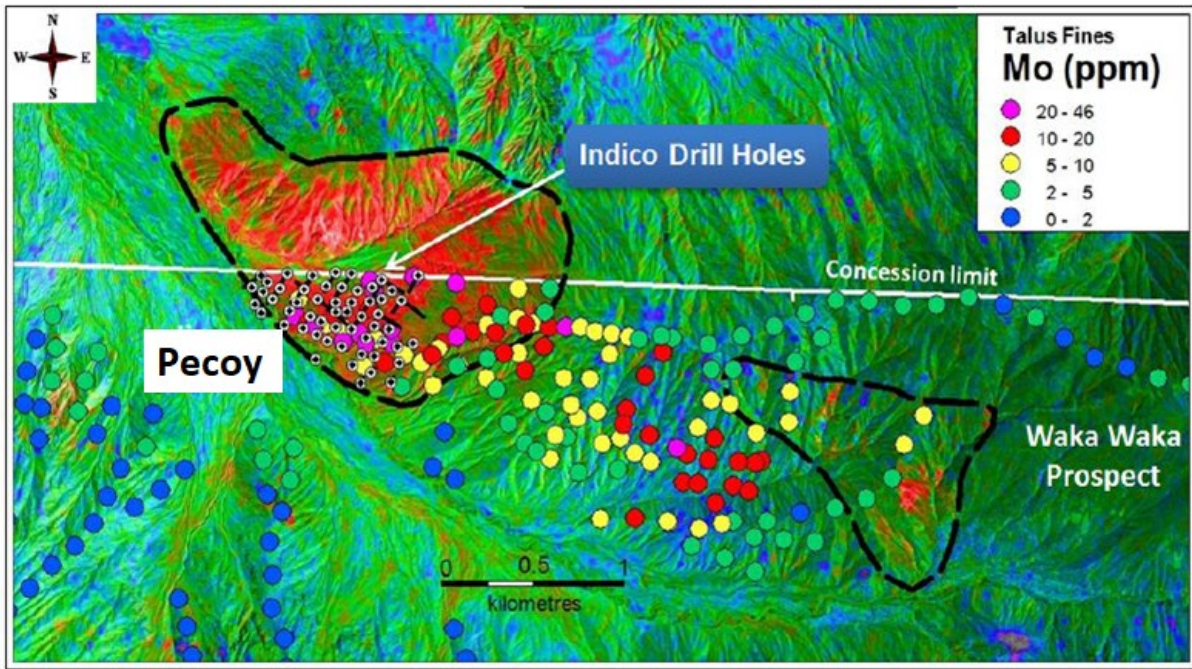


Figure 5-4: Satellite Imagery with Clay Alteration Color Scheme (Pembrook, 2025)

Continuing surface exploration work included a ground geophysical survey (magnetic and IP), geological, structural and alteration mapping, geochemical surveys (talus fines along ridge crests and spurs, rock chips on outcrops, and trench channel sampling), and interpretation of satellite imagery. The sampling is generally widely spaced and was used to plan drill holes, not for estimation of grades of specific zones.

There has been no exploration work of any kind done since 2014 although an alternative access road was developed, and some civil works were performed.

Pembrook Exploration

Pembrook showed interest in the Pecoy Project in 2012 and, after some coordination with Trafigura, conducted a geological mapping exercise at a scale of 1:2000 in November 2012.

Based upon the results of the mapping and prior exploration by Trafigura, Pembrook's Peruvian subsidiary, Pembrook Copper, eventually signed the mining assignment agreement with the concession holder, Pecoy Sociedad Minera, on August 28, 2013.

Since 2013, Pembrook Copper has conducted various campaigns of geological mapping and rock sampling on the Pecoy Project. This work has been undertaken by the geologists Eduardo Silva, Wilder Poma and Bruno Medrano. Pembrook has collected a total of 633 rock samples from the deposit with the preferred method being 2 m channel samples (85%) and with the remaining being chip sampling (15%). Together with the historical sampling, this brings the total samples collected throughout the Project to 1,086. Pembrook introduced a QA/QC program incorporating approximately 4% to 8% QA/QC samples, including duplicates, standards, and blanks.

At the beginning of 2013, a re-logging program of the drill holes conducted by Trafigura was carried out, in order to gain a better understanding of the geological model for the Project.

Geophysical work at both the regional and local level was developed by Pembrook for the Project. In total, 3,020 km of regional magnetic and radiometric (aerial) studies were executed between May and June, 2013, over an area of 20 km (east-west) x 30 km (north-south). Locally, 56.5 km of IP geophysics (chargeability/resistivity) were conducted along 19 northeast-southwest lines. The line spacing for both geophysical studies was 200 m.

Geophysical and Geochemical Results

Two important structural controls can be recognized in the regional aeromagnetic image. These are a regional northwest-southeast trend and district-type or local, tensional type, east-west trend. This same structural behavior is observed in the Pecoy Project; see Figure 5-5.

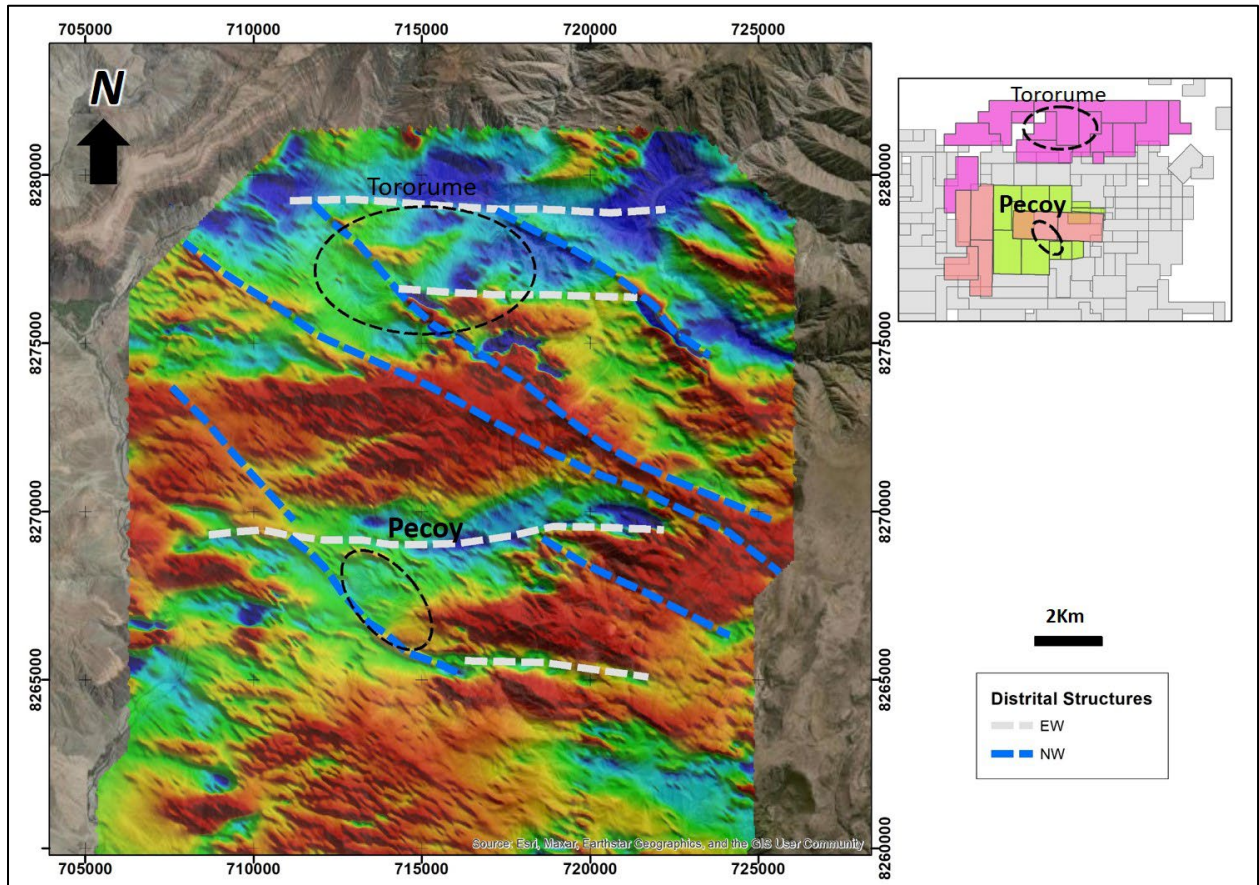


Figure 5-5: Aeromagnetic Image of the integrated Pecoy Project with Structural Controls Outlined (Source: Pembroke 2025)

In the radiometric potassium/thorium ratio image, a more relevant anomaly can be observed with greater clarity in the Pecoy Project. It stands out better in the area where the aerial geophysical survey was conducted, and they assist in defining the porphyry systems. It also highlights the better responses from the potassium anomalies on the Pecoy Project which is due to a higher concentration of minerals such as sericite, alunite and secondary biotite. Figure 5-8 shows the radiometric potassium/ thorium ratio images covering the Pecoy Project as taken from the February, 2017 report by Marco A. Dominguez Jara.

Figure 5-7, Figure 5-8 and Figure 5-9 show the geochemical maps of rock samples for copper, gold and molybdenum, respectively, in the Pecoy Project.

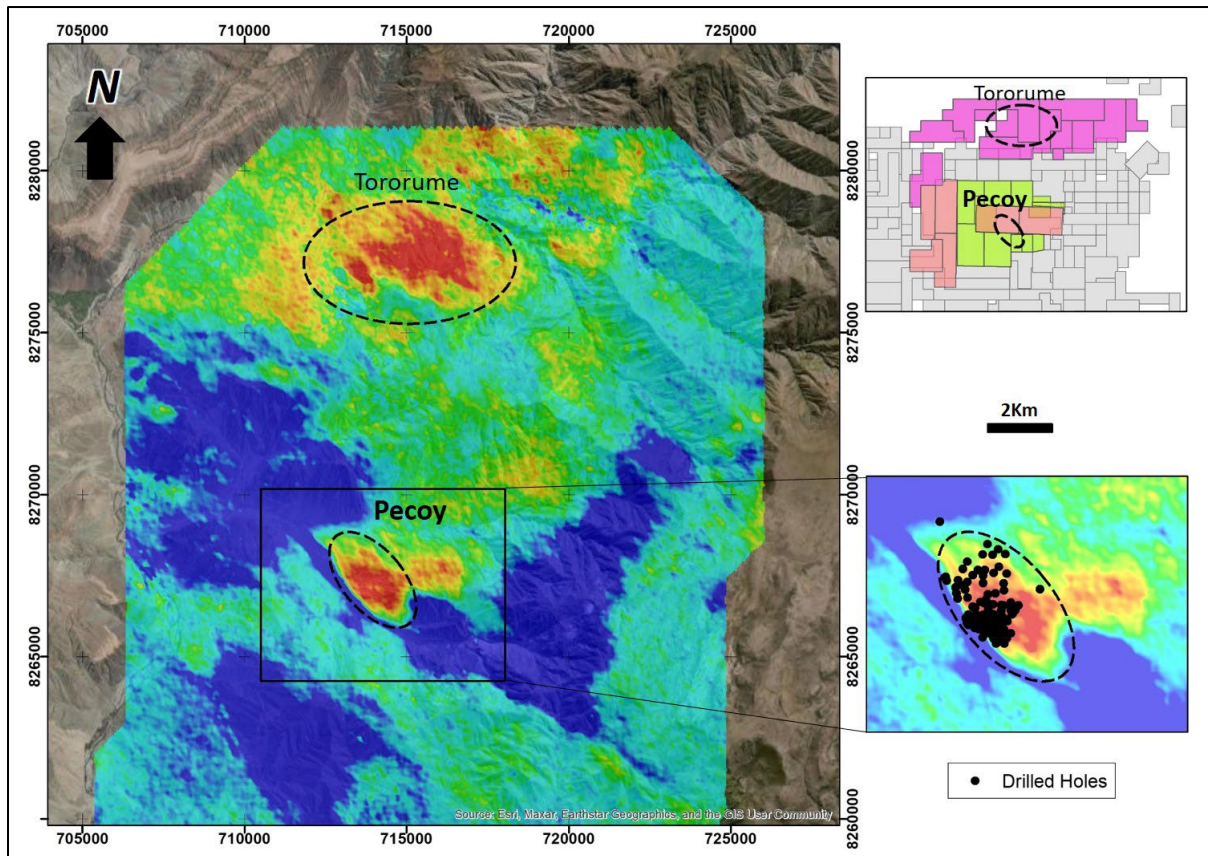


Figure 5-6: Radiometric Potassium/Thorium Ratio Image of the Pecoy Project (Source: Pembroke 2025)

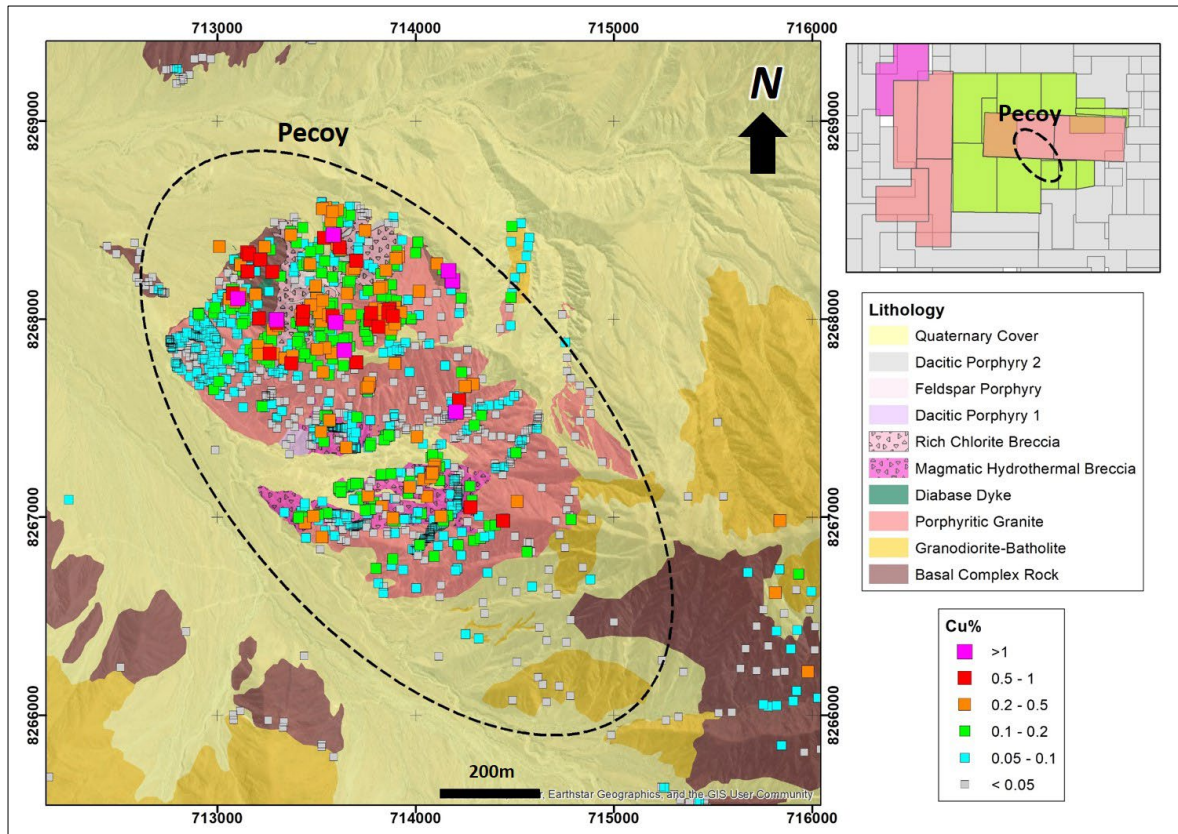


Figure 5-7: Geochemical Map of the rock samples for the integrated Pecoy Project, Copper (%) (Source: Pembrook 2025)

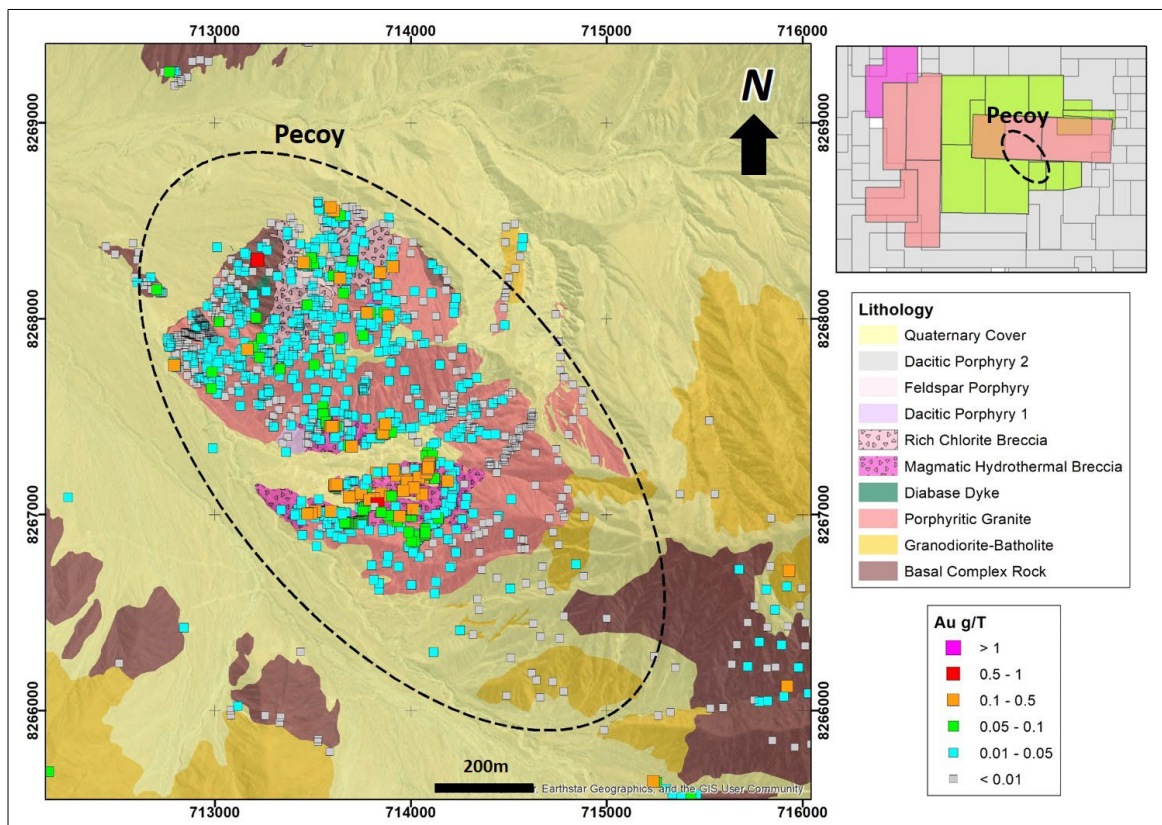


Figure 5-8: Geochemical Map of the rock samples for the integrated Pecoy Project, Gold (g/t) (Source: Pembrook 2025)

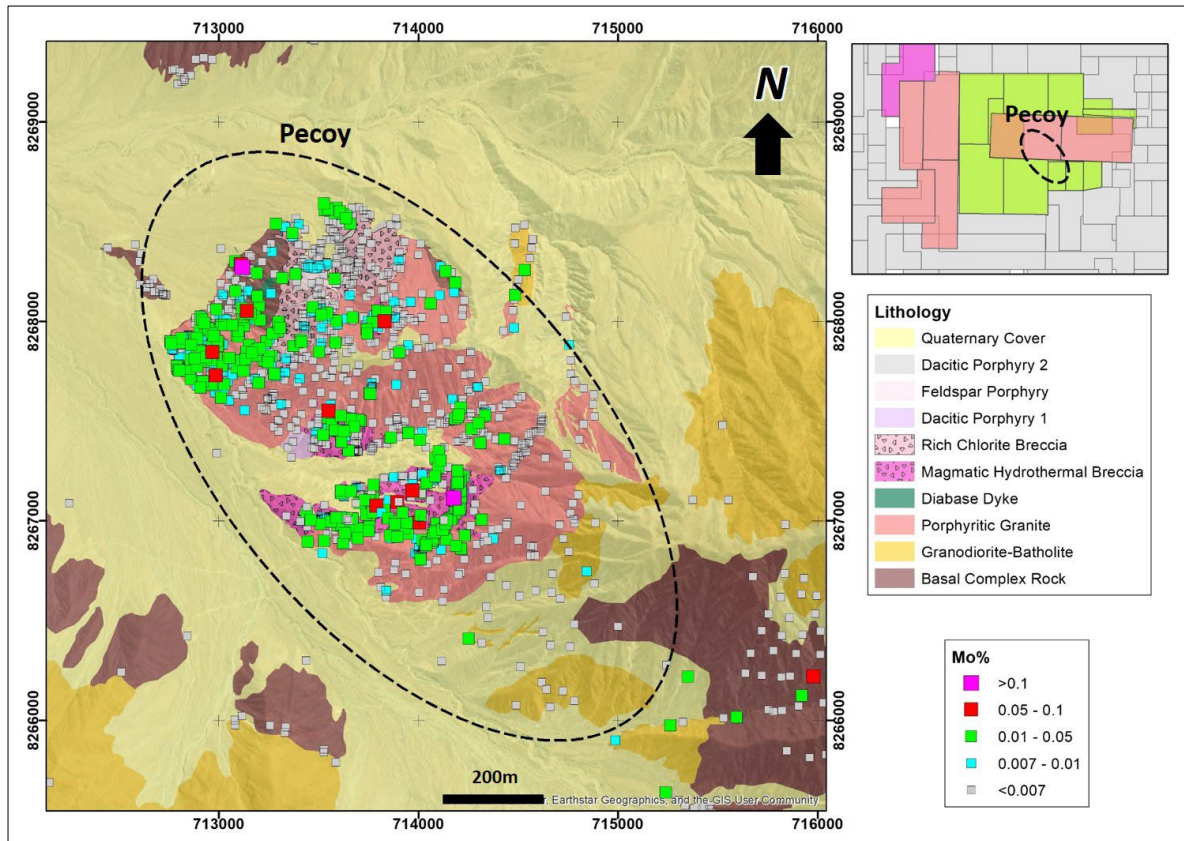


Figure 5-9: Geochemical Map of the rock samples for the integrated Pecoy Project, Molybdenum (%) (Source: Pembroke 2025)

Ms. Muñoz, the Qualified Person, has not conducted a detailed audit for potential biases in the surface sampling programs at the Pecoy Project. However, any such biases are considered insignificant due to consistent results from subsequent drilling. Surface sample data were not used in the Mineral Resource Estimate.

Surface sampling was supervised by experienced geologists and served to support geological interpretation and exploration targeting. These samples are qualitative and lack a formal QA/QC dataset. Some sampling bias may exist due to variable outcrop exposure and access limitations, but surface samples were used solely for reconnaissance and target identification, not resource estimation.

Sample spacing and density were not formally recorded but align with early-stage exploration norms. Ms. Muñoz considers the exploration program appropriate for the mineralization style, with sampling methods reflective of early-stage programs aimed at defining areas for further drilling.

Sample Preparation, Analysis, and Security

The following information refers primarily to the drilling completed at the Pecoy Project, as it serves as the main basis for the mineral resource estimate presented in the Technical Report.

Cormin Sampling

No sampling procedures or internal QA/QC reports are available for Cormin drilling and most of the description of the sampling process is taken from what is observed in the database and laboratories certificates.

The drilling was completed mostly with HQ drill core at approximately 72% of the meters drilled, and 28% were drilled with NQ. Samples were generally collected at 2.0 m intervals, with some variance to separate samples at geological contacts. The minimum sample length of 0.8 m and a maximum sample length of 2.50 m.

All samples were analyzed by Inspectorate Services Peru S.A.C.; multi-elements were assayed using the ISP-142 package (aqua regia), gold was assayed by the ISP-330 (fire assay), no details about the analytical method were available.

Inspectorate Services Peru S.A.C. is located in Lima, Peru.

Indico Sampling

No sampling procedures or internal QA/QC reports are available for Indico drilling and most of the description of the sampling process is taken from the NI 43-101 report produced by MP (2016) and what is observed in the database and QA/QC data.

Core Sampling

As described in Section 10 the drilling was completed mostly with HQ drill core. For Phase 1 and Phase 2 drill programs, the whole core was cut in half with a diamond saw. For the Phase 3 drilling, the core was split in half with a manual core splitter for intervals of brittle, water-soluble copper oxides, and the non-brittle or hypogene zones were cut with a diamond saw.

One half of the core was collected for sample preparation and sent for analysis. The other half was retained in the boxes for future reference. Some of this half core has been halved again and sent off for metallurgical testing.

Samples were generally collected at 2.0 m (leached, mixed and enriched zones) and 3.0 m (hypogene zone) intervals, with some variance to separate samples at geological contacts. The minimum sample length of 1.0 m and a maximum sample length of 4.30 m.

Indico's on-site personnel rigorously marked, collected, and tracked the samples, which were then security sealed and shipped to Acme Laboratories in Lima, Peru for sample preparation.

The Qualified Person (QP) has reviewed the sampling protocols and confirms that reasonable security measures were implemented to ensure the integrity and validity of the samples. Additionally, an independent check sampling program conducted in 2021 on quarter core from 15 mineralized intervals distributed across six drill holes did not identify any material discrepancies. The observed differences fall within the expected range of variability for quarter-core sampling, supporting the reliability and representativeness of the original sampling.

Sampling Preparation

The samples were received in Lima by Acme Laboratory in Peru, then dried and crushed to 80% passing -10 mesh (2mm). This coarse material was then pulverized to 85%, passing -200 mesh (75 microns).

Duplicate samples were prepared for analysis and inserted into the sample stream every 20 samples, with standard reference materials inserted every 20 samples, and blanks every 40 samples. The process used by Indico required selection regularly spaced duplicate samples with the next sequential sample number unassigned for the insertion of the QA/QC duplicate samples. Two coarse fractions were pulverized at Acme in Lima to insert into the sample stream and the sample numbers were assigned. In addition, pulverized pulps were prepared for submission to Acme's Santiago, Chile lab for sequential copper and gold fire assay analyzes.

Acme inserted lab duplicates and standards into the sample stream as well as part of their internal controls. A minor number of samples included in this study were collected in the Phase 1 program, for which ALS Minerals in Lima was used for preparation and analysis.

Sampling Analyzes

Phase 1

For samples from 2011 that were run through ALS Minerals, a multi-element suite was assayed using the ME-ICP61 package, which includes 4-acid digestion and ICP-ES finish. Gold was assayed by the Au-AA23 fire assay package, using a 30g fusion followed by AA finish. These samples were also run for sequential copper leaching (code Cu-PKG06LI).

Phase 2

During Phase 2, samples were assayed using Acme's method 1E (36 element ICP-ES, four-acid digestion) for the reported Cu, Mo, and Ag concentrations, and G6 (30g fire assay) method for Au. Samples running 10,000 ppm (1%) Cu were considered over-limit and assayed by method 8TD (atomic absorption spectrometry, "AAS"). In the Phase 2 program, the threshold for submitting samples for sequential leach tests was 0.2% Cu and so pulps of samples adjacent to these intervals that are >0.1 and <0.2% Cu were re-submitted in late 2013 with the results compiled to the initial tables.

Phase 3

Samples generated during Phase 3 were analyzed using Acme's M300 multi-element package, which includes 4-acid digestion and ICP-ES finish and samples with >5000 ppm copper were further assayed using an atomic absorption (AAS) finish (MA402). Lower detection limits are as follows: Cu & Mo >2 ppm, (10 ppm Cu for AAS finish) and Ag >0.5 ppm. Samples from the supergene zone that assayed >0.10% Cu were further analyzed to determine soluble copper by sequential copper leach method LHSEQ (3-acid digestion with AAS finish), and acid consumption method (GC850). The sequential LHSEQ method involves three analyzes with increasingly more reactive leaches applied. Gold was assayed by fire assay (FA430), in which fusion of a 30-gram aliquot was followed by AA finish, with a lower detection limit of 0.005 ppm.

Quality Assurance / Quality Control - QA/QC

Standards

Throughout the drilling carried out by Indico, the Cu, Au, and Mo assay results from ALS Minerals and Acme were QA/QC monitored using up to four (see Table 5-3) commercial standard reference materials ("SRM") from the Australian supplier Ore Research & Exploration Pty Ltd. ("OREAS"). Each SRM is a different grade of Cu, Mo and Au, and was inserted every 20 samples. Beginning with Phase 3, SRM OREAS 904 was used as it is also certified for acid soluble (5% sulfuric acid) copper values. Field blanks (broken quartz) were inserted every 20 samples. The SRM pulps and blank samples were inserted into the same sample stream as the drill core samples, in the field, using identical sample bags and labeling to ensure the quality control samples remained "blind" to the laboratory.

Table 5-3: List of standard reference materials (SRM) used by Indico

<u>SRM</u>	<u>N. Samples</u>	<u>Au g/t</u>	<u>Std Au</u>	<u>Cu %</u>	<u>Std Cu</u>	<u>Mo %</u>	<u>Std Mo</u>
OREAS 151a	62	0.043	0.002	0.166	0.005	40	3
OREAS 152a	31	0.116	0.005	0.385	0.009	80	5
OREAS 50c	24	0.836	0.028	0.742	0.016	591	34
OREAS 52c	69	0.346	0.017	0.344	0.009	267	15
OREAS 904	58	0.045	0.0043	0.612	0.021	2.12	0.184

Copper assays of the SRMs were used to accept or reject lab batches (here defined as the interval between two SRMs). To trigger a failure and re-assay, the OREAS recommendation was followed, which specifies that multiple samples >2SD (standard deviations) or a single sample >3SD is cause for re-running the interval. The certified 2SD is approximately 5% RSD (relative standard deviation, or percentage of the certified value) for Cu, 9% for Au, and 12% for Mo. For failed SRM assays, the procedure was to re-assay 8-10 samples on either side of the SRM, or to the mid-point between SRMs, if the interval was within a significantly mineralized zone. No action was taken if the SRM was in un-mineralized material (i.e. leached zone with <0.1% Cu total).

Only the copper control was used to accept or reject a batch. Summaries of the few Phase 1 samples within the supergene zone are not included here for brevity, but all fell within accepted ranges. Table 5-4 below lists the re-analyzed batches for each SRM.

Table 5-4: List of Re-assayed Batches by SRM and Drill Phase (source NI 43-101 - Indico, 2016)

	Re-assayed				Not re-assayed (outside mineralization)			
Phase 2	OREAS 151	OREAS 152A	OREAS 52C	OREAS 50C	OREAS 151	OREAS 152A	OREAS 52C	OREAS 50C
High Cu	1	5	5	2	3	2	2	1
Low Cu	0	0	0	0	0	1	0	0
Phase 3	OREAS 904	904 Sol Cu	OREAS 52C	OREAS 50C	OREAS 904	904 Sol Cu	OREAS 52C	OREAS 50C
High Cu	6	0	7	0	3	0	7	0
Low Cu	0	1	0	0	0	0	0	0

Most occurrences of sample batches failing were due to SRMs returning high values, which is in part a result of the high-bias that Acme showed for these SRMs in both Phase 2 and 3 programs. Following Phase 2 drilling, 15 samples from three of the SRMs were sent for a round-robin testing of Cu and Mo to ALS Minerals and SGS labs in Lima. Table 5-5 below summarizes the results for Cu. Both labs also returned high biases similar to Acme.

Table 5-5: Summary of 2013 Round-Robin Copper Testing of SRMs (source NI 43-101 - Indico, 2016)

SRM	Cert. Val. Cu	ALS Avg ALS Bias		SGS Avg SGS Bias		Cert. Val. A	ALS Avg ALS Bias		SGS Avg SGS Bias	
OREAS 151a	0.166	1662	0%	1807	9%	40	37	-8%	40	8%
OREAS 50c	0.742	7524	1%	8020	8%	591	580	-2%	602.2	4%
OREAS 52c	0.344	3510	2%	3758	9%	267	263	-1%	271.6	3%

Duplicate Samples

During both Phase 2 and 3 drilling, Indico's duplicate program consisted of inserting field duplicates (quarter core) every 40 samples and coarse reject duplicates (prepared by the lab, inserted with a blind number) every 20 samples. Pulp duplicates were inserted by Acme in the sample stream as part of their quality assurance procedures. The duplicates monitored the precision of the assays and revealed any sample mix-ups or lab errors. Sample mix-ups and lab errors show up as outliers on data plots of duplicate means vs. pairs. Phase 2 copper precision are given below in Table 5-6, Figure 5-10 and Figure 5-11. Copper precision for Phase 3 is shown in Table 5-7, Figure 5-12 and Figure 5-13. Figure 5-10 to 5-13 present the mean of the original and duplicate assay values on the x-axis and the absolute difference between them on the y-axis.

In general, the precision for total and soluble copper was good, with samples performing outside the limits at low grades near the detection limits, as is acceptable. The quarter core field duplicates also had outliers for samples where much more brittle copper sulfate was present in core and a large amount of sampling error was introduced (which is not a lab problem). Total copper results by methods ICP-ES and AAS were more precise than soluble copper determinations (by AAS), with total copper AAS being the most precise. Precision of pulp and coarse materials at the 90th percentile with less than 10% and 20% error respectively are considered industry acceptable and all of the above were well within this limit. Total copper precision was marginally better in Phase 3 than Phase 2.

Soluble copper precision (for coarse rejects) was also acceptable for samples with significant mineralization (>0.1% Cu total). Cyanide and acid soluble determinations in Phase 2 have acceptable 90th percentiles of 9% and 5%, respectively. In Phase 3, these values are 9% and 11%, though the number of samples is much greater than from Phase 2 (53 vs. 16), and these higher sample numbers imply a more precise program result.

Table 5-6: Summary of Average Precision and 90th Percentiles, Phase 2 (Source NI 43-101 - Indico, 2016)

Duplicate	Cu Avg.	90th Perc.	Mo Avg.	90th Perc.	Au Avg.	90th Perc.	Ag Avg.	90th Perc.
Lab Pulp	7%	9%	6%	13%	11%	22%	9%	18%
Coarse	4%	10%	10%	21%	10%	25%	11%	20%
Field	10%	17%	21%	43%	19%	29%	18%	49%

Soluble Copper Coarse

<u>Duplicate</u>	<u>Cu (CN)</u>		<u>Cu (SH)</u>	
	<u>Avg.</u>	<u>90th Perc.</u>	<u>Avg.</u>	<u>90th Perc.</u>
All	14%	49%	4%	11%
Cu>0.1%	3%	9%	4%	5%

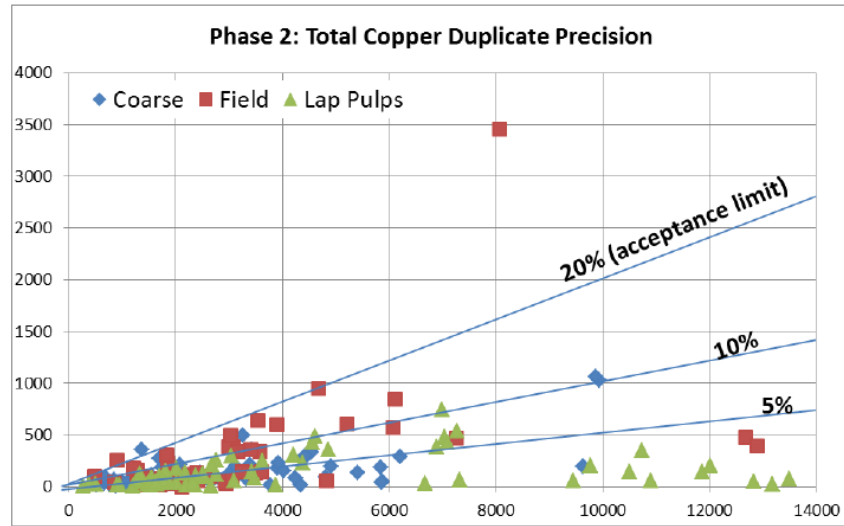


Figure 5-10: Duplicate samples – Total Copper Precision Phase 2 (Source NI 43-101 - Indico, 2016)

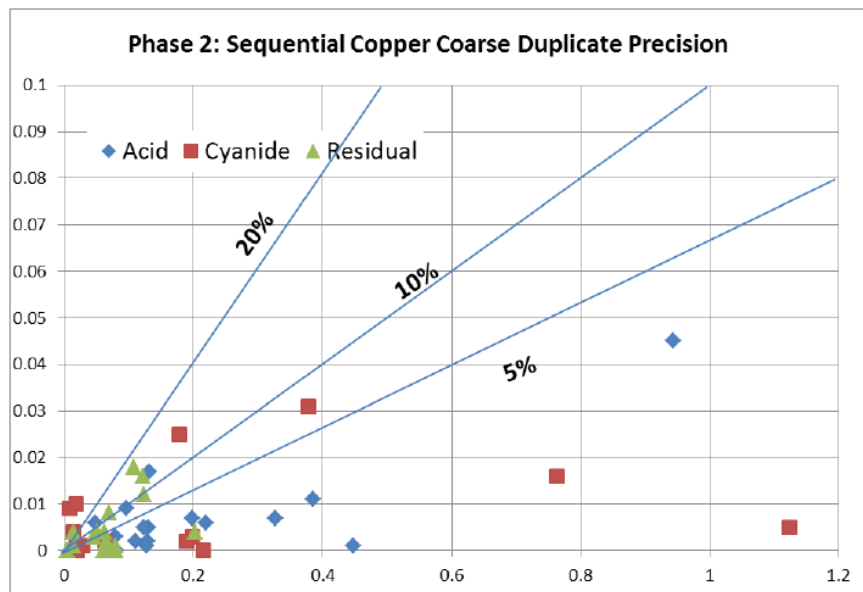


Figure 5-11: Duplicate samples – Sequential Copper Precision Phase 2 (Source NI 43-101 - Indico, 2016)

Table 5-7: Summary of Average Precision and 90th Percentiles, Phase 3 (Source NI 43-101 - Indico, 2016)

<u>Duplicate</u>	<u>Cu (total)</u>			<u>Mo</u>	<u>90th Perc.</u>	<u>Au</u>	<u>90th Perc.</u>	<u>Ag</u>	<u>90th Perc.</u>
	<u>ICP-MS</u>	<u>AAS</u>	<u>90Th Perc.</u>	<u>Avg.</u>		<u>Avg.</u>		<u>Avg.</u>	
Lab Pulp	4%	1.20%	6%	7%	13%	9%	26%	14%	26%

Coarse	4%	2.20%	9%	19%	19%	43%	22%	18%	43%
Field	11%	18%	27%	40%	40%	48%	34%	22%	48%
Soluble Copper (Coarse rejects only)									
Duplicate	Cu (CN) AVG	90th Perc.	Cu (SH) AVG	90th Perc.					
All	4%	10%	5%	10%					
Cu>0.1%	4%	7%	4%	11%					

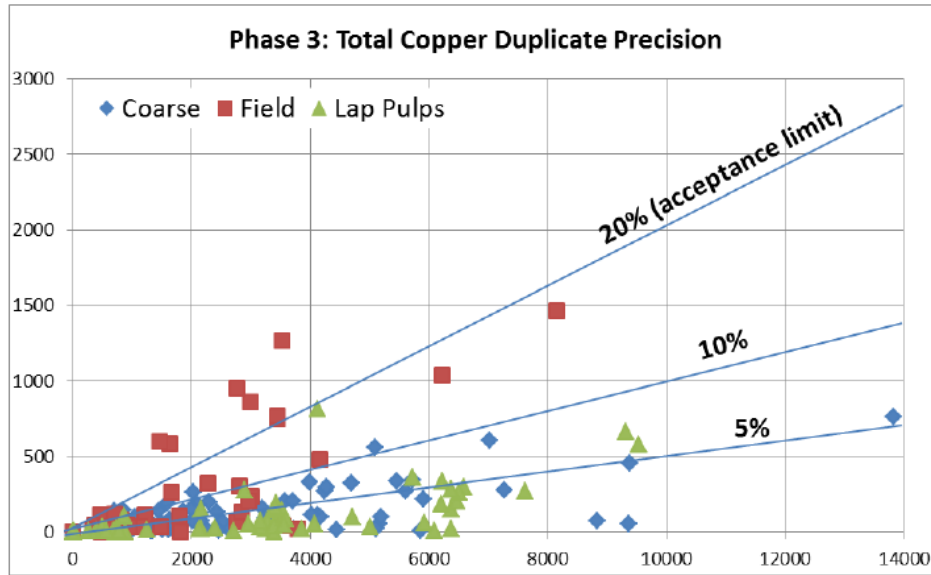


Figure 5-12: Duplicate samples – Total Copper Precision Phase 3 (Source NI 43-101 - Indico, 2016)

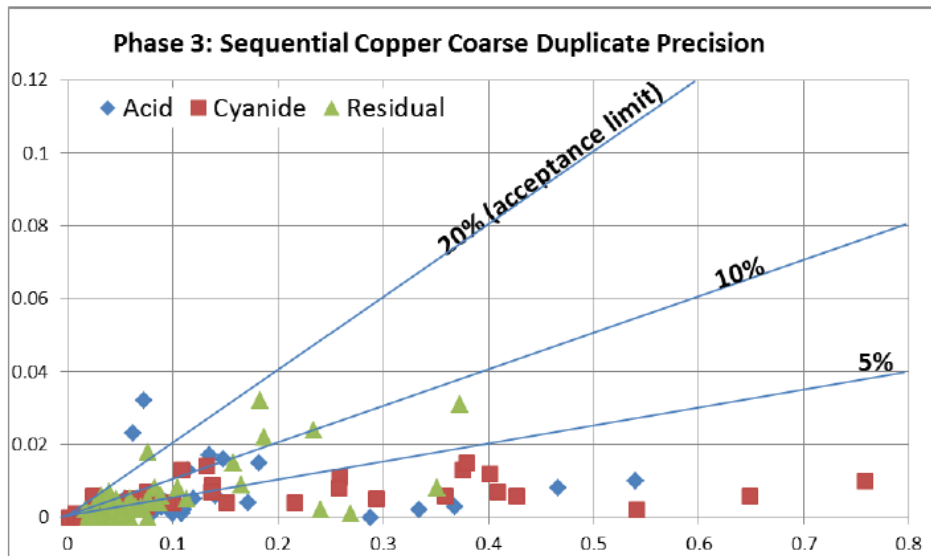


Figure 5-13: Duplicate samples – Sequential Copper Precision Phase 3 (Source NI 43-101 - Indico, 2016)

Check Samples

Check pulp samples were sent to the SGS Laboratory in Lima and analyzed for both total copper and sequential copper leach tests. Following Phase 2 drilling, 17 check samples from the supergene zone were sent only for

sequential copper leach tests (by AAS). These samples indicate there is a 5% negative Acme bias for acid soluble Cu, 1% negative for CN soluble, and 2% negative bias for total soluble Cu.

Following Phase 3 drilling, 69 samples in two batches were sent to SGS for ICP and AAS analyzes, as well as sequential copper leach tests (by AAS).

The results are shown in Table 5-8 and Table 5-9.

Table 5-8: Summary of sequential copper leach check samples, Phase 2 (Source NI 43-101 - Indico, 2016)

	<u>Acid Soluble Cu%</u>		<u>CN Sol. Cu%</u>		<u>Sum Soluble Cu%</u>		Precision
	ACME	SGS	ACME	SGS	ACME	SGS	
avg	0.046	0.049	0.069	0.07	0.115	0.118	6%
SD	0.02	0.02	0.051	0.051	0.067	0.066	6%
90th	0.067	0.069	0.138	0.129	0.206	0.209	12%
max	0.089	0.088	0.149	0.165	0.219	0.213	21%
min	0.008	0.009	0.005	0.007	0.013	0.016	0%
Bias	95%		99%		98%		

Table 5-9: Summary of check samples, total and sequential leach, Phase 3 (Source NI 43-101 - Indico, 2016)

-	<u>Total Cu (PPM)</u>			<u>Acid Soluble Cu%</u>		<u>Cyanide Sol. Cu%</u>		<u>Sum Soluble Cu%</u>		
	ACME	SGS	Precision	ACME	SGS	ACME	SGS	ACME	SGS	Precision
avg	4564	4338	7%	0.184	0.202	0.191	0.155	0.375	0.352	7%
SD	2527	2461	7%	0.171	0.188	0.203	0.179	0.245	0.231	7%
90th	6967	6813	16%	0.531	0.519	0.47	0.387	0.593	0.559	11%
max	14900	14060	30%	0.705	0.872	0.982	0.89	1.408	1.33	51%
min	572	570	0.25%	0.02	0.026	0.004	0.006	0.043	0.047	0%
Bias	105%			91%		123%		106%		

For Phase 3 samples, total copper (ICP & AAS) shows a 5% positive bias for Acme vs. SGS. The results are acceptable as the bias is within the average precision of 7% for the pairs. However, the 90th percentile precision is 16% (i.e. 10% of the pairs have precisions over 16%), whereas up to about 10% is considered acceptable. For samples analyzed by AAS only, the bias is 3%, with a precision average of 4% and 90th percentile of 6%. In the future, more check samples from the ICP population should be submitted to a third umpire laboratory to further validate the total copper results. No outliers were discarded as the samples chosen were well above detection limit and there did not appear to be any sample mix-ups (based on other elements reported, not shown here).

For soluble copper, the bias varied widely from negative 9% for acid soluble results, to positive 23% for cyanide soluble results. For total soluble copper, these average out to a positive 6% bias, still within the 7% precision for the sample pairs. Discarding pairs with results near (within 15X) the detection limit of 0.001% Cu did not affect the bias for cyanide soluble copper, though the average grade increased to 0.252% and 0.205% Cu for Acme and SGS, respectively.

Coarse and Fine Blank Samples

There are no further details on the source of the blank samples, or if they are certified by a laboratory. Their insertion in the batch of samples is not clear either. Apparently, they correspond to broken quartz for the coarse blank samples, which were inserted every 20 samples in the field.

Table 5-9 shows the results of the failures of the blank samples, where none exceeds 10% of failures, as a rule of rejection or acceptance, five times the standard deviation of the blank sample has been considered, the minimum

value detected in the assay results for copper is 0.0114% Cu, which is well above the acceptance value; so apparently, there has been no contamination during the sampling or analytical process.

Table 5-10: Summary of blank samples result for copper

Type Blank	N. Samples	Average Cu%	Std Cu	Failures > 5 Std	% Failures
Coarse	44	0.0021	0.00081	1	2%
Fine	98	0.0009	0.00062	6	6%

Pembrook Sampling

Core Sampling

Internal sampling procedure is available with sufficient detail, and only the most relevant aspects are summarized below.

Samples were generally collected at 2.0 m respecting geological contact, content changes or type of mineralization. Maximum length is 3.0 m, with a standard minimum sample length of 0.45 m. Samples were sealed in cloth bags with drawstring closures, and the sample identification tag placed with each sample in the bag. A matching tag was retained in a sample book. Samples are stored on site in a locked warehouse at the exploration camp.

During the core logging process, the geologist defines the sample contacts and designates the axis along which to cut the core. Special attention is paid to the mineralized zones to ensure that the sample splits are representative. The sample limits are marked on the core as well as on the side of the core box, and the sample numbers are marked on the core box next to the sample limits.

All whole core (previously cleaned of drilling residue) was cut in half with a diamond saw. Once the core is sawn in half, one half is placed in double bags, one plastic with the sample tag and one cloth with the sample number marked upon it in order to avoid contamination, and the other half is returned to the core box.

A geologist supervises the core sawing to ensure that the quality of the sampling adheres to standards and that no mistakes are introduced into the system due to sloppy practices. The boxes containing the remaining half core are stacked and stored in a room at the logging facility.

Once the batch is completed (80 samples distributed in 16 sacks), the next step is transportation in 4 x 4 trucks by Pembrook's technicians from the Project to the city of Arequipa. There, the samples are delivered to the ALS sample preparation facility. The sample submittal form then is signed and sealed as required by the laboratory.

Sampling Preparation

All samples were received at the assay preparation facilities of ALS Mineral (primary laboratory) in Arequipa, which were prepared and analyzed under the same ALS procedures.

The samples were prepared by first drying and crushing to 70% -2 mm, from which a 250 g portion was quartered using a riffle splitter. After further pulverization, the sub-sample was reduced to 85% -75 microns.

During the first and second phase of the drilling campaign, Pembrook used a secondary laboratory (Acme Laboratory) to re-analyze a number of the samples previously analyzed in the primary laboratory in order to evaluate their accuracy. In the last drilling campaign, Inspectorate Services Peru S.A.C. (Inspectorate Bureau Veritas), acted as Pembrook's secondary laboratory.

Sampling Analyzes

All were run through ALS, gold analyzes consists of the analytical method, Inductive Coupling Plasma-Atomic Emission Spectroscopy (ICP-AES), multi-element analyzes is conducted using a sample digestion in four acids (HNO₃-HClO₄-HF-HCl).

For external duplicate samples Acme used the FA330 method for gold and multi-MA300 method for the multi-element analyzes.

The external duplicate samples sent to Inspectorate included both pulps and rejects. The samples were analyzed using the following methods: FA330_CLL for gold, which involves fire assay with lead collection followed by an atomic absorption finish (ICP-OES), and MA301_CLL for multi-element analysis, which uses a four-acid digestion and ICP-ES to detect trace element concentrations.

QA/QC

In the logging facility, the control samples comprised of blanks, certified reference standards and duplicates previously selected and coded by the geologists are inserted into the sample stream. Each batch comprises a total of 80 samples, with 10 control samples (3 blanks, 4 standards and 3 duplicates) added to the 70 original samples. Thus, the inserted control samples are equivalent to 12% of the total samples assayed. The location of the control samples is pre-determined by the Pembroke geologists. Standards are inserted after samples that are presumed to have a low mineral content and blanks are inserted between samples where high-grade mineralization is likely to occur. The duplicates have specific locations in the sample stream which have been defined as samples 35, 50 and 80 in each shipment.

Standards

Six certified standards (SRM) acquired from CDN Resource Laboratories Ltd. The required elements within the standards were gold, copper and molybdenum (see Table 5-10). The analysis of these standard samples was carried out in the ALS Minerals Laboratory, and it indicated that there were three outliers for gold, ten for copper and eleven for molybdenum.

Table 5-11: List of standard reference materials (SRM) used by Pembroke

SRM	N. Samples	Au g/t	Std Au	Cu %	Std Cu	Mo %	Std Mo
CDN-CM-13	96	0.74	0.094	0.786	0.036	0.044	0.004
CDN-CM-15	122	1.253	0.118	1.28	0.09	0.054	0.004
CDN-CM-23	290	0.549	0.06	0.472	0.026	0.025	0.002
CDN-CM-29	329	0.72	0.068	0.742	0.03	0.053	0.004
CDN-CM-35	52	0.324	0.032	0.243	0.012	0.029	0.002
CDN-CM-39	143	0.687	0.064	0.538	0.024	0.014	0.001

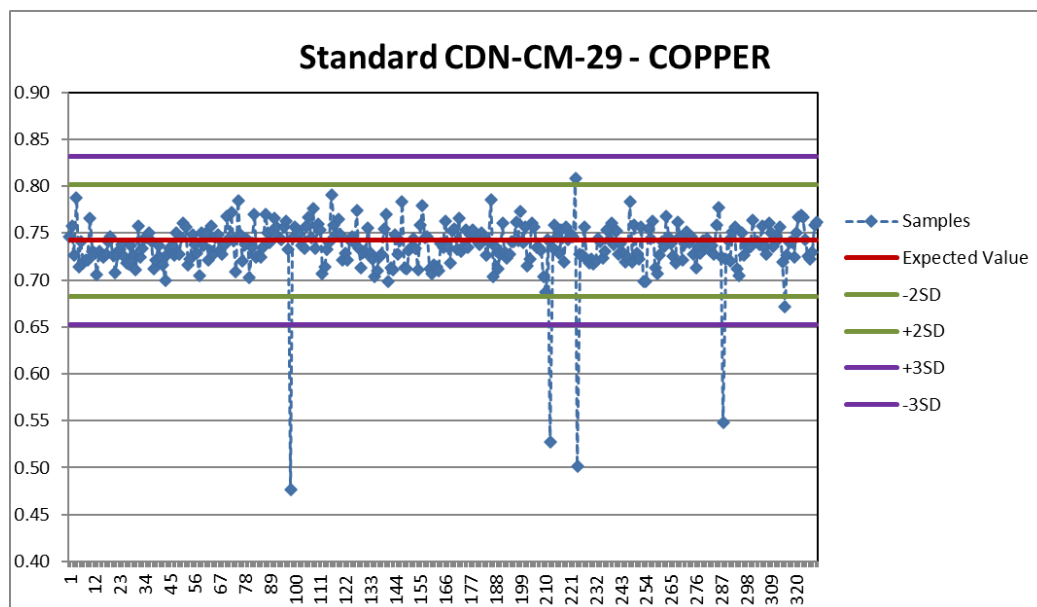


Figure 5-14: Standards samples CDN-CM-29 (All) – For copper

Duplicate Samples

For the samples from the 2014 campaign, the analyzes of field duplicates showed that the assaying was within acceptable levels for gold, copper and molybdenum. Copper samples indicated good accuracy with a small general positive bias <5.0%, and there was acceptable accuracy for gold and molybdenum, with a small general positive bias of 5.1% and 5.5%, respectively. Based on these results, it is concluded that during 2014 the accuracy of the ALS Laboratory was generally good for copper assays and acceptable for gold and molybdenum assays.

The evaluation of field duplicates of the samples from the 2015 campaign showed that the assaying was within acceptable levels for gold and copper but molybdenum exceeded the acceptable sampling errors. Gold and copper assays exhibited good accuracy with a general positive bias <5.0%, and molybdenum exhibited acceptable accuracy with a general positive bias of 4.9%. Based on the results, Pembroke concluded that during 2015, the accuracy of the ALS Laboratory was good for copper and gold and acceptable for molybdenum.

From the analysis of the samples from the 2016 campaign, it was found that assaying was within acceptable levels for gold, silver and copper but molybdenum exceeded the acceptable sampling errors. Gold, silver, copper and molybdenum assays exhibited good accuracy with a general positive bias <5.0%. Based on the results, Pembroke concluded that during 2016 the accuracy of the ALS Laboratory was good for gold, silver, copper and molybdenum.

Figure 5-15 shows an example of the scatter charts of the duplicate samples for the period September 2015.

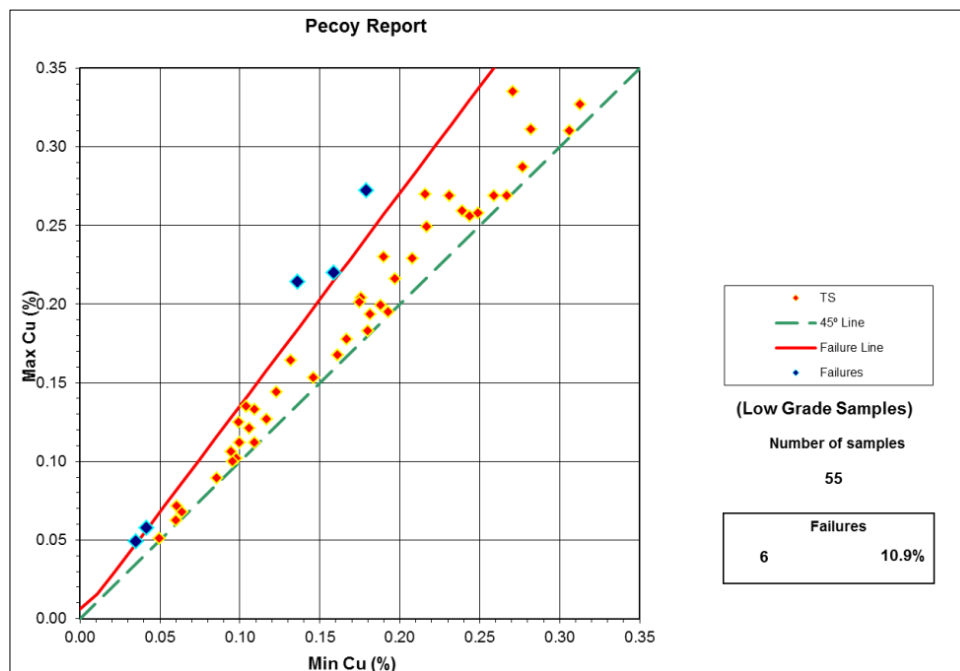


Figure 5-15: Duplicated samples for copper (Source Pembroke Report: PE_PEC_DS_QAQC_SEP15)

Check Samples

For the samples from the 2014 campaign, the accuracy of the primary laboratory (ALS Minerals) was assessed by re-analyzing some samples previously analyzed in the primary laboratory. These external duplicates were analyzed in a secondary laboratory (Acme), using the FA330 method for gold and multi-MA300 method for the multi-element analyzes. The accuracy of the ALS Minerals Laboratory, as evaluated by the external duplicates for gold and copper, when compared to the Acme Laboratory results, was considered adequate. The accuracy for molybdenum, compared with the Acme Laboratory results, without excluding atypical values, was a relative bias of -8.1%. After eliminating fourteen atypical values this was reduced to 4.8%.

For the samples from the 2015 program no external duplicates were submitted to a secondary laboratory.

The samples from the 2016 campaign included the submission of field and external duplicates. Inspectorate Services Peru S.A.C. acted as Pembroke's secondary laboratory for 2016. The external duplicate samples consisted of pulps and rejects. Inspectorate tested the samples using the following methods: FA330_CLL (determination of gold by collection in a lead bead using Fire assay with an Atomic Absorption finish ICP-OES) for gold and multi-element MA301_CLL (4 acid digestion, ICP-ES for trace levels). The accuracy of the ALS Minerals Laboratory, as evaluated by the external duplicates for gold, silver, copper and molybdenum, when compared to Inspectorate results during 2016, was adequate. An analysis of accuracy for gold, compared with that of Inspectorate, without excluding atypical values, showed a relative bias of -20.5%. After eliminating two high atypical values, this was reduced to -5.7%, a result which may be due to the different protocols used by the laboratories.

Blank Samples

For the samples from the 2014 campaign, the blank samples used this year were purchased from RockLabs®, based in New Zealand. The evaluation of the blank samples indicated that there were no contaminated samples analyzed in the ALS laboratory.

For the samples from the 2015 campaign, the blank samples used this year were sourced from the Peruvian company Target Rocks. This company is a specialist in the preparation of certified blanks and standards for the mining industry in South America. The Target Rock number code for the blank sample acquired by Pembroke was TR-15120. The evaluation of the blank samples indicated that there was no contamination of samples at the ALS Laboratory.

For the samples from the 2016 campaign, the blank samples used this year were sourced from the Peruvian company Target Rocks. The Target Rock number code for the blank sample acquired by Pembroke was TR-15120. Analyses of the samples at the ALS Laboratory, as evaluated by the insertion of blank samples, indicated there were no contaminated samples.

QP Opinion

It is the opinion of Ms. Muñoz (QP) that the Indico and Pembroke drilling, and sampling procedures used at the Pecoy Project are reasonable and adequate for the purposes of estimation of Mineral Resources. Ms. Muñoz does not know of any drilling, sampling, or recovery factors related to the Indico and Pembroke drilling that would materially impact the accuracy and reliability of results that are included in the database used for Mineral Resource estimation.

Cormin's drilling and sampling procedures were not available, so no opinion can be issued; however, due to the percentage of drilling it represents, it is not considered material to the overall resource estimate.

Comments on used Laboratories

ALS, Acme, Inspectorate (Subsidiary of Bureau Veritas) and SGS are international companies that operate as independent certified laboratories around the world, there is no relationship between the laboratories and Pecoy Copper Corp., Pembroke, Indico or Cormin, so all procedures and analytical assays have been carried out independently and objectively.

Table 5-11 summarizes the laboratories used for analytical assays during the different drilling phases.

Table 5-12: Summary of laboratories used for analytical assays

Company	Year	Primary Laboratory	Secondary Laboratory
Cormin	2009	Inspectorate Services	-
Indico	Phase 1: 2011	ALS Minerals	-
	Phase 2: 2012	Acme Laboratory	SGS Laboratory
	Phase 3: 2013	Acme Laboratory	SGS Laboratory
Pembroke	Phase 1: 2014	ALS Minerals	Acme Laboratory
	Phase 2: 2015	ALS Minerals	Acme Laboratory

<u>Company</u>	<u>Year</u>	<u>Primary Laboratory</u>	<u>Secondary Laboratory</u>
	Phase 3: 2016	ALS Minerals	Inspectorate Services

ALS Minerals is an international company that operates independent certified assay laboratories around the world. All ALS geochemical hub laboratories are accredited to ISO/IEC 17025:2017 for specific analytical procedures, the accreditation was granted since 2005 is renewed when it expires. Most ALS geochemical laboratories are registered or are pending registration to ISO 9001:2015.

Acme Laboratories is also an independent analytical laboratory which implemented a quality system compliant with the International Standards Organization (“ISO”) 9001 Model for Quality Assurance and ISO/IEC 17025 General Requirements for the Competence of Testing and Calibration Laboratories. In October, 2011 and November, 2012, the Vancouver laboratory and Santiago laboratory respectively received formal approval of their ISO/IEC 17025:2005 accreditations from Standards Council of Canada for the tests listed in the approved scopes of accreditation.

On October 2018, Inspectorate has adopted the Bureau Veritas, in 2009 where the drilling was done by Cormin, Inspectorate was a local and independent Peruvian Laboratory and their accreditations during that period of time was ISO 9001:2000.

SGS Laboratories is an independent analytical laboratory operating Peru since 1986, which in order to ensure the quality of their services are constantly evaluated by national and international organizations. SGS laboratories holds extensive certifications and accreditations, including ISO 9001, ISO 14001, OHSAS 18001z, NTP-ISO/IEC 17020, NTP-ISO/IEC 17025 and NTP-ISO/IEC 17065.

Data Verification

Site Visit

Ms. Maria Muñoz, MAIG, QP (MAIG), Principal Resource Geologist, on behalf of Mining Plus, visited the Pecoy Project from September 20 to 24, 2021, and a second visit was conducted between April 8 to 9, 2025, to verify the current status of the property and review recent exploration activities. No drilling or sampling activities were being conducted during the site visits.

The main purpose of the site visit was to:

- Understand the geological and geographical environment of the Pecoy Project.
- Verify the scope of the exploration work completed to date.
- Discuss the Standard Operating Procedures (SOP) for drill hole logging and sampling processes.
- Review of the data capture, storage, and management processes.
- Inspect the core logging and sample storage facilities.
- Review outcrops with the project geologists, discuss the geological interpretation, and inspect the drill cores with geologists on site.

During the site visit, Ms. Muñoz discussed the geology and mineralization controls of the Pecoy Project. Ms. Muñoz believes that the geology and mineralization controls are consistently understood and reflected in the core logs and exploration program within the Pembroke property. The Pembroke Property presents a deeper and broader drilling project compared to the Minandex Property. The Minandex Property has concentrated on shallow superficial drilling, focused on the zone of copper oxide and enrichment. Therefore, the knowledge of the hypogene sulfide zone at Minandex Property is less understood and shows some inconsistencies in the logging and interpretation as compared with Pembroke Property.

The Pecoy Project was drilled by three companies: Indico located in Minandex property, Cormin and Pembroke Copper Corp. located on the Pembroke properties. In this section, hereinafter reference is made to Indico for those drill holes drilled on the Minandex property and Pembroke and / or Cormin for those holes drilled within the Pembroke Property.

Ms. Muñoz reviewed and discussed the operating procedures for the drilling process and data collection with the team of geologists from both projects. Ms. Muñoz found these to be aligned with international standards.

Ms. Muñoz has randomly reviewed around 45 mineralized intercepts (from 12 holes) that are distributed throughout the project (6 holes from Indico and 6 from Pembroke). Ms. Muñoz has been able to verify the type of rock and associated mineralogy, and visual inspection of core shows consistency between assay results with observed mineralization.

No drilling has been conducted on the Pecoy Project since the initial visit in 2021, with the exception of three drill holes completed on the adjacent Tororume property. Consequently, the geological observations recorded during the 2021 visit remained valid and were confirmed during the 2025 site inspection.

Independent check sample

During the technical visit, Ms. Muñoz performed the independent sampling of 1/4 core from 8 Pembroke drill intervals and 15 Indico drill intervals, additionally 18 Pembroke sample reject intervals were included. Table 5-12 shows a summary of independent check sample results. Check assay values are consistent with the grade value of the original sample and the differences are within the acceptable range based on the type of sample and commodity.

Table 5-13: Check sampling by Ms. Muñoz

<u>Company</u>	<u>Type sample</u>	<u>Pairs</u>	<u>Source</u>	<u>Average of Cu %</u>	<u>Average of Mo %</u>	<u>Average of Au* g/t</u>	<u>Average of Ag g/t</u>
Indico	Core	15	Original	0.49	0.027	0.09	2.55
			Check sample	0.46	0.021	0.08	2.31
			Difference	7%	28%	10%	10%
Pembrook	Core	8	Original	0.86	0.022	0.05	2.04
			Check sample	0.81	0.017	0.06	2.00
			Difference	6%	28%	-16%	2%
	Reject	18	Original	0.57	0.035	0.10	1.81
			Check sample	0.58	0.035	0.11	1.92
			Difference	-1%	2%	-5%	-6%
<i>Grand Total</i>		<i>41</i>	<i>Original</i>	<i>0.60</i>	<i>0.030</i>	<i>0.09</i>	<i>2.12</i>
			<i>Check sample</i>	<i>0.58</i>	<i>0.026</i>	<i>0.09</i>	<i>2.08</i>
			Difference	3%	13%	-1%	2%

* For gold, two anomalous results were excluded

Collar Verification

During the site visit, collars from 11 drill holes were reviewed and compared with the database entries. Collar locations were confirmed by handheld GPS and re-validated by the Differential GPS (TRIMBLE R-6 and Leica ATX900 GG) used by Pembroke and Indico to measure the collar of the drill hole (see Table 5-13).

Table 5-14: Drill collar coordinate comparative list between Differential GPS used by the company and handheld GPS

			<u>Database</u>			<u>Handheld GPS</u>			<u>Delta</u>		
<u>Company</u>	<u>Phase</u>	<u>Hole</u>	<u>E UTM</u>	<u>N UTM</u>	<u>Elevation</u>	<u>E UTM</u>	<u>N UTM</u>	<u>Elevation</u>	<u>X</u>	<u>Y</u>	<u>Z</u>
Pembrook	2014	PEC-012	713007.833	8267895.13	1745.281	713009	8267894	1740	-1.17	1.13	5.28
Pembrook	2014	PEC-014	713504.632	8267842.69	2024.937	713508	8267844	2015	-3.37	-1.31	9.94
Pembrook	2014	PEC-016	714053.017	8267304.24	1918.753	714051	8267302	1924	2.02	2.24	-5.25
Pembrook	2014	PEC-018	713859.016	8267299.33	1849.627	713860	8267298	1845	-0.98	1.33	4.63
Pembrook	2015	PEC-031	713501.666	8267843.64	2024.92	713505	8267843	2015	-3.33	0.64	9.92
Pembrook	2015	PEC-054	712999.314	8267538.31	1679.1166	713002	8267538	1690	-2.69	0.31	-10.88
						Average deviation Pembrook			-1.59	0.72	2.27
Indico	2012	OCA12DH010	714077.932	8267211.659	1951.614	714079	8267212	1952	-1.07	-0.34	-0.39
Indico	2012	OCA12DH009	713621.232	8267227.908	1784.827	713619	8267229	1792	2.23	-1.09	-7.17
Indico	2012	OCA12DH012	713225.625	8267123.030	1742.771	713226	8267122	1741	-0.38	1.03	1.77
Indico	2013	OCA13DH019	713274.203	8267083.030	1754.434	713273	8267082	1753	1.20	1.03	1.43
Indico	2013	OCA13DH033	713570.693	8267150.073	1781.912	713572	8267149	1790	-1.31	1.07	-8.09
						Average deviation Indico			0.14	0.34	-2.49
						Total Average deviation			-0.80	0.55	0.11

Database and QA/QC Review

Ms. Maribel Villanueva performed a detailed review of the database of drill holes executed between 2009 and 2016 under of supervision of Ms. Muñoz. These holes will be used in the Mineral Resource Estimate.

The drilling database review focused on detecting potential errors in the following:

- Database structure.
- Spatial location of the collar.
- Downhole survey measurement.
- Geochemical analysis.
- Results of the QA/QC program.
- Coincident samples (samples with similar spatial location).
- Bulk density.

The data capture and storage of the backups from the Pembroke side is consistent. However, minor inconsistencies have been detected as a result of the migration to a centralized database that must be improved in the future. In the case of Minandex, the information has been inherited from previous companies (Indico), so some supporting data such as the certificates of downhole survey measurement, some re-analyzes certificates and density certificates are not available. Inconsistencies of collars, surveys and other data were detected, which have been corrected during data compilation and integration of both databases into one combined database for resource estimation purposes. This database is referenced in the WGS84 coordinate system and has already been 100% verified with their existing source files (Certificates of Collar, Survey, Assay and Density).

In general, the practices and procedures used when generating and capturing data in the Pecoy Project are aligned with international standards. Ms. Muñoz considers that the new combined database for both companies is now appropriate to use as a basis for the Mineral Resource Estimate.

Table 5-14 shows a summary of the results of the database review.

Table 5-15: Database review summary

<u>Revision Criteria</u>		<u>Comments</u>
Folder structure		The folder structure is not adequate. Good document organization is very important in order to avoid file loss and optimizing file search times.
Database Structure		The Pembroke database: The database is well structured; however, problems with formulas to select the final copper (ICP and / or gravimetric copper) were detected. Likewise, the modeling field is in an independent file. It was not updated in the central database potentially generating inconsistencies. In a similar manner, bulk density sample codes were not included in the central database. The Indico database: Presence of inconsistencies in the names of the files and the headers of the files such as table nomenclature or codes (Uppercase or Lowercase). The assay tables are not integrated in one table, causing difficulty with respect to the location and validation.
Collar location	Checked 100% back to source data available (collar certificates in PDF)	121 drill holes were reviewed: 118 drill holes are certified, and 03 drill holes were not surveyed because they were covered with landslide material (Pembroke: PDDH-004, PDDH-006 and PDDH-007).
	Verification with topography	71 drill holes (58.7%) > 2m below DTM (Indico 56 drill holes and Pembroke 15 drill holes). The difference is possibly related to the topographic survey (LIDAR flight) carried out prior to drilling, so the drilling rigs are not up to date on the topography.
Downhole survey	Checked 100% back to source data available (survey certificates in jpg)	121 drill holes were reviewed, of which 108 have a downhole survey measurement as follows: 51 DDH from Pembroke with certificates and 57 DDH from Indico without certificates. 13 drill holes from Pembroke have no downhole survey.
	Drills hole with more than one downhole survey database	It was found that the surveys for the Indico data present 02 databases with different measurements. The database with the highest number of hole deviation measurements was used.
	Deviation control (Kink check)	There is no major inconsistency, 02 records are not used due to possible typing or reading error.
	Drills holes without measurement	89% of drillholes have trajectory measurement; none present the reading at the beginning of the drill hole collar, 11% (13 drillholes) do not have a downhole survey.
Sample recovery	Sample recovery verification	Inconsistencies representing 1.13% of the total population were identified, possibly related transcription errors. The area with the greatest inconsistency was Indico.

<u>Revision Criteria</u>		<u>Comments</u>
	RQD_pct check	Inconsistencies that represent 1.13% of the total population were identified, possibly related to typing or reading errors. The area with the greatest inconsistency was Indico.
Assay	Checked 100% back to source data available (assay certificates in excel)	PDDH-10 and PDDH-11 do not present certificates. Inconsistencies were detected in the Indico data, mainly for the Cu grade (15% of the total population of Indico). MP understands that this inconsistency is apparently due to a re-analysis program due to a discrepancy in the standard quality controls. 98% of holes with ICP and FA have certificates, 78% of the total sequential copper are certified and 44% of the total re-analyzes are certified.
	Laboratory comparison	The comparison between laboratories cannot be made due to its spatial location and drilling depth.
	Analytical method comparison	The analytical method consistent over time, different methods are applied for the upper interval limits.
	Comparison by type of perforation	Only one type of DDH drilling was performed.
	Comparison by company or campaigns	The comparison between laboratories cannot be made due to the spatial location and drilling depth. However, the copper grades of Indico in the oxidation and enrichment zone are higher compared to Cormin & Pembroke. A selective re-analysis as independent verification is necessary to rule out bias at the analyzed level.
Density	Checked 100% back to source data available (density certificates in excel)	1270 data were reviewed (539 data from Indico and 731 data from Pembroke). The Pembroke data is certified; it represents 58% of the total population. The Indico data is not certified; it represents 42% of the total population. 41 samples (3.2%) were excluded from the database, as they do not have a representative width that is less than 8cm or greater than 18cm. They all correspond to the Indico data.
Coincident samples (no twins)		No twins to analyze.

QA/QC review

Ms. Villanueva under the supervision of Ms. Muñoz has reviewed the QA / QC reports and/or graphics available produced by Indico and Pembroke during the drilling, and Ms. Villanueva has replicated their graphs with similar results. A summary of the controls available in the database is described below:

Indico

QA / QC procedures were not available during the review process. The database of QA / QC results suggests that the drilling carried out during the period 2011 to 2013 by Indico, have good insertion of quality controls such as duplicates, blanks and standards (see Table 5-15).

The total quality control represents 16% of the total primary samples. The distribution is 5% in standards, 1.8% in blank samples, and 9.3% in field and coarse duplicate samples, which aligns with industry best practice.

Table 5-16: Quality control sample insertion rates 2011-2013 for Indico

<u>Description</u>	<u>Code</u>	<u>Tests</u>				<u>Insertion rate with respect to primary Cu samples</u>
		<u>Cu %</u>	<u>Mo %</u>	<u>Au g/t</u>	<u>Ag g/t</u>	
Primaries		3,701	3,701	3,701	3,701	3,701
Field Duplicate	Field Duplicate	108	108	108	108	2.9%
Coarse Duplicate	Coarse Duplicate	237	237	237	237	6.4%
Fine Blank		22	22	22	22	0.6%
Coarse Blank		44	44	44	44	1.2%
Standard	OREAS 151a	61	61	61	-	1.6%
	OREAS 152a	31	31	31	-	0.8%
	OREAS 50c	24	24	24	-	0.6%
	OREAS 52c	69	69	69	-	1.9%
Total Controls		596	596	596	411	596
Insertion rate by type of trial		16%	16%	16%	11%	16%

Pembroke

The drilling carried out during 2014 to 2016 periods by Pembroke have an adequate insertion of quality controls (see Table 5-16). Corrin's QA/QC results were not available for review.

The total quality controls represent 13% of the total of primary samples. The distribution is 5.3% in standards, 4% in blank samples, and 3.8% in duplicate samples, which aligns with industry's best practices.

The field duplicates are taken during sampling, while the rest of the control samples are inserted at the sample preparation stage on site.

Table 5-17: Quality control sample insertion rates 2009 and 2014 -2016 for Pembroke

<u>Description</u>	<u>Code</u>	<u>Assay</u>				<u>Insertion rate with respect to primary Cu samples</u>
		<u>Cu %</u>	<u>Mo %</u>	<u>Au g/t</u>	<u>Ag g/t</u>	
Primaries		19,504	19,504	19,504	19,504	100.0%
Field Duplicate		743	743	743	743	3.8%
Fine Blank		472	472	472	472	2.4%
Coarse Blank		306	306	306	306	1.6%
Standard	CDN-CM-13	96	96	96	-	0.5%
	CDN-CM-15	122	122	122	-	0.6%
	CDN-CM-23	290	290	290	-	1.5%
	CDN-CM-29	329	329	329	-	1.7%
	CDN-CM-35	52	24	52	-	0.3%
	CDN-CM-39	143	143	143	143	0.7%
Total Controls		2,553	2,525	2,553	1,521	13.1%
Insertion rate by type assay		13%	13%	13%	8%	

QP opinion regarding the database and QA/QC

QA/QC related comments

Ms. Muñoz verified that those completing the data collection for the Peco Project drilled by Indico and Pembroke have implemented an internal QA / QC protocol during their campaigns carried out between 2011 and 2016, regularly inserting reference materials: certified international standards, fine blank, coarse blank, field duplicates and coarse duplicates. The total of quality controls represents 16% (596 control samples) for Indico and 13% (2,553 control samples) for Pembroke of the total samples. The primary laboratories used during the 2009-2016 drilling campaign were Inspectorate, ALS Peru S.A. laboratory (ALS) in Lima and Acme Analytical Laboratories Ltd. (Acme) in Vancouver, Canada.

Density data were reviewed and validated against the original source documentation (density certificates). A majority of the data (58%) are supported by certified records, and approximately 3.8% of the samples were excluded due to data quality concerns. The Qualified Person is of the opinion that the validated dataset is adequate to support the Mineral Resource Estimate.

Accuracy:

In general, gold, silver, copper, molybdenum have shown an acceptable accuracy deviation of less than 5%; 2 failures have been detected in the “Standard” controls that apparently correspond to a standard code exchange. It has not been possible to determine the error of 4 failures detected in the gold results.

It is noted that some standards from Indico present failures, mainly the OREAS 52c standard that presents values outside the acceptance range. Ms. Muñoz understands that these failures are due to problems with the standard material itself according to the NI 43-101 produced by MP (2016).

Contamination:

The coarse and fine blank controls are inserted after a mineralized interval. The result of chemical analysis of the blank samples do not show contamination during preparation and analysis, with failure ranges within acceptable limits (less than 5%).

Precision:

The precision during the preparation and sub-sampling in the laboratory (field duplicates and coarse duplicates respectively) is considered acceptable, with failure rates less than 5%.

Having reviewed QA/QC performance for the Pecoy Project, Ms. Muñoz is satisfied that industry standard procedures have been followed in the collection and preparation of samples and that the assay values in the drill hole database are suitable for use as input to a Mineral Resource Estimate.

Interpretation and Conclusions

Based on the site visit and subsequent evaluation of the data available of the Pecoy Project, Ms. Muñoz offers the following conclusions:

Geology and drilling

- The Pecoy Project is a copper-molybdenum porphyry deposit with a presence of gold. The Pecoy Project shows an important relationship with the radiometric potassium / thorium ratio anomaly due to a higher concentration of minerals such as sericite, alunite and secondary biotite.
- Drilling programs have been undertaken at the Pecoy Project between 2009 and 2016 by three different mineral exploration companies: Indico, Cormin and Pembrook.
- The Pecoy Project includes 121 diamond drill holes totaling 48,576 m. The drill hole spacing is irregular. The average is approximately 118 m considering a perimeter applied around the main cluster of holes. The southern breccia drilling spacing can be as close as 75 m by 75 m. The more distal areas can present a drill hole spacing of 150 to 200 m, and the difficult to access central sectors of up to 450 m.
- The Indico drilling has concentrated on shallow superficial drilling on the Minandex Property, focused on the zone of copper oxide and enrichment, and the sulfide zone has not been fully explored and understood.
- The geology and mineralization controls are consistently understood and reflected in the core logs and exploration program within the Pembrook Property; the knowledge of the hypogene sulfide zone at Minandex Property (drilling by Indico) is less understood and shows some inconsistency in the core logging and interpretation as compared with Pembrook Property.
- Many of the grades intercepted by drilling exceed 0.1% Cu. Higher-grade mineralization in the primary (hypogene) zone, particularly above 0.25% Cu, in% is predominantly located in the South Breccia (MHBX-S) and to the northwestern portion of the Porphyritic Granite unit (PG1).
- While average gold grades are considered low, areas of elevated gold grades could be identified within the breccias which could be economically important.
- The potential for expansion of resources (both secondary and primary mineralization) remains open in several directions. A potassium-to-thorium (K/Th) ratio anomaly, defined from a radiometric survey, suggests that mineralization may remain open near surface toward the North,, West, East, and Southeast. Additionally, the mineralization is considered open at depth, particularly toward the east and southeast, based on geological interpretation, and the presence of mineralized intervals at the bottom of several drill holes.
- Sulfide mineralization remains open in the zone drilled by Indico that it has been explored only at shallow depths.

- The limit of sulfide mineralization at depth is not defined, and the expansion of resources at depth is still open, however, drilling programs have achieved depths to 1000 m.
- The drill spacing in the central zone presents some zones with spacing close to 450 m due to difficult access, which generates some zones with un-estimated blocks within the resource pit. Likewise, areas peripheral to the defined mineralized zone within the resource pit have not been explored and present blocks un-estimated.

Mineral Processing and Metallurgical

- For the purposes of mineral resource estimation, it is reasonable to assume that copper could be recovered using conventional flotation processes commonly used in the industry, based on the studies carried out by Plenge Laboratories of Peru.
- Flotation metallurgical results are based on limited samples but generally confirm amenability to flotation.
- Indicative test work shows that deleterious elements present in the deposit are not significant.

Mineral Resources

- Pembroke translated the geological codes from the Indico codes to the Pembroke codes and grouped codes has produced a geological data set suitable for modeling the lithology, alteration, and mineralization boundaries.
- The sampling and analytical work for the programs post-Cormin, appears to have been conducted with industry standard methods and assayed at commercially accredited independent laboratories.
- The database is reasonably free from errors and suitable for use in estimation of Mineral Resources.
- The input data was suitable for use in a Mineral Resource Estimate and the copper, molybdenum, gold and silver grade estimation process was consistent with a CIM mineral resource and the mineral reserve estimation best practice guidelines.
- The Mineral Resources conforms to CIM (2014) definitions and comply with all disclosure requirements for Mineral Resources set out in NI 43-101.
- The Mineral Resources have been estimated by Ms. Muñoz (independent consultant QP).
- Dry bulk density applied to the model is based on measurements from 1,229 core samples, they have been taken throughout the deposit. Ms. Muñoz also considers that the values used are reasonable for the type of deposit and mineralization style.
- Inferred Mineral Resources are estimated at 865 million tonnes grading 0.34 % Cu, 0.012 % Mo, 1.33 g/t Ag and 0.05 g/t Au; these estimates are reported at a 0.23% Cu cut-off, the Mineral Resource is reported inside a Whittle pit shell with a reasonable cut-off grade of 0.23 % Cu, based on a copper price of US\$ 3.25/lb, molybdenum price of US\$ 8/lb, gold price of US\$ 1,400/oz and silver price of US\$ 20/oz. Recoveries of 70-93% Cu, 36-55% Au, 67-80% Ag and 32-72% Mo. Operating costs of US\$1.85/t, US\$5.42/t milling and US\$0.5/t G&A.
- The Mineral Resources include grade capping. Grade was interpolated by Ordinary kriging populating a block model with block dimensions of 15m x 15m x 15m.
- The secondary mineralization (leached, copper oxide, supergene, enriched and transitional) represents 21% of the estimated resources, while the primary zone represents 79%.
- The cut-off grade calculated based on the optimization parameters is 0.13% Cu; however, 0.23% Cu is considered a reasonable and conservative cut-off to report the resources.

- The secondary mineralization is superficial (approximately located in the first 250 m below the surface) with easy access for eventual open pit mining and possible leach extraction. The total strip ratio between waste and mineralized material is 4 to 1.
- The total material inside the pit shell represents around 4,351 million tonnes, where 29% represents a material without estimated grades due to lack of drilling, 52% represents a material with copper grades greater than 0% up to the cut-off grade and 20% represents the Mineral Resources.
- No significant impact of metal loss was found due to the capping of extreme values for copper and molybdenum; however, gold and silver present a moderate metal loss, due to the presence of outliers in the data.
- Estimated resources are considered conservative due to:
 - The modeling including grade shell to better control the estimation of grades avoiding their extrapolation.
 - A conservative cut-off grade of 0.23% Cu, since a much lower cut-off grade has been highlighted in optimization.
 - Metal prices are reasonable and slightly conservative considering the last 5 years.

Ms. Muñoz (QP) considers that the risks associated with the Pecoy Project are consistent with those typically encountered at this stage of exploration, primarily related to the current level of geological understanding of the deposit, as well as external factors such as metal prices and production costs. In her opinion, the exploration work completed to date has been conducted in accordance with the industry's best practices and provides a reasonable basis for continued advancement. While typical uncertainties remain, they do not materially impact the reliability of the exploration data or the estimated mineral resources. Further work is recommended to strengthen the geological model and to address permitting and infrastructure considerations relevant to future development decisions.

Recommendations

Ms. Muñoz (QP) makes the following recommendations:

Geology and Drilling

- Drill to expand resources within the Resource Pit Shell at:
 - Infill and follow-up drilling should focus on improving geological confidence, supporting resource classification upgrades, and defining the first five years of potential production.
 - Plan and carry out drilling within and around the current Resource Pit Shell to test open extensions of the porphyry system and untested primary and secondary sulphide zones currently classified as waste.
 - Secondary sulfide zone that is still open at open in all directions of the Project.
 - Undrilled Primary Sulfide Zone during Indico drilling at Minandex Property
 - Infill the drill spacing in the central part that allows estimating resources in those areas not estimated.
 - Test the potential extension of high-grade ore bodies, such as the South Breccia.
 - Plan a drilling program in the East and South-East of the Pecoy Project.
 - Perform a “*Drillhole Spacing Study*” that allows recommending an appropriate drill spacing to classify Indicated and Measured Resources and optimize the drilling program.

- Re-log the drill holes drilled by Indico to more closely align interpretation.
- Geotechnical logging of future drilling must be included with sufficient detail and by trained and experienced personnel to allow the development of a robust geotechnical database to be used in future mining studies.
- Include drilling for geotechnical and metallurgical purposes.

Mineral Processing and Metallurgical

- Increase metallurgical test work on the various mineralization types in order to identify any potential variations in the recoveries. This information can be used to further refine the block model in future resource estimates.
- Assess the potential for generating two distinct concentrates: one for copper and one for molybdenum.
- Evaluate the potential to enhance gold recoveries through gravity separation and the use of selective flotation reagents.
- Carry out an economic evaluation of the extraction of the secondary zone with a leaching process, which can improve cash flow and can re-classify some blocks categorized as waste rock as mineral.
- Including a leaching process could lower the initial capital cost and generate a cash flow in the first years as capital for the flotation process.

Mineral Resources

- Follow density sampling for each mineralization style, as well as on the waste rock for the Pecoy Project, that allows an estimate of the density within the block model.
- Include all of the assays from multi-element assays in the database so that any potential deleterious elements could be modeled and used in a mine plan, if necessary.
- Review the grade shell models to identify geological relationships that improve confidence in grade estimation.
- Definition drilling should take place in the pit shell of the first five years.

Planned Drilling and Technical Work Program

As part of these recommendations, Pecoy Copper has considered executing a two-phase drilling program between 2025 and 2026, as described below:

Phase 1 Drilling Strategy – Unlocking Pecoy's Potential

Phase 1 encompasses approximately 10,000 m of drilling, with an estimated budget of US\$4.57 million. This budget covers drilling operations, logistics, sample assays, support infrastructure, administrative expenses, and other necessary activities to complete the program.

The primary objective of the program is to support the potential expansion of the mineral resource base, in line with the scale of mineralization identified to date. The drilling program is scheduled to commence in Q3 2025 and continue through Q4 2025. The planned work includes:

Infill Drilling – Targeting non-estimated areas currently classified as waste

- A total of 3,000 meters of drilling, distributed across four drillholes each approximately 700 meters in length, is planned for the central portion of the pit. This area currently contains material classified as waste.

- The objective is to convert approximately 63 million tonnes of this material into mineral resources, thereby supporting improved pit design and potential reclassification of waste into economic material.

Expansion Drilling – Targeting extensions in multiple directions

This phase consists of 10 drillholes, totalling approximately 6,000 m, with each hole averaging 600 m in length. The program is designed to test the extension of mineralization in multiple directions:

- West Extension: Three drillholes are planned to explore the western boundary of the current resource. This area is notable for high molybdenum concentrations and a strong chargeability anomaly extending about 500 meters beyond known mineralization. The terrain here is favourable for drill access and platform setup.
- Southwest Extension: One drillhole will target the leached/breccia zone southwest of the deposit. The primary goal is to intersect high-grade EDM-style mineralization, with a secondary objective of identifying potential sulphide mineralization beneath the southern oxide zone.
- East Extension: Three drillholes are designed to assess the eastward continuation of the main porphyry-style system, focusing on areas with strong geophysical (chargeability) responses.
- Southeast Extension: Three drillholes will investigate the southeastern extension of the gold-rich South Breccia zone. These holes aim to evaluate both surface oxide mineralization and deeper primary sulphide mineralization.

Follow-up Drilling – Refining exploration focus

- A follow-up drilling program comprising approximately 1,000 m is planned to further evaluate high-priority expansion targets identified during Phase 1.
- This program aims to test newly recognized mineralized trends and areas requiring additional definition, potentially including step-out holes to delineate the extent of mineralization.

Phase 2 Drilling Strategy – Pecoy Follow-Up Drilling & Advanced Studies

Phase 2 is designed to build upon the results of Phase 1, focusing on resource expansion and technical de-risking through advanced studies. As part of the planned activities for 2026 at the Pecoy Project, Pecoy Copper Corp. is set to undertake a 20,000 m diamond drilling program, complemented by additional mineral processing and metallurgy studies. These efforts are designed to improve resource confidence, enhance understanding of material behaviour, and will be accompanied by a Preliminary Economic Assessment (“PEA”) aimed at evaluating early-stage development opportunities for the project. The total estimated budget for these initiatives is approximately US\$10.31 million, covering all drilling and assay costs, metallurgical test work, the PEA study, logistics, administrative expenses, and other related program costs. This program marks an important milestone in enhancing geological understanding and advancing the development potential of the Pecoy resource.

The planned work includes:

Geology and Drilling

- A 20,000-meter diamond drilling program is planned to improve the understanding of the deposit’s geology, metallurgy, and geotechnical conditions. The program includes infill and follow-up drilling aimed at increasing confidence in the existing resource and supporting the definition of a large-scale mineralized system.
- Assessment of near-surface oxide mineralization and evaluation of a potential starter pit scenario.
- Update of the geological and resource model based on new data.

Mineral Processing and Metallurgy Study

- Refine recoveries across mineralization types to optimize processing.
- Assess the possibility of producing two separate concentrates, one for copper and another for molybdenum, to improve processing flexibility and value.

Preliminary Economic Assessment

- Update the 2018 Mincon PEA incorporating new drilling results, the updated resource model, and recent metallurgical test work.
- Explore a production schedule that prioritizes shallow high-grade zones to help reduce the project's payback period.
- Begin the Environmental Impact Assessment ("EIA") process to support future permitting.

Table 5-17 summarizes the proposed medium-term exploration and study program for the Pecoy Project, along with the estimated budget for these activities.

Table 5-18: Summary of the Proposed Medium-Term Exploration and Study Program and Budget for the Pecoy Project

Phase	Description	Cost	Cost
		CAD\$	US\$
Phase 1	10,000 m Drilling Resource Expansion	4,000,000	2,840,000
	Sample Analysis	567,000	402,570
	Logistic & Support	500,000	355,000
	G&A	500,000	355,000
	Contingency (~15%)	865,000	614,150
	Subtotal Phase 1	6,432,000	4,566,720
Phase 2	20,000 m Infill & Follow-Up Drilling	8,000,000	5,680,000
	Sample Analysis	1,133,000	804,430
	Logistic & Support	500,000	355,000
	Metallurgical Testing	750,000	532,500
	Environmental Studies	300,000	213,000
	Resource Model Update	250,000	177,500
	Engineering Study	700,000	497,000
	G&A	1,000,000	710,000
	Contingency (~15%)	1,895,000	1,345,450
	Subtotal Phase 2	14,528,000	10,314,880
Total		20,960,000	14,881,600

Table supplied by Pecoy Copper Corp.

Other Mineral Property Interests

Tororume Claims

Pembroke owns a 100% interest in the Tororume claims which spans over 10,497 hectares and hosts a large area of copper porphyry occurrences, which was identified by Pembroke during reconnaissance work within the Pecoy district Southern Peru Copper Porphyry Belt. Pembroke acquired the Tororume property in 2013 from Compañía de Inversiones Olimpo S.A.C. for US\$1,000,000. There is also a 1.5% net smelter return royalty on the Tororume

claims and obligations to pay advance royalty payments of US\$50,000 for the first 4 years and US\$100,000 for the following 13 years (total US\$1,500,000 of advance royalty payments). Pembroke will be responsible for the remaining annual advance royalty payments of US\$100,000 per annum and maintenance costs, which are estimated at approximately US\$541,900. Pembroke does not intend to make any exploration expenditures on the Tororume property in the next 12 months.

In 2021, Pembroke entered into an option agreement with a third party granting a first option to earn a 50% interest in the Tororume claims by spending \$5,000,000 (of which \$2,000,000 was committed and must be spent within the first two years), followed by a second option to earn an additional 26% interest by spending an additional \$25 million within the next three years. The third party completed nearly \$5,000,000 of exploration expenditures, but in 2024 terminated the option agreement without earning any interest in the Tororume property.

For the purposes of NI 43-101, the Pecoy Project will be the Resulting Issuer's only material project. The Tororume property is not considered material for the purposes of NI 43-101.

APPENDIX “A”

FORM 2B PERSONAL INFORMATION COLLECTION POLICY

FORM 2B PERSONAL INFORMATION COLLECTION POLICY

Collection, Use and Disclosure

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including TSX Venture Exchange and Toronto Stock Exchange, (collectively referred to as the "Exchange") collect the information contained in or submitted pursuant to Form 2B (which may include personal, confidential, non-public or other information) and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Applicant,
- to consider the eligibility of the Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Applicant, or its associates or affiliates, including information as to such individuals' involvement with any other reporting issuers
- to detect and prevent fraud, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the capital markets in Canada.

Personal Information the Exchange collects may also be disclosed:

- (a) to securities regulators and regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, and each of their subsidiaries, affiliates, regulators and authorized agents, for the purposes described above, and these agencies and organizations may use the information in their own investigations;
- (b) on the Exchange's website or through printed materials published by or pursuant to the directions of the Exchange for the purposes described above; and
- (c) as otherwise permitted or required by law.

The Exchange may from time to time use third parties to process information or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers for the purposes described above.

Questions

If you have any questions or enquiries regarding the policy outlined above or about our privacy practices, please send a written request to: Chief Privacy Officer, TMX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2.

APPENDIX “B”

**AUDITED ANNUAL FINANCIAL STATEMENTS OF PECOY COPPER CORP. FOR THE YEARS
ENDED OCTOBER 31, 2024 AND 2023**

PRIYANKA CAPITAL INC.

Financial Statements

Year ended October 31, 2024 and 2023
(Expressed in Canadian Dollars)



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Priyanka Capital Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Priyanka Capital Inc (the Company), which comprise the statements of financial position as at October 31, 2024 and 2023, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards, in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the financial statements, which indicates that the Company incurred a comprehensive loss of \$17,050 during the year ended October 31, 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended October 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Emphasis of Matter - Material Uncertainty Related to Going Concern* section of our report, we have determined that there are no other key audit matters to communicate in our auditor's report.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up



to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

The engagement partner on the audit resulting in this independent auditor's report is Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
April 2, 2025

PRIYANKA CAPITAL INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

	October 31, 2024	October 31, 2023
Assets		
Current		
Loans receivable (note 7 and note 8)	2	2
Total Assets	\$ 2	\$ 2
Liabilities and Shareholders' Deficiency		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 271,135	\$ 254,085
Total liabilities	271,135	254,085
Shareholders' Deficiency		
Share capital (note 5)	65,833	65,833
Accumulated Deficit	(336,966)	(319,916)
Total Shareholders' Deficiency	(271,133)	(254,083)
Total Liabilities and Shareholders' Deficiency	\$ 2	\$ 2

Nature of operations and going concern (note 1)
Subsequent event (note 10)

Approved on behalf of the Board on April 2, 2025:

"Don Gordon" (signed)
Don Gordon, Director

The accompanying notes are an integral part of these financial statements.

PRIYANKA CAPITAL INC.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended October 31, 2024	Year ended October 31, 2023
Operating Expenses		
Professional fees	\$ 16,050	\$ 6,700
Filing fees	1,000	2,500
Net loss and comprehensive loss	\$ (17,050)	\$ (9,200)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	1,316,670	1,316,670

PRIYANKA CAPITAL INC.**Statements of Changes in Shareholders' Deficiency****(Expressed in Canadian Dollars, except for the number of shares)**

	Number of Outstanding Shares	Share Capital	Accumulated Deficit	Total Shareholders' Deficiency
		\$	\$	\$
Balance, October 31, 2022	1,316,670	65,833	(310,716)	(244,883)
Net loss for the year	-	-	(9,200)	(9,200)
Balance, October 31, 2023	1,316,670	65,833	(319,916)	(254,083)
Net loss for the year			(17,050)	(17,050)
Balance, October 31, 2024	1,316,670	65,833	(336,966)	(271,133)

The accompanying notes are an integral part of these financial statements.

PRIYANKA CAPITAL INC.
Statements of Cash Flows
(Expressed in Canadian Dollars)

		Year ended October 31, 2024	Year ended October 31, 2023
Cash Provided by (Used in) Operating Activities			
Net loss for the period	\$	(17,050)	(9,200)
Change in non-cash working capital components			
Accounts payable and accrued liabilities		17,050	9,200
Cash (Used in) Operating Activities		-	-
Change in Cash		-	-
Cash, Beginning of Period		-	-
Cash, End of Period	\$	-	\$ -

The accompanying notes are an integral part of these financial statements.

PRIYANKA CAPITAL INC.
Notes to the Financial Statements
Years Ended October 31, 2024, and 2023
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Priyanka Capital Inc. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on October 16, 2014, and was a wholly owned subsidiary of Leucadia Finance Partners Inc. ("Leucadia") until February 12, 2015. The principal business of the Company is to identify, evaluate and then acquire an interest in a business or assets. The address of its head office is 701 - 595 Howe Street, Vancouver, British Columbia, Canada V6C 2T5.

The Company entered into an arrangement agreement dated December 8, 2014 (the "Arrangement Agreement") with Leucadia, Glenmac Capital Inc., Nishal Capital Inc., Ravensden Capital Inc. and Real Difference Capital Inc. Final court approval of the plan of arrangement (the "Arrangement") was obtained on January 15, 2015 and the Company completed its arrangement on February 12, 2015 (the "Effective Date") and became a reporting issuer in British Columbia and Alberta. Shareholders of record of Leucadia on the Effective Date (the "Shareholders") received, among other things, one new common share of Leucadia and one-half of one Class 1 Reorganization Share of Leucadia (each whole share, a "Reorganization Share") for each Leucadia share held. The Reorganization Shares were then, pursuant to the Arrangement and requisite corporate approvals, automatically transferred by Shareholders to the Company in exchange for an aggregate 1,316,670 common shares of the Company (each, a "Priyanka Share"), after accounting for rounding, which shares were issued to the Shareholders on a pro rata basis, such that the 1,316,667 Reorganization Shares were exchanged for 1,316,670 Glenmac Shares. Fractional shares of the Company were not issued, and any fractional shares resulting from the Arrangement were rounded up or down to the nearest whole number. Immediately following this, Leucadia redeemed all of the Reorganization Shares for a total of \$65,833 by the transfer to the Company of \$30,000 cash and a promissory note in the principal amount of \$35,833.

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not yet achieved profitable operations with a working capital deficit of \$271,133 (2023 - \$254,083) and a deficit of \$336,966 (2023 - \$319,916) and expects to incur further losses in the development of its business, all of which raises material uncertainties which cast significant doubt about the Company's ability to continue as a going concern.

The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses. In addition, the Company will require additional financing in order to carry out its business objectives.

The financial statements have been prepared assuming that the Company will continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

In order to continue as a going concern, the Company is planning to secure its financial working capital through shareholders loans from the principals and through private placement investment offerings. The Company will seek debt and equity financing for its project development.

PRIYANKA CAPITAL INC.
Notes to the Financial Statements
Years Ended October 31, 2024, and 2023
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements of the Company as at and for the years ended October 31, 2024 and 2023 have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee ("IASB") effective as of October 31, 2024.

The material accounting policies set out in Note 3 have been applied consistently to all years presented.

(b) Basis of Measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss, which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency which the company chooses to present its financial statements. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Approval of financial statements

The financial statements of the Company were approved by the directors and authorized for issue on April 02, 2025.

(e) New accounting pronouncements

There is no new material accounting policy that is expected to affect the Company's financial statements.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

(a) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost.

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

PRIYANKA CAPITAL INC.
Notes to the Financial Statements
Years Ended October 31, 2024, and 2023
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company classifies its financial instruments as follows:

<u>Financial assets/ liabilities</u>	<u>Classification</u>
Accounts payable and accrued liabilities	Amortized cost

The company reclassifies debt instruments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

3. MATERIAL ACCOUNTING POLICIES (continued)

Debt instruments

Subsequent measurement of debt instrument depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss.
- When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

PRIYANKA CAPITAL INC.
Notes to the Financial Statements
Years Ended October 31, 2024, and 2023
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

(a) Financial instruments (continued)

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for assets or liabilities that are not based on observable market data.

Cash is measured at Level 1 and the carrying value of all financial assets and liabilities approximate their fair value due to their short-term nature.

(b) Share capital

Instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(c) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statements of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred income tax assets and liabilities are recognized for temporary differences between the carrying amounts for financial statement purposes and the tax basis for certain assets and liabilities. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset will be reduced.

(d) Loss per share

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method.

3. MATERIAL ACCOUNTING POLICIES (continued)

(e) Use of judgments and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas requiring significant estimates in the current period include accrued liabilities. Significant areas requiring the use of management judgments in the application of IFRS during the preparation of the financial statements with the risk of material adjustment are as follows.

Income taxes

In assessing the probability of realizing deferred income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by tax authorities. The Company has not recognized any deferred income tax assets.

Collectability of loans receivable

The Company records an allowance for doubtful accounts related to due from related parties that are considered to be uncollectible. The allowance is based on the Company's knowledge of the financial condition of its related parties, the aging of the receivables and historical experience. A change to these factors could impact the estimated allowance and the provision for bad debts. As at July 31, 2024 and 2023, the Company has not reversed its allowance against the loans receivable.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's risk exposure and the impact on the Company's financial instruments is summarized below:

Credit risk

Credit risk arises from the possibility that the entities to which The Company sells products may experience financial difficulties and be unable to fulfill their contractual obligations. The Company's cash is largely held in large Canadian financial institutions. The Company maintains cash deposits with these financial institutions, which from time to time may exceed federally insured limits. The Company is exposed to credit risk to the extent of its loans receivable. These loans are unsecured (note 7 and note 8).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. All of the Company's financial liabilities are current and expected to fall due within 30 days.

Notes to the Financial Statements
Years Ended October 31, 2024, and 2023
(Expressed in Canadian Dollars)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company maintains bank accounts that earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

Other price risk

Other price risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in market prices other than from interest rates and foreign currency risk. The Company is not exposed to other price risk.

5. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares and preferred shares without par value.

(b) Issued and outstanding

No shares were issued during the Nine-month period ended October 31, 2024 and 2023.

6. CAPITAL MANAGEMENT

The Company does not use sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company considers its capital to be its share capital. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. There have been no changes in the Company's approach to capital management during the periods ended October 31, 2024 and 2023.

7. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Due from a related party as at October 31, 2024 is \$1 (2023 - \$1) owing by the CEO to the Company as loans receivable. The balances are unsecured, non-interest-bearing and have no fixed terms of repayment.

There were no other transactions with related parties and no remuneration was paid to key management personnel during the years ended October 31, 2024 and 2023.

Notes to the Financial Statements
Years Ended October 31, 2024, and 2023
(Expressed in Canadian Dollars)

8. LOANS RECEIVABLE

The Company has a loan receivable from a third party amounting to \$1 (2023 - \$1). This loan is non-interest-bearing and has no fixed terms of repayment.

9. INCOME TAXES

The income taxes shown in the statements of loss and comprehensive loss differ from the amounts obtained by applying statutory rates to the loss before income taxes due to the following:

	Year ended October 31, 2024	Year ended October 31, 2023
Statutory tax rate	27%	27%
Loss before income taxes	\$ (17,050)	\$ (9,200)
Expected income tax recovery	(4,604)	(2,484)
Increase in income tax recovery resulting from:		
Current and prior tax attributes not recognized	4,604	2,484
Deferred income tax recovery	\$ -	\$ -

Details of deferred tax assets are as follows:

	As at October 31, 2024	As at October 31, 2023
Cumulative eligible capital	\$ 7,569	\$ 7,569
Non-capital losses carried forward	295,316	278,266
Deferred tax asset (liability)	302,885	285,835
Less: deferred tax asset not recognized	(302,885)	(285,835)
Deferred Tax Asset (Liability)	\$ -	\$ -

As at October 31, 2024, The Company has Canadian Tax losses that can be carried forward of approximately \$295,000, which expire through to 2044. Certain deferred tax assets have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

10. SUBSEQUENT EVENT

On March 6, 2025, the British Columbia Securities Commission ("BCSC") issued a Failure to cease Trade Order against the Company due to the Company's failure to file periodic disclosure required by the legislation.

APPENDIX “C”

MD&A OF PECOY COPPER CORP. FOR THE YEARS ENDED OCTOBER 31, 2024 AND 2023

**MANAGEMENT’S DISCUSSION AND ANALYSIS
OF THE COMPANY’S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE YEAR PERIOD ENDED OCTOBER 31, 2024**

FORM 51-102F1

Date and Subject of Report

The following Management Discussion & Analysis (“MD&A”) is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Priyanka Capital Inc. (“Priyanka” or the “Company”) for the year period ended October 31, 2024. The MD&A should be read in conjunction with the audited financial statements for the year ended October 31, 2024. The MD&A has been prepared effective April 02, 2025.

SCOPE OF ANALYSIS

The following is a discussion and analysis of Priyanka Capital Inc. (the “Company”), which was incorporated on October 16, 2014, under the laws of the Province of British Columbia. The Company reports its financial results in Canadian dollars and prepares its financial statements in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Priyanka’s Business

The principal business of the Company is to identify, evaluate and then acquire an interest in a business or assets.

The Company entered into an arrangement agreement dated December 8, 2014 (the “**Arrangement Agreement**”) with Leucadia Finance Partners Inc. (“**Leucadia**”), Glenmac Capital Inc., Priyanka Capital Inc., Ravensden Capital Inc. and Real Difference Capital Inc. Final court approval of the plan of arrangement (the “**Arrangement**”) was obtained on January 15, 2015 and the Company has completed its arrangement on February 12, 2015 (the “**Effective Date**”). Shareholders of record of Leucadia on the Effective Date (the “**Shareholders**”) received, among other things, one new common share of Leucadia and one-half of one Class 1 Reorganization Share of Leucadia (each whole share, a “**Reorganization Share**”) for each Leucadia share held, which Reorganization Shares were then, pursuant to the Arrangement and requisite corporate approvals, automatically transferred by Shareholders to the Company in exchange for an aggregate of 1,316,670 common shares of the Company (each, a “**1016540 Share**”), after accounting for rounding, which shares were issued to the Shareholders on a *pro rata* basis, such that the 1,316,667 Reorganization Shares were exchanged for 1,316,670 1016540 Shares.

Fractional shares of the Company were not issued, and any fractional shares resulting from the Arrangement were rounded up or down to the nearest whole number. Immediately following this, Leucadia redeemed all of the Reorganization Shares by the transfer to the Company of \$30,000

cash and a promissory note in the principal amount of \$35,833. On closing of the Arrangement, the Company became a reporting issuer in British Columbia and Alberta.

RESULTS OF OPERATIONS

During the year period ended October 31, 2024, the Company incurred \$16,050 (2023 - \$6,700) of professional fees. The Company incurred \$1,000 (2023 - \$2,500) of filing fees during the period.

SELECTED ANNUAL INFORMATION

The following financial data, which has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), is derived from the Company’s financial statements. These sums are being reported in Canadian dollars and did not change as a result of the adoption of policies concerning Financial Instruments.

	Year ended October 31, 2024 -\$-	Year ended October 31, 2023 -\$-	Year ended October 31, 2022 -\$-
Total Revenue	--	--	--
Interest income	--	--	--
Expenses	17,050	9,200	6,801
Net loss	(17,050)	(9,200)	(6,801)
Total assets	2	2	2
Total long-term liabilities	--	--	--
Net loss per share (basic and diluted)	(0.01)	(0.01)	(0.01)

SELECTED QUARTERLY INFORMATION

The following table summarized the results of operations for the most recent quarters.

	Three Months Ended			
	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024
	\$	\$	\$	\$
Total Revenue	-	-	-	-
Interest income	-	-	-	-
Expenses	13,500	1,000	1,500	1,500
Net loss	(13,550)	(1,000)	(1,500)	(1,500)
Net loss per share and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	Three Months Ended			
	October 31, 2023	July 31, 2023	April 30, 2023	January 31, 2023
	\$	\$	\$	\$
Total Revenue	-	-	-	-
Interest income	-	-	-	-
Expenses	6,700	2,000	1,500	1,500
Net loss	(6,700)	(2,000)	(1,500)	(1,500)
Net loss per share and diluted loss per share	0.00	0.00	0.00	0.00

LIQUIDITY

As at October 31, 2024, the Company had negative working capital of \$271,133 (2023 - \$254,083), had not yet achieved profitable operations, had accumulated deficit of \$336,966 (2023 - \$319,916) and expects to incur further losses in the development of its business, all of which casts significant doubt upon the Company's ability to continue as a going concern.

The Company currently is not able to internally finance on-going operating costs of its businesses over the long term and therefore will require additional financing by means of issuing share capital, advances from related parties, or other sources. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. In addition, the Company will require additional financing in order to assist in the search, and, if warranted, acquisition of a business opportunity.

As reflected in the accompanying financial statements, the Company has an accumulated deficit of \$336,966 as of October 31, 2024, and no revenue. These factors raise substantial doubt about its ability to continue as a going concern. The financial statements have been prepared assuming that the Company will continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

There can be no certainty of the Company's ability to raise additional financing through private placements, advances from related parties, or other sources to fund these activities. Consequently, the Company is subject to liquidity risks.

These financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and the Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

CAPITAL RESOURCES

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

The Company does not expect to make significant capital expenditures in the near future.

FINANCIAL INSTRUMENTS

The Company's risk exposure and the impact on the Company's financial instruments is summarized below:

Credit risk

Credit risk arises from the possibility that the entities to which the Company sells products may experience financial difficulties and be unable to fulfill their contractual obligations. The

Company's cash is largely held in large Canadian financial institutions. The Company maintains cash deposits with these financial institutions, which from time to time may exceed federally insured limits. The Company is exposed to credit risk to the extent of its loans receivable.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligation as they fall due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. All of the Company's financial liabilities are current and expected to fall due within 30 days.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flow of a financial statement instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company maintains bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Other price risk

Other price risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in market prices other than from interest rates and foreign currency risk. The Company is not exposed to other price risk.

OFF BALANCE SHEET ARRANGEMENTS

As at October 31, 2024, the Company had no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

Except for starting its business to identify, evaluate and then acquire an interest in a business or assets, the Company does not have any proposed transactions to discuss at this time.

TRANSACTIONS WITH RELATED PARTIES

Loans receivable as at October 31, 2024 is \$1 (2023 - \$1) owing from companies related by the common directors for the purpose of reimbursing expenses paid on behalf of the Company.

Due from a related party as at October 31, 2024 is \$1 (2023 - \$1) owing by the CEO to the Company as loans receivable.

The transactions above occurred in the normal course of operations and is measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

OUTSTANDING SHARE DATA

Authorized: unlimited common shares without par value
 unlimited preferred shares without par value

Issued and Outstanding:

	Number of Shares	Amount
Balance as at October 31, 2024 and as at date of this MD&A	1,316,670	\$ 65,833

The Company did not have any stock options and warrants outstanding as at October 31, 2024 and as at date of this MD&A.

CONTINGENCIES

There is no significant identifiable contingency outstanding.

SUBSEQUENT EVENTS:

On March 06, 2025, the British Columbia Securities Commission ("BCSC") issued a Failure to File Cease Trade Order against the Company due to the Company's failure to file periodic disclosure required by the legislation.

ACCOUNTING ESTIMATES AND FUTURE ACCOUNTING PRONOUNCEMENTS

Please refer to the notes to the audited financial statements for the year ended October 31, 2024.

RISKS AND UNCERTAINTIES

Market risk

Market risk is the risk that a change in market prices and/or any of the underlying market factors will result in losses. Each business area is responsible for ensuring that its market risk exposures are prudent. In addition, Priyanka will establish procedures to ensure that risks are measured, closely monitored, controlled and visible to senior levels of management.

The Company may be exposed to equity price risk, liquidity risk and volatility risk as a result of its activities in equity securities if it decides to invest in marketable securities. Priyanka will also be exposed to specific interest rate risk, credit spread risk and liquidity risk in respect of its fixed income securities. In addition to active supervision and review of all activities by senior management, the Company will mitigate its risk exposure through a variety of limits to control concentration, capital allocation and usage, as well as through policies and guidelines.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, fraud, people and systems, or from external events such as the occurrence of disasters or security threats. Operational risk will exist in all of Priyanka's activities, including processes, systems and controls used to manage other risks. Failure to manage operational risk can result in financial loss, reputational damage, regulatory fines and failure to manage market or credit risks.

The Company will operate in different markets and rely on its employees and systems to process a number of transactions. In order to mitigate this risk, Priyanka will develop a system of internal controls and checks and balances at appropriate levels, which will include, cash controls, physical security, independent review procedures, documentation standards, billing and collection procedures, and authorization and processing controls for transactions and accounts. disaster recovery procedures in place, business continuity plans and built-in redundancies in the event of a systems failure.

Regulatory Risk

Regulatory risk results from non-compliance with regulatory requirements, which could lead to fines and/or sanctions. Priyanka will establish procedures to ensure compliance with all applicable statutory and regulatory requirements in each jurisdiction. These procedures will address issues such as regulatory capital requirements, disclosure requirements, internal controls over financial

Legal risk results from potential criminal, civil or regulatory litigation against Priyanka that could materially affect the Company's business, operations or financial condition. Priyanka will have access to external legal counsel, to assist the Company in addressing legal matters related to operations and to defend the Company's interests in various legal actions.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words ‘believes,’ ‘expects,’ ‘anticipates,’ ‘estimates,’ ‘intends,’ ‘plans,’ ‘forecasts,’ or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. Priyanka Capital Inc has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the Company's behalf.

OFFICERS AND DIRECTORS

Don Gordon

President, CEO & Director

Contact Address:

Priyanka Capital Inc.
Suite 470- 1112 Pender St
Vancouver, British Columbia
V6E 2S1

APPENDIX “D”

**REVIEWED INTERIM FINANCIAL STATEMENTS FOR PECOY COPPER CORP. FOR THE
THREE AND SIX MONTHS ENDED APRIL 30, 2025**

PRIYANKA CAPITAL INC.

Condensed Interim Financial Statements
For the Periods Ended April 30, 2025 and April 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

PRIYANKA CAPITAL INC.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at April 30, 2025	As at October 31, 2024
Assets		
Current		
Loans receivable (note 5 and note 6)	\$ 2	\$ 2
Total Assets	\$ 2	\$ 2
Liabilities and Shareholders' Deficiency		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 284,373	\$ 271,135
Total liabilities	284,373	271,135
Shareholders' Deficiency		
Share capital (note 4)	65,833	65,833
Accumulated Deficit	(350,204)	(336,966)
Total Shareholders' Deficiency	(284,371)	(271,133)
Total Liabilities and Shareholders' Deficiency	\$ 2	\$ 2

Nature of operations and going concern (note 1)
Subsequent events (note 7)

Approved on behalf of the Board on June 26, 2025:

"Robert Dubeau" (signed)
Robert Dubeau, Director

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

PRIYANKA CAPITAL INC.**Condensed Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

	For the Three Months Ended		For the Six Months Ended	
	April 30,		April 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
EXPENSES				
Professional fees	4,886	1,000	5,886	2,000
Transfer agent and regulatory	7,194	500	7,352	1,000
TOTAL EXPENSES	12,080	(1,500)	13,238	(3,000)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(12,080)	(1,500)	(13,238)	(3,000)
Net loss and comprehensive loss per share - basic and diluted	(0.92)	(0.11)	(1.00)	(0.23)
Weighted average number of common shares outstanding - basic and diluted	13,187	13,187	13,187	13,187

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

PRIYANKA CAPITAL INC.**Condensed Interim Statements of Changes in Shareholders' Deficiency****(Expressed in Canadian Dollars, except for the number of shares)****(Unaudited)**

	Number of Outstanding Shares *	Share Capital	Accumulated Deficit	Total Shareholders' Deficiency
		\$	\$	\$
Balance, October 31, 2023	13,187	65,833	(319,916)	(254,083)
Net loss for the period	-	-	(3,000)	(3,000)
Balance, April 30, 2024	13,187	65,833	(322,916)	(257,083)
Net loss for the period	-	-	(14,050)	(14,050)
Balance, October 31, 2024	13,187	65,833	(336,966)	(271,133)
Net loss for the period	-	-	(13,238)	(13,238)
Balance, April 30, 2025	13,187	65,833	(350,204)	(284,371)

* See note 9 for share consolidation

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

PRIYANKA CAPITAL INC.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Six Months Ended April 30, 2025	Six Months Ended April 30, 2024
Cash used in operating activities		
Net loss for the period	\$ (13,238)	\$ (3,000)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	13,238	3,000
Net cash used in operating activities	-	-
Change in cash	-	-
Cash, beginning of the period	-	-
Cash, end of the period	\$ -	\$ -

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

PRIYANKA CAPITAL INC.

Notes to the Condensed Interim Financial Statements

Three and Six Months Ended April 30, 2025 and April 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Priyanka Capital Inc. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on October 16, 2014, and was a wholly owned subsidiary of Leucadia Finance Partners Inc. ("Leucadia") until February 12, 2015. The principal business of the Company is to identify, evaluate and then acquire an interest in a business or assets. The address of its head office is 1500- 1055 West Georgia Street, Vancouver, BC, Canada V6E 4N7.

The Company entered into an arrangement agreement dated December 8, 2014 (the "Arrangement Agreement") with Leucadia, Glenmac Capital Inc., Nishal Capital Inc., Ravensden Capital Inc. and Real Difference Capital Inc. Final court approval of the plan of arrangement (the "Arrangement") was obtained on January 15, 2015 and the Company completed its arrangement on February 12, 2015 (the "Effective Date") and became a reporting issuer in British Columbia and Alberta. Shareholders of record of Leucadia on the Effective Date (the "Shareholders") received, among other things, one new common share of Leucadia and one-half of one Class 1 Reorganization Share of Leucadia (each whole share, a "Reorganization Share") for each Leucadia share held. The Reorganization Shares were then, pursuant to the Arrangement and requisite corporate approvals, automatically transferred by Shareholders to the Company in exchange for an aggregate 13,187 common shares of the Company (each, a "Priyanka Share"), after accounting for rounding, which shares were issued to the Shareholders on a pro rata basis, such that the 13,187 Reorganization Shares were exchanged for 13,187 Glenmac Shares. Fractional shares of the Company were not issued, and any fractional shares resulting from the Arrangement were rounded up or down to the nearest whole number. Immediately following this, Leucadia redeemed all of the Reorganization Shares for a total of \$65,833 by the transfer to the Company of \$30,000 cash and a promissory note in the principal amount of \$35,833.

These unaudited condensed interim financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not yet achieved profitable operations with a working capital deficit of \$284,371 (October 31, 2024 - \$271,133) and a deficit of \$350,204 (October 31, 2024 - \$336,966) and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern.

The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses. In addition, the Company will require additional financing in order to carry out its business objectives.

The condensed interim financial statements have been prepared assuming that the Company will continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

PRIYANKA CAPITAL INC.

Notes to the Condensed Interim Financial Statements

Three and Six Months Ended April 30, 2025 and April 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

2. BASIS OF PRESENTATION

(a) Statement of compliance and basis of measurement

These unaudited condensed interim financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee.

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

These unaudited condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss, which are stated at their fair values. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These unaudited condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency. All values are rounded to the nearest dollar unless otherwise indicated.

The material accounting policies set out in note 3 have been applied consistently to all years presented.

(b) Approval of the unaudited condensed interim financial statements

The unaudited condensed interim financial statements of the Company were approved by the directors and authorized for issue on June 26, 2025.

(c) New accounting pronouncements

There is no new material accounting policy that is expected to affect the Company's unaudited condensed interim financial statements.

3. MATERIAL ACCOUNTING POLICIES

(a) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost.

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

PRIYANKA CAPITAL INC.
Notes to the Condensed Interim Financial Statements
Three and Six Months Ended April 30, 2025 and April 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

3. MATERIAL ACCOUNTING POLICIES (continued)

(a) Financial instruments (continued)

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company classifies its financial instruments as follows:

<u>Financial assets/ liabilities</u>	<u>Classification</u>
Accounts payable and accrued liabilities	Amortized cost

The company reclassifies debt instruments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instrument depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

PRIYANKA CAPITAL INC.

Notes to the Condensed Interim Financial Statements

Three and Six Months Ended April 30, 2025 and April 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

3. MATERIAL ACCOUNTING POLICIES (continued)

(a) Financial instruments (continued)

- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for assets or liabilities that are not based on observable market data.

Cash is measured at Level 1 and the carrying value of all financial assets and liabilities approximate their fair value due to their short-term nature.

PRIYANKA CAPITAL INC.

Notes to the Condensed Interim Financial Statements

Three and Six Months Ended April 30, 2025 and April 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

3. MATERIAL ACCOUNTING POLICIES (continued)

(b) Share capital

Instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(c) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statements of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred income tax assets and liabilities are recognized for temporary differences between the carrying amounts for financial statement purposes and the tax basis for certain assets and liabilities. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset will be reduced.

(d) Loss per share

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method.

(e) Use of judgments and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas requiring significant estimates in the current period include accrued liabilities. Significant areas requiring the use of management judgments in the application of IFRS during the preparation of the financial statements with the risk of material adjustment are as follows.

Income taxes

In assessing the probability of realizing deferred income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by tax authorities. The Company has not recognized any deferred income tax assets.

PRIYANKA CAPITAL INC.

Notes to the Condensed Interim Financial Statements

Three and Six Months Ended April 30, 2025 and April 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

3. MATERIAL ACCOUNTING POLICIES (continued)

(e) Use of judgments and estimates (continued)

Collectability of loans receivable

The Company records an allowance for doubtful accounts related to due from related parties that are considered to be uncollectible. The allowance is based on the Company's knowledge of the financial condition of its related parties, the aging of the receivables and historical experience. A change to these factors could impact the estimated allowance and the provision for bad debts. As at April 30, 2025, the Company has not reversed its allowance against the loans receivable.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

4. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares and preferred shares without par value.

(b) Issued and outstanding

No shares were issued during the six-month period ended April 30, 2025 and year ended October 31, 2024.

5. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Due from a former related party as at April 30, 2025 is \$1 (October 31, 2024 - \$1) owing by the former CEO to the Company as loans receivable. The balances are unsecured, non-interest-bearing and have no fixed terms of repayment.

6. LOANS RECEIVABLE

The Company has a loan receivable from a third party amounting to \$1 (October 31, 2024 - \$1). This loan is non- interest-bearing and has no fixed terms of repayment.

PRIYANKA CAPITAL INC.**Notes to the Condensed Interim Financial Statements****Three and Six Months Ended April 30, 2025 and April 30, 2024****(Expressed in Canadian Dollars)****(Unaudited)****7. SUBSEQUENT EVENTS**

On June 2, 2025, the Company consolidated its common shares in the capital of the Company on the basis of one hundred pre-consolidation shares for every one post-consolidation share. The total issued and outstanding number of shares post-consolidation is 13,187.

All share and per share amounts have been retroactively adjusted to reflect the 100 for 1 share consolidation effected on June 2, 2025, as if the consolidation had occurred at the beginning of the earliest period presented.

On June 6, 2025, the Company announced that it has entered into a letter of intent with Pecoy Copper Limited, a special purpose vehicle ("Pecoy SPV") founded by the former management team of Nomad Royalty Company Ltd. The proposed transaction is intended to result in a reverse takeover of the Company by Pecoy SPV (the "RTO").

APPENDIX “E”

**MD&A FOR PECOY COPPER CORP. FOR THE THREE AND SIX MONTHS ENDED APRIL 30,
2025**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE
PERIOD ENDED APRIL 30, 2025**

FORM 51-102F1

Date and Subject of Report

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Priyanka Capital Inc. ("Priyanka" or the "Company") for the six months period ended April 30, 2025. The MD&A should be read in conjunction with the audited financial statements for the year ended October 31, 2024. The MD&A has been prepared effective June 26, 2025.

SCOPE OF ANALYSIS

The following is a discussion and analysis of Priyanka Capital Inc. (the "Company"), which was incorporated on October 16, 2014, under the laws of the Province of British Columbia. The Company reports its financial results in Canadian dollars and prepares its financial statements in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Priyanka's Business

The principal business of the Company is to identify, evaluate and then acquire an interest in a business or assets.

The Company entered into an arrangement agreement dated December 8, 2014 (the "**Arrangement Agreement**") with Leucadia Finance Partners Inc. ("**Leucadia**"), Glenmac Capital Inc., Priyanka Capital Inc., Ravensden Capital Inc. and Real Difference Capital Inc. Final court approval of the plan of arrangement (the "**Arrangement**") was obtained on January 15, 2015 and the Company has completed its arrangement on February 12, 2015 (the "**Effective Date**"). Shareholders of record of Leucadia on the Effective Date (the "**Shareholders**") received, among other things, one new common share of Leucadia and one-half of one Class 1 Reorganization Share of Leucadia (each whole share, a "**Reorganization Share**") for each Leucadia share held, which Reorganization Shares were then, pursuant to the Arrangement and requisite corporate approvals, automatically transferred by Shareholders to the Company in exchange for an aggregate of 13,187 common shares of the Company (each, a "**1016540 Share**"), after accounting for rounding, which shares were issued to the Shareholders on a *pro rata* basis, such that the 13,187 Reorganization Shares were exchanged for 13,187 1016540 Shares.

Fractional shares of the Company were not issued, and any fractional shares resulting from the Arrangement were rounded up or down to the nearest whole number. Immediately following this, Leucadia redeemed all of the Reorganization Shares by the transfer to the Company of \$30,000 cash and a promissory note in the principal amount of \$35,833. On closing of the Arrangement, the Company became a reporting issuer in British Columbia and Alberta.

RESULTS OF OPERATIONS

During the three month period ended April 30, 2025, the Company incurred \$4,886 (2024 - \$1,000) of professional fees, and \$7,194 (2024 - \$500) of filing fees during the period.

SELECTED ANNUAL INFORMATION

The following financial data, which has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), is derived from the Company’s financial statements. These sums are being reported in Canadian dollars and did not change as a result of the adoption of policies concerning Financial Instruments.

	Year ended October 31, 2024 -\$-	Year ended October 31, 2023 -\$-	Year ended October 31, 2022 -\$-
Total Revenue	--	--	--
Interest income	--	--	--
Expenses	17,050	9,200	6,801
Net loss	(17,050)	(9,200)	(6,801)
Total assets	2	2	2
Total long-term liabilities	--	--	--
Net loss per share (basic and diluted)	(0.01)	(0.01)	(0.01)

SELECTED QUARTERLY INFORMATION

The following table summarized the results of operations for most recent quarters:

	April 30, 2025	January 31, 2025
	\$	\$
Total Revenue	-	-
Interest income	-	-
Expenses	12,080	1,000
Net loss	(12,080)	(1,000)
Net loss per share and diluted loss per share	(0.92)	(0.08)

	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024
	\$	\$	\$	\$
Total Revenue	-	-	-	-
Interest income	-	-	-	-
Expenses	13,500	1,000	1,500	1,500
Net loss	(13,500)	(1,000)	(1,500)	(1,500)
Net loss per share and diluted loss per share	(1.02)	(0.08)	(0.11)	(0.11)

	October 31, 2023	July 31, 2023	April 30, 2023	January 31, 2023
	\$	\$	\$	\$
Total Revenue	-	-	-	-
Interest income	-	-	-	-
Expenses	6,700	2,000	1,500	1,500
Net loss	(6,700)	(2,000)	(1,500)	(1,500)
Net loss per share and diluted loss per share	(0.51)	(0.15)	(0.11)	(0.11)

LIQUIDITY

As at April 30, 2025, the Company had negative working capital \$284,371 (October 31, 2024 - \$271,133) and a deficit of \$350,204 (October 31, 2024 - \$336,966) and expects to incur further losses in the development of its business, all of which casts significant doubt upon the Company's ability to continue as a going concern.

The Company currently is not able to internally finance on-going operating costs of its businesses over the long term and therefore will require additional financing by means of issuing share capital, advances from related parties, or other sources. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. In addition, the Company will require additional financing in order to assist in the search, and, if warranted, acquisition of a business opportunity.

As reflected in the accompanying financial statements, the Company has an accumulated deficit of \$350,204 as of April 30, 2025, and no revenue. These factors raise substantial doubt about its ability to continue as a going concern. The financial statements have been prepared assuming that the Company will continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

There can be no certainty of the Company's ability to raise additional financing through private placements, advances from related parties, or other sources to fund these activities. Consequently, the Company is subject to liquidity risks.

These financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and the Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

CAPITAL RESOURCES

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

The Company does not expect to make significant capital expenditures in the near future.

FINANCIAL INSTRUMENTS

The Company's risk exposure and the impact on the Company's financial instruments is summarized below:

Credit risk

Credit risk arises from the possibility that the entities to which the Company sells products may experience financial difficulties and be unable to fulfill their contractual obligations. The Company's cash is largely held in large Canadian financial institutions. The Company maintains cash deposits with these financial institutions, which from time to time may exceed federally insured limits. The Company is exposed to credit risk to the extent of its loans receivable.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligation as they fall due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. All of the Company's financial liabilities are current and expected to fall due within 30 days.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flow of a financial statement instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company maintains bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Other price risk

Other price risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in market prices other than from interest rates and foreign currency risk. The Company is not exposed to other price risk.

OFF BALANCE SHEET ARRANGEMENTS

As at April 30, 2025, the Company had no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

Except for starting its business to identify, evaluate and then acquire an interest in a business or assets, the Company does not have any proposed transactions to discuss at this time.

TRANSACTIONS WITH RELATED PARTIES

Loans receivable as at April 30, 2025 is \$1 (October 31, 2024 - \$1) owing from companies related by the common directors for the purpose of reimbursing expenses paid on behalf of the Company.

Due from a former related party as at April 30, 2025 is \$1 (October 31, 2024 - \$1) owing by the former CEO to the Company as loans receivable.

The transactions above occurred in the normal course of operations and is measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

OUTSTANDING SHARE DATA

Authorized: unlimited common shares without par value
 unlimited preferred shares without par value

Issued and Outstanding:

	Number of Shares	Amount
Balance as at April 30, 2025 and as at date of this MD&A	13,187	\$ 65,833

The Company did not have any stock options and warrants outstanding as at April 30, 2025 and as at date of this MD&A.

CONTINGENCIES

There is no significant identifiable contingency outstanding.

SUBSEQUENT EVENTS:

On March 06, 2025, the British Columbia Securities Commission (“BCSC”) issued a Failure to File Cease Trade Order against the Company due to the Company’s failure to file periodic disclosure required by the legislation.

On June 2, 2025, The Company consolidated its common shares in the capital of the Company on the basis of one hundred (100) pre-consolidation shares for every one (1) post-consolidation share. The total issued and outstanding number of Shares post-Consolidation is 13,187.

ACCOUNTING ESTIMATES AND FUTURE ACCOUNTING PRONOUNCEMENTS

Please refer to the notes to the audited financial statements for the year ended October 31, 2024.

RISKS AND UNCERTAINTIES

Market risk

Market risk is the risk that a change in market prices and/or any of the underlying market factors will result in losses. Each business area is responsible for ensuring that its market risk exposures are prudent. In addition, Priyanka will establish procedures to ensure that risks are measured, closely monitored, controlled and visible to senior levels of management.

The Company may be exposed to equity price risk, liquidity risk and volatility risk as a result of its activities in equity securities if it decides to invest in marketable securities. Priyanka will also be exposed to specific interest rate risk, credit spread risk and liquidity risk in respect of its fixed income securities. In addition to active supervision and review of all activities by senior management, the Company will mitigate its risk exposure through a variety of limits to control concentration, capital allocation and usage, as well as through policies and guidelines.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, fraud, people and systems, or from external events such as the occurrence of disasters or security threats. Operational risk will exist in all of Priyanka’s activities, including processes, systems and controls used to manage other risks. Failure to manage operational risk can result in financial loss, reputational damage, regulatory fines and failure to manage market or credit risks.

The Company will operate in different markets and rely on its employees and systems to process a number of transactions. In order to mitigate this risk, Priyanka will develop a system of internal controls and checks and balances at appropriate levels, which will include, cash controls, physical security, independent review procedures, documentation standards, billing and collection procedures, and authorization and processing controls for transactions and accounts. disaster recovery procedures in place, business continuity plans and built-in redundancies in the event of a systems failure.

Regulatory Risk

Regulatory risk results from non-compliance with regulatory requirements, which could lead to fines and/or sanctions. Priyanka will establish procedures to ensure compliance with all applicable statutory and regulatory requirements in each jurisdiction. These procedures will address issues such as regulatory capital requirements, disclosure requirements, internal controls over financial

Legal risk results from potential criminal, civil or regulatory litigation against Priyanka that could materially affect the Company’s business, operations or financial condition. Priyanka will have access to external legal counsel, to assist

the Company in addressing legal matters related to operations and to defend the Company's interests in various legal actions.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words ‘believes,’ ‘expects,’ ‘anticipates,’ ‘estimates,’ ‘intends,’ ‘plans,’ ‘forecasts,’ or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. Priyanka Capital Inc has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the Company's behalf.

OFFICERS AND DIRECTORS

Robert Dubeau President, CEO & Director

Contact Address:

Priyanka Capital Inc.
Suite 701-595 Howe Street,
Vancouver, British Columbia V6C
2T5

APPENDIX “F”

**AUDITED FINANCIAL STATEMENTS OF PECOY COPPER LIMITED AS AT APRIL 30, 2025 AND
FOR THE 38-DAY PERIOD THEN ENDED**

Pecoy Copper Limited

Financial statements as at April 30, 2025
and for the 38-day period then ended

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Director of Pecoy Copper Limited

Opinion

We have audited the financial statements of Pecoy Copper Limited (the "Company"), which comprise the statement of financial position as at April 30, 2025 and the statements of loss and comprehensive loss, cash flows and changes to shareholders' equity for the period then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2025, and its financial performance and its cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowe Mackay LLP

**Chartered Professional Accountants
Vancouver, Canada
September 3, 2025**

Pecoy Copper Limited
Statement of Financial Position
As at April 30, 2025
(in Canadian dollars)

	<u>As at April 30, 2025</u>
	\$
Assets	
Current assets	
Cash	703,915
Advance to Pembroke Copper Corp. (Note 6)	400,000
Total current assets	<u>1,103,915</u>
Non-current assets	
Deferred acquisition costs	62,842
Total non-current assets	<u>62,842</u>
Total assets	<u>1,166,757</u>
Liabilities and shareholders' equity	
Current liabilities	
Accounts payable and accrued liabilities (Note 13)	108,193
Due to a shareholder (Note 6)	4,000
Total current liabilities	<u>112,193</u>
Shareholders' equity	
Common shares (Note 7)	1,093,977
Deficit	(39,413)
Equity attributable to Pecoy Copper Limited's shareholders	<u>1,054,564</u>
Total liabilities and shareholders' equity	<u>1,166,757</u>

Description of business and going concern (Note 1)

Subsequent events (Note 14)

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board

(signed) Vincent Metcalfe, President and Director

Pecoy Copper Limited

Statement of loss and comprehensive loss

For the 38-day period ended April 30, 2025

(in Canadian dollars)

	For the 38-day period ended April 30, 2025
	\$
Operating expenses	
Accounting fees	5,250
Legal fees	3,847
Travel and other transaction expenses (Note 13)	29,695
Finance costs (Note 13)	284
Other expenses (Note 13)	337
Net loss and comprehensive loss	39,413
Net loss per share (Note 9)	
Basic and diluted	0.00

The net loss and comprehensive loss are solely attributable to Pecoy Copper Limited's shareholders.

The accompanying notes form an integral part of these financial statements.

Pecoy Copper Limited

Statement of Cash Flows

For the 38-day period ended April 30, 2025

(in Canadian dollars)

	For the 38-day period ended April 30, 2025
	\$
Operating activities	
Net loss for the period	(39,413)
Changes in other assets and liabilities	
Accounts payable and accrued liabilities	39,328
Cash used by operating activities	(85)
Financing activities	
Proceeds on issuance of common shares (Note 7)	704,000
Cash provided by financing activities	704,000
Net increase of cash	703,915
Cash at beginning of the period	—
Cash at end of the period	703,915

Additional cash flows information (Note 10)

The accompanying notes form an integral part of these financial statements.

Pecoy Copper Limited

Statement of Changes to Shareholders' equity

For the 38-day period ended April 30, 2025

(in Canadian dollars)

	Number of common shares outstanding	Common shares	Deficit	Total
	(Note 7)	\$	\$	\$
Balance as at March 24, 2025	—	—	—	—
Net loss and comprehensive loss	—	—	(39,413)	(39,413)
Issuance of common shares	18,333,331	1,100,000	—	1,100,000
Share Issuance costs	—	(6,023)	—	(6,023)
Balance as at April 30, 2025	18,333,331	1,093,977	(39,413)	1,054,564

The accompanying notes form an integral part of these financial statements.

Pecoy Copper Limited

Notes to the Financial Statements

For the 38-day period ended April 30, 2025

(in Canadian dollars)

Note 1 – Description of Business and Going Concern

Pecoy Copper Limited (“Pecoy” or the “Corporation”) is primarily engaged in the acquisition and exploration of mineral properties. Since its incorporation (after the period end – Note 14), the Corporation has entered into definitive agreements to consolidate a 100% interest in the Pecoy Project located in the Condesuyos Province, Arequipa, Peru.

The Corporation was incorporated on March 24, 2025 under the name of 1001184918 Ontario Inc. It changed its name to Pecoy Copper Limited on June 4, 2025. Pecoy is domiciled in Canada and was incorporated under the *Business Corporation Act* (Ontario). The address of the Corporation’s registered office is 161 Bay Street, Suite 2700, Toronto, Ontario, Canada.

These financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. As at April 30, 2025, the Corporation has a working capital of \$991,722, which includes a cash balance of \$703,915. The Corporation has an accumulated deficit of \$39,413 which is equal to the net loss of \$39,413 for the 38-day period ended April 30, 2025.

The working capital position as at April 30, 2025 will not be sufficient to meet the Corporation’s obligations, and commitments up to 12 months from the statement of financial position date. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a substantial doubt upon the Corporation’s ability to continue as a going concern as described in the preceding paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial Statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

The Corporation’s ability to continue future operations and fund its planned activities is dependent on management’s ability to secure additional financing in the future, which may be completed in several ways. Failure to secure future financing may impact and/or curtail the planned activities for the Corporation, which may include, but are not limited to, the suspension of certain development activities and the disposal of certain assets and investments to generate liquidity. While management has been successful in securing financing so far and as disclosed in Note 14 after period-end, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation. If Management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than the amounts reflected in these financial Statements.

Pecoy Copper Limited

Notes to the Financial Statements

For the 38-day period ended April 30, 2025

(in Canadian dollars)

Note 2 - Basis of Presentation and Statement of Compliance

These financial statements include the accounts of the Corporation.

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies, methods of computation and presentation applied in the preparation of these financial statements have been consistent throughout the period.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances.

These financial statements were authorized for issue by the Board of Directors of the Corporation on September 3, 2025.

Note 3 - Material Accounting Policies

Foreign currency translation

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency. References to "USD" refer to United States dollars.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Corporation, using the exchange rate prevailing at the dates of the applicable transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and the remeasurement of monetary items are recognized in net loss. Non-monetary items measured at historical cost are translated into the functional currency using the exchange rate at the dates of the applicable transactions.

Basis of measurement

These financial statements have been prepared using the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Pecoy Copper Limited

Notes to the Financial Statements

For the 38-day period ended April 30, 2025

(in Canadian dollars)

Financial instruments

Financial assets

Cash and advance to Pembroke Copper Corp. are classified as and measured at amortized cost.

Financial liabilities

Financial liabilities are recognized initially at fair value, net of transaction costs. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method.

Accounts payable and accrued liabilities and Due to shareholder are classified as and measured at amortized cost.

Cash

Cash includes cash held with banks.

Share capital

Common shares are classified as equity. Expenses directly attributable to the issue of common shares are presented as a deduction of share capital, net of any tax effects.

Income taxes

The income tax expense includes current and deferred tax. Current tax and deferred tax are recognized in the statement of loss, except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax laws enacted or substantively enacted at the reporting date in the jurisdictions where the Corporation operated, and any adjustment to tax payable in respect of previous periods.

The Corporation uses the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss or give rise to equal taxable and deductible temporary differences. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates (and laws) that apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Pecoy Copper Limited

Notes to the Financial Statements

For the 38-day period ended April 30, 2025

(in Canadian dollars)

Deferred income tax assets and liabilities are presented as non-current and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Net loss per share

The Corporation presents basic and diluted loss per share ("EPS") data for its common shares issued. Basic EPS is calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares, which could comprise warrants and share options granted to directors and employees. The computation of diluted EPS assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share.

Note 4 - New Accounting Standards

New standards and interpretations not yet adopted

The Corporation has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than April 30, 2025. These standards, interpretations to existing standards and amendments, other than IFRS 18 *Presentation and Disclosure in Financial Statements*, which is presented below, are not expected to have any significant impact on the Corporation or are not considered material and are therefore not discussed herein.

New standard – IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. IFRS 18 was issued in response to investors' concerns about the comparability and transparency of entities' performance reporting. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how "operating profit or loss" is defined. The new disclosures required for some management-defined performance measures will also enhance transparency. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Pecoy Copper Limited

Notes to the Financial Statements

For the 38-day period ended April 30, 2025

(in Canadian dollars)

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its “operating profit or loss”.

IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. Management has not yet evaluated the impact that this new standard will have on its financial statements.

Note 5 - Critical Accounting Estimates, assumptions and Judgements

The preparation of financial statements in accordance with IFRS requires the Corporation to make judgment, estimates and assumptions concerning the future. The Corporation’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events and expected economic conditions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

The most significant judgments, estimates and assumptions in applying the Corporation’s Financial Statements include the following:

Assessment of the Corporation’s ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

The assessment of the Corporation’s ability to continue as a going concern involves judgment as it relies on the Corporation’s estimation of future cash flows for the 12-month period from the financial statement date, the availability of funds to meet those cash flow requirements and the probability to entered into capital transactions. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events and budgeted expenditures that are believed to be reasonable under the circumstances (Note 1).

Note 6 – Advance to Pembroke Copper Corp. and Due to shareholders

On March 10, 2025, Pembroke Copper Corp. (“Pembroke”) and Nomad Resources Partners Inc. (“Nomad”), a shareholder and related party of the Corporation entered into an initial share pledge agreement. Pursuant to the agreement dated March 10, 2025, an amount of \$400,000 was loaned by Nomad to Pembroke in March 2025 (the “Initial Advance”). On March 24, 2025, Nomad transferred the Initial Advance to the Corporation resulting in a corresponding Due to Shareholder balance. On March 25, 2025, an amount of \$396,000 was settled through the issuance of 6,600,000 common shares at a price of \$0.06 per common share (Note 7). The remaining balance of \$4,000 was repaid to Nomad on June 27, 2025.

In connection with the proposed acquisitions and reverse takeover (“RTO”) transaction described in Note 14, Pembroke, Nomad and the Corporation entered into a loan and share pledge agreement on June 4, 2025, which extends the initial share pledge agreement entered into on March 10, 2025. In the loan and

Pecoy Copper Limited

Notes to the Financial Statements

For the 38-day period ended April 30, 2025

(in Canadian dollars)

share pledge agreement, Pembroke agreed to pledge to Pecoy on a first priority basis, 5,799,119 of Pembroke shares of Pecoy Sociedad Minera S.A.C. ("Pecoy Peru"), representing 15% of all of the issues and outstanding shares, as security for the punctual repayment by Pembroke to Pecoy of the loan in the case of event of default. The amount is due and payable to the Corporation if the proposed acquisition of Pembroke is not completed by September 30, 2025. No interest is accrued on the advance prior to October 1, 2025.

Subsequently, in May, June and July 2025, the Corporation advanced additional amounts totaling \$1,300,000 to Pembroke.

Note 7 – Common Shares

Authorized Share Capital

The Corporation is authorized to issue an unlimited number of common shares having no par value.

Share capital

In March and April 2025, the Corporation completed a private placement through the issuance of 18,333,331 common shares at a price of \$0.06 per share for a total consideration of \$1,100,000. Of this amount, the Corporation received gross cash proceeds of \$704,000 and settled \$396,000 of amounts due to shareholders through the issuance of shares (Note 6). Share issuance costs of \$6,023 were incurred in connection with the private placement.

Capital management

The Corporation's primary objectives when managing capital are to maintain a sufficient capital base in order to meet its short-term obligations and to fund its corporate activities. The Corporation defines capital as its total equity. Changes in capital are depicted on the statement of changes to shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Corporation's management to sustain future development of the business.

In order to pay for ongoing general and administrative expenses, the Corporation will use existing working capital and expects to raise additional amounts through related parties or private placements as needed. The Corporation is also contemplating other capital transactions as described in Note 14. Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Corporation, is reasonable. The Corporation is not subject to material externally imposed capital requirements.

Pecoy Copper Limited

Notes to the Financial Statements

For the 38-day period ended April 30, 2025

(in Canadian dollars)

Note 8 – Income Taxes

A reconciliation of income taxes at the combined Canadian statutory rate (26.5%) with the reported taxes for the initial 38-day period ended April 30, 2025 is as follows:

	For the 38-day period ended April 30, 2025
	\$
Net loss before income tax	(39,413)
Expected income tax recovery	(10,444)
Other items	(1,596)
Change in unrecognized deductible temporary differences	12,040
	—

The significant components of unrecognized deductible temporary differences and unused tax losses for which the benefits have not been recorded on the statement of financial position as at April 30, 2025 are as follows:

	Amount	Expiry date
	\$	
Non capital loss	40,000	2045
Share issuance costs	6,000	2030

Note 9 – Net Loss per share

The calculation of basic and diluted net loss per share for the 38-day period ended April 30, 2025 was based on the net loss attributable to shareholders of \$39,413 and the weighted average number of common shares outstanding of 14,464,035. The Corporation has no dilutive instruments outstanding for the 38-day period ended April 30, 2025.

Pecoy Copper Limited

Notes to the Financial Statements

For the 38-day period ended April 30, 2025

(in Canadian dollars)

Note 10 – Additional cash-flows information

	For the 38-day period ended April 30, 2025
	\$
Non-cash investing and financing activities:	
Share issuance costs included in accounts payable and accrued liabilities	6,023
Additions of deferred acquisition costs included in accounts payable and accrued liabilities	62,842
Settlement of amounts due to shareholders through the issuance of common shares (Note 7)	396,000

Note 11 - Fair Value Measurements

Fair Value measurement

Cash, advance to Pembroke, accounts payable and accrued liabilities and due to shareholders are financial instruments whose fair value approximates their carrying value due to their short-term maturity and due to market interest rates.

Note 12- Financial Risk Management

The Corporation's activities expose it to a variety of financial risks: market risks, credit risk and liquidity risk. Management designs strategies for managing some of these risks, which are summarized below. The Corporation's executive management ensures that its financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Corporation's policies approved by the Board of Directors and risk appetite.

(a) Market Risk

Market risk is the risk that changes in market factors, such as foreign exchange rates, interest rates or other price risk, will affect the value of the Corporation's financial instruments. The Corporation is exposed to the following market risks:

Foreign Exchange Risk

The Corporation is not exposed to foreign exchange risk as at April 30, 2025.

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash-flows associated with the instrument will fluctuate due to changes in market interest rates. As at April 30, 2025, none of the Corporation's financial assets and liabilities bear interest.

Pecoy Copper Limited

Notes to the Financial Statements

For the 38-day period ended April 30, 2025

(in Canadian dollars)

Other Price Risk

The Corporation is not exposed to any other price risk as at April 30, 2025.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation's primary exposure to credit risk is on its cash held in bank. Cash is deposited in bank accounts held with one bank in Canada and there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

(c) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. The Corporation manages the liquidity risk by continuously monitoring actual and projected cash flows, considering the requirements related to transactions and matching the maturity profile of financial assets and liabilities. The Board of Directors reviews and approves any material transaction out of the ordinary course of business. Financial liabilities as at April 30, 2025 are comprised of accounts payable and accrued liabilities and due to shareholders that are payable within 90 days and on demand, respectively. The Corporation estimates that with its liquidity position as at April 30, 2025 together with the private placement closed after April 30, 2025 and the contemplated transactions described in Note 14, it has enough funds available to meet its financial liabilities for the next year.

The following table summarizes the timing associated with the Corporation's remaining contractual payments relating to its financial liabilities as at April 30, 2025. The table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the Corporation can be required to pay (assuming that the Corporation is in compliance with all of its obligations).

			As at April 30, 2025
	Carrying amount	Maturity	Payment date 2025
Financial liabilities	\$		\$
Accounts payable and accrued liabilities	108,193	Within 90 days	108,913
Due to shareholders	4,000	On-demand	4,000
	112,193		112,193

Note 13 - Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined

Pecoy Copper Limited

Notes to the Financial Statements

For the 38-day period ended April 30, 2025

(in Canadian dollars)

that key management personnel consist of executive and non-executive members of the Corporation's Board of Directors as well as the officers of the Corporation.

The Corporation had the following transactions with key management personnel and other related parties for the 38-day period ended April 30, 2025. Other related parties include individuals with significant influence as well as a company under the same significance influence:

- a) On March 25, 2025, key management personnel and other related parties participated in the private placement (Note 7) for a total consideration of \$816,000 under the same terms as other investors. Of this amount, the Corporation received gross cash proceeds of \$420,000 and settled \$396,000 of amounts due to shareholders through the issuance of shares (Note 6). As at April 30, 2025, an amount of \$4,000 is payable to a shareholder.
- b) During the 38-day period ended April 30, 2025, the Corporation incurred \$13,097 of travel expenses, \$337 of office expenses and \$199 of finance costs with key management personnel. This amount is included in accounts payable and accrued liabilities as at April 30, 2025.

Note 14 - Subsequent Events

Issuance of shares

In May and June 2025, the Corporation completed a private placement and raised gross proceeds of \$2,000,000 from the issuance of 6,666,667 common shares at \$0.30 per common share.

Issuance of warrants

On May 19, 2025, the Corporation issued 6,000,000 common share purchase warrants in consideration for services having an exercise price of the lessor of (i) a 25% premium to the deemed price of a concurrent financing conducted in connection with the Corporation's going public transaction and (ii) \$0.75, and an expiry date five years following the completion of the Corporation's going public transaction.

Acquisition agreements

On May 27, 2025, the Corporation entered into an acquisition agreement with Pembroke and 1540646 B.C. LTD., a subsidiary of the Corporation incorporated on May 26, 2025 (the "Pembroke Acquisition Agreement"). Pursuant to the terms and conditions of the Pembroke Acquisition Agreement, the Corporation will issue to the shareholders of Pembroke an aggregate of 29,314,356 common shares and will satisfy up to \$7,200,000 of Pembroke's liabilities and payables of which \$1,700,000 is already advanced to Pembroke, in exchange for all of the issued and outstanding Pembroke shares. In addition, each Pembroke share option will be exchanged for 0.14667 of a Corporation share option having an exercise price equal to the exercise price of the original option divided by 0.14667.

On May 27, 2025, the Corporation entered into an acquisition agreement with Camila Carlessi Vargas ("CCV") (the "CCV Acquisition Agreement"). Pursuant to the terms and conditions of the CCV Acquisition Agreement, the Corporation will acquire 3,971,781 shares in the capital of Pecoy Sociedad Minera S.A.C. ("Pecoy Peru") held by CCV, representing 10.273% of the outstanding shares of Pecoy Peru, for cash

Pecoy Copper Limited

Notes to the Financial Statements

For the 38-day period ended April 30, 2025

(in Canadian dollars)

consideration of \$1,800,000 and an additional post-closing cash payment of \$350,000, subject to certain conditions.

On May 27, 2025, the Corporation entered into an option agreement with Carlos Mauricio Carlessi Vargas ("MCV") (the "MCV Option Agreement"). Pursuant to the terms and conditions of the MCV Option Agreement, the Corporation acquired an option to acquire the 5,158,152 shares in the capital of Pecoy Peru held by MCV, representing 13.342% of the outstanding shares of Pecoy Peru, during the period from January 2 to January 31, 2026 in exchange for 9,480,000 common shares of the resulting issuer of the RTO described below.

On May 27, 2025, the Corporation entered into an acquisition agreement with Copper X Mining Corp. ("Copper X") and each of the shareholders of Copper X (the "Copper X Acquisition Agreement"). Pursuant to the terms and conditions of the Copper X Acquisition Agreement, the Corporation will acquire 100% of the issued and outstanding common shares in the capital of Copper X by issuing 21,666,666 common shares of the Corporation on a *pro rata* basis to the shareholders of Copper X. In addition, there are 6,000,000 share purchase warrants of Copper X having an exercise price of \$0.75 per Copper X Share with a five-year term, subject to certain vesting provisions, and 3,750,000 Copper X Options having an exercise price of \$0.60 per Copper X Share with a five-year term, which convertible securities will remain in full force and effect following the completion of the Copper X Acquisition Agreement.

Each of the Pembroke acquisition, the CCV common shares acquisition, the MCV Option Agreement and the Copper X acquisition will be completed immediately prior to the completion of the RTO described below.

Proposed reverse takeover and concurrent private placement

On July 3, 2025, Pecoy Copper Corp. (formerly known as Priyanka Capital Inc.), its subsidiary ("Pecoy Copper Subco") and the Corporation entered into a business combination agreement in respect of a proposed three-cornered amalgamation under the *Business Corporation Act* (Ontario) whereby Pecoy Copper Subco and the Corporation would amalgamate and continue as one corporation, resulting in the reverse takeover of Pecoy Copper Corp. by the Corporation (the "RTO").

On July 8, 2025 and in connection with the RTO, the Corporation completed a concurrent private placement of 105,800,000 subscription receipts at a price of \$0.60 per subscription receipt, for aggregate gross proceeds of \$63,480,000 (the "Subscription Receipts"). As part of the amalgamation, the Corporation's common share underlying the Subscription Receipts will be exchanged on a one-for-one basis for shares of the RTO resulting issuer. The net proceeds from the concurrent private placement is estimated to be \$59,648,000, after deducting agents' fees and other expenses.

APPENDIX “G”

**MD&A OF PECOY COPPER LIMITED AS AT APRIL 30, 2025 AND FOR THE 38-DAY PERIOD
THEN ENDED**

Pecoy Copper Limited.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the 38-day period ended April 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE 38-day PERIOD ENDED April 30, 2025

The following management discussion and analysis (the "MD&A") of the operations and financial position of Pecoy Copper Limited ("Pecoy Copper" or the "Corporation") for the 38-day period ended April 30, 2025, should be read in conjunction with Pecoy Copper's audited financial statements as at April 30, 2025 and for the 38-day period then ended (the "Financial Statements"). The Financial Statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Board has approved the Financial Statements on September 3, 2025.

Pecoy Copper's management ("Management") is responsible for the preparation of the Financial Statements and other financial information relating to the Corporation included in this MD&A. The Board of Directors (the "Board") is responsible for ensuring that Management fulfills its responsibilities for financial reporting. The information included in the MD&A is as of September 3, 2025. All monetary amounts included in this report are expressed in Canadian dollars, the Corporation's reporting and functional currency, unless otherwise noted. This MD&A contains forward looking statements and should be read in conjunction with the risk factors described in the "Risk factors" section.

The Corporation has prepared this MD&A following the requirements of National Instrument 51-102, Continuous Disclosure Obligations.

Cautionary Statement Regarding Forward-Looking Statements

This MD&A contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the growth, results of operations, performance and business prospects and opportunities of the Corporation. All statements other than statements of historical fact are forward-looking statements. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. These statements are only predictions.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such risk factors include, but are not limited to: uninsurable risks; environmental Regulations, Permits and Licenses; exploration and development risks; lack of availability of resources; mineral exploration and mining carry inherent risks; metal prices are volatile; infrastructure; an increase in prices of power and water supplies, including infrastructure, could negatively affect the Corporation's future operating costs, financial condition, and ability to develop and operate a mine; the impacts of climate change may adversely affect the Corporation's operations and/or result in increased costs to comply with changes in regulations; operations in Peru; political risks in Peru; community and social risks in Peru; labour and employment relations in Peru; reliance on key personnel; competition; financing risks; global financial conditions; risk associated with an emerging and developing market; trade tariffs; dividend policy; risk of litigation; internal controls; conflicts of interest; credit risk and liquidity risk.

This list is not exhaustive of the factors that may affect any of the forward-looking statements regarding the Corporation. Forward-looking statements are statements about the future and are inherently uncertain. Actual events or results could differ materially from those projected in the forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described under the heading *Risk Factors*. The Corporation do not intend, and do not assume any obligation, to update any of the forward-looking statements after the date of this MD&A so as to conform such statements to actual results or to changes in the expectations of the Corporation, other than as required by applicable securities law.

For all these reasons, readers should not place undue reliance on the forward-looking statements contained herein, as the Corporation's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Corporation's business, or if the Corporation's estimates or assumptions prove inaccurate. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement

DESCRIPTION OF BUSINESS

Pecoy Copper is primarily engaged in the acquisition and exploration of mineral properties. Since its incorporation, the Corporation has entered into definitive agreements to consolidate a 100% interest in the Pecoy Project located in the Condesuyos Province, Arequipa, Peru.

The Corporation was incorporated on March 24, 2025 under the name of 1001184917 Ontario Inc. It changed its name to Pecoy Copper Limited on June 4, 2025. Pecoy is domiciled in Canada and was incorporated under the *Business Corporation Act* (Ontario). The address of the Corporation's registered office is 161 Bay Street, Suite 2700, Toronto, Ontario, Canada.

Highlights – 38-day period ended on April 30, 2025

For the period covered by this MD&A, Pecoy Copper was in its first year of operation. It has therefore focused on building the property portfolio and raising capital. There was no exploration work performed during the period.

The following is a summary of significant events that occurred during the 38-day period ended April 30, 2025:

Financing:

- In March and April, 2025, the Corporation completed a private placement through the issuance of 18,333,331 common shares at a price of \$0.06 per share for a total consideration of \$1,100,000. Of this amount, Pecoy Copper received gross cash proceeds of \$704,000 and settled an amount of \$396,000 due to shareholders.

Investing:

- The Corporation advanced an amount of \$400,000 to Pembroke Copper Corp. ("Pembroke").

Highlights – subsequent to April 30, 2025

The following is a summary of significant events that occurred subsequent to April 30, 2025 to the date of this MD&A:

Financing:

- In May and June 2025, the Corporation raised gross proceeds of \$2,000,000 from the issuance of 6,666,667 common shares at \$0.30 per share.
- On May 19, 2025, the Corporation issued 6,000,000 common share purchase warrants in consideration for services having an exercise price of the lessor of (i) a 25% premium to the deemed price of a concurrent financing conducted in connection with the Corporation's going public transaction and (ii) \$0.75, and an expiry date five years following the completion of the Corporation's going public transaction.

Investing:

- The Corporation advanced an additional amount of \$1,300,000 to Pembroke under the same terms and conditions then the first advance described above.
- Conditionally with the occurrence of the RTO described and defined below, the Corporation completed the acquisition of Pecoy Sociedad Minera S.A.C. ("Pecoy Peru") by executing the following three share purchase agreements:
 - On May 27, 2025, the Corporation entered into an acquisition agreement with Pembroke and 1540646 B.C. LTD., a subsidiary of the Corporation incorporated on May 26, 2025 (the "Pembroke Acquisition Agreement"). Pursuant to the terms and conditions of the Pembroke Acquisition Agreement, the Corporation will issue to the shareholders of Pembroke an aggregate of 29,314,356 common shares and will satisfy up to \$7,200,000 of Pembroke's liabilities and payables of which \$1,700,000 is already advanced to Pembroke in exchange for all of the issued and outstanding Pembroke shares. Pembroke is the holder of 76,385% of the outstanding shares of Pecoy Peru. In addition, each Pembroke share option will be exchanged for 0.14667 of a Corporation share option having an exercise price equal to the exercise price of the original option divided by 0.14667.
 - On May 27, 2025, the Corporation entered into an acquisition agreement with Camila Carlessi Vargas ("CCV") (the "CCV Acquisition Agreement"). Pursuant to the terms and conditions of the CCV Acquisition Agreement, the Corporation will acquire 3,971,781 shares in the capital of Pecoy Peru held by CCV, representing 10.273% of the outstanding shares of Pecoy Peru, for cash consideration of \$1,800,000 and an additional post-closing cash payment of \$350,000, subject to certain conditions.
 - On May 27, 2025, the Corporation entered into an option agreement with Carlos Mauricio Carlessi Vargas ("MCV") (the "MCV Option Agreement"). Pursuant to the terms and conditions of the MCV Option Agreement, the

Corporation acquired an option to acquire the 5,158,152 shares in the capital of Pecoy Peru held by MCV, representing 13.342% of the outstanding shares of Pecoy Peru, during the period from January 2 to January 31, 2026 in exchange for 9,480,000 common shares of the resulting issuer of the RTO described below.

- Conditionally with the occurrence of the reverse take-over transaction described below and the acquisition of Pecoy Peru described above, the Corporation completed the acquisition of Copper X Mining Corp. ("Copper X") by executing the following share purchase agreement:
 - On May 27, 2025, the Corporation entered into an acquisition agreement with Copper X and its shareholders. Pursuant to the terms and conditions of this agreement, the Corporation will acquire 100% of the issued and outstanding common shares in the capital the Corporation by issuing 21,666,666 common shares of Pecoy Copper on a pro rata basis to the shareholders of the Corporation. In addition, the 6,000,000 share purchase warrants of Copper X having an exercise price of C\$0.75 per Copper X Share with a five-year term, subject to certain vesting provisions, and the 3,750,000 Copper X Options having an exercise price of C\$0.60 per Copper X Share with a five-year term, shall remain in full force and effect and convertible into shares of the Corporation following the completion of the Copper X Acquisition Agreement.
- Each of the Pembroke acquisition, the CCV common shares acquisition and the Copper X acquisition will be completed immediately prior to the completion of the RTO described below.
- Proposed reverse takeover and concurrent private placement
 - On July 3, 2025, Pecoy Copper Corp. (formerly known as Priyanka Capital Inc.), its subsidiary ("Pecoy Copper Subco") and the Corporation entered into a business combination agreement in respect of a proposed three-cornered amalgamation under the *Business Corporation Act* (Ontario) whereby Pecoy Copper Subco and the Corporation would amalgamate and continue as one corporation, resulting in the reverse takeover of Pecoy Copper Corp. by the Corporation (the "RTO").
 - On July 8, 2025 and in connection with the RTO, the Corporation completed a concurrent private placement of 105,800,000 subscription receipts comprised of one common share at a price of \$0.60 per subscription receipt, for aggregate gross proceeds of \$63,480,000 (the "Subscription Receipts"). As part of the amalgamation, the Corporation's common share underlying the Subscription Receipts will be exchanged on a one-for-one basis for shares of the RTO resulting issuer. The net proceeds from the concurrent private placement is estimated to be \$59,648,000, after deducting agents' fees and other expenses.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with IFRS requires management to apply accounting policies and make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. There is full disclosure of the Corporation's critical accounting policies and accounting estimates in Notes 3, 4 and 5 of the Financial Statements.

Selected financial information

	38-day period ended April 30, 2025
	\$
Total assets	1,166,757
Total non-current financial liabilities	-
Total revenue	-
Net loss and comprehensive loss attributable to owners	(39,413)
Net loss per share – basic and diluted	(0.00)

Since its incorporation, the Corporation has not paid any cash dividends on its outstanding common shares. Any future dividend payments will depend on the Corporation's financial needs to fund its exploration and evaluation programs and any other factor that the board of directors may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

Operating results

Pecoy Copper recorded a net loss of \$39,413. The main expenses are accounting fees of \$5,250, legal fees of 3,847 and travel and other transaction expenses of \$29,695 incurred in regard to the upcoming transactions described in the highlights section. Other than that, the Corporation incurred an amount of \$284 in Finances cost (mainly bank fees).

Cash Flows analysis**Operating Activities**

For the 38-day period ended April 30, 2025 net cash flows used in operating activities were \$85. This included the net loss of \$39,413 offset by changes in the non-cash working capital items in the amount of \$39,328.

Financing Activities

For the 38-day period ended April 30, 2025, financing activities generated cash flows of \$704,000. These inflows primarily reflect the private placement completed by Pecoy Copper during the period.

Liquidity and Capital Resources

The Corporation has not yet generated cash flow from its operations. As at April 30, 2025, the Corporation has \$703,915 in cash and a positive working capital of \$991,722. The Corporation has an accumulated deficit of \$39,413. The working capital position as at April 30, 2025 will not be sufficient to meet the Corporation's obligations, and commitments up to 12 months from the statement of financial position date. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a substantial doubt upon the Corporation's ability to continue as a going concern as described in the preceding paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In order to pay for ongoing general and administrative expenses, the Corporation will use existing working capital and expects to raise additional amounts through related parties or private placements as needed. The Corporation is also contemplating other capital transactions as described in the sections Highlights

Related Party Transactions

The Corporation had the following transactions with key management personnel and other related parties for the 38-day period ended April 30, 2025. Other related parties include individuals with significant influence as well as a company under the same significance influence:

- On March 25, 2025, key management personnel and other related parties participated in the private placement for a total consideration of \$816,000 under the same terms as other investors. Of this amount, the Corporation received gross cash proceeds of \$420,000 and settled \$396,000 of amounts due to shareholders through the issuance of shares. As at April 30, 2025, an amount of \$4,000 is payable to a shareholder.
- During the 38-day period ended April 30, 2025, the Corporation incurred \$13,097 of travel expenses, \$337 of office expenses and \$199 of finance costs with key management personnel. This amount is included in accounts payable and accrued liabilities as at April 30, 2025.

Contractual Obligations and Commitments

The Corporation has no commitment.

Outstanding Share Data

At the date of this MD&A, the Corporation has 25,000,000 issued and outstanding common shares, 6,000,000 outstanding share purchase warrants and 3,750,000 outstanding share options. There are no other outstanding securities convertible or exercisable into common shares of the Corporation.

Off-Balance Sheet Items

At the date of this MD&A, the Corporation had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Corporation.

Capital Management

The Corporation's primary objectives when managing capital are to maintain a sufficient capital base in order to meet its short-term obligations and to fund its corporate activities. The Corporation defines capital as its total equity. Changes in capital are depicted on the statement of changes in equity. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Corporation's management to sustain future development of the business.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Corporation, is reasonable. The Corporation is not subject to material externally imposed capital requirements.

Financial Risks

The Corporation's activities expose it to a variety of financial risks: market risks, credit risk and liquidity risk. Management designs strategies for managing some of these risks, which are summarized below. The Corporation's executive management ensures that its financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Corporation's policies approved by the Board of Directors and risk appetite.

Risk Factors***Uninsurable Risks***

In the course of exploration, development and production of mineral properties, certain risks may occur, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased production costs, damage to, or destruction of, mineral properties or production facilities and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on Corporation property, and punitive awards in connection with those claims and other liabilities. It is not always possible to fully insure against such risks and the Corporation may decide not to take out insurance against such risks as a result of high premiums or other reasons. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage the Corporation's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to the Corporation. These could include loss or forfeiture of mineral interests or other assets for nonpayment of fees or taxes, and legal claims for errors or mistakes by our personnel. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Corporation shares.

Environmental Regulations, Permits and Licenses

The Corporation's operations may be 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. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Corporation intends to comply fully with all environmental regulations. The current or future operations of the Corporation, including development activities and commencement of production on its properties, require permits from various federal, provincial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require the Corporation to obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Corporation may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Corporation might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be

required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

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 Corporation and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Exploration and Development Risks

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

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Corporation's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Corporation's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Lack of Availability of Resources

Mining exploration requires ready access to mining equipment such as drills, and personnel to operate that equipment. There can be no assurance that such resources will be available to the Corporation on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in the Corporation's exploration and/or development programs.

Mineral Exploration and Mining Carry Inherent Risks

Mineral exploration and mining operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact exploration and production throughput. Although the Corporation intends to take adequate precautions to minimize risk, there is a possibility of a material on the Corporation's operations and its financial results.

Metal Prices are Volatile

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that the Corporation's properties can be mined at a profit. Factors beyond the control of the Corporation may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, the Corporation's principal products and exploration targets, gold, copper and silver, is affected by various factors, including political events, economic conditions and production costs.

Infrastructure

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

An increase in prices of power and water supplies, including infrastructure, could negatively affect the Corporation's future operating costs, financial condition, and ability to develop and operate a mine

The Corporation's ability to obtain a secure supply of power and water at a reasonable cost at the Corporation's mineral projects depends on many factors, including: global and regional supply and demand; political and economic conditions; problems that can affect local supplies; delivery; infrastructure, weather and climate conditions; and relevant regulatory regimes, all of which are outside the Corporation's control. The Corporation may not be able to obtain secure and sufficient supplies of power and water at reasonable costs at any of the Corporation's mineral projects and the failure to do so could have a material adverse effect on the Corporation's ability to develop and operate a mine, and on the Corporation's financial condition and results of operations.

The impacts of climate change may adversely affect the Corporation's operations and/or result in increased costs to comply with changes in regulations

Climate change is an international and community concern which may directly or indirectly affect the Corporation's business and current and future activities. The continuing rise in global average temperatures has created varying changes to regional climates across the world and extreme weather events have the potential to delay or hinder the Corporation's activities at its mineral projects, and to delay or cease operations at any future mine. This may require the Corporation to make additional expenditures to mitigate the impact of such events which may materially and adversely increase the Corporation's costs and/or reduce production at a future mine. Governments at all levels are amending or enacting additional legislation to address climate change by regulating, among other things, carbon emissions and energy efficiency, or where legislation has already been enacted, regulation regarding emission levels and energy efficiency are becoming more stringent. As a significant emitter of greenhouse gas emissions, the mining industry is particularly exposed to such regulations. Compliance with such legislation, including the associated costs, may have a material adverse effect on the Corporation's business, financial condition, results of operations, prospects and the Corporation's ability to commence or continue our exploration and future development and mining operations.

Changing climate patterns may also affect the availability of water. If the effects of climate change cause prolonged disruption in the delivery of essential commodities then production efficiency may be reduced, which may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

In addition, climate change is perceived as a threat to communities and governments globally and stakeholders may demand reductions in emissions or call upon mining companies to better manage their consumption of climate-relevant resources. Negative social and reputational attention towards the 's operations may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. A number of governments have already introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulations relating to emission levels (such as carbon taxes) and energy efficiency are becoming more stringent. If the current regulatory trend continues, this may result in increased costs at some or all of the Corporation's mineral projects.

Operations in Peru

The Corporation will be exposed to various levels of political, economic, regulatory and other risks and uncertainties associated with conducting business and mineral operations in Peru. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; local drug gang activities; military repression; expropriation and nationalization; extreme fluctuations in currency exchange rates; changes in royalty regimes, including the elimination of tax exemptions; underdeveloped industrial and economic infrastructure; unenforceability of judgements; prohibitions on restrictions for carrying out mining activities due to legal actions by Indigenous communities; high rates of inflation; labour unrest; the risks of war or civil unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions arising from changes in government and otherwise, currency controls, import and export regulations and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Political Risks in Peru

Peru is currently subject to political instability, changes and uncertainties, which may cause changes to existing governmental regulations affecting mineral exploration and mining activities, changes in the interpretation of existing regulations or stricter enforcement of such regulations. Current President Boluarte is Peru's sixth president since 2018 and none of her five predecessors in office have completed the five-year term established by the Constitution. Several former presidents are in prison or have been prosecuted in judicial proceedings. President Boluarte has publicly encouraged economic stability and private investment and is trying to amend several policies enacted during the Castillo government. However, the Corporation cannot guarantee that political instability or future regulatory changes will not adversely affect the Corporation's business, financial condition or results of operations.

Peru's status as a developing country may make it more difficult for the Corporation to obtain any required financing for its projects. Any changes in governmental laws, regulations, economic conditions or shifts in political attitudes or stability in Peru are beyond the control of the Corporation and may adversely affect the Corporation's business.

Mining companies are required to pay the Peruvian government mining royalties and/or mining taxes. The Corporation cannot guarantee that the Peruvian government will not impose additional mining royalties or taxes in the future or that such mining royalties or taxes will not have an adverse effect on the Corporation's results of operations or financial condition. The legal and regulatory requirements in Peru with respect to conducting mineral exploration and mining activities and banking systems and controls are different from those in Canada. The officers and directors of the Corporation will rely on local legal counsel and local consultants and advisors in respect of legal, banking, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect operations in Peru, and to assist the Corporation with its governmental relations. The Corporation will also rely on those members of management and the Corporation Board who have previous experience working and conducting business in Peru. The failure to comply with all material legal and regulatory requirements may lead to the revocation of certain rights, penalties or fees, which may have an adverse effect on the Corporation.

Community and Social Risks in Peru

The Corporation's Pecoy project is located in an area of Peru that may be of particular interest or sensitivity to one or more Indigenous groups, local groups or interest groups. There is no assurance that the Corporation's relationships with such groups will be positive. Accordingly, it is possible that operations at the mining project could be interrupted or otherwise adversely affected in the future by political uncertainty, community opposition, tax reforms, land claims entitlements, expropriations of property, illegal, artisanal and small-scale miners, changes in applicable governmental policies and policies of relevant local or interest groups. Any changes in community or government relations or shifts in political conditions may be beyond the Corporation's control and may adversely affect its business and operations, including the ability to obtain or maintain necessary permits, and if significant, may result in the impairment or loss of mineral concessions or other mineral rights, or may make it impossible to continue mineral exploration and mining activities in the applicable area, any of which could have an adverse effect on the results of operations, cash flows and financial position. There may be illegal miners in the area covered by the Pecoy project's mining concessions. Illegal mining has affected gold mining operations in Peru and could potentially expose the Pecoy project to business interruptions, damage to its assets and injuries to its personnel.

There is an increasing level of public concern relating to the effects of mining on the natural landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") that oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. NGOs or local community organizations could direct adverse publicity against and/or disrupt the Corporation's operations in respect of one or more of the Corporation's properties, regardless of the Corporation's successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Corporation has an interest or the Corporation's operations specifically. In recent years, certain areas in the south and northern highlands of Peru with significant mining projects have experienced strikes and protests related to the environmental impact of mining activities. Such strikes and protests have resulted in disruptions and a climate of uncertainty with respect to future mining projects. Peru has experienced recent periods of civil unrest, and on March 17, 2025, the Peruvian government declared a state of emergency for a 30-day period in the provinces of Lima and Callao, due to a rise in violent crime. If the Corporation were to experience resistance or unrest in connection with its Peruvian operations, it could have a material adverse effect on its operations and profitability.

Labour and Employment Relations in Peru

Competition for skilled employees in the resource sector results in employee turnover at the Corporation's operations and a need to constantly recruit and train new employees. This competition for qualified employees occasionally results in workforce shortages, which can often be supplemented with more costly contract labour. As technology evolves and automation increases, the skill mix required also changes and the Corporation may not be able to attract the required capabilities for new ways of working, or re-skill those skills sets that will be changed in the future. Relations between the Corporation and its employees may be impacted by changes in labour relations which may be introduced by, among others, employee groups, unions, and the relevant governmental authorities in whose jurisdictions the Corporation carries on business. Labour in Peru is customarily unionized and there are risks that labour unrest or wage agreements may adversely impact the Corporation's operations. Changes in employment legislation or otherwise in the Corporation's relationship with the Corporation's employees may result in higher ongoing labor costs, employee turnover, strikes, lockouts or other work stoppages, any of which could have a higher material adverse effect on the Corporation's business, results of operations and financial condition.

Reliance on Key Personnel

The Corporation's development will depend on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Corporation's business. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Corporation's control, including competition for human capital and the high level of technical expertise and experience required to execute

this development, will affect the Corporation's ability to employ the specific personnel required. Due to the relatively small size of the Corporation, the failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Corporation's business, results of future operations and financial condition. The Corporation does not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

Competition

The mining industry is intensely competitive in all its phases, and the Corporation competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Corporation's ability to acquire additional suitable properties or prospects in the future.

Financing Risks

It is expected that the Corporation will have sufficient cash and cash equivalents, although the Corporation has no source of operating cash flow and no assurance that additional funding will be available to it for further growth and exploration of the Pecoy project.

Global Financial Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing, particularly for energy companies which have been negatively impacted. These conditions may affect the Corporation's ability to obtain equity or debt financing in the future on terms favourable to the Corporation or at all. If such conditions continue, the Corporation's operations could be negatively impacted.

Risk Associated with an Emerging and Developing Market

The disruptions recently experienced in the international and domestic capital markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. Companies located in countries in the emerging markets may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging and developing markets is significantly influenced by levels of investor confidence in such markets as a whole and as such any factors that impact market confidence (for example, a decrease in credit ratings, state or central bank intervention in one market or terrorist activity and conflict) could affect the price or availability of funding for entities within any of these markets.

Trade Tariffs

The imposition of trade tariffs, particularly by the United States, or other trade restrictions could have significant repercussions for Canadian businesses, and the broader economy. Increased costs of goods and services may contribute to inflation. These tariffs, and any changes to these tariffs or imposition of any new tariffs, taxes or import or export restrictions or prohibitions, could have a material adverse effect on the Corporation's business. Furthermore, there is a risk that the tariffs imposed by the United States on other countries will trigger a broader global trade war which could have a material adverse effect on the Canadian, United States and global economies. Overall, trade policy restrictions create financial uncertainty for companies, disrupt trade relationships, and put downward pressure on economic growth.

Dividend Policy

No dividends on the Corporation Shares have been paid by the Corporation to date. Investors in the Corporation's securities cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is unlikely that investors will receive any return on their investment in the Corporation's securities other than through possible share price appreciation.

Risk of Litigation

The Corporation may become involved in disputes with other parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty. If the Corporation is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Corporation to carry out its business plan.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability

of financial reporting and financial statement preparation. The Corporation has a very limited history of operations and has not made any assessment as to the effectiveness of its internal controls. Though the Corporation intends to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, there are limited internal controls currently in place.

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in the mining sector and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Corporation should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the OBCA and other applicable laws.

Credit Risk

Credit risk arises from the potential that debtors will fail to satisfy their obligations as they come due. Credit risk with respect to trade and another receivable is considered low as the balance is made up of amounts due for grant applications and sales taxes. Credit risk with respect to cash is considered low as it is held by a major Canadian financial institution.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Corporation's objective in managing liquidity risk will be to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of acquisitions and/or other development or construction projects is not currently determinable and it is not currently known precisely when the Corporation will require external financing in future periods.

Subsequent Events

As at the date of this MD&A, there are no significant subsequent events, other than those already disclosed herein.

Additional Information

Additional information relating to the Corporation is available in the Filing Statement which is being filed on SEDAR in connection with the proposed transaction.

Corporate Information**Administrative Office**

161 Bay Street, Suite 2700,
Toronto, Ontario, Canada.
Tel.: (514) 249-9960

Director

Vincent Metcalfe

Officers

Vincent Metcalfe, President
Robert Mason, Corporate Secretary

(Signed) Vincent Metcalfe

Vincent Metcalfe
President and Director

September 3, 2025

APPENDIX “H”

**AUDITED FINANCIAL STATEMENTS OF COPPER X MINING CORP. AS AT APRIL 30, 2025 AND
FOR THE 84-DAY PERIOD THEN ENDED**

Copper X Mining Corp.

Consolidated financial statements as at April 30, 2025
and for the 84-day period then ended

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Director of Copper X Mining Corp.

Opinion

We have audited the consolidated financial statements of Copper X Mining Corp. (the "Group"), which comprise the consolidated statement of financial position as at April 30, 2025 and the consolidated statements of loss and comprehensive loss, cash flows and changes to shareholders' equity for the period then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at April 30, 2025, and its consolidated financial performance and its consolidated cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowe Mackay LLP

**Chartered Professional Accountants
Vancouver, Canada
September 3, 2025**

Copper X Mining Corp.

Consolidated Statement of Financial Position

As at April 30, 2025

(in Canadian dollars)

	<u>As at April 30, 2025</u>
	\$
Assets	
Current assets	
Cash	286,354
Sales taxes receivable	7,533
Total current assets	293,887
Non-current assets	
Deferred share issuance costs	4,352
Exploration and evaluation assets (Note 6)	1,131,429
Total non-current assets	1,135,781
Total assets	1,429,668
Liabilities and shareholders' equity	
Current liabilities	
Accounts payable and accrued liabilities (Notes 7 and 15)	551,233
On-demand promissory note (Note 8)	120,000
Total current liabilities	671,233
Shareholders' equity	
Common shares (Note 9)	474,438
Commitment to issue shares	498,667
Deficit	(214,670)
Equity attributable to Copper X Mining Corp.'s shareholders	758,435
Total liabilities and shareholders' equity	1,429,668

Description of business and going concern (Note 1)

Commitments (Note 6)

Subsequent events (Note 16)

The accompanying notes form an integral part of these consolidated financial statements.

Approved on behalf of the Board

(signed) Mario Vetro, President and Director

Copper X Mining Corp.

Consolidated statement of loss and comprehensive loss

For the 84-day period ended April 30, 2025

(in Canadian dollars)

	For the 84-day period ended April 30, 2025
	\$
Operating expenses	
Consulting and accounting fees (Note 15)	4,288
Professional fees (Notes 15 and 16)	145,000
Legal expenses	43,375
Travel expenses	16,229
Bank Fees	160
Operating loss	209,052
Other expenses	
Loss on foreign exchange	5,618
Net loss and comprehensive loss	214,670
Net loss per share (Note 11)	
Basic and diluted	0.02

The net loss and comprehensive loss are solely attributable to Copper X Mining Corp. shareholders.

The accompanying notes form an integral part of these consolidated financial statements.

Copper X Mining Corp.

Consolidated statement of Cash Flows

For the 84-day period ended April 30, 2025

(in Canadian dollars)

	For the 84-day period ended April 30, 2025
	\$
Operating activities	
Net loss for the period	(214,670)
Adjustment for:	
Foreign exchange loss	5,618
Professional fees	145,000
Changes in other assets and liabilities	
Sales taxes receivable	(7,533)
Accounts payable and accrued liabilities	50,273
Cash used by operating activities	(21,312)
Investing activities	
Acquisition of exploration and evaluation assets (Note 6)	(286,716)
Cash used by investing activities	(286,716)
Financing activities	
Issuance of common shares (Note 9)	480,000
Issuance of on-demand promissory note (Note 8)	120,000
Cash provided by financing activities	600,000
Effect of exchange rate on cash	(5,618)
Net increase of cash	286,354
Cash at beginning of the period	—
Cash at end of the period	286,354

Additional cash flows information (Note 12)

The accompanying notes form an integral part of these consolidated financial statements.

Copper X Mining Corp.

Consolidated statement of Changes to Shareholders' equity

For the 84-day period ended April 30, 2025

(in Canadian dollars)

	Number of common shares outstanding	Common shares	Commitment to issue shares (Note 16)	Deficit	Total
	(Note 9)	\$	\$	\$	\$
Balance as at February 6, 2025	—	—	—	—	—
Net loss and comprehensive loss during the period	—	—	—	(214,670)	(214,670)
Issuance of common shares	9,600,000	480,000	—	—	480,000
Share Issuance costs	—	(5,562)	—	—	(5,562)
Commitment to issue shares	—	—	498,667	—	498,667
Balance as at April 30, 2025	9,600,000	474,438	498,667	(214,670)	758,435

The accompanying notes form an integral part of these consolidated financial statements.

Copper X Mining Corp.

Notes to the Consolidated Financial Statements

For the 84-day period ended April 30, 2025

(in Canadian dollars)

Note 1 – Description of Business and Going Concern

Copper X Mining Corp. (“Copper X” or the “Corporation”) is primarily engaged in the acquisition and exploration of mineral properties in Peru.

The Corporation was incorporated on January 6, 2025 under the name of 1520222 B.C. LTD. It changed its name to Copper X Mining Corp. on January 17, 2025. Copper X is domiciled in Canada and was incorporated under the *Business Corporation Act* (British Columbia). The address of the Corporation’s registered office is 1500 -1055 West Georgia Street, Vancouver, British Columbia, Canada. From January 6, 2025 to February 6, 2025, the Corporation was inactive. The activities are deemed to have officially started on February 6, 2025 with the completion of the private placement (Note 9) and the acquisition, the following day, of the exclusive rights to acquire 100% of the rights, titles and interests in certain mining rights located in Peru. As such, the financial period covered by these consolidated financial statements is from February 6, 2025 to April 30, 2025 (the “Financial Statements”).

These Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. As at April 30, 2025, the Corporation has a negative working capital of \$377,346, which includes a cash balance of \$286,354. The Corporation has an accumulated deficit of \$214,670 which is equal to the net loss of \$214,670 for the 84-day period ended April 30, 2025.

The working capital position as at April 30, 2025 will not be sufficient to meet the Corporation’s obligations, and commitments up to 12 months from the consolidated statement of financial position date. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a substantial doubt upon the Corporation’s ability to continue as a going concern as described in the preceding paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These Financial Statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

The Corporation’s ability to continue future operations and fund its planned activities is dependent on management’s ability to secure additional financing in the future, which may be completed in several ways. Failure to secure future financing may impact and/or curtail the planned activities for the Corporation, which may include, but are not limited to, the suspension of certain development activities and the disposal of certain assets and investments to generate liquidity. While management has been successful in securing financing so far and as disclosed in Note 16 after period-end and signing new agreement such as the one with Pecoy Copper Limited, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation. If Management is unable to

Copper X Mining Corp.

Consolidated statement of Changes to Shareholders' equity

For the 84-day period ended April 30, 2025

(in Canadian dollars)

obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than the amounts reflected in these Financial Statements.

Note 2 - Basis of Presentation and Statement of Compliance

These Financial Statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies, methods of computation and presentation applied in the preparation of these Financial Statements have been consistent throughout the period.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances.

These Financial Statements were authorized for issue by the Board of Directors of the Corporation on September 3, 2025.

Note 3 - Material Accounting Policies

Consolidation

These Financial Statements include the accounts of the Corporation and its subsidiary, Copper X Peru S.A.C ("Copper X Peru"). The Corporation holds 99.99% of the capital of Copper X Peru.

A subsidiary is an entity controlled by the Corporation. Control is achieved where the Corporation is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. This occurs when the Corporation has existing rights that give it the current ability to direct the relevant activities, is exposed, or has rights, to variable returns from its investment with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance and the ability to use its power over the investee to affect the amount of the investor's returns.

Non-controlling interests are that part of the net loss and net assets of a subsidiary attributable to the interests that are not owned directly or indirectly by the equity holders of the Corporation.

Foreign currency translation

Functional and presentation currency

These Financial Statements are presented in Canadian dollars, which is the Corporation's functional currency. References to "USD" refer to United States dollars.

Copper X Mining Corp.

Notes to the Consolidated Financial Statements

For the 84-day period ended April 30, 2025

(in Canadian dollars)

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Corporation, using the exchange rate prevailing at the dates of the applicable transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and the remeasurement of monetary items are recognized in net loss. Non-monetary items measured at historical cost are translated into the functional currency using the exchange rate at the dates of the applicable transactions.

Basis of measurement

These Financial Statements have been prepared using the historical cost basis. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

Financial instruments

Financial assets

Cash is classified as and measured at amortized cost.

Financial liabilities

Financial liabilities are recognized initially at fair value, net of transaction costs. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method.

Accounts payable and accrued liabilities and on-demand promissory note are classified as and measured at amortized cost.

Cash

Cash includes cash held with banks and in trust accounts.

Exploration and evaluation assets

Expenditures related to exploration and evaluation of mineral properties are recognized in profit or loss as incurred. All option payments and costs of acquiring mineral rights are capitalized as exploration and evaluation assets. Exploration and evaluation assets are assessed for impairment indicators at the end of each reporting period. Any option payments or proceeds from the sale of royalty interests received by the Corporation are credited to the capitalized cost of the related exploration and evaluation asset. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the period received.

Whenever a mining property is considered no longer viable, or abandoned, the capitalized amounts are written down to their recoverable amounts with the difference recognized in profit or loss. When technical feasibility and the commercial viability of extracting a mineral resource are demonstrable and a mine development decision has been made by the Corporation, exploration and evaluation assets related to the mining property are transferred as tangible assets and related development expenditures

Copper X Mining Corp.

Notes to the Consolidated Financial Statements

For the 84-day period ended April 30, 2025

(in Canadian dollars)

are capitalized. Before the reclassification, the related exploration and evaluation assets are tested for impairment and any impairment loss is then recognized in profit or loss.

The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, including a) the extent to which mineral reserves or mineral resources as defined in National Instrument 43-101 have been identified through a feasibility study or similar document; b) the results of optimization studies and further technical evaluation carried out to mitigate project risks identified in the feasibility study; c) the status of environmental permits; and d) the status of mining leases or permit.

Share capital

Common shares are classified as equity. Expenses directly attributable to the issue of common shares are presented as a deduction of share capital, net of any tax effects. Proceeds from unit placements are allocated between shares and warrants issued. Warrants that are part of units are assigned a value based on the residual value of the unit after deducting the fair value of the common shares.

Segment reporting

The operating segments are reported in a manner consistent with the internal reporting provided to the President who fulfills the role of the chief operating decision-maker. The President is responsible for allocating resources and assessing performance of the Corporation's operating segments.

The Corporation has one operating segment, the exploration of mineral properties, and one geographical segment, with all current exploration activities being conducted in Peru.

Income taxes

The income tax expense includes current and deferred tax. Current tax and deferred tax are recognized in the statement of loss, except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax laws enacted or substantively enacted at the reporting date in the jurisdictions where the Corporation operated, and any adjustment to tax payable in respect of previous periods.

The Corporation uses the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss or give rise to equal taxable and deductible temporary differences. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates (and laws) that apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Copper X Mining Corp.

Notes to the Consolidated Financial Statements

For the 84-day period ended April 30, 2025

(in Canadian dollars)

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are presented as non-current and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Net loss per share

The Corporation presents basic and diluted loss per share ("EPS") data for its common shares issued. Basic EPS is calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares, which could comprise warrants and share options granted to directors and employees. The computation of diluted EPS assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share.

Note 4 - New Accounting Standards

New standards and interpretations not yet adopted

The Corporation has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than April 30, 2025. These standards, interpretations to existing standards and amendments, other than IFRS 18 *Presentation and Disclosure in Financial Statements*, which is presented below, are not expected to have any significant impact on the Corporation or are not considered material and are therefore not discussed herein.

New standard – IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. IFRS 18 was issued in response to investors' concerns about the comparability and transparency of entities' performance reporting. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how "operating profit or loss" is defined. The new disclosures required for some management-defined performance measures will also enhance transparency. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and

Copper X Mining Corp.

Notes to the Consolidated Financial Statements

For the 84-day period ended April 30, 2025

(in Canadian dollars)

- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its “operating profit or loss”.

IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. Management has not yet evaluated the impact that this new standard will have on its financial statements.

Note 5 - Critical Accounting Estimates, assumptions and Judgements

Critical accounting judgment, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Corporation to make judgment, estimates and assumptions concerning the future. The Corporation’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events and expected economic conditions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

The most significant judgments, estimates and assumptions in applying the Corporation’s Financial Statements include the following:

Recoverability of the carrying value of exploration and evaluation assets.

Assessment of impairment of exploration and evaluation assets requires the use of judgements when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Corporation’s exploration and evaluation assets. Factors which could trigger an impairment review include, but are not limited to, an expiry of the right to explore in the specific area during the period or will expire in the near future, and is not expected to be renewed; substantive exploration and evaluation expenditures in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources; sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount is unlikely to be recovered in full from successful development or by sale; significant negative industry or economic trends; interruptions in exploration and evaluation activities; and a significant decrease in current or forecast commodity prices.

Changes in the judgments used in determining the fair value of exploration and evaluation properties could impact the impairment analysis.

Assessment of the Corporation’s ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Copper X Mining Corp.

Notes to the Consolidated Financial Statements

For the 84-day period ended April 30, 2025

(in Canadian dollars)

The assessment of the Corporation's ability to continue as a going concern involves judgment as it relies on the Corporation's estimation of future cash flows for the 12-month period from the financial statement date, the availability of funds to meet those cash flow requirements and the probability to entered into capital transactions. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events and budgeted expenditures that are believed to be reasonable under the circumstances (Note 1).

Note 6 – Exploration and evaluation Assets

The movement in the Corporation's exploration and evaluation assets is as follows:

	For the 84-day period ended April 30, 2025
	\$
Balance as at February 6, 2025	—
First option payment	286,716
Validity and penalty payment (Note 7)	416,238
Legal and other acquisitions costs	428,475
Balance as at April 30, 2025	1,131,429

On February 7, 2025, the Corporation's subsidiary, Copper X Peru, entered into an option agreement with Minera Andina De Exploraciones S.A.A. and S.M.R.L. Rosita N° 1 De Arequipa to acquire 13 mining concessions (the "Concessions") located near Arequipa, in Peru (the "Option Agreement"). The option can only be exercised by Copper X Peru for the 13 mining concession as a whole, that is, it may not be exercised only over certain concessions.

Under the Option Agreement, Copper X Peru may acquire a 100% interest in the Concessions, subject to the following main conditions: (i) total consideration of US\$9,249,000, payable in five installments through a combination of cash payments and issuance of common shares of the Parent Corporation (as defined below), and (ii) the establishment of a net smelter royalty, through the subscription and formalization of the deed of establishment.

The term of the option is one year from the signature of the option agreement, i.e. until February 7, 2026.

During the term of the option, Copper X Peru is required to make payments totaling US\$6,249,000 in three installments. These three installments are paid as a prerequisite for exercising the mining option. The first installment of US\$199,000 in cash was paid on February 10, 2025. The second and third installments must

Copper X Mining Corp.

Notes to the Consolidated Financial Statements

For the 84-day period ended April 30, 2025

(in Canadian dollars)

be made at the earliest of (1) within five (5) business days from the time Copper X successfully completes a transaction such as a reverse takeover, acquisition, direct listing, or other initial public offering (IPO), which results in Copper X shares being owned, directly or indirectly, by a corporation listed in a stock exchange (the "Parent Corporation"), or (2) the expiration of the one-year option term. Upon completion of such a transaction, the Parent Corporation will be required to pay US\$3,050,000 in cash less any amount paid by Copper X to maintain the titles such as validity and production penalty fees (second installment) and to issue Parent Corporation common shares having a total value of US\$3,000,000, at the offering price (third installment).

The fourth and fifth installments consist respectively of an additional cash payment of US\$1,500,000 and US\$1,500,000 of the Parent Corporation common shares for a total amount of US\$3,000,000 payable in one year from the date the mining option is exercised.

If the qualifying transaction does not occur, the share-based components of the consideration may be converted into equivalent cash payments.

	Cash payments	Common Shares of Parent Corporation
	US\$	US\$
First installment (completed on February 10, 2025)	199,000	—
Second installment	3,050,000	—
Third Installment	—	3,000,000
Fourth installment	1,500,000	—
Fifth installment	—	1,500,000
Total	4,749,000	4,500,000

Note 7 – Accounts payable and accrued liabilities

Accounts payable and accrued liabilities comprise the following:

	As at April 30, 2025
	\$
Accounts payable	118,729
Accrued liabilities	432,504
	551,233

As at April 30, 2025, the Corporation has accrued a provision for 2024 validity fees and production penalty fees for not completing sufficient work in 2024. The provision totals \$416,238 which was paid in June 30, 2025.

Copper X Mining Corp.

Notes to the Consolidated Financial Statements
For the 84-day period ended April 30, 2025
(in Canadian dollars)

Note 8 – On-demand Promissory note

On February 6, 2025, the Corporation borrowed \$120,000 from a company under the same significant influence (Note 15). The on-demand promissory note is non-interest bearing and is payable on demand. The promissory note was repaid in full on May 12, 2025 (Note 16).

Note 9 – Common Shares

Authorized Share Capital

The Corporation is authorized to issue an unlimited number of common shares having no par value.

Share consolidation

On April 25, 2025, the Corporation consolidated its issued and outstanding common shares on the basis of three (3) post-consolidated common share for every 5 pre-consolidated existing common shares previously issued and outstanding (the “Consolidation”). The Consolidation was approved by resolution of directors pursuant to section 9.1 (c) of the Corporation Articles. The share consolidation has been applied retrospectively and as a result of all shares and per share amounts are stated on an adjusted basis.

Share capital

On February 6 and February 12, 2025, the Corporation completed a private placement and raised gross proceeds of \$480,000 from the issuance of 9,600,000 common shares at \$0.05 per share. Pursuant to the private placement, the Corporation incurred \$5,562 of share issuance costs.

Capital management

The Corporation’s primary objectives when managing capital are to maintain a sufficient capital base in order to meet its short-term obligations and to fund its exploration and evaluation activities. The Corporation defines capital as its total equity. Changes in capital are depicted on the statement of changes to shareholders’ equity. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Corporation’s management to sustain future development of the business.

In order to carry out its planned exploration and pay for ongoing general and administrative expenses, the Corporation will use existing working capital and expects to raise additional amounts through related parties or private placements as needed. The Corporation is also contemplating other capital transactions as described in note 16. Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Corporation, is reasonable. The Corporation is not subject to material externally imposed capital requirements.

Copper X Mining Corp.

Notes to the Consolidated Financial Statements

For the 84-day period ended April 30, 2025

(in Canadian dollars)

Note 10 – Income Taxes

A reconciliation of income taxes at the combined Canadian statutory rate (27.0%) with the reported taxes for the initial 84-day period ended April 30, 2025 is as follows:

	For the 84-day period ended April 30, 2025
	<u>\$</u>
Net loss before income tax	(214,670)
Expected income tax recovery	(57,961)
Permanent differences and other	(1,301)
Change in unrecognized deductible temporary differences	59,262
	<u>—</u>

Unrecognized deductible temporary differences and unused tax losses for which the benefits have not been recorded on the consolidated statement of financial position as at April 30, 2025 are as follows:

	Amount	Expiry date
Non-capital loss	214,000	2045
Share issuance costs	5,000	2030

Note 11 – Net Loss per share

The calculation of basic and diluted net loss per share for the 84-day period ended April 30, 2025 was based on the net loss attributable to shareholders of \$214,670 and the weighted average number of common shares outstanding of 9,368,675. The Corporation has no dilutive instruments outstanding for the 84-day period ended April 30, 2025.

Copper X Mining Corp.

Notes to the Consolidated Financial Statements

For the 84-day period ended April 30, 2025

(in Canadian dollars)

Note 12 – Additional cash-flows information

	For the 84-day period ended April 30, 2025
	\$
Non-cash investing and financing activities:	
Additions of exploration and evaluation assets included in accounts payable and accrued liabilities	491,046
Commitment to issue shares	498,667
Share issuance costs included in accounts payable and accrued liabilities	5,562
Additions of deferred share issuance costs included in accounts payable and accrued liabilities	4,352

Note 13 - Fair Value Measurements

Fair Value measurement

Cash, accounts payable and accrued liabilities and on-demand promissory note are financial instruments whose fair value approximates their carrying value due to their short-term maturity and due to market interest rates.

Note 14- Financial Risk Management

The Corporation's activities expose it to a variety of financial risks: market risks, credit risk and liquidity risk. Management designs strategies for managing some of these risks, which are summarized below. The Corporation's executive management ensures that its financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Corporation's policies approved by the Board of Directors and risk appetite.

(a) Market Risk

Market risk is the risk that changes in market factors, such as foreign exchange rates, interest rates or other price risk, will affect the value of the Corporation's financial instruments. The Corporation is exposed to the following market risks:

Foreign Exchange Risk

The Corporation undertakes certain transactions denominated in US dollars and in New Sol including certain operating expenses. Financial instruments that impact on the Corporation's net loss due to currency fluctuations include cash of \$116,311 (\$84,379 USD) and accounts payable and accrued liabilities of \$47,758 (\$34,636 USD) denominated in US dollars and \$398,531 (1,059,814 New Sol) denominated in New Sol. Based on the Corporation's US dollar denominated monetary assets and

Copper X Mining Corp.

Notes to the Consolidated Financial Statements

For the 84-day period ended April 30, 2025

(in Canadian dollars)

monetary liabilities and New Sol denominated monetary liabilities as at April 30, 2025, a 5% increase (decrease) of the value of the US dollar or the New Sol relative to the Canadian dollar would not have a material impact on net loss.

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash-flows associated with the instrument will fluctuate due to changes in market interest rates. As at April 30, 2025, none of the Corporation's financial assets and liabilities bear interest.

Other Price Risk

The Corporation is not exposed to any other price risk as at April 30, 2025.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation's primary exposure to credit risk is on its cash held in bank and in trust accounts. The majority of cash is deposited in bank accounts held with one bank in Canada and in trust with one major legal Canadian firm. so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies and a major law firm.

(c) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. The Corporation manages the liquidity risk by continuously monitoring actual and projected cash flows, considering the requirements related to its exploration and evaluation properties and matching the maturity profile of financial assets and liabilities. The Board of Directors reviews and approves any material transaction out of the ordinary course of business. Financial liabilities as at April 30, 2025 are comprised of accounts payable and accrued liabilities and on-demand promissory note that are payable within 90 days and on-demand respectively. As described in Note 1, the Corporation estimates that with its liquidity position as at April 30, 2025 together with the private placement closed after April 30, 2025 and the contemplated transactions described in Note 16, it has enough funds available to meet its financial liabilities for the next year. Furthermore, an amount of \$498,667 of commitment to issue shares were settled after the period end by the issuance of common share and units (Note 16).

The following table summarizes the timing associated with the Corporation's remaining contractual payments relating to its financial liabilities as at April 30, 2025. The table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the Corporation can be required to pay (assuming that the Corporation is in compliance with all of its obligations).

Copper X Mining Corp.

Notes to the Consolidated Financial Statements

For the 84-day period ended April 30, 2025

(in Canadian dollars)

	As at April 30, 2025		
	Carrying amount	Maturity	Total 2025
Financial liabilities	\$		\$
Accounts payable and accrued liabilities	551,223	Within 90 days	551,223
On-demand promissory note	120,000	On-demand	120,000
	671,233		671,233

Note 15 - Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that key management personnel consist of executive and non-executive members of the Corporation's Board of Directors as well as the president of the Corporation.

The Corporation had the following transactions with key management personnel and other related parties for the 84-days period ended April 30, 2025. Other related parties include individuals with significant influence as well a company under the same significance influence:

- The Corporation incurred, during the 84-day period ended April 30, 2025, \$138,000 of professional fees with key management personnel and \$139,667 with other related parties. This amount is capitalized in exploration and evaluation assets and included in commitment to issue shares at April 30, 2025 (Note 16).
- The Corporation incurred during the 84-day period ended April 30, 2025, \$2,000 of accounting fees with a company under the same significance influence. Included in accounts payables and accrued liabilities is an amount of \$US10,000 due to this company.
- On February 6, 2025, key management personnel and other related parties participated in the financing (Note 9) for a total consideration of \$120,000 and \$120,000 respectively and under the same terms as other investors.
- On February 6, 2025, the Corporation borrowed \$120,000 from a company under the same significant influence (Notes 8 and 16).

Note 16 - Subsequent Events

Repayment of on-demand promissory note

On May 12, 2025, the Corporation repaid in full the on-demand promissory note for \$120,000.

Copper X Mining Corp.

Notes to the Consolidated Financial Statements

For the 84-day period ended April 30, 2025

(in Canadian dollars)

Issuance of shares and units

On May 13, 2025, in payment of professional fees to certain service providers, amounting to \$498,667, the Corporation issued 2,773,333 common shares at \$0.05 per share and 6,000,000 units at \$0.06 per units. The amount of \$498,667 (for which an amount of \$145,000 was expensed and an amount of \$353,667 was capitalized in exploration and evaluation assets) is included in commitment to issue shares as at April 30, 2025. Each unit consists of one common share and one common share purchase warrant at an exercise price equal to the lesser of (a) a 25% premium to the deemed price per security issued pursuant to the concurrent financing conducted in connection with a going-public transaction (a going-public transaction by which the Corporation will either directly list on a Canadian stock exchange, or the shares of the Corporation will be acquired by a Canadian reporting issuer Corporation in exchange for shares of such reporting issuer Corporation in connection with a reverse take-over transaction by which the reporting issuer Corporation shall become listed on a Canadian stock exchange) or (b) \$0.75; The warrant will expired five years after the date on which the Corporation completes a going public transaction as described above.

On May 16, 2025, the Corporation completed a private placement and raised gross proceeds of \$25,000 from the issuance of 500,000 common shares at \$0.05 per share.

On June 18, 2025, the Corporation completed a private placement and raised gross proceeds of \$999,999 from the issuance of 3,333,331 common shares at \$0.30 per share.

Repurchase of common shares.

On May 16, 2025, the Corporation repurchased 540,000 common shares at a price of \$0.05 per share for an aggregate amount of \$27,000.

Stock option plan

On May 27, 2025, the directors of the Corporation established and implemented a stock option plan pursuant to which the Corporation shall be authorized to issue incentive stock options to certain employees, directors, officers and consultants of the Corporation, which are exercisable by the holders thereof to acquire common shares in the capital of the Corporation on substantially the terms and conditions. The number of shares which will be available for purchase pursuant to options granted pursuant to the plan will not exceed 3,750,000 of the total number of shares of all classes of the Corporation issued and outstanding on a fully-diluted basis; and the maximum term of the options will not exceed 10 years.

Issuance of stock options

On May 27, 2025, the Corporation granted 3,750,000 incentive stock options to certain directors, officers and consultants of the Corporation. The options vested immediately and are exercisable at a price of \$0.60 until May 27, 2030.

Copper X Mining Corp.

Notes to the Consolidated Financial Statements

For the 84-day period ended April 30, 2025

(in Canadian dollars)

Proposed Transaction

On May 27, 2025, the Corporation entered into an acquisition agreement with Pecoy Copper Limited ("Pecoy Copper"). Pursuant to the terms and conditions of this agreement, Pecoy Copper will acquire 100% of the issued and outstanding common shares in the capital the Corporation by issuing 21,666,666 common shares of Pecoy Copper on a pro rata basis to the shareholders of the Corporation. In addition, Pecoy Copper will issue 6,000,000 replacements share purchase warrants to the share purchase warrants holders of Copper X having an exercise price of \$0.75 and with a five-year term, and 3,750,000 replacement options to Copper X options holders having an exercise price of \$0.60 and with a five (5) year term (the "Agreement"). Concurrently with the execution of the Agreement, Pecoy Copper entered into a series of binding acquisition and option agreements (together with the Agreement, the "Acquisition Agreements") with Pembroke Copper Corp. and various private third parties to consolidate ownership of a copper-gold-molybdenum project located in southern Peru. Closing of the Acquisition Agreements is conditional upon various conditions.

APPENDIX “I”

**MD&A OF COPPER X MINING CORP. AS AT APRIL 30, 2025 AND FOR THE 84-DAY PERIOD
THEN ENDED**

Copper X Mining Corp.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the 84-day period ended April 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE 84-day PERIOD ENDED April 30, 2025

The following management discussion and analysis (the "MD&A") of the operations and financial position of Copper X Mining Corp. ("Copper X" or the "Corporation") for the 84-day period ended April 30, 2025, should be read in conjunction with Copper X's audited consolidated financial statements as at April 30, 2025 and for the 84-day period then ended (the "Financial Statements"). The Financial Statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Board has approved the Financial Statements on September 3, 2025.

Copper X's management ("Management") is responsible for the preparation of the Financial Statements and other financial information relating to the Corporation included in this MD&A. The Board of Directors (the "Board") is responsible for ensuring that Management fulfills its responsibilities for financial reporting. The information included in the MD&A is as of September 3, 2025. All monetary amounts included in this report are expressed in Canadian dollars, the Corporation's reporting and functional currency, unless otherwise noted. This MD&A contains forward looking statements and should be read in conjunction with the risk factors described in the "Risk factors" section.

The Corporation has prepared this MD&A following the requirements of National Instrument 51-102 - Continuous Disclosure Obligations.

Vincent Cardin-Tremblay, Qualified Person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects, has verified the technical content of this MD&A.

Cautionary Statement Regarding Forward-Looking Statements

This MD&A contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the growth, results of operations, performance and business prospects and opportunities of the Corporation. All statements other than statements of historical fact are forward-looking statements. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. These statements are only predictions.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such risk factors include, but are not limited to: uninsurable risks; environmental Regulations, Permits and Licenses; exploration and development risks; lack of availability of resources; mineral exploration and mining carry inherent risks; metal prices are volatile; infrastructure; an increase in prices of power and water supplies, including infrastructure, could negatively affect the Corporation's future operating costs, financial condition, and ability to develop and operate a mine; the impacts of climate change may adversely affect the Corporation's operations and/or result in increased costs to comply with changes in regulations; operations in Peru; political risks in Peru; community and social risks in Peru; labour and employment relations in Peru; reliance on key personnel; competition; financing risks; global financial conditions; risk associated with an emerging and developing market; trade tariffs; dividend policy; risk of litigation; internal controls; conflicts of interest; credit risk and liquidity risk.

This list is not exhaustive of the factors that may affect any of the forward-looking statements regarding the Corporation. Forward-looking statements are statements about the future and are inherently uncertain. Actual events or results could differ materially from those projected in the forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described under the heading "*Risk Factors*". The Corporation does not intend, and does not assume any obligation, to update any of the forward-looking statements after the date of this MD&A so as to conform such statements to actual results or to changes in the expectations of the Corporation, other than as required by applicable securities law.

For all these reasons, readers should not place undue reliance on the forward-looking statements contained herein, as the Corporation's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Corporation's business, or if the Corporation's estimates or assumptions prove inaccurate. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

DESCRIPTION OF BUSINESS

Copper X is a mineral resource company. The Corporation holds 99.99% of Copper X Peru S.A.C. ("Copper X Peru"). The business of the Corporation consists of acquiring and exploring mining properties in Peru. Copper X has not yet determined whether its properties contain economically viable mineral deposits.

The Corporation was incorporated on January 6, 2025 under the name of 1520222 B.C. LTD. It changed its name to Copper X Mining Corp. on January 17, 2025. Copper X is domiciled in Canada and was incorporated under the *Business Corporation Act* (British Columbia). The Corporation's head office is 1500 -1055 West Georgia Street, Vancouver, British Columbia, Canada. From January 6, 2025 to February 6, 2025, the Corporation was inactive. The activities are deemed to have officially started on February 6, 2025 with the completion of the private placement and the acquisition, the following day, of the exclusive rights to acquire 100% of the rights, titles and interests in certain mining rights located in Peru as described below.

Highlights – 84-day period ended on April 30, 2025

For the period covered by this MD&A, Copper X was in its first year of operation. It has therefore mainly focused on acquiring the Ocaña project as described below and raising capital. There was no exploration work performed during the period.

The following is a summary of significant events that occurred during the 84-day period ended April 30, 2025:

Property acquisition:

- On February 7, 2025, the Corporation entered into an option agreement with Minera Andina De Exploraciones S.A.A. and S.M.R.L. Rosita N° 1 De Arequipa to acquire 13 mining concessions located near Arequipa in Peru ("Ocaña project") (the "Option Agreement"). Under the Option Agreement, the Corporation may acquire a 100% interest in the concessions for total consideration of US\$9,249,000, payable in five installments through a combination of cash payments and issuance of common shares and the establishment of a net smelter royalty.

Financing:

- On February 6 and February 12, 2025, the Corporation completed a private placement and raised gross proceeds of \$480,000 from the issuance of 9,600,000 common shares at \$0.05 per share.

Other event:

- On April 25, 2025, the Corporation consolidated its issued and outstanding common shares on the basis of three (3) post-consolidated common share for every 5 pre-consolidated existing common shares previously issued and outstanding.

Highlights – subsequent to April 30, 2025

The following is a summary of significant events that occurred subsequent to April 30, 2025 to the date of this MD&A:

Financing:

- On May 12, 2025, the Corporation repaid in full the on-demand promissory note for \$120,000.
- On May 13, 2025, the Corporation issued 2,773,333 common shares at \$0.05 per share and 6,000,000 units at \$0.06 per unit in lieu of payment for professional fees amounting to \$498,667. Each unit consists of one common share and one common share purchase warrant at an exercise price equal to the lesser of (a) a 25% premium to the deemed price per security issued pursuant to the concurrent financing conducted in connection with a going-public transaction (a going-public transaction by which the Corporation will either directly list on a Canadian stock exchange, or the shares of the Corporation will be acquired by a Canadian reporting issuer Corporation in exchange for shares of such reporting issuer Corporation in connection with a reverse take-over transaction by which the reporting issuer Corporation shall become listed on a Canadian stock exchange) or (b) \$0.75; The warrant will expire five years after the date on which the Corporation completes a going public transaction.
- On May 16, 2025, the Corporation completed a private placement and raised gross proceeds of \$25,000 from the issuance of 500,000 common shares at \$0.05 per share.

- On May 16, 2025, the Corporation repurchased 540,000 common shares at a price of \$0.05 per share for an aggregate amount of \$27,000.
- On June 18, 2025, the Corporation completed a private placement and raised gross proceeds of \$999,999 from the issuance of 3,333,331 common shares at \$0.30 per share.
- In June 2025, all related payments (validity and minimum annual production fees) to keep the claims in good standing have been made.

Other event

- On May 27, 2025, the directors of the Corporation established and implemented a stock option plan pursuant to which the Corporation shall be authorized to issue incentive stock options to certain employees, directors, officers and consultants of the Corporation, which are exercisable by the holders thereof to acquire common shares in the capital of the Corporation on substantially the terms and conditions. The number of shares which will be available for purchase pursuant to options granted pursuant to the plan will not exceed 3,750,000 of the total number of shares of all classes of the Corporation issued and outstanding on a fully-diluted basis; and the maximum term of the options will not exceed 10 years.
- On May 27, 2025, the Corporation granted 3,750,000 incentive stock options to certain directors, officers and consultants of the Corporation. The options vested immediately and are exercisable at a price of \$0.60 until May 27, 2030.
- On May 27, 2025, the Corporation entered into an acquisition agreement with Pecoy Copper Limited ("Pecoy Copper"). Pursuant to the terms and conditions of this agreement, Pecoy Copper will acquire 100% of the issued and outstanding common shares in the capital the Corporation by issuing 21,666,666 common shares of Pecoy Copper on a pro rata basis to the shareholders of the Corporation. In addition, Pecoy Copper will issue 6,000,000 replacements share purchase warrants to the share purchase warrants holders of Copper X having an exercise price of \$0.75 and with a five-year term, and 3,750,000 replacement options to Copper X options holders having an exercise price of \$0.60 and with a five (5) year term (the "Agreement"). Concurrently with the execution of the Agreement, Pecoy Copper entered into a series of binding acquisition and option agreements (together with the Agreement, the "Acquisition Agreements") with Pembroke Copper Corp. and various private third parties to consolidate ownership of a copper-gold-molybdenum project located in southern Peru. Closing of the Acquisition Agreements is conditional upon various conditions.

Exploration and Evaluation Properties

Below is a summary of the properties in which the Corporation has an interest.

History of the Ocaña project

Minera Andina De Exploraciones S.A.A. ("Mirandex"), the initial owner of the 13 mining concessions located near Arequipa en Peru, signed in 2010 a contract with a purchase option with Inversiones Minerales S.A.C. ("Inversiones Minerales"), who renamed the project the Ocaña project – comprised of 13 mining concessions. Subsequently, Inversiones Minerales was associated with Indico Resources Ltd. ("Indico").

Indico developed exploration works as part of the contract with a purchase option; however, in 2015, the full right of the contract between Minandex with Inversiones Minerales was terminated, so the Ocaña project returned to the Minandex administration.

Exploration work prior to the involvement of Indico

There is no recorded history of work on the Ocaña project prior to Indico acquiring them. There is artisanal mining throughout Peru and, based on the existing activity on the edges of the concessions, there would likely have been some activity historically. However, no records are available, and there is little surface evidence, other than a couple shallow excavations on the slope south of camp.

Exploration work by Indico

Exploration in 2010-2011 consisted primarily of surface mapping and sampling of outcrops and talus fines, guided by remote sensing (satellite) imagery; see figure below. The clay alteration footprint of at least one significant deposit was immediately clear, and the geochemical work defined it as a copper-gold-molybdenum porphyry deposit. The high-resolution satellite imagery over the Pecoy area clearly shows a large (3 km) coherent area of intense clay and iron alteration at the Jimena Prospect, typical of a large porphyry system. The camp and access trails were developed in this time period as well.

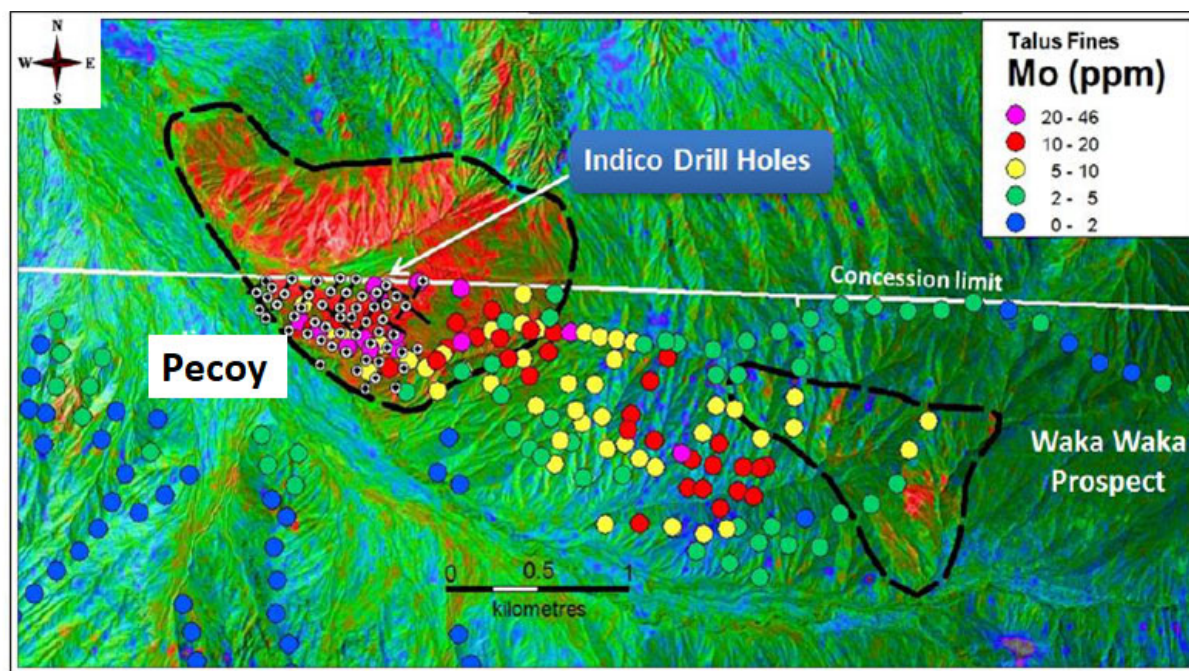


Figure - Satellite Imagery with Clay Alteration Color Scheme (Source Indico, 2014)

Indico started with satellite imagery, ground geophysics, ground mapping and geochemical and surface chip sampling prior to drilling. Between 2011 and 2014, Indico has mounted three drill campaigns to define the porphyry copper zone. The last drill campaign in 2013-14 was focused on the near surface soluble copper supergene zone. Indico has drilled 57 holes for a total of 9,903 meters in the three Phases.

There has been no exploration work of any kind done since 2014 although an alternative access road was developed, and some civil works were performed.

Option agreement

On February 7, 2025, the Corporation's subsidiary, Copper X Peru, entered into an option agreement with Mirandex and S.M.R.L. Rosita N° 1 De Arequipa to acquire the 13 mining concessions comprised in the Ocaña project (the "Option Agreement"). The option can only be exercised by Copper X Peru for the 13 mining concession as a whole, that is, it may not be exercised only over certain concessions.

Under the Option Agreement, Copper X Peru may acquire a 100% interest in the Concessions, subject to the following main conditions: (i) total consideration of US\$9,249,000, payable in five installments through a combination of cash payments and issuance of common shares of the Parent Corporation (as defined below), and (ii) the establishment of a net smelter royalty, through the subscription and formalization of the deed of establishment.

The term of the option is one year from the signature of the option agreement, February 7, 2026.

During the term of the option, Copper X Peru is required to make payments totaling US\$6,249,000 in three installments. These three installments are paid as a prerequisite for exercising the mining option. The first installment of US\$199,000 in cash was paid on February 10, 2025. The second and third installments must be made at the earliest of (1) within five (5) business days from the time Copper X successfully completes a transaction such as a reverse takeover, acquisition, direct listing, or other initial public offering (IPO), which results in Copper X shares being owned, directly or indirectly, by a corporation listed in a stock exchange (the "Parent Corporation"), or (2) the expiration of the one-year option term. Upon completion of such a transaction, the Parent Corporation will be required to pay US\$3,050,000 in cash less any amount paid by Copper X to maintain the titles such as validity and production penalty fees (second installment) and to issue Parent Corporation common shares having a total value of US\$3,000,000, at the offering price (third installment).

The fourth and fifth installments consist respectively of an additional cash payment of US\$1,500,000 and US\$1,500,000 of the Parent

Corporation common shares for a total amount of US\$3,000,000 payable in one year from the date the mining option is exercised.

If the qualifying transaction does not occur, the share-based components of the consideration may be converted into equivalent cash payments.

	Cash payments	Common Shares of Parent Corporation
	US\$	US\$
First installment (completed on February 10, 2025)	199,000	—
Second installment	3,050,000	—
Third Installment	—	3,000,000
Fourth installment	1,500,000	—
Fifth installment	—	1,500,000
Total	4,749,000	4,500,000

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to apply accounting policies and make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. There is full disclosure of the Corporation's critical accounting policies and accounting estimates in Notes 3, 4 and 5 of the Financial Statements.

Selected financial information

	84-day period ended April 30, 2025
	\$
Total assets	1,429,668
Total non-current financial liabilities	-
Total revenue	-
Net loss and comprehensive loss attributable to owners	(214,670)
Net loss per share – basic and diluted	(0.02)

Since its incorporation, the Corporation has not paid any cash dividends on its outstanding common shares. Any future dividend payments will depend on the Corporation's financial needs to fund its exploration and evaluation programs and any other factor that the board of directors may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

Consolidated statement of financial position

Exploration and evaluation assets

The exploration and evaluation assets totaling \$1,131,429 as of April 30, 2025, is comprised of the first option payment on the Option Agreement in the amount of US\$199,000 (\$286,716), validity and penalty payment for an amount of \$416,238, legal and other acquisition costs for an amount of \$428,475. These legal and other acquisition costs are related to the established of the Option Agreement.

Operating results

Copper X recorded an operating loss of \$209,052 and a net loss of \$214,670. The main expenses are professional fees of \$145,000 and legal fees of \$43,375 incurred in regard to the upcoming transaction with Pecoy Copper. Other than that, the Corporation incurred an amount of \$16,229 in travel fees (mainly to Peru where the Ocaña project is located), an amount of \$4,288 in consulting and accounting fees and \$5,618 of loss of foreign exchange mainly on its cash balance.

Cash Flows analysis

Operating Activities

For the 84-day period ended April 30, 2025 net cash flows used in operating activities were \$21,312. This included the net loss of \$214,670 offset by professional fees of \$145,000 included in commitment to issue shares, changes in the non-cash working capital items in the amount of \$42,740 and an unrealized exchanges loss of \$5,618.

Investing Activities

For the 84-day period ended April 30, 2025, cash flows used in investing activities was \$286,716. This outflow primarily reflects the first option payment on the Option Agreement in the amount of US\$199,000 (\$286,716).

Financing Activities

For the 84-day period ended April 30, 2025, financing activities generated cash flows of \$600,000. These inflows primarily reflect the private placement completed by Copper X during the period for an amount of \$480,000 and the receipt of \$120,000 from the on-demand promissory note. The on-demand promissory note was repaid in full on May 12, 2025.

Liquidity and Capital Resources

The Corporation's mining properties are still at the exploration stage and the Corporation has not yet generated cash flow from its operations. As at April 30, 2025, the Corporation has \$286,354 in cash and a negative working capital of \$377,346. The Corporation has an accumulated deficit of \$214,670. The working capital position as at April 30, 2025 will not be sufficient to meet the Corporation's obligations, and commitments up to 12 months from the consolidated statement of financial position date. The Corporation's ability to continue future operations and fund its planned activities is dependent on management's ability to secure additional financing in the future, which may be completed in several ways. Failure to secure future financing may impact and/or curtail the planned activities for the Corporation, which may include, but are not limited to, the suspension of certain development activities and the disposal of certain assets and investments to generate liquidity. While management has been successful in securing financing so far after period-end the signature of new agreement such as the one with Pecoy Copper, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation. If Management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than the amounts reflected in these Financial Statements.

The Corporation's continued development is contingent upon its ability to raise sufficient financing both in the short term and long term. There are no guarantees that additional sources of funding will be available to the Corporation; however, management is committed to pursuing all possible sources of financing in order to execute its business plan.

Related Party Transactions

The Corporation incurred, during the 84-day period ended April 30, 2025, \$138,000 of professional fees with key management personnel and \$139,667 with other related parties. Other related parties include individuals with significant influence as well a company under the same significance influence. These professional fees were incurred in regard to the following services rendered: due diligence services and advisory services in regard to the Option Agreement for the Ocaña project, advisory services in regards to the financings and advisory services in regards to the transaction with Pecoy Copper.

The Corporation incurred during the 84-day period ended April 30, 2025, \$2,000 of accounting fees with a company under the same significance influence. Included in accounts payables and accrued liabilities is an amount of \$US10,000 due to this company.

On February 6, 2025, key management personnel and other related parties participated in the financing for a total consideration of \$72,000 and \$72,000 respectively and under the same terms as other investors.

On February 6, 2025, the Corporation borrowed \$120,000 under an on-demand promissory note from a company under the same significant influence.

Contractual Obligations and Commitments

The Corporation has no commitment.

Outstanding Share Data

At the date of this MD&A, the Corporation has 21,666,664 issued and outstanding common shares, 6,000,000 share purchase warrants and 3,750,000 stock options. There is no other outstanding security convertible or exercisable into common shares.

Off-Balance Sheet Items

At the date of this MD&A, the Corporation had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Corporation.

Capital Management

The Corporation's primary objectives when managing capital are to maintain a sufficient capital base in order to meet its short-term obligations and to fund its exploration and evaluation activities. The Corporation defines capital as its total equity. At April 30, 2025, the capital of the Corporation consists of equity attributable to shareholders of the Corporation of \$259,768. The Corporation manages its capital structure and makes adjustments in accordance with the aforementioned objectives, as well as in light of changes in economic conditions and the risk characteristics of the underlying assets.

Financial Risks

The Corporation's activities expose it to a variety of financial risks: market risks, credit risk and liquidity risk. Management designs strategies for managing some of these risks, which are summarized below. The Corporation's executive management ensures that its financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Corporation's policies approved by the Board of Directors and risk appetite.

Risk Factors

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks may occur, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased production costs, damage to, or destruction of, mineral properties or production facilities and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on Corporation property, and punitive awards in connection with those claims and other liabilities. It is not always possible to fully insure against such risks and the Corporation may decide not to take out insurance against such risks as a result of high premiums or other reasons. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage the Corporation's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to the Corporation. These could include loss or forfeiture of mineral interests or other assets for nonpayment of fees or taxes, and legal claims for errors or mistakes by our personnel. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Corporation shares.

Environmental Regulations, Permits and Licenses

The Corporation's operations may be 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. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Corporation intends to comply fully with all environmental regulations. The current or future operations of the Corporation, including development activities and commencement of production on its properties, require permits from various federal, provincial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require the Corporation to obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Corporation may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Corporation might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

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 Corporation and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Exploration and Development Risks

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

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Corporation's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Corporation's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Lack of Availability of Resources

Mining exploration requires ready access to mining equipment such as drills, and personnel to operate that equipment. There can be no assurance that such resources will be available to the Corporation on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in the Corporation's exploration and/or development programs.

Mineral Exploration and Mining Carry Inherent Risks

Mineral exploration and mining operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact exploration and production throughput. Although the Corporation intends to take adequate precautions to minimize risk, there is a possibility of a material on the Corporation's operations and its financial results.

Metal Prices are Volatile

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that the Corporation's properties can be mined at a profit. Factors beyond the control of the Corporation may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of,

and demand for, the Corporation's principal products and exploration targets, gold, copper and silver, is affected by various factors, including political events, economic conditions and production costs.

Infrastructure

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

An increase in prices of power and water supplies, including infrastructure, could negatively affect the Corporation's future operating costs, financial condition, and ability to develop and operate a mine

The Corporation's ability to obtain a secure supply of power and water at a reasonable cost at the Corporation's mineral projects depends on many factors, including: global and regional supply and demand; political and economic conditions; problems that can affect local supplies; delivery; infrastructure, weather and climate conditions; and relevant regulatory regimes, all of which are outside the Corporation's control. The Corporation may not be able to obtain secure and sufficient supplies of power and water at reasonable costs at any of the Corporation's mineral projects and the failure to do so could have a material adverse effect on the Corporation's ability to develop and operate a mine, and on the Corporation's financial condition and results of operations.

The impacts of climate change may adversely affect the Corporation's operations and/or result in increased costs to comply with changes in regulations

Climate change is an international and community concern which may directly or indirectly affect the Corporation's business and current and future activities. The continuing rise in global average temperatures has created varying changes to regional climates across the world and extreme weather events have the potential to delay or hinder the Corporation's activities at its mineral projects, and to delay or cease operations at any future mine. This may require the Corporation to make additional expenditures to mitigate the impact of such events which may materially and adversely increase the Corporation's costs and/or reduce production at a future mine. Governments at all levels are amending or enacting additional legislation to address climate change by regulating, among other things, carbon emissions and energy efficiency, or where legislation has already been enacted, regulation regarding emission levels and energy efficiency are becoming more stringent. As a significant emitter of greenhouse gas emissions, the mining industry is particularly exposed to such regulations. Compliance with such legislation, including the associated costs, may have a material adverse effect on the Corporation's business, financial condition, results of operations, prospects and the Corporation's ability to commence or continue our exploration and future development and mining operations.

Changing climate patterns may also affect the availability of water. If the effects of climate change cause prolonged disruption in the delivery of essential commodities then production efficiency may be reduced, which may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

In addition, climate change is perceived as a threat to communities and governments globally and stakeholders may demand reductions in emissions or call upon mining companies to better manage their consumption of climate-relevant resources. Negative social and reputational attention towards the 's operations may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. A number of governments have already introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulations relating to emission levels (such as carbon taxes) and energy efficiency are becoming more stringent. If the current regulatory trend continues, this may result in increased costs at some or all of the Corporation's mineral projects.

Operations in Peru

The Corporation will be exposed to various levels of political, economic, regulatory and other risks and uncertainties associated with conducting business and mineral operations in Peru. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; local drug gang activities; military repression; expropriation and nationalization; extreme fluctuations in currency exchange rates; changes in royalty regimes, including the elimination of tax exemptions; underdeveloped industrial and economic infrastructure; unenforceability of judgements; prohibitions on restrictions for carrying out mining activities due to legal actions by Indigenous communities; high rates of inflation; labour unrest; the risks of war or civil unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions arising from changes in government and otherwise, currency controls, import and export regulations and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Political Risks in Peru

Peru is currently subject to political instability, changes and uncertainties, which may cause changes to existing governmental regulations affecting mineral exploration and mining activities, changes in the interpretation of existing regulations or stricter enforcement of such regulations. Current President Boluarte is Peru's sixth president since 2018 and none of her five predecessors in office have completed the five-year term established by the Constitution. Several former presidents are in prison or have been prosecuted in judicial proceedings. President Boluarte has publicly encouraged economic stability and private investment and is trying to amend several policies enacted during the Castillo government. However, the Corporation cannot guarantee that political instability or future regulatory changes will not adversely affect the Corporation's business, financial condition or results of operations.

Peru's status as a developing country may make it more difficult for the Corporation to obtain any required financing for its projects. Any changes in governmental laws, regulations, economic conditions or shifts in political attitudes or stability in Peru are beyond the control of the Corporation and may adversely affect the Corporation's business.

Mining companies are required to pay the Peruvian government mining royalties and/or mining taxes. The Corporation cannot guarantee that the Peruvian government will not impose additional mining royalties or taxes in the future or that such mining royalties or taxes will not have an adverse effect on the Corporation's results of operations or financial condition. The legal and regulatory requirements in Peru with respect to conducting mineral exploration and mining activities and banking systems and controls are different from those in Canada. The officers and directors of the Corporation will rely on local legal counsel and local consultants and advisors in respect of legal, banking, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect operations in Peru, and to assist the Corporation with its governmental relations. The Corporation will also rely on those members of management and the Corporation Board who have previous experience working and conducting business in Peru. The failure to comply with all material legal and regulatory requirements may lead to the revocation of certain rights, penalties or fees, which may have an adverse effect on the Corporation.

Community and Social Risks in Peru

The Corporation Ocaña project is located in an area of Peru that may be of particular interest or sensitivity to one or more Indigenous groups, local groups or interest groups. There is no assurance that the Corporation's relationships with such groups will be positive. Accordingly, it is possible that operations at the mining project could be interrupted or otherwise adversely affected in the future by political uncertainty, community opposition, tax reforms, land claims entitlements, expropriations of property, illegal, artisanal and small-scale miners, changes in applicable governmental policies and policies of relevant local or interest groups. Any changes in community or government relations or shifts in political conditions may be beyond the Corporation's control and may adversely affect its business and operations, including the ability to obtain or maintain necessary permits, and if significant, may result in the impairment or loss of mineral concessions or other mineral rights, or may make it impossible to continue mineral exploration and mining activities in the applicable area, any of which could have an adverse effect on the results of operations, cash flows and financial position. There are illegal miners in the area covered by the Ocaña project's mining concessions. Illegal mining has affected gold mining operations in Peru and could potentially expose the Ocaña project to business interruptions, damage to its assets and injuries to its personnel.

There is an increasing level of public concern relating to the effects of mining on the natural landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") that oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. NGOs or local community organizations could direct adverse publicity against and/or disrupt the Corporation's operations in respect of one or more of the Corporation's properties, regardless of the Corporation's successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Corporation has an interest or the Corporation's operations specifically. In recent years, certain areas in the south and northern highlands of Peru with significant mining projects have experienced strikes and protests related to the environmental impact of mining activities. Such strikes and protests have resulted in disruptions and a climate of uncertainty with respect to future mining projects. Peru has experienced recent periods of civil unrest, and on March 17, 2025, the Peruvian government declared a state of emergency for a 30-day period in the provinces of Lima and Callao, due to a rise in violent crime. If the Corporation were to experience resistance or unrest in connection with its Peruvian operations, it could have a material adverse effect on its operations and profitability.

Labour and Employment Relations in Peru

Competition for skilled employees in the resource sector results in employee turnover at the Corporation's operations and a need to constantly recruit and train new employees. This competition for qualified employees occasionally results in workforce shortages, which can often be supplemented with more costly contract labour. As technology evolves and automation increases, the skill mix required also changes and the Corporation may not be able to attract the required capabilities for new ways of working, or re-skill those skills sets that will be changed in the future. Relations between the Corporation and its employees may be impacted by changes in labour relations which

may be introduced by, among others, employee groups, unions, and the relevant governmental authorities in whose jurisdictions the Corporation carries on business. Labour in Peru is customarily unionized and there are risks that labour unrest or wage agreements may adversely impact the Corporation's operations. Changes in employment legislation or otherwise in the Corporation's relationship with the Corporation's employees may result in higher ongoing labor costs, employee turnover, strikes, lockouts or other work stoppages, any of which could have a higher material adverse effect on the Corporation's business, results of operations and financial condition.

Reliance on Key Personnel

The Corporation's development will depend on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Corporation's business. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Corporation's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Corporation's ability to employ the specific personnel required. Due to the relatively small size of the Corporation, the failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Corporation's business, results of future operations and financial condition. The Corporation does not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

Competition

The mining industry is intensely competitive in all its phases, and the Corporation competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Corporation's ability to acquire additional suitable properties or prospects in the future.

Financing Risks

It is expected that the Corporation will have sufficient cash and cash equivalents, although the Corporation has no source of operating cash flow and no assurance that additional funding will be available to it for further growth and exploration of the Ocaña Project.

Global Financial Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing, particularly for energy companies which have been negatively impacted. These conditions may affect the Corporation's ability to obtain equity or debt financing in the future on terms favourable to the Corporation or at all. If such conditions continue, the Corporation's operations could be negatively impacted.

Risk Associated with an Emerging and Developing Market

The disruptions recently experienced in the international and domestic capital markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. Companies located in countries in the emerging markets may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging and developing markets is significantly influenced by levels of investor confidence in such markets as a whole and as such any factors that impact market confidence (for example, a decrease in credit ratings, state or central bank intervention in one market or terrorist activity and conflict) could affect the price or availability of funding for entities within any of these markets.

Trade Tariffs

The imposition of trade tariffs, particularly by the United States, or other trade restrictions could have significant repercussions for Canadian businesses, and the broader economy. Increased costs of goods and services may contribute to inflation. These tariffs, and any changes to these tariffs or imposition of any new tariffs, taxes or import or export restrictions or prohibitions, could have a material adverse effect on the Corporation's business. Furthermore, there is a risk that the tariffs imposed by the United States on other countries will trigger a broader global trade war which could have a material adverse effect on the Canadian, United States and global economies. Overall, trade policy restrictions create financial uncertainty for companies, disrupt trade relationships, and put downward pressure on economic growth.

Dividend Policy

No dividends on the Corporation Shares have been paid by the Corporation to date. Investors in the Corporation's securities cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is unlikely that investors will receive any return on their investment in the Corporation's securities other than through possible share price appreciation.

Risk of Litigation

The Corporation may become involved in disputes with other parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty. If the Corporation is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Corporation to carry out its business plan.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Corporation has a very limited history of operations and has not made any assessment as to the effectiveness of its internal controls. Though the Corporation intends to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, there are limited internal controls currently in place.

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in the mining sector and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Corporation should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the OBCA and other applicable laws.

Credit Risk

Credit risk arises from the potential that debtors will fail to satisfy their obligations as they come due. Credit risk with respect to trade and another receivables is considered low as the balance is made up of amounts due for grant applications and sales taxes. Credit risk with respect to cash is considered low as it is held by a major Canadian financial institution.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Corporation's objective in managing liquidity risk will be to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of acquisitions and/or other development or construction projects is not currently determinable and it is not currently known precisely when the Corporation will require external financing in future periods.

Subsequent Events

As at the date of this MD&A, there are no significant subsequent events, other than those already disclosed herein.

Corporate Information

Administrative Office

1500 -1055 West Georgia Street,
Vancouver, British Columbia, Canada
V6E 4N7

Directors

Mario Vetro

Officers

Mario Vetro, President
Nikolas Matysek, Corporate Secretary

(Signed) Mario Vetro

Mario Vetro
President

September 3, 2025

APPENDIX “J”

**AUDITED ANNUAL FINANCIAL STATEMENTS OF PEMBROOK COPPER CORP. FOR THE
YEARS ENDED DECEMBER 31, 2024 AND 2023**

Consolidated Financial Statements of

Pembroke Copper Corp.

For the years ended December 31, 2024 and 2023

Independent Auditor's Report

To the Board of Directors of Pembroke Copper Corp.

Opinion

We have audited the consolidated financial statements of Pembroke Copper Corp. (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the

consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowe Mackay LLP

**Chartered Professional Accountants
Vancouver, Canada
June 11, 2025**

Pembrook Copper Corp.

Consolidated Statements of Financial Position

All amounts in Canadian dollars

	As at December 31,	
ASSETS	2024	2023
Current Assets		
Cash and cash equivalents	\$ 28,806	\$ 359,489
Other receivables	275,817	258,054
Prepaid expenses	11,874	22,538
	<u>316,497</u>	<u>640,081</u>
Property and Equipment (Note 3)	11,729	15,583
Mineral Properties (Notes 5 & 20)	<u>40,756,713</u>	<u>38,217,870</u>
Total Assets	<u>\$ 41,084,939</u>	<u>\$ 38,873,534</u>
LIABILITIES		
Current Liabilities		
Trade and other payables (Notes 5 & 6)	\$ 1,927,678	\$ 688,252
Interest payable (Notes 7 & 10 & 15)	3,565,085	2,162,650
Convertible notes (Notes 7 & 10)	14,406,819	13,989,704
Loan (Note 8)	-	40,000
Note payable (Note 10)	553,381	57,182
	<u>20,452,963</u>	<u>16,937,788</u>
Deferred Income Tax Liabilities (Note 11)	939,007	792,714
Total Liabilities	<u>21,391,970</u>	<u>17,730,502</u>
EQUITY		
Share Capital (Note 9)	131,722,803	131,722,803
Reserves	20,571,335	19,437,202
Equity Component of Convertible Notes (Note 7)	481,982	476,519
Deficit	(133,647,356)	(131,041,844)
Equity Attributable to the Equity Holders of the Company	<u>19,128,764</u>	<u>20,594,680</u>
Non-controlling Interest (Note 13)	564,205	548,352
Total Equity	<u>19,692,969</u>	<u>21,143,032</u>
Total Liabilities and Equity	<u>\$ 41,084,939</u>	<u>\$ 38,873,534</u>

Nature of Operations and Going Concern (Note 1)

Commitments (Note 12)

APPROVED BY THE BOARD OF DIRECTORS ON JUNE 10, 2025:

/s/ "Alan Moon", Director

/s/ "Daniel Innes", Director

- The accompanying notes are an integral part of these consolidated financial statements -

Pembroke Copper Corp.

Consolidated Statements of Loss and Comprehensive Loss

All amounts in Canadian dollars

	Years ended December 31,	
	2024	2023
Operating and Administrative Expenses		
General exploration	\$ 1,040	\$ 2,847
Interest on convertible notes (Notes 7 & 15)	1,715,596	1,432,384
General and administration	1,201,047	1,413,943
Loss before other items	\$ 2,917,683	\$ 2,849,174
Other Items		
Write-down of mineral property cost (Note 5)	7,115	-
Loss on disposal of property and equipment (Note 3)	1,332	-
Gain on modification of convertible notes (Note 7)	(438,599)	(240,713)
Foreign exchange loss	5,480	64,035
Loss before Income Tax	\$ 2,493,011	\$ 2,672,496
Deferred income tax expense (recovery) (Note 11)	144,273	(161,549)
Net Loss	\$ 2,637,284	\$ 2,510,947
Other Comprehensive Loss		
Foreign currency translation differences	(1,181,758)	283,922
Other Comprehensive (Income) Loss	\$ (1,181,758)	\$ 283,922
Other Comprehensive (Income) Loss Attributable to:		
Equity holders of the Company	(1,134,133)	270,672
Non-controlling interest	(47,625)	13,250
	(1,181,758)	283,922
Total Comprehensive Loss	\$ 1,455,526	\$ 2,794,869
Net Loss Attributable to:		
Equity holders of the Company	2,605,512	2,514,175
Non-controlling interest	31,772	(3,228)
	2,637,284	2,510,947
Total Comprehensive Loss Attributable to:		
Equity holders of the Company	1,471,379	2,784,847
Non-controlling interest	(15,853)	10,022
	\$ 1,455,526	\$ 2,794,869
Basic and Diluted Loss Per Share (Note 9(e))	\$ 0.02	\$ 0.02
Weighted Average Shares Outstanding During the Year – Basic and Diluted	149,410,199	149,410,199

-The accompanying notes are an integral part of these consolidated financial statements -

Pembroke Copper Corp.

Consolidated Statements of Changes in Equity

All amounts in Canadian dollars

	Share Capital Common Shares		Equity Component of convertible notes	Reserves					Equity attributable to equity holders of the Company	Non- controlling Interest	Total
				Share- based Payment Reserve	Foreign Currency Translation Reserve	Contributed Surplus	Total Reserves	Deficit			
	Number	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance – December 31, 2022	149,410,199	131,722,803	451,267	17,782,186	1,834,849	90,839	19,707,874	(128,527,669)	23,354,275	558,374	23,912,649
Net loss for the year	-	-	-	-	-	-	-	(2,514,175)	(2,514,175)	3,228	(2,510,947)
Other comprehensive loss	-	-	-	-	(270,672)	-	(270,672)	-	(270,672)	(13,250)	(283,922)
Total comprehensive loss	-	-	-	-	(270,672)	-	(270,672)	(2,514,175)	(2,784,847)	(10,022)	(2,794,869)
Equity component of convertible note (<i>Note 7</i>)	-	-	25,252	-	-	-	-	-	25,252	-	25,252
Balance – December 31, 2023	149,410,199	131,722,803	476,519	17,782,186	1,564,177	90,839	19,437,202	(131,041,844)	20,594,680	548,352	21,143,032
Net loss for the year	-	-	-	-	-	-	-	(2,605,512)	(2,605,512)	(31,772)	(2,637,284)
Other comprehensive income	-	-	-	-	1,134,133	-	1,134,133	-	1,134,133	47,625	1,181,758
Total comprehensive loss	-	-	-	-	1,134,133	-	1,134,133	(2,605,512)	(1,471,379)	15,853	(1,455,526)
Equity component of convertible notes (<i>Note 7</i>)	-	-	5,463	-	-	-	-	-	5,463	-	5,463
Balance – December 31, 2024	149,410,199	131,722,803	481,982	17,782,186	2,698,310	90,839	20,571,335	(133,647,356)	19,128,764	564,205	19,692,969

- The accompanying notes are an integral part of these consolidated financial statements -

Pembroke Copper Corp.

Consolidated Statements of Cash Flows

All amounts in Canadian dollars

	Years ended December 31,	
	2024	2023
Operating Activities		
Net loss	\$ (2,637,284)	\$ (2,510,947)
Items not affecting cash:		
Accretion expense on convertible notes (Note 7)	313,161	313,211
Convertible notes interest reclassified to convertible notes	-	1,040,354
Gain on modification of convertible notes (Note 7)	(438,599)	(240,713)
Loss on disposal of property and equipment	1,332	-
Write-down of mineral property cost	7,115	-
Depreciation expense (Note 3)	3,017	3,872
Unrealized foreign exchange loss	5,480	64,035
Deferred income tax expense (recovery) (Note 11)	144,273	(161,549)
Operating cash flows before working capital	\$ (2,601,505)	\$ (1,491,737)
Changes in non-cash working capital:		
Other receivables	(17,763)	50,514
Prepaid expenses	10,664	16,947
Note payable (Note 10)	8,599	2,182
Trade and other payables (Note 6)	437,694	(7,813)
Interest payable (Note 7)	1,402,435	78,325
Net Cash Used in Operating Activities	\$ (759,876)	\$ (1,351,582)
Investing Activities		
Additions to mineral properties (Note 20)	\$ (1,062,757)	\$ (2,176,413)
Purchase of property and equipment (Note 3)	-	(1,091)
Proceeds received under option agreement for mineral property (Note 20)	542,527	1,164,574
Net Cash Used in Investing Activities	\$ (520,230)	\$ (1,012,930)
Financing Activities		
Proceeds on issuance of convertible notes (Note 7)	\$ 550,036	\$ 2,702,000
Government loan repayment (Note 8)	(30,000)	-
Convertible notes interest repayment	-	(51,988)
Proceeds from note payable (Note 10)	477,600	-
Net Cash Provided by Financing Activities	\$ 997,636	\$ 2,650,012
Effect of exchange rate on cash and cash equivalents	(48,213)	(49,069)
Change in cash and cash equivalents	(330,683)	236,431
Cash and cash equivalents – beginning of year	359,489	123,058
Cash and Cash Equivalents - end of year	\$ 28,806	\$ 359,489
Supplemental cash flow information (Note 14)		

- The accompanying notes are an integral part of these consolidated financial statements -

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements
All amounts in Canadian dollars

1. Nature of Operations and Going Concern

Pembrook Copper Corp. (the “Company” or “Pembrook”) is incorporated under the laws of British Columbia. The Company’s head office, principal address and records office are located at 666 Burrard Street, Suite 500, Vancouver, British Columbia, Canada, V6P 3C6.

Pembrook is a minerals exploration company engaged in the identification, acquisition, evaluation and advancement of mineral properties in Peru. The Company is exploring for copper, gold, silver, nickel and other metals. At present, none of the Company’s mineral properties are at a commercial development or production stage. The Company’s objective is to discover mineral deposits and either sell, option, joint venture, or otherwise participate in their development.

The recoverability of the amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to advance the properties, and attaining future profitable production from the properties or proceeds from disposition.

For the year ended December 31, 2024, the Company had no operating revenue and incurred a net loss of \$2,637,284 (2023 - \$2,510,947). At December 31, 2024, the Company had consolidated cash of \$28,806 (2023 - \$359,489) to apply against current liabilities of \$20,452,963 (2023 - \$16,937,788).

The Company’s continuing operations are dependent upon its ability to secure additional equity capital, divest assets or generate cash flow from operations in the future, none of which are assured. Due to market conditions, there is no assurance that the Company will be successful in raising additional financing. The Company has no source of revenue to maintain its mineral interests, fund its administrative overhead and pay its liabilities. These conditions create a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. The Company has been successful in securing financing from directors and officers while working towards completing a transaction and does not anticipate that this will change going forward.

The consolidated financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Company be unable to secure additional equity capital or generate sufficient cash to continue operations in the future. These adjustments could be material.

2. Material Accounting Policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) effective as at December 31, 2024.

Pembroke Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

2. Material Accounting Policies (continued)

(b) Basis of Presentation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value. The consolidated financial statements are presented in Canadian dollars, except where otherwise stated.

(c) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its following subsidiaries. Intercompany balances, transactions, revenues and expenses have been eliminated.

	Ownership Percentage at	
	December 31, 2024	December 31, 2023
Torion Mining S.A.C. (Peru)	100%	100%
Orion Exploraciones S.A.C. (Peru)	100%	100%
Compania Minera Tororume S.A.C. (Peru)	100%	100%
Pecoy Sociedad Minera S.A.C. (Peru)	76.385%	76.385%
Pembroke Copper S.A.C. (Peru)	76.385%	76.385%

A subsidiary is an entity controlled by the Company. Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. This occurs when the Company has existing rights that give it the current ability to direct the relevant activities, is exposed, or has rights, to variable returns from its investment with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance and the ability to use its power over the investee to affect the amount of the investor's returns.

Non-controlling interests are that part of the net loss and net assets of a subsidiary attributable to the interests that are not owned directly or indirectly by the equity holders of the Company.

(d) Business combinations

Business combinations are accounted for using the acquisition method whereby identifiable assets acquired and liabilities assumed are recorded at fair value at the acquisition date. The acquisition date is the date at which control is obtained over the acquiree.

Non-controlling interests are recorded at their proportionate share of the fair value of net identifiable assets acquired on initial recognition.

Pembroke Copper Corp.

Notes to the Consolidated Financial Statements
All amounts in Canadian dollars

2. Material Accounting Policies (continued)

(e) Exploration and evaluation

The Company is in the exploration stage with respect to its investment in mineral properties and follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims and crediting all revenues received against the cost of the related claims. Such costs include, but are not limited to, staking and claims management, options payments, geological, geophysical studies, sampling and drilling. At such time that commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

Exploration and evaluation ("E&E") assets are assessed for impairment when the facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount and when the Company has sufficient information to reach a conclusion about technical feasibility and commercial viability. Industry specific indicators of the existence of a potential impairment typically include the absence of plans to incur substantive expenditure on further exploration over a reasonable time horizon, conditions where title is compromised, adverse changes in the taxation, regulatory or political environment and adverse changes in currencies, commodity prices and markets.

Once technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, E&E assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property and equipment.

Recoverability of the carrying amount of any E&E asset is dependent on successful development and commercial exploration, or alternatively, sale of the respective areas of interest.

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements
All amounts in Canadian dollars

2. Material Accounting Policies (continued)

(f) Impairment of non-financial assets under IAS 36

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Any intangible asset with an indefinite life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

An asset's recoverable amount is the higher of the fair value less costs to sell and value in use.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately as additional depreciation. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in the depreciation charge for the year.

(g) Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when an environmental disturbance is caused by exploration or development of a mineral property interest. Such costs arising from the decommissioning of exploration camps and sites, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and when applicable, the environment in which the exploration activity takes place.

Discount rates using pre-tax rates that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production method or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds, creating an expense recognized in profit or loss.

The Company has no material restoration, rehabilitation or environment obligations.

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements
All amounts in Canadian dollars

2. Material Accounting Policies (continued)

(h) *Loss per share*

Loss per share is calculated based on the weighted average number of shares outstanding during the period. For diluted loss per share, dilution is calculated based on the net number of common shares issued should “in the money” options be exercised and the proceeds used to repurchase common shares at the average market price in the period. Dilution from convertible securities is calculated based on the number of shares to be issued after taking into account the reduction of the related after-tax interest expense.

For all periods presented, diluted loss per share is not presented as the effect of outstanding options is anti-dilutive.

(i) *Income taxes*

Income taxes are recognized in the statement of loss, except where they relate to items recognized in other comprehensive income or directly in equity, in which case the related income taxes are recognized in other comprehensive income or equity. Current taxes receivable or payable are estimated on taxable income for the current year at the statutory tax rates substantively enacted.

Deferred income tax assets and liabilities are recognized based on the difference between the tax and accounting values of assets and liabilities and are calculated using substantively enacted tax rates for the periods in which the differences are expected to reverse. The effect of tax rate changes is recognized in earnings or equity, as the case may be, in the period of substantive enactment.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in joint ventures and associates. However such deferred tax liabilities are not recognized where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. As an exception, deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or an asset or liability in a transaction (other than in a business combination) that affects neither accounting profit nor taxable profit.

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements
All amounts in Canadian dollars

2. Material Accounting Policies (continued)

(j) *Share-based payments*

The Company's share option plan allows employees and consultants to acquire shares of the Company. The fair value of the options granted is recognized as a share-based payment expense with a corresponding increase in share-based payment reserve. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over a period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted and an estimated forfeiture rate.

(k) *Foreign currency translation and transactions*

The functional currency is the currency of the primary economic environment in which the Company and each of its subsidiaries operates. The functional currency of each subsidiary has been determined through an analysis of the consideration factors specified in IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The Company operates in Peru where its functional currency is the US Dollar. The functional currency of the corporate headquarters is the Canadian dollar.

For the purpose of presenting consolidated financial statements, the assets and liabilities of entities with a functional currency other than Canadian dollars are converted from functional currency to presentation currency at the exchange rate in effect at the reporting date and revenue and expense items are translated at the average exchange rate for the period and exchange differences arising are recognized directly in other comprehensive income.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in local currencies are translated to the functional currency at the exchange rate in effect at the reporting date. Non-monetary assets and liabilities are translated at historical exchange rates, unless such items are measured at fair value, in which case they are translated at the exchange rate in effect at the time when the fair value was determined.

(l) *Financial instruments*

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transactions costs, except for financial assets and liabilities classified at fair value through profit or loss ("FVTPL"). The directly attributable transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred.

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements
All amounts in Canadian dollars

2. Material Accounting Policies (continued)

(l) Financial instruments (continued)

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Classification of financial assets

Amortized cost:

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

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

Fair value through other comprehensive income ("FVTOCI"):

Financial assets that meet the following conditions are measured at FVTOCI:

- (i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and,
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured subsequently at FVTPL:

By default, all other financial assets are measured subsequently at FVTPL. Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent that they are not part of a designated hedging relationship. Fair value is determined in the manner described in note 15.

Classification of financial liabilities

Financial liabilities that are not held for trading or designated as at FVTPL are measured at amortized cost using the effective interest method.

Compound Financial Instruments

The Company has issued Convertible Notes, which are accounted for as compound financial instruments that are split into equity and liability components in accordance with their

Pembroke Copper Corp.

Notes to the Consolidated Financial Statements
All amounts in Canadian dollars

2. Material Accounting Policies (continued)

(l) Financial instruments (continued)

substance based on the definitions of liability and equity. When the instrument is issued, the equity component is measured as the difference between the fair value of the compound instrument and the fair value of the liability component. The liability component of the compound financial instrument is subsequently measured at amortized cost using the effective interest method, accreting to maturity over the term of the note. The equity component is accounted for on the same basis as other equity instruments, that is retained in equity and not remeasured.

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity date of three months or less.

(n) Significant accounting judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations (note 2 (o)), that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are related to the economic recoverability of the mineral properties, assumption of going concern, classification of financial instruments, determination of functional currency, determination of development costs eligible for capitalization and determination of accounting for business combinations and asset acquisitions.

(o) Measurement uncertainties and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reported period.

Actual results could differ from those estimates and would impact future results of operations and cash flows. The significant accounts that require estimates as a basis for determining the stated amounts consist of convertible notes, share-based payment, valuation of unproven mineral rights and recovery of deferred tax assets and determination of provisions.

(p) Recent accounting pronouncements

Accounting amendments issued and effective on or after January 1, 2024

Classification of Liabilities as Current or Non-current (Amendments to IAS 1) – The amendments to IAS 1 provides a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

The Company concludes that the effect of such amendments did not have a material impact and therefore did not record any adjustments to the consolidated financial statements.

Pembroke Copper Corp.

Notes to the Consolidated Financial Statements
All amounts in Canadian dollars

2. Material Accounting Policies (continued)

(p) Recent accounting pronouncements (continued)

Accounting standards issued and effective on or after January 1, 2027

IFRS 18 Presentation and Disclosure in Financial Statements – IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses – operating, investing or financing – to improve the structure of the income statements, and require all companies to provide new defined subtotals, including operating profit;
2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement; and
3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

The Company will be evaluating the impact of the above amendments on its consolidated financial statements.

New accounting standards and interpretations adopted during the year ended December 31, 2023

Effective January 1, 2023, the Company adopted narrow-scope amendments to IAS 1 that require entities to disclose “material accounting policy information” instead of “significant accounting policies”. The adoption of this amendment did not result in material changes to the consolidated financial statements.

Effective January 1, 2023, the Company adopted amendments to IAS 8 – Definition of Accounting Estimates. These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The adoption of this amendment did not have a significant impact on the consolidated financial statements.

Pembroke Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

3. Property and Equipment

	Field & Computer Equipment \$	Furniture & fixtures \$	Software \$	Total \$
Cost				
As at December 31, 2023	61,048	23,697	11,148	95,893
Disposition	(15,060)	(989)	(530)	(16,579)
Foreign exchange movement	3,019	-	-	3,019
As at December 31, 2024	49,007	22,708	10,618	82,333
Accumulated depreciation				
As at December 31, 2023	(49,642)	(22,769)	(7,899)	(80,310)
Charges for the year	(2,515)	(82)	(420)	(3,017)
Eliminated on disposition	14,133	580	534	15,247
Foreign exchange movement	(2,524)	-	-	(2,524)
As at December 31, 2024	(40,548)	(22,271)	(7,785)	(70,604)
Carrying amount				
As at December 31, 2024	8,459	437	2,833	11,729
	Field & Computer Equipment \$	Furniture & fixtures \$	Software \$	Total \$
Cost				
As at December 31, 2022	60,746	23,697	11,148	95,591
Additions	1,091	-	-	1,091
Foreign exchange movement	(789)	-	-	(789)
As at December 31, 2023	61,048	23,697	11,148	95,893
Accumulated depreciation				
As at December 31, 2022	(47,036)	(22,673)	(7,371)	(77,080)
Charges for the period	(3,248)	(96)	(528)	(3,872)
Foreign exchange movement	642	-	-	642
As at December 31, 2023	(49,642)	(22,769)	(7,899)	(80,310)
Carrying amount				
As at December 31, 2023	11,406	928	3,249	15,583

Depreciation expense included in General and Administration in the Consolidated Statement of Loss

	Years ended December 31,	
	2024	2023
	\$	\$
General and administration	1,040	2,502
General exploration	1,977	1,370
Total	3,017	3,872

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements
All amounts in Canadian dollars

4. Pecoy Mineral Property

On August 28, 2013, the Company signed an agreement to earn an interest in Pecoy Sociedad Minera S.A.C. (“PSM”), a company which owns a 100% interest in the Pecoy mineral property located in Peru (the “Pecoy Agreement”).

In February 2017, the Company met its obligations under the agreement and exercised its option to acquire a 51% interest in PSM (the “First Option”) by completing cash payments totaling US\$4,000,000, completing a minimum of 30,000 metres of drilling and incurring minimum of US\$12,000,000 in exploration expenditures. In addition, the Company provided notice under the agreement of its intention to earn an additional 29% interest in PSM, which would bring the Company’s total interest in PSM to 80% (the “Second Option”).

On February 28, 2020, the Company provided notice to the other shareholders of PSM that it would not continue to earn the Second Option and would remain at its 51% interest in PSM. Under the agreement, if the Company provides notification to not continue to earn the Second Option, the other two shareholders of PSM have 4 months to decide whether to exercise their clawback right. Under the clawback right, one or both of the other shareholders may acquire the Company’s 51% interest in PSM by making a payment to the Company of US\$34,500,000. If the clawback right is not exercised, then PSM is owned 51% by the Company and 49% by the other two shareholders and all shareholders start funding their respective shares of the PSM costs. As at December 31, 2021, the Company has received notification from one of the other two shareholders that they have waived their clawback right (See Note 18).

On March 25, 2021, the Company purchased 25% of the outstanding shares of PSM from a third party, bringing its interest to 76%. Under the terms of the agreement, the Company paid \$944,062 (USD\$750,000) in cash and may make two contingent future payments as follows:

- a. Based on the prevailing copper price and completion of a feasibility study, a cash payment ranging from USD\$1,000,000 to USD\$3,000,000; and,
- b. Based on the prevailing copper price and commencement of commercial production, payment ranging from USD\$3,000,000 to USD\$8,000,000.

The difference between the fair value of consideration paid of \$944,062 and the amount of the resulting adjustment to the book value of Non-controlling interest was recognized as equity (see Note 13).

On March 30, 2021, the shareholders of PSM approved a dilution of the minority shareholder’s interest due the failure of the minority shareholder to fund his share of PSM operating costs from September 1, 2020 to December 31, 2020. As a result of the dilution, the Company’s interest in PSM increased from 76% to 76.385%.

5. Mineral Properties

As of December 31, 2024, the Company held interests in the Pecoy and Tororume projects in Peru.

Note 20 of these consolidated financial statements summarizes the amounts capitalized to the Company’s mineral properties.

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

5. Mineral Properties (continued)

Hurricane East

In March 2021, the Company staked certain claims at the Hurricane East project in Peru.

On April 28, 2021, the Company entered into a share purchase option agreement with Tier One Silver Inc. ("Tier One") whereby Tier One has an option to acquire a 90% interest in Compañia Minera Tororume S.A.C., a wholly-owned subsidiary of Pembrook that owns the Hurricane East claims, by making option payments totalling USD\$4,680,000 and incurring exploration expenditures totalling USD\$10,750,000 within a five year period commencing on the date that access to the Hurricane East claims is secured. Upon completion of earning the 90% interest, Tier One will have the option to acquire the remaining 10% interest by making an option payment of USD\$10,000,000. All option payments may be made in cash or shares in Tier One or a combination thereof, at the option of Tier One.

On October 31, 2022, the Company entered into an agreement with Tier One to extend the Access Date by 12 months in exchange for a USD\$75,000 cash advance on the USD\$250,000 option payment due on the first anniversary date of the Access Date.

On October 18, 2023, Tier One terminated the share purchase option agreement and returned the Hurricane East property to the Company. During the year ended of December 31, 2024, the Company wrote off \$7,115 for the Hurricane East project.

Tororume

On May 22, 2013, the Company signed an agreement with Compañia de Inversiones Olimpo S.A.C. ("Olimpo") to acquire a 100% interest in nine Tororume project claims in Peru, subject to a 1.5% net smelter royalty ("NSR") by completing payments of:

- US\$200,000 (paid) upon signing; and
- US\$800,000 (paid) upon registration with local government authorities.

The 1.5% NSR may be repurchased by the Company within five years for US\$1,500,000.

On September 27, 2019, the Company signed an amendment with Olimpo.

The table below outlines the payments in both the original agreement and the amended agreement.

Term	Original Agreement (May 22, 2013)	Amended Agreement (September 27, 2019)
Advance Royalty Payments	US\$50,000/year for 4 years, then US\$100,000/year for 8 years (Total \$1,000,000)	US\$50,000/year for 4 years, then US\$100,000/year for 13 years (Total \$1,500,000)
Estimated Resource Report Deadline	Within 7 years	Within 12 years

The Company and Olimpo have agreed that the obligation to pay the advance royalty payments is considered accrued and enforceable to the Company at each annual period deadline. As at December 31, 2024, the Company has accrued an advance royalty payment of \$143,713 (US\$100,000) (2023 - \$Nil), included in trade and other payables.

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

5. Mineral Properties (continued)

Tororume (continued)

On May 28, 2021, the Company entered into an option agreement with a mining company ("MineCo"), whereby MineCo has a first option to earn a 50% interest in the Tororume claims by spending \$5,000,000 (of which \$2,000,000 is committed and must be spent within the first two years), followed by a second option to earn an additional 26% interest by spending an additional \$25 million within the next three years. On March 18, 2024, after completing nearly CA\$5,000,000 in exploration work, the optionor, MineCo, decided to terminate the option agreement and not proceed with the second option.

6. Trade and Other Payables

The Company records accounts payable and accrued liabilities that arise in the normal course of business, in relation to its exploration and evaluation, and other activities. More specifically, the Company makes accruals for annual validity and penalty fees in the period to which they relate. Despite Peruvian rules allowing companies to defer payment of these fees, the Company does not have a practical ability to avoid such payments as such avoidance would result in the loss of its mineral properties.

As at December 31, 2024, the Company has accrued a provision for 2024 validity fees and production penalty fees for not completing sufficient work in 2024. The provision totals \$1,043,141 (2023 - \$403,144) which is payable by June 30, 2025 (2023 - June 30, 2024).

7. Convertible Notes

During the year ended December 31, 2023, \$950,000 of convertible notes maturing on June 30, 2023 and \$1,752,000 of convertible notes maturing on February 28, 2024 were issued, respectively. These notes are convertible at 1 common share per \$0.40, bearing interest at a rate of 10% per annum.

On February 27, 2023, the MineCo of \$5.0 million secured convertible note originally maturing on February 28, 2023, signed an amending agreement to extend the maturity to March 31, 2023, and to allow conversion rights upon a sale transaction. On March 31, 2023, the maturity date was extended again to February 28, 2024. Accrued interest of \$1,040,354 was added to the principal, bringing the restated balance to \$6,040,354. These modifications were accounted for under IFRS 9 as debt modifications, resulting in a gain of \$108,595 recognized in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2023.

On February 28, 2023, holders of convertible notes \$4,790,000 maturing on the same date signed similar amending agreements to extend maturity to February 28, 2024, and agreed to exercise conversion rights upon a sale transaction. The gain on modification for these notes was \$109,568 recognized in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2023.

On May 24, 2023, the Company made an interest payment of \$51,988 to one of the note holders.

On June 30, 2023, the \$1,450,000 convertible notes that matured on that date were amended and extend maturity to February 28, 2024, and granting conversion rights upon a sale. The resulting gain on modification was \$22,550 recognized in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2023.

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

7. Convertible Notes (continued)

On February 28, 2024, all holders of notes maturing that day agreed to extend their maturity to December 31, 2024, under similar terms. A gain on modification of \$263,034 was recognized in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2024.

During the year ended December 31, 2024, the Company issued convertible notes of \$275,286 and \$274,750 on June 11 and June 17, 2024, respectively. These notes bear 10% interest, are convertible at \$0.40 per share, and mature on December 31, 2024.

On December 31, 2024, all holders of convertible notes maturing that day signed amending agreements to further extend maturity to June 30, 2025. This modification resulted in a gain of \$175,565, which was recognized in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2024.

All convertible notes accrue interest annually and are not compounded in advance. The notes, along with accrued interest, are convertible into common shares at the holder's option upon the completion of a sale of the Company.

At December 31, 2024, the debt portion (using a range of discount rates from 12.50% to 13.25%) and equity portion of the convertible notes were \$14,406,819 (2023 - \$12,945,350) and \$481,982 (2023 - \$476,519) respectively.

	As at December 31,	
	2024	2023
	\$	\$
Balance, beginning of year	13,989,704	10,261,431
Modification of convertible notes	(438,599)	(240,713)
Convertible notes issued- debt portion	542,553	2,667,409
Accretion expenses	313,161	313,211
Convertible notes interest reclassified to convertible notes	-	1,040,354
Convertible notes interest repayment	-	(51,988)
Balance, end of year	14,406,819	13,989,704
Less: current portion of convertible notes	14,406,819	13,989,704
Non-current portion of convertible notes	-	-

8. Loans

In May 2020, the Company applied for, and received, a \$40,000 loan guaranteed by the Government of Canada under a COVID-19 relief program. The loan is interest-free and \$10,000 would be forgiven if \$30,000 was repaid by December 31, 2022. The \$40,000 loan has been recognized using a discount rate of 10%. In 2022, the Canadian government announced that it would extend the repayment date from December 31, 2022 to December 31, 2023 for qualified debtors, thereby extending the Company's repayment date. Being recognized as a loan holder in good standing that satisfied the CEBA eligibility criteria, the Company is eligible to settle the loan by January 18, 2024. On January 17, 2024, the Company repaid the \$30,000 CEBA loan.

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

9. Share Capital

(a) Authorized and Issued

Unlimited number of common shares without par value authorized

(b) Stock option plan

Under the Company's Stock Option Plan (the "Plan"), a maximum of 10% of the Company's issued and outstanding common shares (or 14,941,019 shares as at December 31, 2024) can be issued. A total of 3,272,500 options to purchase common shares are currently outstanding under the Plan.

In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 10% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant.

(c) Stock options

A summary of the Company's outstanding stock options is as follows:

		Number of options	Weighted average exercise price
Balance, December 31, 2022, 2023, 2024		3,272,500	\$ 0.92
Options exercisable at December 31, 2024 and 2023		3,100,000	\$ 0.90
Exercise price \$	Number of options outstanding	Weighted average remaining life of outstanding options (years)	Number of options exercisable
			Weighted average remaining life of exercisable options (years)
0.40	1,260,000	6.0	1,260,000
1.25	2,012,500	3.2	1,840,000
	<u>3,272,500</u>	<u>4.3</u>	<u>3,100,000</u>

During the years ended December 31, 2024 and 2023, no stock options were granted.

(d) Share-based payments

The fair value of option grants are estimated on the date of grant using the Black-Scholes option pricing model. Changes in the input assumptions used in the Black-Scholes option pricing model can materially affect the fair value estimate.

Option pricing models require the input of highly subjective assumptions, including expected price volatility. As Pembrook is a privately-owned company, no observable market exists for its shares or options, and management estimates the price volatility of Pembrook options using the average volatility of five similar mineral exploration company stocks listed on the TSX and the TSX Venture Exchange. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' life.

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

9. Share Capital (continued)

(e) Loss per share

In periods where the Company has incurred a loss, exercise or contingent issue of securities has not been included in the calculation of diluted loss per share as increasing the number of shares outstanding would be anti-dilutive.

10. Related Party Transactions

Consolidated Statements of Financial Position

The following amounts were included in note payable:

	December 31, 2024	December 31, 2023
	\$	\$
Due to a company controlled by a director	64,815	57,182
Due to directors	346,973	-
Due to spouse of a director	141,593	-
	553,381	57,182

On November 21, 2022, a Company controlled by a director provided a \$55,000 loan to the Company bearing interest at a rate of 8.0% per annum, compounded annually and maturing on May 20, 2023. On May 20, 2023, the \$57,182 loan is extended to February 28, 2024 bearing interest at a rate of 8.0% per annum, compounded annually. On December 31, 2024, the loan of \$64,815 loan is extended to June 30, 2025 bearing interest at a rate of 8% per annum compounded annually. No other fees or charges applied to the loan.

On July 26 and October 9, 2024, a spouse of a director of the Company provided loans of \$90,000 and \$46,600 to the Company bearing interest at a rate of 10.0% per annum, compounded annually, and maturing on December 31, 2024. On December 31, 2024, the loans were extended to June 30, 2025. No additional fees or charges applied to the loan.

On September 10, 2024 and October 22, 2024, a director of the Company provided loan of \$20,000 and \$21,000 to the Company bearing interest at a rate of 10.0% per annum, compounded annually and maturing on December 31, 2024. On December 31, 2024, the loans are extended to June 30, 2025. No other fees or charges applied to the loans.

On October 2, 2024 and November 8, 2024, a director of the Company provided loan of \$50,000 and \$250,000 to the Company bearing interest at a rate of 10.0% per annum, compounded annually and maturing on December 31, 2024. On December 31, 2024, the loans are extended to June 30, 2025. No other fees or charges applied to the loans.

During the year ended December 31, 2023, \$850,000 and \$1,700,000 convertible notes were issued to a Company controlled by a director. The convertible notes are convertible at 1 common share per \$0.40, bearing interest at a rate of 10% per annum and maturing on June 30, 2023 and February 28, 2024, respectively. On June 30, 2023, the holder of \$850,000 convertible notes that matured on June 30, 2023 signed an amending agreement whereby it agreed to exercise its conversion rights upon a sale transaction and to extend the maturity date of its notes to February 28, 2024, which was subsequently extended to December 31, 2024 and June 30, 2025. On February 28, 2024, the holder of \$1,700,000 convertible notes maturing on February 28, 2024

Pembroke Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

10. Related Party Transactions (continued)

signed an amending agreement agreeing to exercise its conversion rights upon a sale transaction and to extend the maturity date of the notes to December 31, 2024, which was subsequently further extended to June 30, 2025.

On June 11, 2024 and June 17, 2024, \$275,286 and \$274,750 convertible notes were issued to a director, respectively. The convertible notes are convertible at 1 common share per \$0.40, bearing interest at a rate of 10% per annum and maturing on December 31, 2024. On December 31, 2024, the holder of convertible notes that matured on December 31, 2024 signed an amending

agreement whereby it agreed to exercise its conversion rights upon a sale transaction and to extend the maturity date of its notes to June 30, 2025.

During the year ended December 31, 2023, \$100,000 and \$52,000 convertible notes were issued to a spouse of a director of the Company. The convertible notes are convertible at 1 common share per \$0.40, bearing interest at a rate of 10% per annum and maturing on June 30, 2023 and February 28, 2024, respectively. On June 30, 2023, the holder of \$100,000 convertible note that matured on June 30, 2023 signed an amending agreement whereby she agreed to exercise her conversion rights upon a sale transaction and to extend the maturity date of her notes to February 28, 2024, which was subsequently extended to December 31, 2024 and June 30, 2025. On February 28, 2024, the holder of \$52,000 convertible note maturing on February 28, 2024 signed an amending agreement agreeing to exercise its conversion rights upon a sale transaction and to extend the maturity date of the notes to December 31, 2024, which was subsequently further extended to June 30, 2025.

The following amounts were included in convertible notes:

	December 31, 2024	December 31, 2023
	\$	\$
Due to directors of the Company	7,003,700	6,529,841
Due to the spouse of a director of the Company	830,341	839,193

The following amounts were included in the equity portion of convertible notes:

	December 31, 2024	December 31, 2023
	\$	\$
Due to directors of the Company	221,735	214,252
Due to the spouse of a director of the Company	38,961	38,961

Compensation of Key Management Personnel

	Years ended December 31,	
	2024	2023
	\$	\$
Short-term employee benefits	-	24,726

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

11. Income Taxes

For the year ended December 31, 2024, the Company realized deferred income tax expense of \$144,273 (2023 – deferred income tax recovery of \$161,549) relating to the origination of reversal of temporary differences.

The composition of the Company's deferred tax assets and deferred tax liabilities at December 31, 2024 and 2023 is as follows:

	As at December 31,	
	2024	2023
	\$	\$
Deferred income tax assets		
Non-capital losses	1,695,296	1,551,615
Deferred income tax assets, total	<u>1,695,296</u>	<u>1,551,615</u>
Deferred income tax liabilities		
Mineral properties	(2,633,512)	(2,343,610)
Property and equipment	(791)	(719)
Deferred income tax liabilities, total	<u>(2,634,303)</u>	<u>(2,344,329)</u>
Deferred income tax assets and liabilities, net	<u>(939,007)</u>	<u>(792,714)</u>

As at December 31, 2024, no deferred tax assets are recognized as it is not probable that sufficient future taxable profit will be available to realize such assets:

	2024	2023
	\$	\$
Property and equipment	1,931	1,550
Mineral properties	519,954	519,954
Losses	11,522,210	10,688,936
Other	1,802,783	1,767,192
Total unrecognized deferred income tax assets	<u>13,846,878</u>	<u>12,977,632</u>

The deductible temporary differences, unused tax losses, and unused tax credits giving rise to the unrecognized deferred tax assets are attributable to the following:

	2024	2023
	\$	\$
Tax loss carry-forwards	40,555,868	38,780,956
Capital losses	12,472,156	12,472,156
Excess tax value of mineral property over book value	1,925,755	1,925,755
Property and equipment	7,143	5,733
Other unrecognized deductible temporary differences	1,604,838	299,739
Total	<u>56,565,760</u>	<u>53,484,339</u>

Pembroke Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

11. Income Taxes (continued)

The future expiration of unrecognized tax losses at December 31, 2024 are as follows:

Operating losses for tax purposes	Canada	Peru	Total
Expire in:	\$	\$	\$
2025	31,167	-	31,167
2026	770,063	-	770,063
2027	666,544	-	666,544
2028	1,601,504	-	1,601,504
2029	1,773,208	-	1,773,208
2030	2,926,421	-	2,926,421
2031	1,821,395	-	1,821,395
2032	3,060,098	-	3,060,098
2033	2,100,918	-	2,100,918
2034	2,082,735	-	2,082,735
2035	1,620,630	-	1,620,630
2036	1,798,869	-	1,798,869
2037	1,429,531	-	1,429,531
2038	1,146,229	-	1,146,229
2039	760,839	-	760,839
2040	1,077,686	-	1,077,686
2041	1,985,443	-	1,985,443
2042	1,547,679	-	1,547,679
2043	1,747,020	-	1,747,020
2044	1,457,342	-	1,457,342
No expiry	-	16,061,251	16,061,251
	<u>31,405,321</u>	<u>16,061,251</u>	<u>47,466,572</u>

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rates of 27% (2023– 27.0%) as follows:

	As at December 31,	
	2024	2023
	\$	\$
Expected tax expense (recovery)	(673,113)	(721,574)
Non-deductible items	(9,980)	(21,924)
Foreign exchange	(4,078)	(124,971)
Higher effective tax rates in foreign jurisdictions	(23,074)	(18,018)
Other	(14,729)	21,542
Deferred income tax assets not recognized	869,247	703,396
	<u>144,273</u>	<u>(161,549)</u>

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

12. Commitments

The table below summarizes the Company's commitments due within one year as of December 31, 2024 and 2023:

	Years ended December 31,	
	2024	2023
	\$	\$
Note payable (Note 10)	553,381	57,182
Loan (Note 8)	-	40,000
	553,381	97,182

The table does not include cash payments or exploration expenditures required to maintain property option agreements in good standing with vendors, as those payments and expenditures are conditional on the Company electing to continue with the individual option agreements. If the Company chooses to terminate an option agreement, no further payments or exploration expenditures are required and related capitalized costs are written off.

This table does not include obligations pursuant to convertible notes described in Note 7.

13. Non-controlling Interest

On June 30, 2021, the Company sold its 100%-owned subsidiary, Pembrook Copper S.A.C. ("Pemco") to its 76.385% owned subsidiary, PSM, thereby effectively disposing of a 23.615% interest in Pemco. As a result of this transaction, the Company recognized an addition to non-controlling interest of \$69,627.

	\$
Balance, December 31, 2022	558,374
Share of net gain, year ended December 31, 2023	3,228
Share of foreign currency translation loss in other comprehensive loss year ended December 31, 2023	(13,250)
Balance, December 31, 2023	548,352
Share of net loss, year ended December 31, 2024	(31,772)
Share of foreign currency translation income in other comprehensive loss year ended December 31, 2024	47,625
Balance, December 31, 2024	564,205

At December 31, 2024, the non-controlling interest in PSM was 23.615% (2023 – 23.615%).

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

14. Supplemental Cash Flow Information

	December 31, 2024	December 31, 2023
	\$	\$
Composition of cash and cash equivalents:		
Cash	17,306	347,989
Guaranteed investment certificates	11,500	11,500
	<u>28,806</u>	<u>359,489</u>
	December 31, 2024	December 31, 2023
	\$	\$
Non-cash investing transactions:		
Mineral property costs included in trade and other payables	1,228,202	426,470

15. Financial Instruments

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value as described as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Fair values are determined directly by reference to published price quotation in an active market, when available. Investments in equity instruments that do not have an active quoted market price are measured at cost.

The following table summarizes the Company's financial instruments:

Classifications	December 31, 2024		December 31, 2023		Level
	Carrying amount	Fair value	Carrying amount	Fair value	
	\$	\$	\$	\$	
Financial Assets					
<i>Amortized Cost</i>					
Cash and cash equivalents	28,806	28,806	359,489	359,489	n/a
Other receivables	275,817	275,817	258,054	258,054	n/a
	<u>304,623</u>	<u>304,623</u>	<u>617,543</u>	<u>617,543</u>	
Financial Liabilities					
<i>Amortized Cost</i>					
Trade and other payables	1,927,678	1,927,678	688,252	688,252	n/a
Interest Payable	3,565,085	3,565,085	2,162,650	2,162,650	n/a
Convertible Notes	14,406,819	14,406,819	13,989,704	13,989,704	n/a
Loan	-	-	40,000	40,000	n/a
Note payable	553,381	553,381	57,182	57,182	n/a
	<u>20,452,963</u>	<u>20,452,963</u>	<u>16,937,788</u>	<u>16,937,788</u>	

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

15. Financial Instruments (continued)

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between levels during the years ended December 31, 2024 and 2023.

The fair values of the Company's cash and cash equivalents, other receivables, trade and other payables, interest payable, convertible notes, loan and note payable approximate their carrying values due to their short-term nature. The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk with respect to currency risk and interest risk.

a) *Currency risk*

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company operates in Peru where its functional currency is the US Dollar. The functional currency of the corporate headquarters is the Canadian dollar.

As many expenses in Peru are incurred in US Dollars with smaller exposure to Peruvian soles, a significant change in the currency exchange rates between the Canadian Dollar and these currencies could have a material effect on the Company's financial performance, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. The Company does, from time to time, convert Canadian Dollars to US Dollars in anticipation of upcoming cash needs in Peru.

As of December 31, 2024 and 2023, the Company is exposed to currency risk through the following foreign currency denominated assets and liabilities:

Amounts in Canadian dollar equivalents

	Years ended December 31,	
	2024	2023
	\$	\$
Cash and cash equivalents	7,121	327,537
Trade and other receivable	274,074	248,029
Trade and other payables	(1,732,490)	(571,844)

Assuming that all other variables remain constant, a 1% depreciation or appreciation of the Canadian Dollar against US Dollar would result in an increase/decrease in the total value of the financial instruments of approximately \$15,000 as of December 31, 2024, and \$40 as of December 31, 2023.

b) *Credit risk*

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk, defined as the sum of its cash and cash equivalents and other receivables is \$304,623 (2023 - \$617,543). As at December 31, 2024, the Company had \$28,806 (2023 - \$359,489) in cash and cash equivalents. The Company's cash and cash equivalents is invested in highly liquid short-term interest-bearing investments and in savings accounts

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

15. Financial Instruments (continued)

b) Credit risk (continued)

with major Canadian financial institutions, which are rated among the strongest financial institutions in the world.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk through a planning, budgeting and cash forecasting process through which future cash needs are planned and anticipated. The Company's goal is to ensure that cash balances are sufficient to cover in excess of one year of expenditures. The Company raised \$1,027,636 through loans and issuance of convertible notes during the year ended December 31, 2024. The Company raised \$2,702,000 through issuance of convertible notes during the year ended December 31, 2023.

Cash and cash equivalents and working capital (deficiency) total \$28,806 and (\$20,136,466) respectively at December 31, 2024 (2023 - \$359,489 and \$(16,297,707)).

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the Company's significant liabilities and corresponding maturities.

At December 31, 2024

	Total	< 1 year
	\$	\$
Trade and other payables	1,927,678	1,927,678
Interest payable	3,565,085	3,565,085
Note payable	553,381	553,381
Convertible notes	14,582,390	14,582,390

At December 31, 2023

	Total	< 1 year
	\$	\$
Trade and other payables	688,252	688,252
Interest payable	2,162,650	2,162,650
Loan and note payable	97,182	97,182
Convertible notes	14,032,354	14,032,354

16. Management of Capital

The capital structure of the Company consists of equity attributable to common shareholders, comprising issued capital, share-based payments reserve, contributed surplus, deficit and foreign currency translation reserve. The Company's objectives are to pursue the advancement of its mineral properties. In order to do so, it endeavours to safeguard its ability to continue as a going concern, while maintaining a flexible capital structure. As the Company has no cash inflow from operations, the Company may attempt to issue new shares, pursue option agreements and/or joint ventures on properties, or sell assets in order to raise funds in the future. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including capital deployment, results from the exploration of its properties and general industry conditions.

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

16. Management of Capital (continued)

The Company's current investment practice is to invest its cash surplus in savings accounts with major Canadian financial institutions and in highly liquid short-term interest-bearing investments, generally with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. There were no changes in the Company's approach to capital management during 2024 and 2023.

17. Segmented Information

The Company's operations involve the acquisition, exploration, and advancement of mineral resource properties. The Company has determined that it has two operating segments being Canada where its head office is located and Peru where its operations are located. The Company's reportable operating segments are as follows:

December 31, 2024	Canada	Peru	Total
	\$	\$	\$
Property and equipment	5,858	5,871	11,729
Mineral properties	-	40,756,713	40,756,713
Total assets	29,159	41,055,780	41,084,939
Total liabilities	18,722,598	2,669,372	21,391,970

December 31, 2023	Canada	Peru	Total
	\$	\$	\$
Property and equipment	9,167	6,416	15,583
Mineral properties	-	38,217,870	38,217,870
Total assets	368,369	38,505,165	38,873,534
Total liabilities	16,360,348	1,370,154	17,730,502

	Canada	Peru	Total
	\$	\$	\$
Year ended December 31, 2024			
Depreciation	1,977	1,040	3,017
Write-down of mineral property cost	7,115	-	7,115
Gain on modification of convertible notes	(438,599)	-	(438,599)
Net loss	1,568,037	1,069,247	2,637,284
Attributed to:			
Equity holders of the Company	1,568,037	1,037,475	2,605,512
Non-controlling interest	-	31,772	31,772
Net Loss	1,568,037	1,069,247	2,637,284

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

17. Segmented Information (continued)

	Canada	Peru	Total
	\$	\$	\$
Year ended December 31, 2023			
Depreciation	2,502	1,370	3,872
Gain on modification of convertible notes	(240,713)	-	(240,713)
Net loss	1,944,752	566,195	2,510,947
Attributed to:			
Equity holders of the Company	1,944,752	569,423	2,514,175
Non-controlling interest	-	(3,228)	(3,228)
Net Loss	1,944,752	566,195	2,510,947

18. Contingent Liabilities

On February 28, 2019, the Company provided notice to the other two shareholders of PSM that it would not continue to earn the Second Option and would remain at its 51% interest in PSM. Under the Pecoy Agreement, if the Company provides notification that it will not be continuing to earn the Second Option, the other two shareholders of PSM have 4 months to decide whether to exercise a clawback right. The clawback right is the right for one or both of the minority shareholders to acquire the Company's 51% interest in PSM by making a cash payment calculated as the total of all cash payments made plus two times the total exploration expenditures made under the Pecoy Agreement. One of the minority shareholders ("UMHL") waived their clawback right and the clawback right of the other minority shareholder ("CMCV") expired. As CMCV has represented that his clawback right has not expired, the Company filed an arbitration claim against CMCV on March 5, 2021 to obtain a ruling declaring the clawback right of CMCV to have expired (the "Clawback Arbitration"). Although the outcome of the arbitration process cannot be predicted, the Company is confident that all of the procedures to execute the clawback right were correctly followed with the result that CMCV's clawback right has expired. The arbitration panel members have been determined and initial filings have been made. As the amount of any settlement cannot be measured reliably and the likelihood of the outcome cannot be measured, no amount has been recognized as a liability in the consolidated financial statements for the year ended December 31, 2024.

From May 1, 2017 to March 25, 2021, there were three shareholders of PSM, the Company (owning 51%), CMCV (owning 24%) and UMHL (owning 25%). On March 25, 2021, the Company completed the purchase of UMHL's 25% interest in PSM bringing the Company's interest in PSM to 76% and with the result that PSM went from having three shareholders to two shareholders, being the Company and CMCV. On April 23, 2021, CMCV filed an arbitration claim against PSM to obtain a ruling to nullify the sale of the 25% interest in PSM to the Company by UMHL on the basis the procedures followed to effect the sale were not valid (the "25% Sale Arbitration"). Although the outcome of the arbitration process cannot be predicted, the Company and UMHL are both confident that all of the procedures to execute the purchase and sale of the 25% interest in PSM were correctly followed with the result that the sale will be determined to valid and binding by the arbitration process. As the amount of any settlement cannot be measured reliably and the likelihood of the outcome cannot be measured, no amount has been recognized as a liability in the consolidated financial statements for the year ended December 31, 2024.

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements

All amounts in Canadian dollars

18. Contingent Liabilities (continued)

At a PSM shareholders meeting held on March 30, 2021, a shareholders' resolution was passed to dilute CMCV's shareholding in PSM as a result of his failure to fund his share of PSM operating costs for the September 1, 2020 to December 31, 2020 period under the Pecoy Agreement. As a result, the Company's interest in PSM increased from 76% to 76.385% and CMCV's interest decreased from 24% to 23.615%. On April 30, 2021, the Company received notice that CMCV filed an arbitration claim against PSM to obtain a ruling that the procedures carried out at the PSM March 30, 2021 shareholder meeting to dilute CMCV for failure to fund his share of PSM costs, pursuant to the Pecoy Agreement, were not valid (the "Dilution Arbitration"). The matter remains to be resolved by arbitration in Peru. However, the Company is confident that the procedures to effect the dilution were followed properly and there is no merit to this arbitration claim. As the amount of any settlement cannot be measured reliably and the likelihood of the outcome cannot be measured, no amount has been recognized as a liability in the consolidated financial statements for the year ended December 31, 2024.

All parties involved in the Clawback Arbitration and the 25% Sale Arbitration have jointly requested a one-year postponement of the Arbitration Tribunal hearing until September 30, 2024. The Arbitration court approved this request for suspension in November 2023 and January 2024. The next step in this case is scheduling a Hearing for which a date needs to be determined.

On September 14, 2023, the Company filed a Statement of Defense in the Dilution Arbitration. In October 2023, the Arbitration Court granted a suspension of arbitration proceedings until September 30, 2024. The subsequent phase involves scheduling a hearing, with the specific date yet to be determined.

19. Subsequent Events

On February 18, 2025, a director provided a \$300,000 loan to the Company bearing interest at a rate of 10.0% per annum, compounded annually and maturing on June 30, 2025.

On February 28, 2025, the Company filed for the suspension of three arbitrations proceeding until August 31, 2025.

On May 20, 2025, a spouse of a director of the Company provided a \$10,000 loan to the Company bearing interest at a rate of 10.0% per annum, compounded annually and maturing on June 30, 2025.

Effective as of May 27, 2025, the Company entered into a purchase agreement with Pecoy Copper Limited (formerly known as 1001184918 Ontario Inc.) (the "Purchase Agreement"), in which Pecoy Copper Limited will acquire all of the issued and outstanding shares of the Company. Concurrently with the execution of the Purchase Agreement, Pecoy Copper Limited entered into series of binding acquisition and option agreements (together with the Purchase Agreement, the "Acquisition Agreements") with Copper X Mining Corp. and various private third parties to consolidate ownership of the Pecoy copper-gold-molybdenum project located in southern Peru. Closing of the Acquisition Agreements is conditional upon various conditions.

On June 8, 2025, the Company issued 63,680,701 common shares at a price of \$0.088 per share for the conversion of \$5,603,902 of convertible notes.

Pembrook Copper Corp.

Notes to the Consolidated Financial Statements

December 31, 2024

Note 20 - Mineral Properties

	Peru			
	Tororume	Pecoy	Hurricane East	Total Peru
	\$	\$	\$	\$
Balance, December 31, 2023	8,412,899	29,794,837	10,134	38,217,870
Acquisition and mineral licenses	764,931	414,425	-	1,179,356
Camp costs, supplies and other	166,780	139,409	(1,690)	304,499
Geological consulting fees and salaries	137,054	97,273	-	234,327
Transportation	86,066	60,241	-	146,307
Recovery of costs under option agreement	(542,527)	-	-	(542,527)
Total	9,025,203	30,506,185	8,444	39,539,832
Write-offs	-	-	(7,115)	(7,115)
Foreign exchange movement	1,014,543	210,782	(1,329)	1,223,996
Balance, December 31, 2024	10,039,746	30,716,967	-	40,756,713

	Peru			
	Tororume	Pecoy	Hurricane East	Total Peru
	\$	\$	\$	\$
Balance, December 31, 2022	8,000,790	29,087,416	-	37,088,206
Acquisition and mineral licenses	626,269	280,226	4,043	910,538
Assays and sample storage	42,994	-	-	42,994
Camp costs, supplies and other	190,983	235,435	5,590	432,008
Geological consulting fees and salaries	241,698	174,077	1,381	417,156
Drilling	662,036	-	-	662,036
Transportation	63,805	64,281	161	128,247
Recovery of costs under option agreement	(1,164,574)	-	-	(1,164,574)
Total	8,664,001	29,841,435	11,175	38,516,611
Foreign exchange movement	(251,102)	(46,598)	(1,041)	(298,741)
Balance, December 31, 2023	8,412,899	29,794,837	10,134	38,217,870

APPENDIX “K”

**MD&A OF PEMBROOK COPPER CORP. FOR THE YEARS ENDED DECEMBER 31, 2024 AND
2023**

Pembrook Copper Corp.
Management's Discussion and Analysis
For the years ended December 31, 2024 and December 31, 2023

Overview

The following Management's Discussion and Analysis ("MD&A") reviews Pembrook Copper Corp.'s (the "Company" or "Pembrook") financial condition and results of operations for the years ended December 31, 2024 and December 31, 2023. The discussion provides management's analysis of the Company's historical financial and operating results and provides estimates of the Company's future financial and operating performance based on information that is currently available.

This MD&A contains forward-looking statements that involve certain risks and uncertainties. There can be no assurance that these statements will prove to be accurate and actual results and future events could differ materially. Please refer to the cautionary language regarding forward-looking statements at the end of this MD&A.

This MD&A is dated June 11, 2025 and should be read in conjunction with the Company's consolidated financial statements for the years ending December 31, 2024 together with the notes thereto, prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

All dollar figures are in Canadian dollars, unless otherwise noted.

Company Background

Pembrook is a mineral exploration company engaged in the advancement of its Pecoy and Tororume Porphyry Projects in Peru. The Company's projects contain copper ("Cu"), molybdenum ("Mo"), gold ("Au"), and silver ("Ag"), and other metals including rare earths (REE).

At present, none of the Company's mineral properties are at a commercial development or production stage. The Company's objective is to realize value for its shareholders through a sale of the Company.

The Company operates in Peru through its wholly-owned subsidiaries, Torion Mining S.A.C. ("Torion"), Compañía Minera Tororume S.A.C., Orion Exploraciones S.A.C. as well as its 76.385% interest in Pecoy Sociedad Minera S.A.C. ("PSM") which owns a 100% interest in Pembrook Copper S.A.C.

Highlights

The following is a summary of key activities for the year ending December 31, 2023 and for the year ending December 31, 2024.

Sale of the company

- The primary goal for the Company was to maintain assets, advancing those key projects through additional exploration, if funding could be secured, and focus on arranging a sale of the Company.
- In February 2023, the Company and, the Minority partner in the Pecoy project, Compania de Inversiones OLIMPO S.A.C. and the adjoining neighbor to the south, Minera Andina de Exploraciones S.A.A. (Minandex) entered into an advisory engagement with Morrison Park Advisors Inc. (MPA) to provide financial advisory and investment banking services with the goal of selling the Company.
- The Company entered detailed discussions with three potential acquirers in the second half of 2024.
- Minandex acted alone and, without MPA's assistance, signed a Letter of Intent with a company that could not meet Pembrook's or OLIMPO's requirements.

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Highlights (cont'd...)

Sale of the company (cont'd...)

- MPA arranged for a superior proposal from Nomad Resource Partners Inc.(Nomad). The Company and OLIMPO signed a Non-Binding Indicative RTO Transaction Term Sheet dated February 20, 2025.
- Nomad Resource Partners Inc., subsequently negotiated the consolidation of the two acquiring companies, meeting Pembrook's goal of having the total of the Pecoy deposit resource in one company providing superior upside for the project going forward.
- The Acquisition Agreement documentation with Nomad Resources Partner Inc., is being finalized.

Pecoy

As the Company's most valuable asset, sufficient funds were employed to maintain good relations with the local communities and also to secure and preserve the project drill core stored at our Arirahua exploration camp. The Company maintained a drilling permit allowing up to 789 drill holes on 200 pads for our portion of the Pecoy resource.

Tororume

- On January 3rd, 2023 a first phase scout drilling program commenced on the 100% owned Tororume Project. The drilling program was being completed pursuant to a 2021 option agreement with MineCo. MineCo had a option to earn a 25% interest by spending \$5 Million followed by a second option agreement to spend an additional \$25 Million to earn an additional 26%. This option agreement was inherited from their acquisition of another company.
- MineCo then determined that they did not have a strategy to invest in Peru and on March 18, 2024, terminated the option agreement.
- The work by MineCo did confirm the presence of a cluster of three mineralized porphyry centres and added value to the Company that assisted in achieving an offer for the Company.

Operations

- The Company operated the exploration program with MineCo on Tororume.
- Security was maintained on the two exploration camps including drill core storage located at the Tororume and Pecoy camps.
- Relations with the local community were maintained.

Financial

- Additional financing was achieved by issuing convertible notes with a conversion price of \$0.40/share and interest at 10%
 - \$2,702,000 in 2023
 - \$550,036 in 2024
- All convertible notes have been extended to June 30th, 2025
- Debt financing was also placed with an interest rate of 10%
 - \$477,600 in 2024
- Debt Financing was placed with an interest rate of 8%

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Management's Discussion and Analysis
For the years ended December 31, 2024 and December 31, 2023

- \$57,182 in 2023

Highlights (cont'd...)

Financial (cont'd...)

- Subsequent to December 31, 2024 additional debt financing was placed at an interest rate of 10%
 - \$300,000 in 2025
- All Debt Financing has been extended to June 30th, 2025
- \$400,000 of financing without interest was provided by Nomad on signing of the LOI, and comes due if in the event the Company terminates the transaction for any reason.
- An additional financing of \$250,000 is available from Nomad on the signing of an Acquisition Agreement.

Outlook

- Pembrook's primary focus is to finalize the sale of the Company to a company managed by Nomad Partners Inc. The resulting entity will be trading on the TSX Venture that we envision will provide significant upside for Pembrook shareholders.

Project Details: Peru

Pecoy (Cu-Mo-Au-Ag)

The Pecoy project is a large, early-stage porphyry copper exploration project located in southern Peru. It is located one hundred kilometres northwest of Arequipa within the coastal Cretaceous Copper Porphyry Belt of Peru. The Property consists of 5,693 hectares that are held as the sole asset of Pecoy Sociedad Minera S.A.C ("PSM"). Under an agreement signed on August 28, 2013 (the "Pecoy Agreement"), the Company has completed its obligations to earn a 51% interest in PSM (the "First Option") and had the option to earn up to an 80% interest (the "Second Option").

In February 2017, the Company completed its obligations to earn the First Option and acquired control of PSM effective May 1, 2017. The Company provided notice to its partners of its intention to proceed with earning the Second Option in PSM to bring its interest to 80%. In February 2018, the Company made a US\$1.5 million payment as one of the requirements to earn the Second Option.

On February 28, 2019, the Company provided notice to the other shareholders of PSM that it would not continue to earn the Second Option and would remain at its 51% interest in PSM. Under the Pecoy Agreement, if the Company provides notification that will not be continuing to earn the Second Option, the other two shareholders of PSM have 4 months to decide whether to exercise a clawback right. The clawback right is the right for one or both of the minority shareholders to acquire the Company's 51% interest in PSM by making a cash payment calculated as the total of all cash payments made plus two times the total exploration expenditures made under the Pecoy Agreement. One of the shareholders waived their clawback right and the clawback right of the other shareholder expired.

On March 25, 2021, the Company completed the purchase of 25% of the outstanding shares of PSM from another PSM shareholder, bringing its interest to 76%.

On March 30, 2021, the shareholders of PSM approved a dilution of the minority shareholder's interest due the failure of the minority shareholder to fund his share of PSM operating costs from September 1, 2020 to December 31, 2020. As a result of the dilution, the Company's interest in PSM increased from 76% to 76.325% and the minority shareholder's interest in PSM was reduced from 24% to 23.615%.

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For the years ended December 31, 2024 and December 31, 2023

Project Details: Peru (cont'd...)

Pecoy (Cu-Mo-Au-Ag) (cont'd...)

The Pecoy project encompasses a large copper porphyry system (2 kilometres x 2 kilometres) with similarities to the Los Pelambres Cu porphyry located in Chile. Topographically, Pecoy rises from the valley floor at 1,600 MASL to 2,150 MASL in the coastal desert and is 85 kilometres from the coast by existing road. The Pecoy porphyry system is characterized by multiple porphyry centres and hydrothermal breccia events cutting a basement complex consisting mainly of granodiorite (Coastal Batholith) and gneissic rocks. The surface alteration consists dominantly of quartz-biotite-sericite-pyrite and silica with extensive leaching. Surface geochemistry returned copper values up to 0.72% but the majority of the surface exposures are characterized typically by a leached capping of hematite, goethite and jarosite.

The main porphyry mineralization below the leached cap consists of an oxide zone (azurite, malachite and chalcantite), followed by a chalcocite enrichment zone overlying primary sulphides including chalcopyrite, molybdenite and pyrite to depth. The centre of the main porphyry system is bounded by two large hydrothermal breccias along the margins of the porphyry. The South Breccia weathers recessively and is exposed the valley floor (1,000 metres length x 300 metres width x 600 metres depth) and is enriched in Cu, Au (Ag, Mo). The North Breccia that forms the northern half of the Pecoy mountain (1,000 metres length x >350 metres width x >600 metres depth) is Cu, Mo (Au, Ag) dominant.

The results of the Company's 2014-2016 drill programs were positive and significantly advanced Pecoy, resulting in an initial Inferred Resource estimate prepared independently following geologic and mineral modelling guidelines outline by the Canadian Institute of Mining, Metallurgy and Petroleum's "Standards of Disclosure for Mineral Projects (NI 43-101)". The initial Inferred Resource was subsequently updated to a NI 43-101 estimated Inferred Resource for the 100% of Pecoy deposit of 721 million tonnes @ 0.34% Cu, 0.011% Mo, 0.050 g/t Au, 1.27 g/t Ag, using a cut-off grade of 0.25% Cu.

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Project Details: Peru (cont'd...)

Pecoy (Cu-Mo-Au-Ag) (cont'd...)

A summary of highlights of project economics in the Preliminary Economic Assessment ("PEA") dated November 14, 2018 is as follows:

Assumptions:		
Discount rate	%	7%
Copper price	US\$/lb.	\$3.25
Gold price	US\$/oz.	\$1,310.00
Silver price	US\$/oz.	\$20.00
Molybdenum price	US\$/lb.	\$11.34
Strip ratio		0.24
Processing rate	tonnes/day	120,000
Mine-life	Years	32
Average annual payable production ¹ of:		
Copper	tonnes	95,846
Gold	ounces	8,048
Silver	ounces	687,479
Molybdenum	tonnes	1,279
Capital Expenditure – initial	USD millions	\$1,862
Capital Expenditure – sustaining	USD millions	\$720
Net present value before tax	USD millions	\$1,758.9
Net present value after tax	USD millions	\$847.9
Internal rate of return before tax	%	15.5%
Internal rate of return after tax	%	12.0%
Payback before tax (undiscounted)	years	5.4
Payback after tax (undiscounted)	years	5.7
Payback before tax (discounted at 7%)	years	7.6
Payback after tax (discounted at 7%)	years	10.8

The PEA is preliminary in nature; it is based exclusively on inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA report will be realized. Also, refer to "Forward-Looking Statements" on pages 17 and 18 of this Management's Discussion and Analysis.

On October 28, 2015, the Company entered into a surface rights agreement with the local community for an area over the Pecoy claims. The surface rights agreement has a term of 30 years and can be extended for an additional 30 years at terms to be negotiated separately. On December 5, 2019, the surface rights agreement was amended to change the timing of the remaining payments so that the remaining payment of US\$237,500 originally due on October 26, 2023 was changed to four annual payments of US\$59,375 commencing on October 26, 2020.

Pecoy has a drill permit in place for up to 789 drill holes on 200 drill pads, valid to October 2026.

¹ Actual annual payable metal varies from year to year. The average is the total payable metal produced divided by the 32 year mine-life.

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Project Details: Peru (cont'd...)

Tororume (Cu-Mo-Au)

This 100% owned project consisting of 10,497 hectares, host to a large area of copper porphyry occurrences, was identified by the Company during reconnaissance work within the Peco district Southern Peru Copper Porphyry Belt. This Belt hosts major deposits including the Cuajone Cu porphyry (Southern Peru Copper Corp.), the Toquepala Cu porphyry (Southern Peru Copper Corp.), Cerro Verde Cu porphyry (Freeport-McMoRan Copper & Gold Inc.) and the Zafranal Cu porphyry (Teck Resources Limited and Mitsubishi Materials Corporation). Tororume is a discovery located approximately 8 kilometres north of the Peco deposit and had never been drill tested. Mapping, geochemical sampling and geophysics (airborne magnetics, ground IP/resistivity) have been completed on the Property. Mapping and sampling have resulted in the identification of a large copper system with +0.1% copper values found over an area of three kilometres by six kilometres, that also includes elevated gold and molybdenum values. Copper, molybdenum and gold mineralization are present within granodiorite, basement gneiss and several porphyry mineralized zones that exhibit strong porphyry-style alteration. Multiple "centres" are present on the property and the best target identified to date is a 250 metre by 400 metre potassic-altered zone in which 47 of 49 samples collected from this area returned >0.1% copper with the majority containing from 0.15% to 0.60% copper. This zone, characterized by a potassic alteration signature is mainly covered by a thin, post-mineral, volcanic cap to the east and by debris to the south, and remains open in those directions and at depth. A second copper porphyry zone is located 500 metres north of the copper-bearing potassic zone and is characterized by quartz-sericite alteration (phyllic) and contains multiple +0.1% copper to a high value of 15.6% copper in an area measuring 800 metres by 1,000 metres. A third centre measuring 700 metres by 1,000 metres and with strong phyllic (quartz-sericite-pyrite) and potassic (magnetite-biotite) alteration has recently been recognized in the east central part of the system. The first drill permit for the Potassic East target has been received and the phase 1 drill program comprised of 2,533 meters in six holes was completed on the east margin of the eastern most target. The second drill permit activation for the Potassic West and North Phyllic zones was received in June 2018.

On May 22, 2013, the Company signed an agreement with Compañía de Inversiones Olimpo S.A.C. ("Olimpo") to acquire a 100% interest in nine Tororume project claims in Peru, subject to a 2% net smelter royalty ("NSR") by completing payments of:

- US\$200,000 (paid) upon signing; and
- US\$800,000 (paid) upon registration with local government authorities.

The 2% NSR may be repurchased by the Company within five years for US\$1,500,000.

On September 27, 2019, the Company signed an amendment with Olimpo.

The table below outlines the payments in both the original agreement and the amended agreement.

Term	Original Agreement (May 22, 2013)	Amended Agreement (September 27, 2019)
Advance Royalty Payments	US\$50,000/year for 4 years, then US\$100,000/year for 8 years (Total \$1,000,000)	US\$50,000/year for 4 years, then US\$100,000/year for 13 years (Total \$1,500,000)
Estimated Resource Report Deadline	Within 7 years	Within 12 years

In May 2021, the Company closed an option and joint venture agreement with MineCo whereby MineCo can earn a 50% interest in Torion by spending \$5 million in exploration expenditures on the Tororume project by May 2029. Upon completion of earning a 50% interest, MineCo will have the right to acquire

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Project Details: Peru (cont'd...)

Tororume (Cu-Mo-Au) (cont'd...)

an additional 26% interest in Torion by spending an additional \$25 million in exploration expenditures on the Tororume project. A management committee comprising representatives from Pembrook and MineCo was formed and a budget was approved. A 1,400-meter 3-hole scout drill program was completed on March 2023. The 3 drill holes tested geophysical and surface mineralization targets and was successful in confirming porphyry Co-Mo mineralization in 3 cells, each of which has a footprint equal to or larger than the Pecoy deposit footprint. The best intervals include: 406 meters @0.371% CuEq; 206 meters @0.353% CuEq and 46 meters @0.441% CuEq. Surface mapping identified significant Oxide/Enrichment including 112 samples in a 500 meter x 245 meter leached/oxide zone @0.34% Cu + 0.015% Mo and 22 samples over a 400 meter x 115 meter leached/oxide zone @0.41%Cu + 0.015%Mo. There is a good road network and drilling permit in place for the Property.

On March 18, 2024, after completing nearly CA\$5,000,000 in exploration work, the optionor, MineCo, decided to terminate the option agreement and not proceed with the second option.

Corporate Transactions

On March 5, 2021, the Company filed an arbitration claim against CMCV to obtain a ruling declaring the clawback right of CMCV to have expired (the "Clawback Arbitration"). Although the outcome of the arbitration process cannot be predicted, the Company is confident that all of the procedures to execute the clawback right were correctly followed with the result that CMCV's clawback right has expired. The arbitration panel members have been determined and initial filings have been made.

From May 2017 to March 25, 2021, there were three shareholders of PSM, the Company (owning 51%), CMCV (owning 24%) and a second minority shareholder owning 25% ("UMHL"). On March 25, 2021, the Company completed the purchase of UMHL's 25% interest in PSM, bringing the Company's interest in PSM to 76%. On April 23, 2021, CMCV filed an arbitration claim against PSM to obtain a ruling to nullify the sale of a 25% interest in PSM by UMHL on the basis the procedures followed to effect the sale were not valid (the "25% Sale Arbitration"). Although the outcome of the arbitration process cannot be predicted, the Company is confident that all of the procedures to execute the purchase and sale of the 25% interest were correctly followed with the result that the sale will be determined to valid and binding.

On April 30, 2021, the Company received notice that CMCV filed an arbitration claim against PSM to obtain a ruling that the procedures carried out at the PSM March 30, 2021 shareholder meeting to dilute CMCV for failure to fund his share of PSM costs for the period September 1, 2020 to December 31, 2020, pursuant to the PSM shareholder agreement, were not valid (the "Dilution Arbitration"). As a result of the dilution, Pembrook's shareholding in PSM increased from 76% to 76.385% and CMCV's shareholding in PSM decreased from 24% to 23.615%. The matter remains to be resolved by arbitration in Peru and the outcome of the arbitration process cannot be predicted. However, the Company is confident that the all the procedures to effect the dilution were followed properly and there is no merit to this arbitration claim.

On February 28, 2025, the Company and CMCV filed for the suspension of three arbitrations proceeding until August 31, 2025, and are awaiting approval from the arbitration court for this request.

In October 20, 2020, the Company entered into an agreement with MineCo for a \$5 million secured convertible note financing and agreed terms for an option agreement to earn an interest in Torion, the Company's subsidiary that owns the Tororume project. On October 20, 2020, the Company closed the

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Corporate Transactions (cont'd...)

\$5,000,000 financing of secured convertible notes which mature on February 28, 2023 and bear interest at 8% per annum, compounded annually not in advance. The convertible notes together with accrued interest thereon are convertible at the option of MineCo, into common shares of Pembrook at a conversion price of \$0.40 per share upon the completion of a sale of Pembrook. The convertible notes are secured by 100% of the shares of Torion.

Additional Property Disclosure

The capitalized exploration expenditures of the Company by mineral property are provided in Notes 4, 5, 6 and 20 to Pembrook's consolidated financial statements for the years ended December 31, 2024 and December 31, 2023.

Information Concerning Financial Performance

The Company is an exploration stage company and engages principally in the acquisition, exploration and advancement of mineral properties. The Company's current properties are in the early stages of exploration, and none of the Company's properties are in production. Mineral exploration expenditures are capitalized and financial losses are incurred as a result of general exploration and administrative expenses relating to the operation of the Company's business. Consequently, the Company's net income is not a meaningful measure of its performance or potential.

Once the Company acquires title or right to title in a property, all acquisition and exploration costs are capitalized until the property to which those costs are related is placed into production, sold, abandoned or determined by management to be impaired. The decision to abandon a property is largely determined based on exploration results, the Company's view of future prospects, and whether the property may be of interest to other exploration or mining companies.

The key performance drivers for the Company include securing the best geological expertise it can and acquiring and successfully exploring high potential mineral properties. By hiring highly qualified staff and acquiring and exploring projects of superior technical merit, the Company increases its chances of finding and advancing an economic deposit.

Selected Financial Information

Selected quarterly financial information for operations of the Company for the last eight quarters is presented below. Changes in income or expense items from period to period are not necessarily representative of trends or potential future changes.

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Selected Financial Information (cont'd...)

Selected Financial Information (figures are in thousands of Canadian dollars, except per share information):

Quarter ended	Revenues	Loss before Other Items	Net Loss	Basic and Diluted Loss per Share	Total Assets	Total Current Liabilities
4 th Quarter ended December 31, 2024	Nil	\$970	\$930	\$0.01	\$41,085	\$20,453
3 rd Quarter ended September 30, 2024	Nil	\$706	\$722	\$0.00	\$38,799	\$18,266
2 nd Quarter ended June 30, 2024	Nil	\$666	\$650	\$0.00	\$39,038	\$17,614
1 st Quarter ended March 31, 2024	Nil	\$577	\$335	\$0.00	\$38,967	\$17,013
4 th Quarter ended December 31, 2023	Nil	\$738	\$598	\$0.00	\$38,874	\$16,938
3 rd Quarter ended September 30, 2023	Nil	\$736	\$707	\$0.00	\$38,835	\$15,804
2 nd Quarter ended June 30, 2023	Nil	\$750	\$779	\$0.01	\$38,468	\$15,034
1 st Quarter ended March 31, 2023	Nil	\$625	\$427	\$0.00	\$38,419	\$13,978

Year ended	Revenues	Loss before Other Items	Net Loss/(Gain)	Basic and Diluted Loss per Share	Total Assets	Total Non-Current Liabilities
December 31, 2024	Nil	\$2,918	\$2,637	\$0.02	\$41,085	\$939
December 31, 2023	Nil	\$2,849	\$2,511	\$0.02	\$38,874	\$793
December 31, 2022	Nil	\$2,592	\$2,284	\$0.02	\$37,578	\$944

Results of Operations

For the year ended December 31, 2024 compared with the year ended December 31, 2023

The Company reported a net loss of \$2,637,284 (\$0.02 per share) for the year ended December 31, 2024 (the "current year"), compared to a net loss of \$2,510,947 (\$0.02 per share) for the year ended December 31, 2023 (the "prior year"). The higher net loss was primarily driven by increased interest expense on convertible notes, partially offset by reduced general and administrative expenses, a larger gain on modification of convertible notes, deferred income tax expense, and favorable foreign exchange movements.

The rise in interest expense was due to the compounding effect and the issuance of additional convertible notes during the year. General and administrative expenses decreased as part of the Company's cash conservation efforts. The gain on modification of convertible notes was higher in 2024, reflecting a larger volume of amended notes compared to the prior year. The deferred income tax expense was attributed to exchange rate fluctuations between the U.S. dollar and the Peruvian sole. Although no temporary differences existed in the local currency, IFRS requires deferred tax to be calculated using the functional currency, leading to annual adjustments based on foreign exchange changes. Additionally, the Company recognized a lower foreign exchange loss in 2024 due to a stronger U.S. dollar relative to the Canadian dollar and the impact of temporal translation of the Peruvian entities' financial statements.

For the year ended December 31, 2023 compared with the year ended December 31, 2022

The Company reported a net loss of \$2,510,947 (\$0.02 per share) for the year ended December 31, 2023 (the "current year"), compared to a net loss of \$2,283,901 (\$0.02 per share) for the year ended December 31, 2022 (the "comparable year"). The increased loss was primarily due to higher interest expense on convertible notes, partially offset by a greater gain on modification of convertible notes, a deferred income tax recovery, and the absence of mineral property cost recoveries recorded in the prior year.

The rise in interest expense resulted from the issuance of \$2,702,000 in convertible notes during the current year. The gain on modification of convertible notes was also higher in 2023 due to multiple amendments extending their maturity dates. In 2022, the Company recorded a recovery of mineral

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Results of Operations (cont'd...)

For the year ended December 31, 2023 compared with the year ended December 31, 2022 (cont'd...)

property costs related to an option payment from Tier One, which did not recur in 2023. The deferred income tax recovery in the current year was driven by fluctuations in the U.S.dollar/Peruvian sole exchange rate. While no temporary differences existed in the local currency, IFRS requires deferred tax to be calculated in the functional currency, leading to annual adjustments based on exchange rate movements.

For the three months ended December 31, 2024 compared with the three months ended December 31, 2023

The Company reported a net loss of \$929,779 (\$0.01 per share) for the three months ended December 31, 2024 (the "current quarter"), compared to a net loss of \$597,781 (\$0.00 per share) for the same period in 2023 (the "comparable quarter"). The increase in net loss was primarily due to higher interest expense on convertible notes and a change in deferred income tax expense.

The higher interest expense resulted from the compounding effect and the issuance of additional convertible notes during the year. The deferred income tax expense was influenced by fluctuations in the U.S. dollar/Peruvian sol exchange rate. Although there were no temporary differences in the local currency, IFRS requires deferred taxes to be recognized in the functional currency, necessitating adjustments based on exchange rate movements.

Liquidity and Capital Resources

Selected financial information pertaining to liquidity and capital resources for the year ended December 31, 2024 is presented below:

At December 31, 2024, the Company had cash and cash equivalents of \$28,806 and a working capital deficiency of \$(20,136,466) compared with \$359,489 and \$(16,297,707) respectively as at December 31, 2023.

Cash used in operating activities for the year ended December 31, 2024, was \$759,876, compared to \$1,351,582 in the prior year, primarily due to higher outstanding accounts payable in the current year.

Cash used by investing activities for the year ended December 31, 2024, was \$520,230, compared to cash used of \$1,012,930 in the comparable year. In 2024, the Company received \$542,527 in cash calls from MineCo to fund the exploration program at the Tororume project, which partially offset total property expenditures of \$1,062,757. In 2023, MineCo contributed \$1,164,574, offsetting property expenditures of \$2,176,413.

Cash provided by financing activities for the year ended December 31, 2024, totaled \$997,636, compared to \$2,650,012 in the comparable year. During the current year, the Company issued convertible notes for gross proceeds of \$550,036 and received a \$477,600 loan from two directors and the spouse of one director. Both the convertible notes and the loan bear interest at an annual rate of 10% and mature on June 30, 2025, following the execution of amending agreements. The Company also repaid a government loan of \$40,000, of which \$10,000 was forgiven. In the comparable year, the Company raised \$2,702,000 from the issuance of convertible notes under similar terms, including a 10% annual interest rate and a maturity

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Selected Financial Information (cont'd...)

***Liquidity and Capital Resources* (cont'd...)**

date of June 30, 2025, as per an amended agreement. Additionally, an interest payment of \$51,988 was made to one of the noteholders in May 2023.

At December 31, 2024, share capital was \$131,722,803 comprising 149,410,199 shares. No shares were issued during the current year. Share-based payment reserve, which arises from the recognition of the estimated fair value of stock options vesting during the year was \$17,782,186 at December 31, 2024, unchanged from December 31, 2023 as no stock options were granted during the current year. Foreign currency translation reserve, which arises from the translation subsidiaries from local currency to functional currency, was \$2,698,310 at December 31, 2024 (December 31, 2023 - \$1,564,177).

The equity component of convertible notes was \$481,982 at December 31, 2024 compared with \$476,519 at December 31, 2023. The Company commenced issuing convertible notes in 2019. Due to the conversion feature of the notes, a portion of the notes are recognized as a liability and the remaining portion is recognized as equity. The equity component of the \$14,032,354 of convertible notes outstanding at December 31, 2023 is \$485,858. The temporary tax difference due to the difference in the accounting and tax bases of the convertible notes is \$9,339, resulting in a balance of \$476,519 at December 31, 2023. During the year ended December 31, 2024, \$550,036 convertible note was issued. The equity component of the \$14,582,390 of convertible notes outstanding at December 31, 2024 is \$484,002. The temporary tax difference due to the difference in the accounting and tax bases of the convertible notes is \$2,020, resulting in a balance of \$481,982 at December 31, 2024.

The increase in the deficit to \$133,647,356 at December 31, 2024 (December 31, 2023 - \$131,041,844) is the result of the net loss of \$2,605,512 for the year ended December 31, 2024 (December 31, 2023 - \$2,514,175).

The Company's continuing operations are dependent upon its ability to secure additional equity capital, divest assets or generate cash flow from operations in the future, none of which are assured. Due to market conditions, there is no assurance that the Company will be successful in raising additional financing. Although the Company raised sufficient funds in 2024, the lack of sufficient committed funding for the next 12 months may cast significant doubt regarding the Company's ability to continue as a going concern. The Company has no source of revenue and cash requirements to maintain its mineral interests, fund its administrative overhead and pay its liabilities.

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Transactions with Related Parties

Consolidated Statements of Loss and Comprehensive Loss

Transactions with related parties in the normal course of operations have been measured at the exchange amount, which is the consideration agreed to by the parties.

Consolidated Statements of Financial Position

The following amounts were included in loan:

	December 31, 2024	December 31, 2023
	\$	\$
Due to a company controlled by a director	64,815	57,182
Due to directors	346,973	-
Due to a spouse of a director	141,593	-
	553,381	57,182

The following amounts were included in convertible notes:

	December 31, 2024	December 31, 2023
	\$	\$
Due to directors of the Company	7,003,700	6,529,841
Due to the spouse of a director of the Company	830,341	839,193

The following amounts were included in the equity portion of convertible notes:

	December 31, 2024	December 31, 2023
	\$	\$
Due to directors of the Company	221,735	214,252
Due to the spouse of a director of the Company	38,961	38,961

Proposed Transactions

None

Subsequent Events

On February 18, 2025, a director provided a \$300,000 loan to the Company bearing interest at a rate of 10.0% per annum, compounded annually and maturing on June 30, 2025.

On February 28, 2025, the Company filed for the suspension of three arbitrations proceeding until August 31, 2025.

On May 20, 2025, a spouse of a director of the Company provided a \$10,000 loan to the Company bearing interest at a rate of 10.0% per annum, compounded annually and maturing on June 30, 2025.

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Subsequent Events (cont'd...)

Effective as of May 27, 2025, the Company entered into a purchase agreement with Pecoy Copper Limited (formerly known as 1001184918 Ontario Inc.) (the "Purchase Agreement"), in which Pecoy Copper Limited will acquire all of the issued and outstanding shares of the Company. Concurrently with the execution of the Purchase Agreement, Pecoy Copper Limited entered into series of binding acquisition and option agreements (together with the Purchase Agreement, the "Acquisition Agreements") with Copper X Mining Corp. and various private third parties to consolidate ownership of the Pecoy copper-gold-molybdenum project located in southern Peru. Closing of the Acquisition Agreements is conditional upon various conditions.

On June 8, 2025, the Company issued 63,680,701 common shares at a price of \$0.088 per share for the conversion of \$5,603,902 of convertible notes.

Other MD&A Requirements

Additional information relating to the Company may be found in the Company's consolidated financial statements for the years ended December 31, 2024 and related notes thereto.

Commitments

The following table below summarizes the Company's commitments due within one year as of December 31, 2024 and 2023:

	Years ended December 31,	
	2024	2023
	\$	\$
Note payable	553,381	57,182
Loan	-	40,000
	553,381	97,182

The table does not include cash payments or exploration expenditures required to maintain property option agreements in good standing with vendors, as those payments and expenditures are conditional on the Company electing to continue with the individual option agreements. If the Company chooses to terminate an option agreement, no further payments or exploration expenditures are required and the related capitalized costs will be written off.

This table does not include obligations pursuant to convertible notes described in Note 7 to the consolidated financial statements for the years ended December 31, 2024.

Recent accounting pronouncements

Accounting amendments issued and effective on or after January 1, 2024

Classification of Liabilities as Current or Non-current (Amendments to IAS 1) – The amendments to IAS 1 provides a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

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Recent accounting pronouncements (cont'd...)

The Company concludes that the effect of such amendments did not have a material impact and therefore did not record any adjustments to the consolidated financial statements.

Accounting standards issued and effective on or after January 1, 2027

IFRS 18 Presentation and Disclosure in Financial Statements – IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses – operating, investing or financing – to improve the structure of the income statements, and require all companies to provide new defined subtotals, including operating profit;
2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement; and
3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

The Company will be evaluating the impact of the above amendments on its financial statements.

New accounting standards and interpretations adopted during the year ended December 31, 2023

Effective January 1, 2023, the Company adopted narrow-scope amendments to IAS 1 that require entities to disclose “material accounting policy information” instead of “significant accounting policies”. The adoption of this amendment did not result in material changes to the consolidated financial statements.

Effective January 1, 2023, the Company adopted amendments to IAS 8 – Definition of Accounting Estimates. These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The adoption of this amendment did not have a significant impact on the consolidated financial statements.

Off-Balance Sheet Arrangements

Other than those commitments disclosed in Note 12 to the Company's December 31, 2024 consolidated financial statements, the Company is not party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Company's financial position, revenues, expenses, results of operations, liquidity, capital expenditures or future cash flows.

Financial Instruments

The Company's financial instruments are exposed to certain financial risks, the elements of which are discussed more fully in Note 15 to the Company's December 31, 2024 consolidated financial statements. The fair values of the Company's trade and other receivables, deposits, trade and other payables, interest payable, convertible notes and loan approximate their carrying values due to their short-term nature.

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Critical Accounting Estimates

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, and expenses. Actual outcomes could differ from these estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which estimates are revised and in any future period affected.

See Note 2 in the Company's consolidated financial statements for the years ended December 31, 2024, for significant estimates and judgments which have been consistently applied in the preparation of the consolidated financial statements for the years ended December 31, 2024.

Disclosure of Outstanding Share Data

The table below provides information concerning the designation and number of each class of equity securities for which there are securities outstanding as of the dates noted below:

Type of Security	June 11, 2025	December 31, 2024
Common shares	213,090,900	149,410,199
Options	3,272,500	3,272,500
Total	216,363,400	152,682,699

Risk Factors

The Company's business at the present stage of exploration and development of its projects involves a high degree of risk and uncertainty.

Exploration Stage Company

Pembrook is engaged in the business of acquiring and developing mineral properties to locate economic deposits of minerals. All of its properties are in the early stages of exploration and are without defined mineral bodies. Advancement of Pembrook's properties will only occur after obtaining satisfactory exploration results. There can be no assurance that Pembrook's existing or future exploration programs will result in the discovery of economically recoverable mineral deposits. Further, there can be no assurance that even if an economic deposit of minerals is identified, it can be commercially mined.

No Source of Operating Revenue

At present, the Company's operations do not generate cash inflows and the Company's continued existence depends on management's ability to raise additional equity financing, discover recoverable mineral deposits and sell or otherwise participate in the development of those projects. Many factors influence the Company's ability to raise funds, including the health of the commodity resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required over time, but recognizes there are risks involved that may be beyond its control. If those risks fully materialize, the Company may not be able to raise adequate funds to continue its operations.

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Risk Factors (cont'd...)

Minerals Exploration and Advancement

The exploration and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time which may not be eliminated by a combination of careful evaluation, experience and knowledge. While discovery of a mineral deposit or ore body may result in significant rewards, few properties which are explored are ultimately advanced into producing mines. Substantial expenses are required to establish ore reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (e.g. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals and environmental protection). The effect of these factors, or a combination thereof, cannot be accurately predicted but could have a significant adverse impact on the Company.

Minerals Exploration Activities

Mineral exploration activities generally involve a high degree of risk. Pembrook's operations are subject to all of the hazards and risks normally encountered in mineral exploration and advancement. Such risks include unusual and unexpected geological formations, seismic activity, rock bursts, flowing and other conditions involved in the drilling and removal of material, drilling or transportation accidents, environmental issues including chemical spills or environmental degradation, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes, community relationship issues and political, community or interest group unrest. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability, adverse government action, and a loss in the value of Pembrook's properties. Pembrook does not currently carry insurance against all these risks and there is no assurance that such insurance will be available in the future, or if available, at economically feasible premiums or acceptable terms. The potential costs associated with liabilities not covered by insurance or excess insurance coverage may cause substantial delays and require significant capital outlays. Such damages, if uninsured, could under certain circumstances, be greater than the financial capacity of the Company to pay for them.

No Operating History and Financial Resources

Pembrook has a short operating history and no operating revenue, and is unlikely to generate revenues from operating activities sufficient to fund operations in the near future. If the Company's exploration program is successful, additional funds will be required for further exploration to prove economic deposits and to bring such deposits to production. Additional funds may also be required for Pembrook to acquire and explore other mineral interests. Pembrook has limited financial resources and there is no assurance that sufficient additional funding will be available to fulfill its obligations or to further explore and advance its properties on acceptable terms or on any terms at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and property advancement activities and could cause Pembrook to forfeit its interests in some or all of its properties, or to reduce or terminate its operations.

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Risk Factors (cont'd...)

Political or economic instability in countries where Pembrook operates

Certain of our properties are located in countries, provinces and states which may be subject to political and economic instability, or unexpected legislative change which may delay or prevent exploration of our properties. Exploration of our properties could be adversely affected by:

- political instability and violence;
- war and civil disturbance;
- labour unrest;
- community relations issues;
- permitting issues
- expropriation or nationalization;
- changing fiscal regimes and uncertain regulatory environments;
- changes to royalty and tax regimes;
- underdeveloped industrial and economic infrastructure; and
- the unenforceability of contractual rights and judgments.

Competition

The mineral exploration and mining business is competitive in all of its phases. Pembrook competes with numerous other companies in the search for and the acquisition of attractive mineral properties and individuals, including competitors with greater financial, technical and other resources. Pembrook's ability to acquire properties in the future will depend not only on its ability to advance its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or advancement. There is no assurance that Pembrook will be able to compete successfully with others in acquiring such prospects. In addition, there is a limited supply of good geological talent and drilling crews and equipment. There is no assurance that Pembrook will be able to acquire the supply of geological talent or drillers, executives or other employees or contractors that are required to complete its exploration work in planned time frames.

Title to Property

Pembrook has taken precautions to ensure that legal titles to its property interests are properly recorded. There can be no assurance that Pembrook will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments in the jurisdictions in which the properties are situated will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned. In addition, some of Pembrook's properties are held in the names of others. Third parties may have valid claims underlying portions of Pembrook's interests and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that Pembrook may lose all or part of its interest in the properties to which such defects relate. In addition, Pembrook may fail, due to error, omission, or technological issues to renew its claims in a timely manner, potentially resulting in the loss of valuable claims to property.

Reliance on Third Parties for Critical Services

Pembrook contracts certain activities critical to its operations to third parties. These include drilling owners/operators, expeditors, helicopter and other transport providers, surveyors, experts for 43-101 reports and assay providers. Any failure to secure such contractors, or errors on their part, could result in significant disruption to Pembrook's operations, or in accidents which could cause safety issues, environmental damage or liabilities to them and to Pembrook. Pembrook cannot currently insure against all these risks.

Pembrook Copper Corp.
Management's Discussion and Analysis
For the years ended December 31, 2024 and December 31, 2023

Risk Factors (cont'd...)

Environmental Risks and Hazards

All phases of Pembrook's operations are subject to environmental regulation in the jurisdictions in which the property is located. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain exploration activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of such regulation may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which Pembrook holds interests or on properties that will be acquired which are unknown to Pembrook at present and which have been caused by previous or existing owners or operators of the properties.

Commodity Prices

The price of Pembrook's securities, its financial results, and exploration, advancement and mining activities may in the future be significantly adversely affected by declines in the price of precious or base minerals. Precious or base minerals prices fluctuate widely and are affected by numerous factors beyond Pembrook's control such as the sale or purchase of precious or base metal by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand; production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection and international political and economic trends, conditions and events and specific demand from emerging countries. The price of precious or base metals has fluctuated widely in recent years, and price declines could cause continued advancement of Pembrook's properties to be impracticable.

In addition to adversely affecting reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Price Volatility and Lack of Active Market

Since 2008, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market price of securities of many public companies have experienced significant fluctuations. Some of these fluctuations may not necessarily have been related to the operating performance, underlying asset values or prospects of such companies. Any future market for Pembrook's securities may be subject to such market trends, and the value of such securities may be affected accordingly. There is currently no market through which the securities of Pembrook can be sold and there can be no assurance that one will develop or be sustained. If an active market does not develop, the liquidity of the investment may be limited and the market price of such securities may decline below the subscription price.

Pembrook Copper Corp.
Management's Discussion and Analysis
For the years ended December 31, 2024 and December 31, 2023

Risk Factors (cont'd...)

Risk Associated with Joint Venture Agreements

Pembrook may, in the future, enter into joint venture arrangements whereby it agrees to co-develop a property with another mining or mineral exploration company. Such agreements may require significant up-front payments or investments over time by Pembrook. These agreements may also be difficult to enforce, could result in significant differences of interpretation with the joint venture partner or could result in the joint venture partner failing to carry out its responsibilities under the contract. This could cause delays, significant diversion of management time and attention, excess costs, litigation, and the eventual dissolution of the joint venture with unsatisfactory results. All of these could delay or hinder ongoing Pembrook projects, or could result in significant financial damage to Pembrook and its shareholders.

Key Executives

Pembrook is and will be dependent on the services of key executives and a small number of highly skilled and experienced geologists, consultants and personnel, whose contributions to the immediate future operations of Pembrook are likely to be of great importance. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Advancing those projects via joint exploration agreement and operating an organization of increasing scale also require certain specialized skills which are in high demand and difficult to acquire. Due to the relatively small size of Pembrook's staff, the loss of key personnel or Pembrook's inability to attract and retain additional highly skilled employees and consultants may adversely affect its business and future operations. In addition, some officers of Pembrook may be hired on a part-time or consultant basis and may therefore not devote all their time solely to Pembrook's affairs. This could slow or hinder corporate development.

Potential Conflicts of Interest

Certain directors and officers of the Company are and may continue to be involved in the mining and minerals exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are or could become potential competitors of the Company. Situations may arise in connection with potential acquisitions or investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest are subject to the procedures set out in applicable corporate and securities legislation, regulation, rules, policies and Pembrook's Code of Business Conduct and Ethics.

Litigation

Pembrook is currently party to a number of arbitration claims in Peru, both as a claimant and defendant. In its normal course of business or due to issues which may arise, Pembrook could face additional legal action in the future. Such actions could result in significant costs of defense, absorption of management time and focus away from the main activities of the business, and potentially significant settlements or payments by the Company. Such settlements or payments may, under certain circumstances, result in losses greater than the Company's ability to pay.

Objectives May Not Be Fulfilled

As a result of the foregoing factors, as well as other factors, Pembrook's objective of discovering mineral deposits and economic ore-grade mineral bodies may never be realized. If this occurs, the value of the Company's shares may fall.

Pembrook Copper Corp.
Management's Discussion and Analysis
For the years ended December 31, 2024 and December 31, 2023

Risk Factors (cont'd...)

Dilution

As the Company does not generate operating cash flow and has no current plans to do so, it will need to raise additional funds over a period of time to continue its operations. As a result, shareholders may incur dilution of their percentage holding in the Company.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possible loss of their entire investment.

Investment Risk

The Company currently holds its cash and investments with a major Canadian banks and financial institutions. Canadian banks have recently been ranked among the safest in the world by the World Economic Forum. Due to volatility in credit markets and to several international bank failures, the possibility of bank failures in Canada cannot be entirely ruled out. If a bank with which the Company holds deposits or investments fails, and if the Canadian government does not step in to protect the bank, its depositors or creditors, the Company could lose that portion of its cash and investments. Due to the nature of interest-bearing investments, changes in interest rates can significantly affect the return on the investment, if the investment is redeemed before maturity.

General Global Conflicts and Tariffs

The Company's financial condition and results of operations may be negatively affected by economic and other consequences of world events. While the Company expects any direct impacts of world events to the current and future business to be limited, the indirect impacts on the economy, supply chain, tariffs and industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing.

Forward-Looking Statements

Some of the statements in this MD&A constitute "forward-looking statements" within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this MD&A, or in the case of documents incorporated by reference herein, as of the date of such documents and the Company does not intend and does not assume any obligation to update these forward-looking statements. These forward-looking statements represent management's best judgment based on facts and assumptions that management considers reasonable, including that exploration plans could be disrupted by issues such as weather, community relations issues, disruptions in access to exploration properties, labour disturbances, delayed or refused permits, environmental issues, political issues, mechanical failures of equipment and availability of financing when needed. Management currently is not aware of any material events that may disrupt exploration plans or budgets. The Company makes no representation that reasonable business people in possession of the same information would reach the same conclusions.

Forward-looking statements include, but are not limited to, statements with respect to the future price of minerals, the timing of exploration plans, timing of drill results, success of exploration activities, permitting time lines, currency fluctuations, government regulation of exploration operations,

Pembrook Copper Corp.
Management's Discussion and Analysis
For the years ended December 31, 2024 and December 31, 2023

Forward-Looking Statements (cont'd...)

environmental risks, unanticipated reclamation expenses, prospects for equity financing activities, title or claims disputes and completion of acquisitions and their potential impact on the Company.

In certain cases, forward-looking statements can be identified by the use of words such as “plans,” “expects” or “does not expect,” “is expected,” “budget,” “scheduled,” “estimates,” “forecasts,” “intends,” “anticipates” or “does not anticipate,” or “believes,” or variations of such words and phrases or statements that certain actions, events or results “may,” “could,” “would,” “might” or “will” be taken, “occur” or “be achieved”.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Such factors include, among others, risks related to: the inherent uncertainties in minerals exploration and development activities; fluctuations in the price of minerals or in currency markets; the uncertainty of mineral resource and reserve estimates; the uncertainty of financing being available when needed; the uncertainty of mining licences or governmental approvals being granted in a timely manner; changes in regulatory requirements; hiring and retaining personnel with the necessary expertise; the failure of equipment or processes to operate as anticipated; material unanticipated variations in budgeted costs; contractors not completing projects according to schedule; accidents, labour disputes and other risks of the mineral exploration industry; as well as other factors discussed in the section entitled “Risk Factors” in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. 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.

Accordingly, readers should not place undue reliance on forward-looking statements.

Additional Information

Additional information relating to Pembrook is available by contacting:

Pembrook Copper Corp.
Suite 500 – 666 Burrard Street
Vancouver, BC, Canada
V6C 3P6
Office (778) 886-9800
General Inquiries: info@pembrookmining.com
Website: www.pembrookmining.com

/s/ “Daniel Innes”
Daniel Innes
Chief Executive Officer

/s/ “Alan Moon”
Alan Moon

APPENDIX “L”

**REVIEWED INTERIM FINANCIAL STATEMENTS FOR PEMBROOK COPPER CORP. FOR THE
THREE AND SIX MONTHS ENDED JUNE 30, 2025**

Unaudited Condensed Interim Consolidated Financial Statements of

Pembroke Copper Corp.

For the three and six months ended June 30, 2025 and 2024

Pembrook Copper Corp.

Condensed Interim Consolidated Statements of Financial Position

All amounts in Canadian dollars - Unaudited

ASSETS	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Current Assets		
Cash and cash equivalents	\$ 55,745	\$ 28,806
Other receivables	325,678	275,817
Prepaid expenses	20,163	11,874
	<u>401,586</u>	<u>316,497</u>
Property and Equipment (Note 4)	10,266	11,729
Mineral Properties (Notes 6 & 20)	<u>40,209,585</u>	<u>40,756,713</u>
Total Assets	<u>\$ 40,621,437</u>	<u>\$ 41,084,939</u>
LIABILITIES		
Current Liabilities		
Trade and other payables (Note 7)	\$ 937,489	\$ 1,927,678
Deposits from Pecoy Copper Limited (Note 3)	1,700,000	-
Interest payable (Notes 8 & 11)	1,197,245	3,565,085
Convertible notes (Notes 8 & 11)	9,178,481	14,406,819
Note payable (Note 11)	901,223	553,381
	<u>13,914,438</u>	<u>20,452,963</u>
Deferred Income Tax Liabilities	939,007	939,007
Total Liabilities	<u>14,853,445</u>	<u>21,391,970</u>
EQUITY		
Share Capital (Note 10)	137,503,420	131,722,803
Reserves	19,886,252	20,571,335
Equity Component of Convertible Notes (Notes 8 & 11)	105,267	481,982
Deficit	(132,245,842)	(133,647,356)
Equity Attributable to the Equity Holders of the Company	<u>25,249,097</u>	<u>19,128,764</u>
Non-controlling Interest (Note 13)	518,895	564,205
Total Equity	<u>25,767,992</u>	<u>19,692,969</u>
Total Liabilities and Equity	<u>\$ 40,621,437</u>	<u>\$ 41,084,939</u>
Nature of Operations and Going Concern (Note 1)		
Commitments (Note 12)		

APPROVED BY THE BOARD OF DIRECTORS ON SEPTEMBER 3, 2025:

/s/ "Alan Moon", Director

/s/ "Daniel Innes", Director

- The accompanying notes are an integral part of these condensed interim consolidated financial statements -

Pembrook Copper Corp.

Condensed Interim Consolidated Statements of (Income) Loss and Comprehensive (Income) Loss
All amounts in Canadian dollars - Unaudited

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Operating and Administrative Expenses				
General exploration	\$ 259	\$ 259	\$ 525	\$ 515
Interest on convertible notes (Notes 8 & 15)	465,010	406,679	925,444	802,012
General and administration	395,085	258,624	661,954	439,685
Loss before other items	\$ 860,354	\$ 665,562	\$ 1,587,923	\$ 1,242,212
Other Items				
Gain on modification of convertible notes (Note 8)	-	-	-	(263,034)
Gain on forgiveness of interest payable for convertible debt (Note 8)	(3,117,719)	-	(3,117,719)	-
Foreign exchange (gain)/loss	72,939	(16,050)	130,718	5,699
Net (Income)/Loss	\$ (2,184,426)	\$ 649,512	\$ (1,399,078)	\$ 984,877
Other Comprehensive (Income)/Loss				
Foreign currency translation differences	709,549	(113,235)	727,957	(422,704)
Other Comprehensive (Income)/Loss	\$ 709,549	\$ (113,235)	\$ 727,957	\$ (422,704)
Other Comprehensive (Income)/Loss Attributable to:				
Equity holders of the Company	671,617	(106,084)	685,083	(402,817)
Non-controlling interest	37,932	(7,151)	42,874	(19,887)
	709,549	(113,235)	727,957	(422,704)
Total Comprehensive (Income)/Loss	\$ (1,474,877)	\$ 536,277	\$ (671,121)	\$ 562,173
Net (Income)/Loss Attributable to:				
Equity holders of the Company	(2,197,184)	640,854	(1,401,514)	970,822
Non-controlling interest	12,758	8,658	2,436	14,055
	\$ (2,184,426)	\$ 649,512	\$ (1,399,078)	\$ 984,877
Total Comprehensive (Income)/Loss Attributable to:				
Equity holders of the Company	(1,525,567)	534,770	(716,431)	568,005
Non-controlling interest	50,690	1,507	45,310	(5,832)
	\$ (1,474,877)	\$ 536,277	\$ (671,121)	\$ 562,173
Basic and Diluted (Income)/Loss Per Share (Note 10(e))	\$ (0.01)	\$ 0.00	\$ (0.00)	\$ 0.00
Weighted Average Shares Outstanding During the Period – Basic and Diluted	164,256,083	149,410,199	156,874,152	149,410,199

-The accompanying notes are an integral part of these condensed interim consolidated financial statements -

Pembroke Copper Corp.

Condensed Interim Consolidated Statements of Changes in Equity

All amounts in Canadian dollars - Unaudited

	Share Capital Common Shares		Equity Component of convertible notes	Reserves				Deficit	Equity attributable to equity holders of the Company	Non- controlling Interest	Total
				Share- based Payment Reserve	Foreign Currency Translation Reserve	Contributed Surplus	Total Reserves				
	Number	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance – December 31, 2023	149,410,199	131,722,803	476,519	17,782,186	1,564,177	90,839	19,437,202	(131,041,844)	20,594,680	548,352	21,143,032
Net loss for the period	-	-	-	-	-	-	-	(970,822)	(970,822)	(14,055)	(984,877)
Other comprehensive income	-	-	-	-	402,817	-	402,817	-	402,817	19,887	422,704
Total comprehensive loss	-	-	-	-	402,817	-	402,817	(970,822)	(568,005)	5,832	(562,173)
Equity component of convertible note (note 8)	-	-	7,483	-	-	-	-	-	7,483	-	7,483
Balance – June 30, 2024	149,410,199	131,722,803	484,002	17,782,186	1,966,994	90,839	19,840,019	(132,012,666)	20,034,158	554,184	20,588,342
Net loss for the period	-	-	-	-	-	-	-	(1,634,690)	(1,634,690)	(17,717)	(1,652,407)
Other comprehensive income	-	-	-	-	731,316	-	731,316	-	731,316	27,738	759,054
Total comprehensive loss	-	-	-	-	731,316	-	731,316	(1,634,690)	(903,374)	10,021	(893,353)
Equity component of convertible note (note 8)	-	-	(2,020)	-	-	-	-	-	(2,020)	-	(2,020)
Balance – December 31, 2024	149,410,199	131,722,803	481,982	17,782,186	2,698,310	90,839	20,571,335	(133,647,356)	19,128,764	564,205	19,692,969
Share issuance (Notes 8 & 10)	61,407,974	5,780,617	(376,715)	-	-	-	-	-	5,403,902	-	5,403,902
Net income for the period	-	-	-	-	-	-	-	1,401,514	1,401,514	(2,436)	1,399,078
Other comprehensive loss	-	-	-	-	(685,083)	-	(685,083)	-	(685,083)	(42,874)	(727,957)
Total comprehensive income	-	-	-	-	(685,083)	-	(685,083)	1,401,514	716,431	(45,310)	671,121
Balance – June 30, 2025	210,818,173	137,503,420	105,267	17,782,186	2,013,227	90,839	19,886,252	(132,245,842)	25,249,097	518,895	25,767,992

- The accompanying notes are an integral part of these condensed interim consolidated financial statements -

Pembrook Copper Corp.

Condensed Interim Consolidated Statements of Cash Flows

All amounts in Canadian dollars - Unaudited

	Six months ended June 30,	
	2025	2024
Operating Activities		
Net Income/(loss)	\$ 1,399,078	\$ (984,877)
Items not affecting cash:		
Accretion expense on convertible notes (Note 8)	175,564	130,381
Gain on modification of convertible notes (Note 8)	-	(263,034)
Gain on forgiveness of interest payable for convertible debt (Note 8)	(3,117,719)	-
Depreciation expense (Note 4)	1,185	1,547
Interests on loan payable	37,842	-
Unrealized foreign exchange loss	171,950	56,432
Operating cash flows before working capital	\$ (1,332,100)	\$ (1,059,551)
Changes in non-cash working capital:		
Other receivables	(49,861)	69,410
Prepaid expenses	(8,289)	(3,366)
Note payable	-	(6,441)
Trade and other payables	92,616	21,850
Interest payable (Note 8)	749,880	671,631
Net Cash Used in Operating Activities	\$ (547,754)	\$ (306,467)
Investing Activities		
Additions to mineral properties (Note 20)	\$ (1,358,728)	\$ (844,600)
Pecoy Copper Limited deposits received	1,700,000	-
Proceeds received on recovery of mineral property (Note 20)	-	542,527
Net Cash Provided in/(Used in) Investing Activities	\$ 341,272	\$ (302,073)
Financing Activities		
Government loan repayment (Note 9)	\$ -	\$ (30,000)
Proceeds on issuance of convertible notes (Note 8)	-	542,553
Proceeds from note payable (Note 11)	310,000	-
Net Cash Provided in Financing Activities	\$ 310,000	\$ 512,553
Effect of exchange rate on cash and cash equivalents	(76,579)	(35,943)
Change in cash and cash equivalents	26,939	(131,930)
Cash and cash equivalents – beginning of period	28,806	359,489
Cash and Cash Equivalents - end of period	\$ 55,745	\$ 227,559
Supplemental cash flow information (Note 14)		

- The accompanying notes are an integral part of these condensed interim consolidated financial statements -

Pembrook Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2025 and 2024
All amounts in Canadian dollars - Unaudited

1. Nature of Operations and Going Concern

Pembrook Copper Corp. (the “Company” or “Pembrook”) is incorporated under the laws of British Columbia. The Company’s head office, principal address and records office are located at 666 Burrard Street, Suite 500, Vancouver, British Columbia, Canada, V6P 3C6.

Pembrook is a minerals exploration company engaged in the identification, acquisition, evaluation and advancement of mineral properties in Peru. The Company is exploring for copper, gold, silver, nickel and other metals. At present, none of the Company’s mineral properties are at a commercial development or production stage. The Company’s objective is to discover mineral deposits and either sell, option, joint venture, or otherwise participate in their development.

The recoverability of the amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to advance the properties, and attaining future profitable production from the properties or proceeds from disposition.

For the six months ended June 30, 2025, the Company had no operating revenue and incurred a net income of \$1,399,078 (Six months ended June 30, 2024 – loss of \$984,877). At June 30, 2025, the Company had consolidated cash and cash equivalents of \$55,745 (December 31, 2024 - \$28,806) to apply against current liabilities of \$13,914,438 (December 31, 2024 - \$20,452,963).

The Company’s continuing operations are dependent upon its ability to secure additional equity capital, divest assets or generate cash flow from operations in the future, none of which are assured. Due to market conditions, there is no assurance that the Company will be successful in raising additional financing. The Company has no source of revenue to maintain its mineral interests, fund its administrative overhead and pay its liabilities. These conditions create a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. The Company has been successful in securing financing from directors and officers while working towards completing a transaction and does not anticipate that this will change going forward.

The Company’s financial condition and results of operations may be negatively affected by economic and other consequences of world events. While the Company expects any direct impacts of world events to the current and future business to be limited, the indirect impacts on the economy, supply chain, tariffs and industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing.

The condensed interim consolidated financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Company be unable to secure additional equity capital or generate sufficient cash to continue operations in the future. These adjustments could be material.

Pembrook Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2025 and 2024
All amounts in Canadian dollars - Unaudited

2. Material Accounting Policies

(a) *Statement of compliance*

These unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with IAS 34 – Interim Financial Reporting. Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS Accounting Standards, (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) have been condensed or omitted and these condensed interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2024.

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company’s audited consolidated financial statements for the year ended December 31, 2024.

The Company’s management makes judgements in its process of applying the Company’s accounting policies in the preparation of its condensed interim consolidated financial statements. In addition, the preparation of financial data requires that the Company’s management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company’s assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company’s assets and liabilities are accounted for prospectively. The critical judgements and estimates applied in the preparation of the Company’s condensed interim consolidated financial statements are consistent with those applied and disclosed in note 2 to the Company’s audited consolidated financial statements for the year ended December 31, 2024.

(b) *Recent accounting pronouncements*

Accounting amendments issued and effective on or after January 1, 2024

Classification of Liabilities as Current or Non-current (Amendments to IAS 1) – The amendments to IAS 1 provides a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

The Company concludes that the effect of such amendments did not have a material impact and therefore did not record any adjustments to the condensed interim consolidated financial statements.

Pembrook Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2025 and 2024
All amounts in Canadian dollars - Unaudited

2. Material Accounting Policies (continued)

(b) Recent accounting pronouncements (continued)

Accounting standards issued and effective on or after January 1, 2027

IFRS 18 Presentation and Disclosure in Financial Statements – IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses – operating, investing or financing – to improve the structure of the income statements, and require all companies to provide new defined subtotals, including operating profit;
2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement; and
3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

The Company will be evaluating the impact of the above amendments on its consolidated financial statements.

3. Transaction

Effective as of May 27, 2025, the Company entered into a purchase agreement with Pecoy Copper Limited (formerly known as 1001184918 Ontario Inc.) (the "Purchase Agreement"), in which Pecoy Copper Limited will issue to the shareholders of the Company an aggregate of 29,314,356 common shares and will satisfy up to \$7,200,000 of Pembrook's liabilities and payables of which \$1,700,000 is already advanced to the Company, in exchange for all of the issued and outstanding Pembrook shares. In addition, each Pembrook share option will be exchanged for 0.14667 of a Pecoy Copper Limited share option having an exercise price equal to the exercise price of the original option divided by 0.14667.

Concurrently with the execution of the Purchase Agreement, Pecoy Copper Limited entered into series of binding acquisition and option agreements (together with the Purchase Agreement, the "Acquisition Agreements") with Copper X Mining Corp. and various private third parties to consolidate ownership of the Pecoy copper-gold-molybdenum project located in southern Peru. Closing of the Acquisition Agreements is conditional upon various conditions, including the approval by the TSX Venture Exchange and other conditions as depicted in the Acquisition Agreements.

Upon the closing of the transaction, the Company will pay \$1,290,880 related to change of control and retention bonus.

Pembroke Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements
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4. Property and Equipment

	Field & Computer Equipment \$	Furniture & fixtures \$	Software \$	Total \$
Cost				
As at December 31, 2024	49,007	22,708	10,618	82,333
Foreign exchange movement	(1,931)	-	-	(1,931)
As at June 30, 2025	47,076	22,708	10,618	80,402
Accumulated depreciation				
As at December 31, 2024	(40,548)	(22,271)	(7,785)	(70,604)
Charges for the period	(993)	(24)	(168)	(1,185)
Foreign exchange movement	1,653	-	-	1,653
As at June 30, 2025	(39,888)	(22,295)	(7,953)	(70,136)
Carrying amount				
As at June 30, 2025	7,188	413	2,665	10,266
	Field & Computer Equipment \$	Furniture & fixtures \$	Software \$	Total \$
Cost				
As at December 31, 2023	61,048	23,697	11,148	95,893
Disposition	(15,060)	(989)	(530)	(16,579)
Foreign exchange movement	3,019	-	-	3,019
As at December 31, 2024	49,007	22,708	10,618	82,333
Accumulated depreciation				
As at December 31, 2023	(49,642)	(22,769)	(7,899)	(80,310)
Charges for the year	(2,515)	(82)	(420)	(3,017)
Eliminated on disposition	14,133	580	534	15,247
Foreign exchange movement	(2,524)	-	-	(2,524)
As at December 31, 2024	(40,548)	(22,271)	(7,785)	(70,604)
Carrying amount				
As at December 31, 2024	8,459	437	2,833	11,729

Depreciation expense included in General and Administration in the Condensed Interim Consolidated Statement of (Income) Loss and Comprehensive (Income) Loss:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
General and administration	330	516	660	1,032
General exploration	259	259	525	515
Total	589	775	1,185	1,547

Pembroke Copper Corp.

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5. Pecoy Mineral Property

On August 28, 2013, the Company signed an agreement to earn an interest in Pecoy Sociedad Minera S.A.C. ("PSM"), a company which owns a 100% interest in the Pecoy mineral property located in Peru (the "Pecoy Agreement").

In February 2017, the Company met its obligations under the agreement and exercised its option to acquire a 51% interest in PSM (the "First Option") by completing cash payments totaling US\$4,000,000, completing a minimum of 30,000 metres of drilling and incurring minimum of US\$12,000,000 in exploration expenditures. In addition, the Company provided notice under the agreement of its intention to earn an additional 29% interest in PSM, which would bring the Company's total interest in PSM to 80% (the "Second Option").

On February 28, 2020, the Company provided notice to the other shareholders of PSM that it would not continue to earn the Second Option and would remain at its 51% interest in PSM. Under the agreement, if the Company provides notification to not continue to earn the Second Option, the other two shareholders of PSM have 4 months to decide whether to exercise their clawback right. Under the clawback right, one or both of the other shareholders may acquire the Company's 51% interest in PSM by making a payment to the Company of US\$34,500,000. If the clawback right is not exercised, then PSM is owned 51% by the Company and 49% by the other two shareholders and all shareholders start funding their respective shares of the PSM costs. As at December 31, 2021, the Company has received notification from one of the other two shareholders that they have waived their clawback right (See Note 18).

On March 25, 2021, the Company purchased 25% of the outstanding shares of PSM from a third party, bringing its interest to 76%. Under the terms of the agreement, the Company paid \$944,062 (USD\$750,000) in cash and may make two contingent future payments as follows:

- a. Based on the prevailing copper price and completion of a feasibility study, a cash payment ranging from USD\$1,000,000 to USD\$3,000,000; and,
- b. Based on the prevailing copper price and commencement of commercial production, payment ranging from USD\$3,000,000 to USD\$8,000,000.

The difference between the fair value of consideration paid of \$944,062 and the amount of the resulting adjustment to the book value of Non-controlling interest was recognized as equity (see Note 13).

On March 30, 2021, the shareholders of PSM approved a dilution of the minority shareholder's interest due the failure of the minority shareholder to fund his share of PSM operating costs from September 1, 2020 to December 31, 2020. As a result of the dilution, the Company's interest in PSM increased from 76% to 76.385% (See Note 18).

Pembrook Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements
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6. Mineral Properties

As of June 30, 2025, the Company held interests in the Pecoy and Tororume projects in Peru.

Note 20 of these condensed interim consolidated financial statements summarizes the amounts capitalized to the Company's mineral properties.

Hurricane East

In March 2021, the Company staked certain claims at the Hurricane East project in Peru.

On April 28, 2021, the Company entered into a share purchase option agreement with Tier One Silver Inc. ("Tier One") whereby Tier One has an option to acquire a 90% interest in Compañía Minera Tororume S.A.C., a wholly-owned subsidiary of Pembrook that owns the Hurricane East claims, by making option payments totalling USD\$4,680,000 and incurring exploration expenditures totalling USD\$10,750,000 within a five year period commencing on the date that access to the Hurricane East claims is secured. Upon completion of earning the 90% interest, Tier One will have the option to acquire the remaining 10% interest by making an option payment of USD\$10,000,000. All option payments may be made in cash or shares in Tier One or a combination thereof, at the option of Tier One.

On October 31, 2022, the Company entered into an agreement with Tier One to extend the Access Date by 12 months in exchange for a USD\$75,000 cash advance on the USD\$250,000 option payment due on the first anniversary date of the Access Date.

On October 18, 2023, Tier One terminated the share purchase option agreement and returned the Hurricane East property to the Company. During the year ended of December 31, 2024, the Company wrote off \$7,115 for the Hurricane East project.

Tororume

On May 22, 2013, the Company signed an agreement with Compañía de Inversiones Olimpo S.A.C. ("Olimpo") to acquire a 100% interest in nine Tororume project claims in Peru, subject to a 1.5% net smelter royalty ("NSR") by completing payments of:

- US\$200,000 (paid) upon signing; and
- US\$800,000 (paid) upon registration with local government authorities.

The 1.5% NSR may be repurchased by the Company within five years for US\$1,500,000.

On September 27, 2019, the Company signed an amendment with Olimpo. Upon closing of the transaction on September 3, 2025, the second amendment will be executed.

The table below outlines the payments in both the original agreement and the amended agreements.

Term	Original Agreement (May 22, 2013)	First Amended Agreement (September 27, 2019)	Second Amended Agreement (Upon closing)
Advanced Royalty Payments	US\$50,000/year for 4 years, then US\$100,000/year for 8 years (Total \$1,000,000)	US\$50,000/year for 4 years, then US\$100,000/year for 13 years (Total \$1,500,000)	US\$50,000/year for 4 years, then US\$100,000/year for 18 years (Total \$2,000,000)
Estimated Resource Report Deadline	Within 7 years from May 22, 2013	Within 12 years from May 22, 2013	Within 17 years from May 22, 2013

Pembroke Copper Corp.

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6. Mineral Properties (continued)

Tororume (continued)

The Company and Olimpo have agreed that the obligation to pay the advance royalty payments is considered accrued and enforceable to the Company at each annual period deadline. As at December 31, 2024, the Company has accrued an advance royalty payment of \$143,713 (US\$100,000), included in trade and other payables. On March 13, 2025, the amount was paid in full. As at June 30, 2025, the Company has accrued an advance royalty payment of \$136,520 (US\$100,000), included in trade and other payables.

On May 28, 2021, the Company entered into an option agreement with a mining company ("MineCo"), whereby MineCo has a first option to earn a 50% interest in the Tororume claims by spending \$5,000,000 (of which \$2,000,000 is committed and must be spent within the first two years), followed by a second option to earn an additional 26% interest by spending an additional \$25 million within the next three years. On March 18, 2024, after completing nearly CA\$5,000,000 in exploration work, the optionor, MineCo, decided to terminate the option agreement and not proceed with the second option.

7. Trade and Other Payables

The Company records accounts payable and accrued liabilities that arise in the normal course of business, in relation to its exploration and evaluation, and other activities. More specifically, the Company makes accruals for annual validity and penalty fees in the period to which they relate. Despite Peruvian rules allowing companies to defer payment of these fees, the Company does not have a practical ability to avoid such payments as such avoidance would result in the loss of its mineral properties.

As at December 31, 2024, the Company has accrued a provision for 2024 validity fees and production penalty fees for not completing sufficient work in 2024. The provision of \$1,043,141 was paid in June 2025.

Pembrook Copper Corp.

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8. Convertible Notes

During the year ended December 31, 2023, \$950,000 of convertible notes maturing on June 30, 2023 and \$1,752,000 of convertible notes maturing on February 28, 2024 were issued, respectively. These notes are convertible at 1 common share per \$0.40, bearing interest at a rate of 10% per annum.

On February 27, 2023, the MineCo of \$5.0 million secured convertible note originally maturing on February 28, 2023, signed an amending agreement to extend the maturity to March 31, 2023, and to allow conversion rights upon a sale transaction. On March 31, 2023, the maturity date was extended again to February 28, 2024. Accrued interest of \$1,040,354 was added to the principal, bringing the restated balance to \$6,040,354. These modifications were accounted for under IFRS 9 as debt modifications, resulting in a gain of \$108,595 recognized in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2023.

On February 28, 2023, holders of convertible notes \$4,790,000 maturing on the same date signed similar amending agreements to extend maturity to February 28, 2024, and agreed to exercise conversion rights upon a sale transaction. The gain on modification for these notes was \$109,568 recognized in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2023.

On May 24, 2023, the Company made an interest payment of \$51,988 to one of the note holders.

On June 30, 2023, the \$1,450,000 convertible notes that matured on that date were amended and extend maturity to February 28, 2024, and granting conversion rights upon a sale. The resulting gain on modification was \$22,550 recognized in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2023.

On February 28, 2024, all holders of notes maturing that day agreed to extend their maturity to December 31, 2024, under similar terms. A gain on modification of \$263,034 was recognized in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2024.

During the year ended December 31, 2024, the Company issued convertible notes of \$275,286 and \$274,750 on June 11 and June 17, 2024, respectively. These notes bear 10% interest, are convertible at \$0.40 per share, and mature on December 31, 2024.

On December 31, 2024, all holders of convertible notes maturing that day signed amending agreements to further extend maturity to June 30, 2025. This modification resulted in a gain of \$175,565, which was recognized in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2024.

On June 8, 2025, the Company issued 61,407,974 common shares at a price of \$0.088 per share for the conversion of \$5,403,902 of convertible notes.

The remaining balance of the convertible notes will either be converted into shares at \$0.088 per share or repaid in cash at the closing of the transaction on September 3, 2025.

On June 7, 8, and 11, and on July 8, 2025, all convertible note holders—except one with a principal amount of \$200,000 agreed to forgive the interest. The total amount of interest forgiven was \$3,117,719.

Pembrook Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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8. Convertible Notes (continued)

At June 30, 2025, the debt portion (using a range of discount rates from 12.50% to 13.25%) and equity portion of the convertible notes were \$9,178,481 (December 31, 2024 - \$14,406,819) and \$105,267 (December 31, 2024 - \$481,982) respectively.

	June 30, 2025	December 31, 2024
	\$	\$
Balance, beginning of period	14,406,819	13,989,704
Modification of convertible notes	-	(438,599)
Convertible notes issued- debt portion	-	542,553
Accretion expenses	175,564	313,161
Conversion to common shares	(5,403,902)	-
Balance, end of period	9,178,481	14,406,819
Less: current portion of convertible notes	9,178,481	14,406,819
Non-current portion of convertible notes	-	-

9. Loans

In May 2020, the Company applied for, and received, a \$40,000 loan guaranteed by the Government of Canada under a COVID-19 relief program. The loan is interest-free and \$10,000 would be forgiven if \$30,000 was repaid by December 31, 2022. The \$40,000 loan has been recognized using a discount rate of 10%. In 2022, the Canadian government announced that it would extend the repayment date from December 31, 2022 to December 31, 2023 for qualified debtors, thereby extending the Company's repayment date. Being recognized as a loan holder in good standing that satisfied the CEBA eligibility criteria, the Company is eligible to settle the loan by January 18, 2024. On January 17, 2024, the Company repaid the \$30,000 CEBA loan.

10. Share Capital

(a) Authorized and Issued

Unlimited number of common shares without par value authorized

(b) Stock option plan

Under the Company's Stock Option Plan (the "Plan"), a maximum of 10% of the Company's issued and outstanding common shares (or 21,081,817 shares as at June 30, 2025) can be issued. A total of 3,272,500 options to purchase common shares are currently outstanding under the Plan.

In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 10% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant.

On June 8, 2025, the Company issued 61,407,974 common shares at a price of \$0.088 per share for the conversion of \$5,403,902 of convertible notes (Note 8). The amount of \$376,715, previously recorded as the equity component related to the converted convertible notes, has been reversed and reclassified to common shares.

Pembrook Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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10. Share Capital (continued)

(c) Stock options

A summary of the Company's outstanding stock options is as follows:

	Number of options	Weighted average exercise price
Balance, December 31, 2023, June 30, 2024, December 31, 2024 and June 30, 2025	3,272,500	\$ 0.92
Options exercisable at June 30, 2025	3,100,000	\$ 0.90

Exercise price	Number of options outstanding	Weighted average remaining life of outstanding options (years)	Number of options exercisable	Weighted average remaining life of exercisable options (years)
\$				
0.40	1,260,000	5.5	1,260,000	5.5
1.25	2,012,500	2.7	1,840,000	2.9
	<u>3,272,500</u>	<u>3.8</u>	<u>3,100,000</u>	<u>4.0</u>

During the six months ended June 30, 2025 and 2024, no stock options were granted.

(d) Share-based payments

The fair value of option grants are estimated on the date of grant using the Black-Scholes option pricing model. Changes in the input assumptions used in the Black-Scholes option pricing model can materially affect the fair value estimate.

Option pricing models require the input of highly subjective assumptions, including expected price volatility. As Pembrook is a privately-owned company, no observable market exists for its shares or options, and management estimates the price volatility of Pembrook options using the average volatility of five similar mineral exploration company stocks listed on the TSX and the TSX Venture Exchange. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' life.

(e) Loss per share

In periods where the Company has incurred a loss, exercise or contingent issue of securities has not been included in the calculation of diluted loss per share as increasing the number of shares outstanding would be anti-dilutive.

Pembrook Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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11. Related Party Transactions

Condensed Interim Consolidated Statements of Financial Position

The following amounts were included in note payable:

	June 30, 2025	December 31, 2024
	\$	\$
Due to a company controlled by a director	67,386	64,815
Due to directors	675,110	346,973
Due to spouse of a director	158,727	141,593
	901,223	553,381

On November 21, 2022, a Company controlled by a director provided a \$55,000 loan to the Company bearing interest at a rate of 8.0% per annum, compounded annually and maturing on May 20, 2023. On May 20, 2023, the \$57,182 loan is extended to February 28, 2024 bearing interest at a rate of 8.0% per annum, compounded annually. On December 31, 2024, the loan of \$64,815 loan is extended to June 30, 2025 bearing interest at a rate of 8% per annum compounded annually. No other fees or charges applied to the loan. No further extension agreements have been signed.

During the year ended December 31, 2023, \$100,000 and \$52,000 convertible notes were issued to a spouse of a director of the Company. The convertible notes are convertible at 1 common share per \$0.40, bearing interest at a rate of 10% per annum and maturing on June 30, 2023 and February 28, 2024, respectively. On June 30, 2023, the holder of \$100,000 convertible note that matured on June 30, 2023 signed an amending agreement whereby she agreed to exercise her conversion rights upon a sale transaction and to extend the maturity date of her notes to February 28, 2024, which was subsequently extended to December 31, 2024 and June 30, 2025. On February 28, 2024, the holder of \$52,000 convertible note maturing on February 28, 2024 signed an amending agreement agreeing to exercise its conversion rights upon a sale transaction and to extend the maturity date of the notes to December 31, 2024, which was subsequently further extended to June 30, 2025. No further extension agreements have been signed.

During the year ended December 31, 2023, \$850,000 and \$1,700,000 convertible notes were issued to a Company controlled by a director. The convertible notes are convertible at 1 common share per \$0.40, bearing interest at a rate of 10% per annum and maturing on June 30, 2023 and February 28, 2024, respectively. On June 30, 2023, the holder of \$850,000 convertible notes that matured on June 30, 2023 signed an amending agreement whereby it agreed to exercise its conversion rights upon a sale transaction and to extend the maturity date of its notes to February 28, 2024, which was subsequently extended to December 31, 2024 and June 30, 2025. On February 28, 2024, the holder of \$1,700,000 convertible notes maturing on February 28, 2024 signed an amending agreement agreeing to exercise its conversion rights upon a sale transaction and to extend the maturity date of the notes to December 31, 2024, which was subsequently further extended to June 30, 2025. No further extension agreements have been signed.

Pembrook Copper Corp.

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11. Related Party Transactions (continued)

On June 11, 2024 and June 17, 2024, \$275,286 and \$274,750 convertible notes were issued to a director, respectively. The convertible notes are convertible at 1 common share per \$0.40, bearing interest at a rate of 10% per annum and maturing on December 31, 2024. On December 31, 2024, the holder of convertible notes that matured on December 31, 2024 signed an amending agreement whereby it agreed to exercise its conversion rights upon a sale transaction and to extend the maturity date of its notes to June 30, 2025. No further extension agreements have been signed.

On July 26 and October 9, 2024, a spouse of a director of the Company provided loans of \$90,000 and \$46,600 to the Company bearing interest at a rate of 10.0% per annum, compounded annually, and maturing on December 31, 2024. On December 31, 2024, the loans were extended to June 30, 2025 and no further extension agreement has been signed. No additional fees or charges applied to the loan.

On September 10, 2024 and October 22, 2024, a director of the Company provided loan of \$20,000 and \$21,000 to the Company bearing interest at a rate of 10.0% per annum, compounded annually and maturing on December 31, 2024. On December 31, 2024, the loans are extended to June 30, 2025 and no further extension agreement has been signed. No other fees or charges applied to the loans.

On October 2, 2024 and November 8, 2024, a director of the Company provided loan of \$50,000 and \$250,000 to the Company bearing interest at a rate of 10.0% per annum, compounded annually and maturing on December 31, 2024. On December 31, 2024, the loans are extended to June 30, 2025 and no further extension agreement has been signed. No other fees or charges applied to the loans.

On February 18, 2025, a director of the Company provided a loan of \$300,000 to the Company bearing interest at a rate of 10.0% per annum, compounded annually and maturing on June 30, 2025. No extension agreement has been signed.

On May 20, 2025, a spouse of a director of the Company provided a loan of \$10,000 to the Company bearing interest at a rate of 10.0% per annum, compounded annually and maturing on June 30, 2025. No extension agreement has been signed.

All loans and the remaining unconverted convertible notes that are to be repaid in cash will be settled subsequently using the cash inflow from the transaction as disclosed in Note 3.

Pembrook Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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11. Related Party Transactions (continued)

On June 8, 2025, the Company issued 56,862,253 common shares at a price of \$0.088 per share in exchange for the conversion of \$5,003,902 in convertible notes held by two directors, the spouse of a director, and a company controlled by a director. The remaining convertible notes will be repaid in cash upon the closing of the transaction on September 3, 2025.

The following amounts were included in convertible notes:

	June 30, 2025	December 31, 2024
	\$	\$
Due to directors of the Company	2,852,649	7,003,700
Due to the spouse of a director of the Company	85,485	830,341

The following amounts were included in the equity portion of convertible notes:

	June 30, 2025	December 31, 2024
	\$	\$
Due to directors of the Company	-	221,735
Due to the spouse of a director of the Company	-	38,961

12. Commitments

The table below summarizes the Company's commitments due within one year as of June 30, 2025 and December 31, 2024 (see Note 11):

	June 30, 2025	December 31, 2024
	\$	\$
Note payable	901,223	553,381

The table does not include cash payments or exploration expenditures required to maintain property option agreements in good standing with vendors, as those payments and expenditures are conditional on the Company electing to continue with the individual option agreements. If the Company chooses to terminate an option agreement, no further payments or exploration expenditures are required and related capitalized costs are written off.

This table does not include obligations pursuant to convertible notes described in Note 8, and other commitments under current liabilities that are disclosed elsewhere in these condensed interim consolidated financial statements.

Pembrook Copper Corp.

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13. Non-controlling Interest

On June 30, 2021, the Company sold its 100%-owned subsidiary, Pembrook Copper S.A.C. (“Pemco”) to its 76.385% owned subsidiary, PSM, thereby effectively disposing of a 23.615% interest in Pemco. As a result of this transaction, the Company recognized an addition to non-controlling interest of \$69,627.

	\$
Balance, December 31, 2023	548,352
Share of net loss, year ended December 31, 2024	(31,772)
Share of foreign currency translation income in other comprehensive loss year ended December 31, 2024	47,625
Balance, December 31, 2024	564,205
Share of net loss, six months ended June 30, 2025	(2,436)
Share of foreign currency translation loss in other comprehensive loss six months ended June 30, 2025	(42,874)
Balance, June 30, 2025	518,895

At June 30, 2025, the non-controlling interest in PSM was 23.615% (December 31, 2024 – 23.615%).

14. Supplemental Cash Flow Information

	June 30, 2025	December 31, 2024
	\$	\$
Composition of cash and cash equivalents:		
Cash	44,245	17,306
Guaranteed investment certificates	11,500	11,500
	55,745	28,806

	June 30, 2025	June 30, 2024
	\$	\$
Non-cash investing transactions:		
Mineral property costs included in trade and other payables	145,397	35,855

15. Financial Instruments

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value as described as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Fair values are determined directly by reference to published price quotation in an active market, when available. Investments in equity instruments that do not have an active quoted market price are measured at cost.

Pembrook Copper Corp.

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15. Financial Instruments (continued)

The following table summarizes the Company's financial instruments:

Classifications	June 30, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial Assets				
<i>Amortized Cost</i>				
Cash and cash equivalents	55,745	55,745	28,806	28,806
Other receivables	325,678	325,678	275,817	275,817
	381,423	381,423	304,623	304,623
Financial Liabilities				
<i>Amortized Cost</i>				
Trade and other payables	937,489	937,489	884,537	884,537
Deposits from Pecoy Copper Limited	1,700,000	1,700,000	-	-
Interest Payable	1,197,245	1,197,245	3,565,085	3,565,085
Convertible Notes	9,178,481	9,178,481	14,406,819	14,406,819
Note payable	901,223	901,223	553,381	553,381
	13,914,438	13,914,438	19,409,822	19,409,822

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between levels during the six months ended June 30, 2025 and the year ended December 31, 2024.

The fair values of the Company's cash and cash equivalents, other receivables, trade and other payables, deposits from Pecoy Copper Limited, interest payable, convertible notes, note payable approximate their carrying values due to their short-term nature. The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk with respect to currency risk and interest risk.

a) Currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company operates in Peru where its functional currency is the US Dollar. The functional currency of the corporate headquarters is the Canadian dollar.

As many expenses in Peru are incurred in US Dollars with smaller exposure to Peruvian soles, a significant change in the currency exchange rates between the Canadian Dollar and these currencies could have a material effect on the Company's financial performance, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. The Company does, from time to time, convert Canadian Dollars to US Dollars in anticipation of upcoming cash needs in Peru.

As of June 30, 2025 and December 31, 2024, the Company is exposed to currency risk through the following foreign currency denominated assets and liabilities:

Pembrook Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

All amounts in Canadian dollars - Unaudited

15. Financial Instruments (continued)

a) *Currency risk*

Amounts in Canadian dollar equivalents

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	\$	\$
Cash and cash equivalents	10,489	7,121
Other receivables	312,685	274,074
Trade and other payables	(1,432,680)	(1,732,490)

Assuming that all other variables remain constant, a 1% depreciation or appreciation of the Canadian Dollar against US Dollar would result in an increase/decrease in the total value of the financial instruments of approximately \$11,100 as of June 30, 2025, and \$15,000 as of December 31, 2024.

b) *Credit risk*

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk, defined as the sum of its cash and cash equivalents and other receivables is \$381,423 (December 31, 2024 - \$304,623). As at June 30, 2025, the Company had \$55,745 (December 31, 2024 - \$28,806) in cash and cash equivalents. The Company's cash and cash equivalents are invested in highly liquid short-term interest-bearing investments and in savings accounts with major Canadian financial institutions, which are rated among the strongest financial institutions in the world.

c) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk through a planning, budgeting and cash forecasting process through which future cash needs are planned and anticipated. The Company's goal is to ensure that cash balances are sufficient to cover in excess of one year of expenditures. The Company raised \$310,000 through loans during the six months ended June 30, 2025. The Company raised \$1,027,636 through loans and issuance of convertible notes during the year ended December 31, 2024.

Cash and cash equivalents and working capital (deficiency) total \$55,745 and (\$13,512,852) respectively at June 30, 2025 (December 31, 2024 - \$28,806 and (\$20,136,466)).

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the Company's significant liabilities and corresponding maturities.

Pembrook Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

All amounts in Canadian dollars - Unaudited

15. Financial Instruments (continued)

c) Liquidity risk (continued)

At June 30, 2025

	Total	< 1 year
	\$	\$
Trade and other payables	937,489	937,489
Deposits from Pecoy Copper Limited	1,700,000	1,700,000
Interest payable	1,197,245	1,197,245
Note payable	901,223	901,223
Convertible notes	9,178,481	9,178,481

At December 31, 2024

	Total	< 1 year
	\$	\$
Trade and other payables	1,927,678	1,927,678
Interest payable	3,565,085	3,565,085
Loan and note payable	553,381	553,381
Convertible notes	14,582,390	14,582,390

16. Management of Capital

The capital structure of the Company consists of equity attributable to common shareholders, comprising issued capital, share-based payments reserve, contributed surplus, deficit and foreign currency translation reserve. The Company's objectives are to pursue the advancement of its mineral properties. In order to do so, it endeavours to safeguard its ability to continue as a going concern, while maintaining a flexible capital structure. As the Company has no cash inflow from operations, the Company may attempt to issue new shares, pursue option agreements and/or joint ventures on properties, or sell assets in order to raise funds in the future. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including capital deployment, results from the exploration of its properties and general industry conditions.

The Company's current investment practice is to invest its cash surplus in savings accounts with major Canadian financial institutions and in highly liquid short-term interest-bearing investments, generally with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. There were no changes in the Company's approach to capital management during the six months ended June 30, 2025 and the year ended December 31, 2024.

Pembrook Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

All amounts in Canadian dollars - Unaudited

17. Segmented Information

The Company's operations involve the acquisition, exploration, and advancement of mineral resource properties. The Company has determined that it has two operating segments being Canada where its head office is located and Peru where its operations are located. The Company's reportable operating segments are as follows:

<u>June 30, 2025</u>	<u>Canada</u>	<u>Peru</u>	<u>Total</u>
	\$	\$	\$
Property and equipment	5,197	5,069	10,266
Mineral properties	-	40,209,585	40,209,585
Total assets	39,931	40,581,506	40,621,437
Total liabilities	12,233,207	2,620,238	14,853,445

<u>December 31, 2024</u>	<u>Canada</u>	<u>Peru</u>	<u>Total</u>
	\$	\$	\$
Property and equipment	5,858	5,871	11,729
Mineral properties	-	40,756,713	40,756,713
Total assets	29,159	41,055,780	41,084,939
Total liabilities	18,722,598	2,669,372	21,391,970

	<u>Canada</u>	<u>Peru</u>	<u>Total</u>
	\$	\$	\$
<u>Three months ended June 30, 2025</u>			
Depreciation	330	259	589
Net Loss/(Income)	(2,453,882)	269,456	(2,184,426)
Attributed to:			
Equity holders of the Company	(2,453,882)	256,698	(2,197,184)
Non-controlling interest	-	12,758	12,758
Net Loss/(Income)	(2,453,882)	269,456	(2,184,426)
<u>Six months ended June 30, 2025</u>			
Depreciation	660	525	1,185
Net Loss/(Income)	(1,880,000)	480,922	(1,399,078)
Attributed to:			
Equity holders of the Company	(1,880,000)	478,486	(1,401,514)
Non-controlling interest	-	2,436	2,436
Net Loss/(Income)	(1,880,000)	480,922	(1,399,078)

Pembroke Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

All amounts in Canadian dollars - Unaudited

17. Segmented Information (continued)

	Canada	Peru	Total
	\$	\$	\$
Three months ended June 30, 2024			
Depreciation	516	259	775
Net loss	475,993	173,519	649,512
Attributed to:			
Equity holders of the Company	475,993	164,861	640,854
Non-controlling interest	-	8,658	8,658
Net Loss	475,993	173,519	649,512
Six months ended June 30, 2024			
Gain on modification of convertible notes	(263,034)	-	(263,034)
Depreciation	1,032	515	1,547
Net loss	676,490	308,387	984,877
Attributed to:			
Equity holders of the Company	676,490	294,332	970,822
Non-controlling interest	-	14,055	14,055
Net Loss	676,490	308,387	984,877

18. Contingent Liabilities

On February 28, 2019, the Company provided notice to the other two shareholders of PSM that it would not continue to earn the Second Option and would remain at its 51% interest in PSM. Under the Pecoy Agreement, if the Company provides notification that it will not be continuing to earn the Second Option, the other two shareholders of PSM have 4 months to decide whether to exercise a clawback right. The clawback right is the right for one or both of the minority shareholders to acquire the Company's 51% interest in PSM by making a cash payment calculated as the total of all cash payments made plus two times the total exploration expenditures made under the Pecoy Agreement. One of the minority shareholders ("UMHL") waived their clawback right and the clawback right of the other minority shareholder ("CMCV") expired. As CMCV has represented that his clawback right has not expired, the Company filed an arbitration claim against CMCV on March 5, 2021 to obtain a ruling declaring the clawback right of CMCV to have expired (the "Clawback Arbitration"). Although the outcome of the arbitration process cannot be predicted, the Company is confident that all of the procedures to execute the clawback right were correctly followed with the result that CMCV's clawback right has expired. The arbitration panel members have been determined and initial filings have been made. As the amount of any settlement cannot be measured reliably and the likelihood of the outcome cannot be measured, no amount has been recognized as a liability in the condensed interim consolidated financial statements for the six months ended June 30, 2025.

From May 1, 2017 to March 25, 2021, there were three shareholders of PSM, the Company (owning 51%), CMCV (owning 24%) and UMHL (owning 25%). On March 25, 2021, the Company completed the purchase of UMHL's 25% interest in PSM bringing the Company's interest in PSM to 76% and with the result that PSM went from having three shareholders to two shareholders, being the Company and CMCV. On April 23, 2021, CMCV filed an arbitration claim against PSM to obtain a ruling to nullify the sale of the 25% interest in PSM to the Company by UMHL on the basis the procedures followed to effect the sale were not valid (the "25% Sale Arbitration"). Although the outcome of the arbitration process cannot be predicted, the Company and UMHL are both confident that all of the procedures to execute the purchase and

Pembrook Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2025 and 2024
All amounts in Canadian dollars - Unaudited

18. Contingent Liabilities (continued)

sale of the 25% interest in PSM were correctly followed with the result that the sale will be determined to valid and binding by the arbitration process. As the amount of any settlement cannot be measured reliably and the likelihood of the outcome cannot be measured, no amount has been recognized as a liability in the condensed interim consolidated financial statements for the six months ended June 30, 2025.

At a PSM shareholders meeting held on March 30, 2021, a shareholders' resolution was passed to dilute CMCV's shareholding in PSM as a result of his failure to fund his share of PSM operating costs for the September 1, 2020 to December 31, 2020 period under the Pecoy Agreement. As a result, the Company's interest in PSM increased from 76% to 76.385% and CMCV's interest decreased from 24% to 23.615%. On April 30, 2021, the Company received notice that CMCV filed an arbitration claim against PSM to obtain a ruling that the procedures carried out at the PSM March 30, 2021 shareholder meeting to dilute CMCV for failure to fund his share of PSM costs, pursuant to the Pecoy Agreement, were not valid (the "Dilution Arbitration"). The matter remains to be resolved by arbitration in Peru. However, the Company is confident that the procedures to effect the dilution were followed properly and there is no merit to this arbitration claim. As the amount of any settlement cannot be measured reliably and the likelihood of the outcome cannot be measured, no amount has been recognized as a liability in the condensed interim consolidated financial statements for the six months ended June 30, 2025.

On February 28, 2025, the Company filed for the suspension of three arbitrations proceeding until August 31, 2025.

Subsequent to June 30, 2025, the Company filed to further extend the suspension of the same arbitration proceedings until September 30, 2025. All parties involved agreed to cancel the proceedings upon completion of the arrangement to acquire the Company and list it on the stock exchange.

19. Subsequent Events

On July 8, 2025, one of the convertible note holders signed an agreement to forgive the accrued interest and convert the principal upon the closing of the transaction on September 3, 2025.

On July 15, 2025, convertible notes with a principal amount of \$200,000 were converted into 2,272,727 common shares of the Company. In addition, interest owing in the amount of \$50,131 was paid in cash.

On July 21, 2025, one of the Company's shareholders submitted a written notice of dissent and returned 13,220,000 shares to the Company.

Pembroke Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

All amounts in Canadian dollars - Unaudited

Note 20 - Mineral Properties

	Peru			
	Tororume	Pecoy	Hurricane East	Total Peru
	\$	\$	\$	\$
Balance, December 31, 2024	10,039,746	30,716,967	-	40,756,713
Acquisition and mineral licenses	136,520	-	-	136,520
Camp costs, supplies and other	26,522	16,856	-	43,378
Geological consulting fees and salaries	12,692	15,797	-	28,489
Transportation	33,967	33,569	-	67,536
Total	10,249,447	30,783,189	-	41,032,636
Foreign exchange movement	(671,456)	(151,595)	-	(823,051)
Balance, June 30, 2025	9,577,991	30,631,594	-	40,209,585

	Peru			
	Tororume	Pecoy	Hurricane East	Total Peru
	\$	\$	\$	\$
Balance, December 31, 2023	8,412,899	29,794,837	10,134	38,217,870
Acquisition and mineral licenses	764,931	414,425	-	1,179,356
Camp costs, supplies and other	166,780	139,409	(1,690)	304,499
Geological consulting fees and salaries	137,054	97,273	-	234,327
Transportation	86,066	60,241	-	146,307
Recovery of costs under option agreement	(542,527)	-	-	(542,527)
Total	9,025,203	30,506,185	8,444	39,539,832
Write-offs	-	-	(7,115)	(7,115)
Foreign exchange movement	1,014,543	210,782	(1,329)	1,223,996
Balance, December 31, 2024	10,039,746	30,716,967	-	40,756,713

APPENDIX “M”

**MD&A OF PEMBROOK COPPER CORP. FOR THE THREE AND SIX MONTHS ENDED JUNE 30,
2025**

Pembrook Copper Corp.
Management's Discussion and Analysis
For the six months ended June 30, 2025

Overview

The following Management's Discussion and Analysis ("MD&A") reviews Pembrook Copper Corp.'s (the "Company" or "Pembrook") financial condition and results of operations for the three and six months ended June 30, 2025. This discussion provides management's analysis of the Company's historical financial and operating results and provides estimates of the Company's future financial and operating performance based on information that is currently available.

This MD&A contains forward-looking statements that involve certain risks and uncertainties. There can be no assurance that these statements will prove to be accurate and actual results and future events could differ materially. Please refer to the cautionary language regarding forward-looking statements at the end of this MD&A.

This MD&A is dated September 3, 2025 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six months ending June 30, 2025 and 2024 together with the notes thereto, prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

All dollar figures are in Canadian dollars, unless otherwise noted.

Company Background

Pembrook is a mineral exploration company engaged in the advancement of its Pecoy and Tororume Porphyry Projects in Peru. The Company's projects contain copper ("Cu"), molybdenum ("Mo"), gold ("Au"), and silver ("Ag"), and other metals including rare earths (REE).

At present, none of the Company's mineral properties are at a commercial development or production stage. The Company's objective is to realize value for its shareholders through a sale of the Company.

The Company operates in Peru through its wholly-owned subsidiaries, Torion Mining S.A.C. ("Torion"), Compañía Minera Tororume S.A.C., Orion Exploraciones S.A.C. as well as its 76.385% interest in Pecoy Sociedad Minera S.A.C. ("PSM") which owns a 100% interest in Pembrook Copper S.A.C

Highlights

The following is a summary of key activities for the six months ending June 30, 2025 and for the six months ending June 30, 2024.

Sale of the Company

- The primary goal for the Company was to maintain the assets and focus on arranging a sale of the Company.
Effective as of May 27, 2025, the Company entered into a purchase agreement with Pecoy Copper Limited (formerly known as 1001184918 Ontario Inc.) (the "Purchase Agreement"), in which Pecoy Copper Limited will acquire all of the issued and outstanding shares of the Company. Concurrently with the execution of the Purchase Agreement, Pecoy Copper Limited entered into series of binding acquisition and option agreements (together with the Purchase Agreement, the "Acquisition Agreements") with Copper X Mining Corp. and various private third parties to consolidate ownership of the Pecoy copper-gold-molybdenum project located in southern Peru. Closing of the Acquisition Agreements is conditional upon various conditions, including the approval by the TSX Venture Exchange and other conditions as depicted in the Acquisition Agreements.

Pembrook Copper Corp.
Management's Discussion and Analysis
For the six months ended June 30, 2025

Highlights (cont'd...)

Pecoy

- As one of the Company's most valuable assets, strong relationships with local communities were maintained, and the project drill core stored at the Arirahua exploration camp remained secure. The Company also retained its drilling permit, which allows for up to 789 drill holes on 200 pads for its portion of the Pecoy resource.

Tororume

- On January 3rd, 2023 a first phase scout drilling program commenced on the 100% owned Tororume Project. The drilling program was being completed pursuant to a 2021 option agreement with MineCo. MineCo had a option to earn a 25% interest by spending \$5 Million followed by a second option agreement to spend an additional \$25 Million to earn an additional 26%. This option agreement was inherited from their acquisition of another company.
- MineCo then determined that they did not have a strategy to invest in Peru and on March 18, 2024, terminated the option agreement.
- The work by MineCo did confirm the presence of a cluster of three mineralized porphyry centres and added value to the Company that facilitated achieving an offer for the Company.

Operations

- The Company operated the exploration program with MineCo on Tororume.
- Security was maintained on the two exploration camps including drill core storage located at the Tororume and Pecoy camps.
- Relations with the local community were maintained.

Financial

- Debt financing was also placed with an interest rate of 10%
 - \$310,000 for the six months ended June 30, 2025
- \$400,000 of financing without interest was provided by Pecoy Copper Limited on signing of the LOI, and comes due if in the event the Company terminates the transaction for any reason.
- An additional financing of \$250,000 was provided from Pecoy Copper Limited upon signing of an Acquisition Agreement.
- In June 2025, \$1,050,000 was received from Pecoy Copper Limited to cover the 2025 annual validity and penalty payments in Peru.
- On June 8, 2025, the Company issued 61,407,974 common shares at a price of \$0.088 per share for the conversion of \$5,403,902 of convertible notes. The remaining balance of the convertible notes will either be converted into shares or repaid in cash at the closing of the transaction on September 3, 2025. All convertible note holders, except one with a principal amount of \$200,000, have agreed to forgive the accrued interest.

Outlook

- Pembrook's primary focus is to finalize the sale of the Company to a company managed by Pecoy Copper Limited. The resulting entity will be trading on the TSX Venture that we envision will provide significant upside for Pembrook shareholders.

Pembrook Copper Corp.
Management's Discussion and Analysis
For the six months ended June 30, 2025

Project Details: Peru

Pecoy (Cu-Mo-Au-Ag)

The Pecoy project is a large, early-stage porphyry copper exploration project located in southern Peru. It is located one hundred kilometres northwest of Arequipa within the coastal Cretaceous Copper Porphyry Belt of Peru. The Property consists of 5,693 hectares that are held as the sole asset of Pecoy Sociedad Minera S.A.C ("PSM"). Under an agreement signed on August 28, 2013 (the "Pecoy Agreement"), the Company has completed its obligations to earn a 51% interest in PSM (the "First Option") and had the option to earn up to an 80% interest (the "Second Option").

In February 2017, the Company completed its obligations to earn the First Option and acquired control of PSM effective May 1, 2017. The Company provided notice to its partners of its intention to proceed with earning the Second Option in PSM to bring its interest to 80%. In February 2018, the Company made a US\$1.5 million payment as one of the requirements to earn the Second Option.

On February 28, 2019, the Company provided notice to the other shareholders of PSM that it would not continue to earn the Second Option and would remain at its 51% interest in PSM. Under the Pecoy Agreement, if the Company provides notification that will not be continuing to earn the Second Option, the other two shareholders of PSM have 4 months to decide whether to exercise a clawback right. The clawback right is the right for one or both of the minority shareholders to acquire the Company's 51% interest in PSM by making a cash payment calculated as the total of all cash payments made plus two times the total exploration expenditures made under the Pecoy Agreement. One of the shareholders waived their clawback right and the clawback right of the other shareholder expired.

On March 25, 2021, the Company completed the purchase of 25% of the outstanding shares of PSM from another PSM shareholder, bringing its interest to 76%.

On March 30, 2021, the shareholders of PSM approved a dilution of the minority shareholder's interest due to the failure of the minority shareholder to fund his share of PSM operating costs from September 1, 2020 to December 31, 2020. As a result of the dilution, the Company's interest in PSM increased from 76% to 76.325% and the minority shareholder's interest in PSM was reduced from 24% to 23.61%.

The Pecoy project encompasses a large copper porphyry system (2 kilometres x 2 kilometres) with similarities to the Los Pelambres Cu porphyry located in Chile. Topographically, Pecoy rises from the valley floor at 1,600 MASL to 2,150 MASL in the coastal desert and is 85 kilometres from the coast by existing road. The Pecoy porphyry system is characterized by multiple porphyry centres and hydrothermal breccia events cutting a basement complex consisting mainly of granodiorite (Coastal Batholith) and gneissic rocks. The surface alteration consists dominantly of quartz-biotite-sericite-pyrite and silica with extensive leaching. Surface geochemistry returned copper values up to 0.72% but the majority of the surface exposures are characterized typically by a leached capping of hematite, goethite and jarosite.

The main porphyry mineralization below the leached cap consists of an oxide zone (azurite, malachite and chalcantite), followed by a chalcocite enrichment zone overlying primary sulphides including chalcopyrite, molybdenite and pyrite to depth. The centre of the main porphyry system is bounded by

Pembrook Copper Corp.
Management's Discussion and Analysis
For the six months ended June 30, 2025

Project Details: Peru (cont'd...)

Pecoy (Cu-Mo-Au-Ag) (cont'd...)

two large hydrothermal breccias along the margins of the porphyry. The South Breccia weathers recessively and is exposed the valley floor (1,000 metres length x 300 metres width x 600 metres depth) and is enriched in Cu, Au (Ag, Mo). The North Breccia that forms the northern half of the Pecoy mountain (1,000 metres length x >350 metres width x >600 metres depth) is Cu, Mo (Au, Ag) dominant.

The results of the Company's 2014-2016 drill programs were positive and significantly advanced Pecoy, resulting in an initial Inferred Resource estimate prepared independently following geologic and mineral modelling guidelines outline by the Canadian Institute of Mining, Metallurgy and Petroleum's "Standards of Disclosure for Mineral Projects (NI 43-101). The initial Inferred Resource was subsequently updated to a NI 43-101 estimated Inferred Resource for the 100% of Pecoy deposit of 721 million tonnes @ 0.34% Cu, 0.011% Mo, 0.050 g/t Au, 1.27 g/t Ag, using a cut-off grade of 0.25% Cu.

A summary of highlights of project economics in the Preliminary Economic Assessment ("PEA") dated November 14, 2018 is as follows:

Assumptions:		
Discount rate	%	7%
Copper price	US\$/lb.	\$3.25
Gold price	US\$/oz.	\$1,310.00
Silver price	US\$/oz.	\$20.00
Molybdenum price	US\$/lb.	\$11.34
Strip ratio		0.24
Processing rate	tonnes/day	120,000
Mine-life	Years	32
Average annual payable production ¹ of:		
Copper	tonnes	95,846
Gold	ounces	8,048
Silver	ounces	687,479
Molybdenum	tonnes	1,279
Capital Expenditure – initial	USD millions	\$1,862
Capital Expenditure – sustaining	USD millions	\$720
Net present value before tax	USD millions	\$1,758.9
Net present value after tax	USD millions	\$847.9
Internal rate of return before tax	%	15.5%
Internal rate of return after tax	%	12.0%
Payback before tax (undiscounted)	years	5.4
Payback after tax (undiscounted)	years	5.7
Payback before tax (discounted at 7%)	years	7.6
Payback after tax (discounted at 7%)	years	10.8

The PEA is preliminary in nature; it is based exclusively on inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA report will be realized. Also,

¹ Actual annual payable metal varies from year to year. The average is the total payable metal produced divided by the 32 year mine-life.

Pembrook Copper Corp.
Management's Discussion and Analysis
For the six months ended June 30, 2025

Project Details: Peru (cont'd...)

Pecoy (Cu-Mo-Au-Ag) (cont'd...)

refer to "Forward-Looking Statements" on pages 18 and 19 of this Management's Discussion and Analysis.

On October 28, 2015, the Company entered into a surface rights agreement with the local community for an area over the Pecoy claims. The surface rights agreement has a term of 30 years and can be extended for an additional 30 years at terms to be negotiated separately. On December 5, 2019, the surface rights agreement was amended to change the timing of the remaining payments so that the remaining payment of US\$237,500 originally due on October 26, 2023 was changed to four annual payments of US\$59,375 commencing on October 26, 2020.

Pecoy has a drill permit in place for up to 789 drill holes on 200 drill pads, valid to October 2026.

Tororume (Cu-Mo-Au)

This 100% owned project consisting of 10,497 hectares, host to a large area of copper porphyry occurrences, was identified by the Company during reconnaissance work within the Pecoy district Southern Peru Copper Porphyry Belt. This Belt hosts major deposits including the Cuajone Cu porphyry (Southern Peru Copper Corp.), the Toquepala Cu porphyry (Southern Peru Copper Corp.), Cerro Verde Cu porphyry (Freeport-McMoRan Copper & Gold Inc.) and the Zafranal Cu porphyry (Teck Resources Limited and Mitsubishi Materials Corporation). Tororume is a discovery located approximately 8 kilometres north of the Pecoy deposit and had never been drill tested. Mapping, geochemical sampling and geophysics (airborne magnetics, ground IP/resistivity) have been completed on the Property. Mapping and sampling have resulted in the identification of a large copper system with +0.1% copper values found over an area of three kilometres by six kilometres, that also includes elevated gold and molybdenum values. Copper, molybdenum and gold mineralization are present within granodiorite, basement gneiss and several porphyry mineralized zones that exhibit strong porphyry-style alteration. Multiple "centres" are present on the property and the best target identified to date is a 250 metre by 400 metre potassic-altered zone in which 47 of 49 samples collected from this area returned >0.1% copper with the majority containing from 0.15% to 0.60% copper. This zone, characterized by a potassic alteration signature is mainly covered by a thin, post-mineral, volcanic cap to the east and by debris to the south, and remains open in those directions and at depth. A second copper porphyry zone is located 500 metres north of the copper-bearing potassic zone and is characterized by quartz-sericite alteration (phyllic) and contains multiple +0.1% copper to a high value of 15.6% copper in an area measuring 800 metres by 1,000 metres. A third centre measuring 700 metres by 1,000 metres and with strong phyllic (quartz-sericite-pyrite) and potassic (magnetite-biotite) alteration has recently been recognized in the east central part of the system. The first drill permit for the Potassic East target has been received and the phase 1 drill program comprised of 2,533 meters in six holes was completed on the east margin of the eastern most target. The second drill permit activation for the Potassic West and North Phyllic zones was received in June 2018.

On May 22, 2013, the Company signed an agreement with Compañía de Inversiones Olimpo S.A.C. ("Olimpo") to acquire a 100% interest in nine Tororume project claims in Peru, subject to a 1.5% net smelter royalty ("NSR") by completing payments of:

- US\$200,000 (paid) upon signing; and
- US\$800,000 (paid) upon registration with local government authorities.

The 1.5% NSR may be repurchased by the Company within five years for US\$1,500,000.

Pembrook Copper Corp.
Management's Discussion and Analysis
For the six months ended June 30, 2025

Project Details: Peru (cont'd...)

Tororume (Cu-Mo-Au) (cont'd...)

On September 27, 2019, the Company signed an amendment with Olimpo. Upon closing of the transaction on September 3, 2025, the second amendment will be executed.

The table below outlines the payments in both the original agreement and the amended agreements.

Term	Original Agreement (May 22, 2013)	First Amended Agreement (September 27, 2019)	Second Amended Agreement (Upon closing)
Advanced Royalty Payments	US\$50,000/year for 4 years, then US\$100,000/year for 8 years (Total \$1,000,000)	US\$50,000/year for 4 years, then US\$100,000/year for 13 years (Total \$1,500,000)	US\$50,000/year for 4 years, then US\$100,000/year for 18 years (Total \$2,000,000)
Estimated Resource Report Deadline	Within 7 years from May 22, 2013	Within 12 years from May 22, 2013	Within 17 years from May 22, 2013

In May 2021, the Company closed an option and joint venture agreement with MineCo whereby MineCo can earn a 50% interest in Tororume by spending \$5 million in exploration expenditures on the Tororume project by May 2029. Upon completion of earning a 50% interest, MineCo will have the right to acquire an additional 26% interest in Torion by spending an additional \$25 million in exploration expenditures on the Tororume project. A management committee comprising representatives from Pembrook and MineCo was formed and a budget was approved. A 1,400-meter 3-hole scout drill program was completed on March 2023. The 3 drill holes tested geophysical and surface mineralization targets and was successful in confirming porphyry Co-Mo mineralization in 3 cells, each of which has a footprint equal to or larger than the Pecoy deposit footprint. The best intervals include: 406 meters @0.371% CuEq; 206 meters @0.353% CuEq and 46 meters @0.441% CuEq. Surface mapping identified significant Oxide/Enrichment including 112 samples in a 500 meter x 245 meter leached/oxide zone @0.34% Cu + 0.015% Mo and 22 samples over a 400 meter x 115 meter leached/oxide zone @0.41%Cu + 0.015%Mo. There is a good road network and drilling permit in place for the Property.

On March 18, 2024, after completing nearly CA\$5,000,000 in exploration work, the optionor, MineCo, decided to terminate the option agreement and not proceed with the second option.

Corporate Transactions

On March 5, 2021, the Company filed an arbitration claim against CMCV to obtain a ruling declaring the clawback right of CMCV to have expired (the "Clawback Arbitration"). Although the outcome of the arbitration process cannot be predicted, the Company is confident that all of the procedures to execute the clawback right were correctly followed with the result that CMCV's clawback right has expired. The arbitration panel members have been determined and initial filings have been made.

From May 2017 to March 25, 2021, there were three shareholders of PSM, the Company (owning 51%), CMCV (owning 24%) and a second minority shareholder owning 25% ("UMHL"). On March 25, 2021,

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the Company completed the purchase of UMHL's 25% interest in PSM, bringing the Company's interest in PSM to 76%. On April 23, 2021, CMCV filed an arbitration claim against PSM to obtain a ruling to nullify the sale of a 25% interest in PSM by UMHL on the basis the procedures followed to effect the sale were not valid (the "25% Sale Arbitration"). Although the outcome of the arbitration process cannot be predicted, the Company is confident that all of the procedures to execute the purchase and sale of the 25% interest were correctly followed with the result that the sale will be determined to valid and binding.

On April 30, 2021, the Company received notice that CMCV filed an arbitration claim against PSM to obtain a ruling that the procedures carried out at the PSM March 30, 2021 shareholder meeting to dilute CMCV for failure to fund his share of PSM costs for the period September 1, 2020 to December 31, 2020, pursuant to the PSM shareholder agreement, were not valid (the "Dilution Arbitration"). As a result of the dilution, Pembrook's shareholding in PSM increased from 76% to 76.385% and CMCV's shareholding in PSM decreased from 24% to 23.615%. The matter remains to be resolved by arbitration in Peru and the outcome of the arbitration process cannot be predicted. However, the Company is confident that the all the procedures to effect the dilution were followed properly and there is no merit to this arbitration claim.

On February 28, 2025, the Company filed for the suspension of three arbitrations proceeding until August 31, 2025.

In October 20, 2020, the Company entered into an agreement with MineCo for a \$5 million secured convertible note financing and agreed terms for an option agreement to earn an interest in Torion, the Company's subsidiary that owns the Tororume project. On October 20, 2020, the Company closed the \$5,000,000 financing of secured convertible notes which mature on February 28, 2023 and bear interest at 8% per annum, compounded annually not in advance. The convertible notes together with accrued interest thereon are convertible at the option of MineCo, into common shares of Pembrook at a conversion price of \$0.40 per share upon the completion of a sale of Pembrook. The convertible notes are secured by 100% of the shares of Torion. During the six months ended June 30, 2025, MineCo agreed to forgive all accrued interest and convert the \$5 million convertible note into common shares upon the closing of the transaction on September 3, 2025.

Additional Property Disclosure

The capitalized exploration expenditures of the Company by mineral property are provided in Notes 5, 6 and 20 to Pembrook's condensed interim consolidated financial statements for the three and six months ended June 30, 2025 and 2024.

Information Concerning Financial Performance

The Company is an exploration stage company and engages principally in the acquisition, exploration and advancement of mineral properties. The Company's current properties are in the early stages of exploration, and none of the Company's properties are in production. Mineral exploration expenditures are capitalized and financial losses are incurred as a result of general exploration and administrative expenses relating to the operation of the Company's business. Consequently, the Company's net income is not a meaningful measure of its performance or potential.

Once the Company acquires title or right to title in a property, all acquisition and exploration costs are capitalized until the property to which those costs are related is placed into production, sold, abandoned or determined by management to be impaired. The decision to abandon a property is largely determined based on exploration results, the Company's view of future prospects, and whether the property may be of interest to other exploration or mining companies.

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The key performance drivers for the Company include securing the best geological expertise it can and acquiring and successfully exploring high potential mineral properties. By hiring highly qualified staff and acquiring and exploring projects of superior technical merit, the Company increases its chances of finding and advancing an economic deposit.

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Selected Financial Information

Selected quarterly financial information for operations of the Company for the last eight quarters is presented below. Changes in income or expense items from period to period are not necessarily representative of trends or potential future changes.

Selected Financial Information (figures are in thousands of Canadian dollars, except per share information):

Quarter ended	Revenues	Loss before Other Items	Net Loss/(income)	Basic and Diluted Loss/(income) per Share	Total Assets	Total Current Liabilities
2 nd Quarter ended June 30, 2025	Nil	\$860	(\$2,184)	(\$0.01)	\$40,621	\$13,914
1 st Quarter ended March 31, 2025	Nil	\$728	\$785	\$0.01	\$41,197	\$21,368
4 th Quarter ended December 31, 2024	Nil	\$970	\$930	\$0.01	\$41,085	\$20,453
3 rd Quarter ended September 30, 2024	Nil	\$706	\$722	\$0.00	\$38,799	\$18,266
2 nd Quarter ended June 30, 2024	Nil	\$666	\$650	\$0.00	\$39,038	\$17,614
1 st Quarter ended March 31, 2024	Nil	\$577	\$335	\$0.00	\$38,967	\$17,013
4 th Quarter ended December 31, 2023	Nil	\$738	\$598	\$0.00	\$38,874	\$16,938
3 rd Quarter ended September 30, 2023	Nil	\$736	\$707	\$0.00	\$38,835	\$15,804

Year ended	Revenues	Loss before Other Items	Net Loss	Basic and Diluted Loss per Share	Total Assets	Total Non-Current Liabilities
December 31, 2024	Nil	\$2,918	\$2,637	\$0.02	\$41,085	\$939
December 31, 2023	Nil	\$2,849	\$2,511	\$0.02	\$38,874	\$793

Results of Operations

For the six months ended June 30, 2025 compared with the six months ended June 30, 2024

The Company reported a net income of \$1,399,078 (gain of \$0.01 per share) for the six months ended June 30, 2025 (the “current period”), compared to a net loss of \$984,877 (\$0.01 per share) for the six months ended June 30, 2024 (the “comparable period”). The net gain was primarily driven by forgiveness of interest on convertible notes offset by higher interest expense on convertible notes, higher legal expenses and higher foreign exchange loss.

All the convertible note holders, except one, agreed to forgive the accrued interest, resulting in a gain from the forgiveness of interest on the convertible notes. The rise in interest expense during the current period was due to compounding effects. Legal expenses increased as a result of the transaction as disclosed in Note 3 to the condensed interim consolidated financial statements. Additionally, the Company recognized a higher foreign exchange loss in the current period, primarily due to the impact of temporal translation of the Peruvian entities’ financial statements. In the comparable period, a gain on modification of convertible notes was recognized due to amendments extending their maturity dates. No such amendments occurred in the current period.

For the three months ended June 30, 2025 compared with the three months ended June 30, 2024

The Company reported a net income of \$2,184,426 (gain of \$0.01 per share) for the three months ended June 30, 2025 (the “current period”), compared to a net loss of \$649,512 (\$0.00 per share) for the three months ended June 30, 2024 (the “comparable period”). The net gain was primarily driven by forgiveness of interest on convertible notes offset by higher interest expense on convertible notes, higher legal expenses and higher foreign exchange loss.

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Results of Operations (cont'd...)

For the three months ended June 30, 2025 compared with the three months ended June 30, 2024
(cont'd...)

All the convertible note holders, except one, agreed to forgive the accrued interest, resulting in a gain from the forgiveness of interest on the convertible notes. The rise in interest expense during the current period was due to compounding effects. Legal expenses increased as a result of the Nomad acquisition. Additionally, the Company recognized a higher foreign exchange loss in the current period, primarily due to the impact of temporal translation of the Peruvian entities' financial statements.

Liquidity and Capital Resources

Selected financial information pertaining to liquidity and capital resources for the six months ended June 30, 2025 is presented below:

At June 30, 2025, the Company had cash and cash equivalents of \$55,745 and a working capital deficiency of \$(13,512,852) compared with \$28,806 and \$(20,136,466) respectively as at December 31, 2024.

Cash used in operating activities for the six months ended June 30, 2025, was \$547,754 compared to cash used of \$306,467 in the comparable period, primarily due to non-cash gain on forgiveness of interest payable for convertible notes and increased legal expenses incurred during the current period.

Cash provided by investing activities for the six months ended June 30, 2025, was \$341,272, compared to cash invested of \$302,073 in the comparable period. In the comparable period, the Company received \$542,527 in cash calls from MineCo to fund the exploration program at the Tororume Project, which partially offset total property expenditures of \$844,600. In the current period, total property expenditures amounted to only \$1,358,728, which were partially offset by cash deposit received from Nomad.

Cash provided by financing activities for the six months ended June 30, 2025, totaled \$310,000, compared to cash provided of \$512,553 in the comparable period. During the current period, the Company received a \$310,000 loan from a director. In the comparable period, the Company issued a convertible note with proceeds of \$542,553 and repaid a government loan of \$40,000, of which \$10,000 was forgiven.

At June 30, 2025, share capital was \$137,503,420 comprising 210,818,173 shares. 61,407,974 shares were issued during the current period. The amount of \$376,715, previously recorded as the equity component related to the converted convertible notes, has been reversed and reclassified to common shares. Share-based payment reserve, which arises from the recognition of the estimated fair value of stock options vesting during the period was \$17,782,186 at June 30, 2025, unchanged from December 31, 2024 as no stock options were granted during the current period. Foreign currency translation reserve, which arises from the translation subsidiaries from local currency to presentation currency, was \$2,013,227 at June 30, 2025 (December 31, 2024 - \$2,698,310).

The decrease in the deficit to 132,245,842 at June 30, 2025 (December 31, 2024 - \$133,647,356) is the result of the net income of \$1,401,514 for the six months ended June 30, 2025.

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The Company's continuing operations are dependent upon its ability to secure additional equity capital, divest assets or generate cash flow from operations in the future, none of which are assured. Due to *Results of Operations* (cont'd...)

Liquidity and Capital Resources (cont'd...)

market conditions, there is no assurance that the Company will be successful in raising additional financing. The lack of sufficient committed funding for the next 12 months may cast significant doubt regarding the Company's ability to continue as a going concern. The Company has no source of revenue and cash requirements to maintain its mineral interests, fund its administrative overhead and pay its liabilities.

Transactions with Related Parties

Consolidated Statements of Loss and Comprehensive Loss

Transactions with related parties in the normal course of operations have been measured at the exchange amount, which is the consideration agreed to by the parties.

Consolidated Statements of Financial Position

The following amounts were included in loan:

	June 30, 2025	December 31, 2024
	\$	\$
Due to a company controlled by a director	67,386	64,815
Due to directors	675,110	346,973
Due to a spouse of a director	158,727	141,593
	901,223	553,381

The following amounts were included in convertible notes:

	June 30, 2025	December 31, 2024
	\$	\$
Due to directors of the Company	2,852,649	7,003,700
Due to the spouse of a director of the Company	85,485	830,341

The following amounts were included in the equity portion of convertible notes:

	June 30, 2025	December 31, 2024
	\$	\$
Due to directors of the Company	-	221,735
Due to the spouse of a director of the Company	-	38,961

Proposed Transactions

None

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Subsequent Events

On July 8, 2025, one of the convertible note holders signed an agreement to forgive the accrued interest and convert the principal upon the closing of the transaction on September 3, 2025

On July 15, 2025, convertible notes with a principal amount of \$200,000 were converted into 2,272,727 common shares of the Company. In addition, interest owing in the amount of \$50,131 was paid in cash.

On July 21, 2025, one of the Company's shareholders submitted a written notice of dissent and returned 13,220,000 shares to the Company.

Subsequent to June 30, 2025, the Company filed to further extend the suspension of the same arbitration proceedings until September 30, 2025. All parties involved agreed to cancel the proceedings upon completion of the arrangement to acquire the Company and list it on the stock exchange.

Other MD&A Requirements

Additional information relating to the Company may be found in the Company's consolidated financial statements for the three and six months ended June 30, 2025 and related notes thereto.

Commitments

The following table below summarizes the Company's commitments due within one year as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
	\$	\$
Note payable	901,223	553,381

The table does not include cash payments or exploration expenditures required to maintain property option agreements in good standing with vendors, as those payments and expenditures are conditional on the Company electing to continue with the individual option agreements. If the Company chooses to terminate an option agreement, no further payments or exploration expenditures are required and the related capitalized costs will be written off.

This table does not include obligations pursuant to convertible notes described in Note 8 to the condensed interim consolidated financial statements for the three and six months June 30, 2025 and 2024, and other commitments under current liabilities that are disclosed elsewhere in these condensed interim consolidated financial statements.

Recent accounting pronouncements

Accounting amendments issued and effective on or after January 1, 2024

Classification of Liabilities as Current or Non-current (Amendments to IAS 1) – The amendments to IAS 1 provides a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

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The Company concludes that the effect of such amendments did not have a material impact and therefore did not record any adjustments to the condensed interim consolidated financial statements.

Recent accounting pronouncements (cont'd...)

Accounting standards issued and effective on or after January 1, 2027

IFRS 18 Presentation and Disclosure in Financial Statements – IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses – operating, investing or financing – to improve the structure of the income statements, and require all companies to provide new defined subtotals, including operating profit;
2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement; and
3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

The Company will be evaluating the impact of the above amendments on its consolidated financial statements.

Off-Balance Sheet Arrangements

Other than those commitments disclosed in Note 12 to the Company's June 30, 2025 and 2024 condensed interim consolidated financial statements, the Company is not party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Company's financial position, revenues, expenses, results of operations, liquidity, capital expenditures or future cash flows.

Financial Instruments

The Company's financial instruments are exposed to certain financial risks, the elements of which are discussed more fully in Note 15 to the Company's June 30, 2025 and 2024 condensed interim consolidated financial statements. The fair values of the Company's other receivables, trade and other payables, interest payable, convertible notes, and note payable approximate their carrying values due to their short-term nature.

Critical Accounting Estimates

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, and expenses. Actual outcomes could differ from these estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which estimates are revised and in any future period affected.

See Note 2 in the Company's consolidated financial statements for the year ended December 31, 2024, for significant estimates and judgments which have been consistently applied in the preparation of the condensed interim consolidated financial statements for the three and six months ended June 30, 2025.

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Disclosure of Outstanding Share Data

The table below provides information concerning the designation and number of each class of equity securities for which there are securities outstanding as of the dates noted below:

Type of Security	September 3, 2025	June 30, 2025
Common shares	213,090,900	210,818,173
Options	3,100,000	3,272,500
Total	216,190,900	214,090,673

Risk Factors

The Company's business at the present stage of exploration and development of its projects involves a high degree of risk and uncertainty.

Exploration Stage Company

Pembrook is engaged in the business of acquiring and developing mineral properties to locate economic deposits of minerals. All of its properties are in the early stages of exploration and are without defined mineral bodies. Advancement of Pembrook's properties will only occur after obtaining satisfactory exploration results. There can be no assurance that Pembrook's existing or future exploration programs will result in the discovery of economically recoverable mineral deposits. Further, there can be no assurance that even if an economic deposit of minerals is identified, it can be commercially mined.

No Source of Operating Revenue

At present, the Company's operations do not generate cash inflows and the Company's continued existence depends on management's ability to raise additional equity financing, discover recoverable mineral deposits and sell or otherwise participate in the development of those projects. Many factors influence the Company's ability to raise funds, including the health of the commodity resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required over time, but recognizes there are risks involved that may be beyond its control. If those risks fully materialize, the Company may not be able to raise adequate funds to continue its operations.

Minerals Exploration and Advancement

The exploration and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time which may not be eliminated by a combination of careful evaluation, experience and knowledge. While discovery of a mineral deposit or ore body may result in significant rewards, few properties which are explored are ultimately advanced into producing mines. Substantial expenses are required to establish ore reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (e.g. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals and environmental protection). The effect of these factors, or a combination thereof, cannot be accurately predicted but could have a significant adverse impact on the Company.

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Risk Factors (cont'd...)

Minerals Exploration Activities

Mineral exploration activities generally involve a high degree of risk. Pembrook's operations are subject to all of the hazards and risks normally encountered in mineral exploration and advancement. Such risks include unusual and unexpected geological formations, seismic activity, rock bursts, flowing and other conditions involved in the drilling and removal of material, drilling or transportation accidents, environmental issues including chemical spills or environmental degradation, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes, community relationship issues and political, community or interest group unrest. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability, adverse government action, and a loss in the value of Pembrook's properties. Pembrook does not currently carry insurance against all these risks and there is no assurance that such insurance will be available in the future, or if available, at economically feasible premiums or acceptable terms. The potential costs associated with liabilities not covered by insurance or excess insurance coverage may cause substantial delays and require significant capital outlays. Such damages, if uninsured, could under certain circumstances, be greater than the financial capacity of the Company to pay for them.

No Operating History and Financial Resources

Pembrook has a short operating history and no operating revenue, and is unlikely to generate revenues from operating activities sufficient to fund operations in the near future. If the Company's exploration program is successful, additional funds will be required for further exploration to prove economic deposits and to bring such deposits to production. Additional funds may also be required for Pembrook to acquire and explore other mineral interests. Pembrook has limited financial resources and there is no assurance that sufficient additional funding will be available to fulfill its obligations or to further explore and advance its properties on acceptable terms or on any terms at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and property advancement activities and could cause Pembrook to forfeit its interests in some or all of its properties, or to reduce or terminate its operations.

Political or economic instability in countries where Pembrook operates

Certain of our properties are located in countries, provinces and states which may be subject to political and economic instability, or unexpected legislative change which may delay or prevent exploration of our properties. Exploration of our properties could be adversely affected by:

- political instability and violence;
- war and civil disturbance;
- labour unrest;
- community relations issues;
- permitting issues
- expropriation or nationalization;
- changing fiscal regimes and uncertain regulatory environments;
- changes to royalty and tax regimes;
- underdeveloped industrial and economic infrastructure; and
- the unenforceability of contractual rights and judgments.

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Risk Factors (cont'd...)

Competition

The mineral exploration and mining business is competitive in all of its phases. Pembrook competes with numerous other companies in the search for and the acquisition of attractive mineral properties and individuals, including competitors with greater financial, technical and other resources. Pembrook's ability to acquire properties in the future will depend not only on its ability to advance its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or advancement. There is no assurance that Pembrook will be able to compete successfully with others in acquiring such prospects. In addition, there is a limited supply of good geological talent and drilling crews and equipment. There is no assurance that Pembrook will be able to acquire the supply of geological talent or drillers, executives or other employees or contractors that are required to complete its exploration work in planned time frames.

Title to Property

Pembrook has taken precautions to ensure that legal titles to its property interests are properly recorded. There can be no assurance that Pembrook will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments in the jurisdictions in which the properties are situated will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned. In addition, some of Pembrook's properties are held in the names of others. Third parties may have valid claims underlying portions of Pembrook's interests and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that Pembrook may lose all or part of its interest in the properties to which such defects relate. In addition, Pembrook may fail, due to error, omission, or technological issues to renew its claims in a timely manner, potentially resulting in the loss of valuable claims to property.

Reliance on Third Parties for Critical Services

Pembrook contracts certain activities critical to its operations to third parties. These include drilling owners/operators, expeditors, helicopter and other transport providers, surveyors, experts for 43-101 reports and assay providers. Any failure to secure such contractors, or errors on their part, could result in significant disruption to Pembrook's operations, or in accidents which could cause safety issues, environmental damage or liabilities to them and to Pembrook. Pembrook cannot currently insure against all these risks.

Environmental Risks and Hazards

All phases of Pembrook's operations are subject to environmental regulation in the jurisdictions in which the property is located. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain exploration activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of such regulation may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which Pembrook holds interests or on properties that will be acquired which are unknown to Pembrook at present and which have been caused by previous or existing owners or operators of the properties.

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Risk Factors (cont'd...)

Commodity Prices

The price of Pembrook's securities, its financial results, and exploration, advancement and mining activities may in the future be significantly adversely affected by declines in the price of precious or base minerals. Precious or base minerals prices fluctuate widely and are affected by numerous factors beyond Pembrook's control such as the sale or purchase of precious or base metal by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand; production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection and international political and economic trends, conditions and events and specific demand from emerging countries. The price of precious or base metals has fluctuated widely in recent years, and price declines could cause continued advancement of Pembrook's properties to be impracticable.

In addition to adversely affecting reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Price Volatility and Lack of Active Market

Since 2008, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market price of securities of many public companies have experienced significant fluctuations. Some of these fluctuations may not necessarily have been related to the operating performance, underlying asset values or prospects of such companies. Any future market for Pembrook's securities may be subject to such market trends, and the value of such securities may be affected accordingly. There is currently no market through which the securities of Pembrook can be sold and there can be no assurance that one will develop or be sustained. If an active market does not develop, the liquidity of the investment may be limited and the market price of such securities may decline below the subscription price.

Risk Associated with Joint Venture Agreements

Pembrook may, in the future, enter into joint venture arrangements whereby it agrees to co-develop a property with another mining or mineral exploration company. Such agreements may require significant up-front payments or investments over time by Pembrook. These agreements may also be difficult to enforce, could result in significant differences of interpretation with the joint venture partner or could result in the joint venture partner failing to carry out its responsibilities under the contract. This could cause delays, significant diversion of management time and attention, excess costs, litigation, and the eventual dissolution of the joint venture with unsatisfactory results. All of these could delay or hinder ongoing Pembrook projects, or could result in significant financial damage to Pembrook and its shareholders.

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Risk Factors (cont'd...)

Key Executives

Pembrook is and will be dependent on the services of key executives and a small number of highly skilled and experienced geologists, consultants and personnel, whose contributions to the immediate future operations of Pembrook are likely to be of great importance. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Advancing those projects via joint exploration agreement and operating an organization of increasing scale also require certain specialized skills which are in high demand and difficult to acquire. Due to the relatively small size of Pembrook's staff, the loss of key personnel or Pembrook's inability to attract and retain additional highly skilled employees and consultants may adversely affect its business and future operations. In addition, some officers of Pembrook may be hired on a part-time or consultant basis and may therefore not devote all their time solely to Pembrook's affairs. This could slow or hinder corporate development.

Potential Conflicts of Interest

Certain directors and officers of the Company are and may continue to be involved in the mining and minerals exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are or could become potential competitors of the Company. Situations may arise in connection with potential acquisitions or investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest are subject to the procedures set out in applicable corporate and securities legislation, regulation, rules, policies and Pembrook's Code of Business Conduct and Ethics.

Litigation

Pembrook is currently party to a number of arbitration claims in Peru, both as a claimant and defendant. In its normal course of business or due to issues which may arise, Pembrook could face additional legal action in the future. Such actions could result in significant costs of defense, absorption of management time and focus away from the main activities of the business, and potentially significant settlements or payments by the Company. Such settlements or payments may, under certain circumstances, result in losses greater than the Company's ability to pay.

Objectives May Not Be Fulfilled

As a result of the foregoing factors, as well as other factors, Pembrook's objective of discovering mineral deposits and economic ore-grade mineral bodies may never be realized. If this occurs, the value of the Company's shares may fall.

Dilution

As the Company does not generate operating cash flow and has no current plans to do so, it will need to raise additional funds over a period of time to continue its operations. As a result, shareholders may incur dilution of their percentage holding in the Company.

Pembrook Copper Corp.
Management's Discussion and Analysis
For the six months ended June 30, 2025

Risk Factors (cont'd...)

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possible loss of their entire investment.

Investment Risk

The Company currently holds its cash and investments with a major Canadian banks and financial institutions. Canadian banks have recently been ranked among the safest in the world by the World Economic Forum. Due to volatility in credit markets and to several international bank failures, the possibility of bank failures in Canada cannot be entirely ruled out. If a bank with which the Company holds deposits or investments fails, and if the Canadian government does not step in to protect the bank, its depositors or creditors, the Company could lose that portion of its cash and investments. Due to the nature of interest-bearing investments, changes in interest rates can significantly affect the return on the investment, if the investment is redeemed before maturity.

General Global Conflicts and Tariffs

The Company's financial condition and results of operations may be negatively affected by economic and other consequences of world events. While the Company expects any direct impacts of world events to the current and future business to be limited, the indirect impacts on the economy, supply chain, tariffs and industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing.

Forward-Looking Statements

Some of the statements in this MD&A constitute "forward-looking statements" within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this MD&A, or in the case of documents incorporated by reference herein, as of the date of such documents and the Company does not intend and does not assume any obligation to update these forward-looking statements. These forward-looking statements represent management's best judgment based on facts and assumptions that management considers reasonable, including that exploration plans could be disrupted by issues such as weather, community relations issues, disruptions in access to exploration properties, labour disturbances, delayed or refused permits, environmental issues, political issues, mechanical failures of equipment and availability of financing when needed. Management currently is not aware of any material events that may disrupt exploration plans or budgets. The Company makes no representation that reasonable business people in possession of the same information would reach the same conclusions.

Forward-looking statements include, but are not limited to, statements with respect to the future price of minerals, the timing of exploration plans, timing of drill results, success of exploration activities, permitting time lines, currency fluctuations, government regulation of exploration operations, environmental risks, unanticipated reclamation expenses, prospects for equity financing activities, title or claims disputes and completion of acquisitions and their potential impact on the Company.

In certain cases, forward-looking statements can be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates" or "does not anticipate," or "believes," or variations of such words and phrases or statements

Pembrook Copper Corp.
Management's Discussion and Analysis
For the six months ended June 30, 2025

Forward-Looking Statements (cont'd...)

that certain actions, events or results “may,” “could,” “would,” “might” or “will” be taken, “occur” or “be achieved”.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Such factors include, among others, risks related to: the inherent uncertainties in minerals exploration and development activities; fluctuations in the price of minerals or in currency markets; the uncertainty of mineral resource and reserve estimates; the uncertainty of financing being available when needed; the uncertainty of mining licences or governmental approvals being granted in a timely manner; changes in regulatory requirements; hiring and retaining personnel with the necessary expertise; the failure of equipment or processes to operate as anticipated; material unanticipated variations in budgeted costs; contractors not completing projects according to schedule; accidents, labour disputes and other risks of the mineral exploration industry; as well as other factors discussed in the section entitled “Risk Factors” in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. 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.

Accordingly, readers should not place undue reliance on forward-looking statements.

Additional Information

Additional information relating to Pembrook is available by contacting:

Pembrook Copper Corp.
16063 111 Avenue
Surrey, BC, Canada
V4N 4R5
Office (778) 886-9800
General Inquiries: info@pembrookmining.com
Website: www.pembrookmining.com

/s/ “Daniel Innes”
Daniel Innes
Chief Executive Officer

/s/ “Alan Moon”
Alan Moon

APPENDIX “N”

**PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF THE RESULTING ISSUER AS AT
APRIL 30, 2025**

Pecoy Copper Corp.

*Unaudited Pro Forma
Consolidated Financial Statements*

April 30, 2025

**UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
OF PECOY COPPER CORP.**

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Pecoy Copper Corp.

Pro Forma Consolidated Statement of Financial Position

As at April 30, 2025

(Unaudited)

(Expressed in Canadian dollars)

	Pecoy Copper Limited	Pembroke Copper Corp.	Copper X Mining Corp.	Pecoy Copper Corp. (Formerly Priyanka Capital Inc.)	Pro forma adj.	Note 4	Pro Forma Pecoy Copper Corp.
Assets							
Current assets							
Cash and cash equivalents	703,915	55,745	286,354	-	1,940,000 59,630,000 (540,000) 283,681 (160,000) (1,163,386) (1,800,000) (180,000) (215,000) (1,290,880) (6,963,186) (180,000) 982,999 (425,000)	a) b) c) c) c) d) d) d) d) d) d) e) e) e)	50,965,242
Other receivables	-	325,678	7,533	-	-		333,211
Advance to Pembroke Copper Corp.	400,000	-	-	-	(400,000)	d)	-
Prepaid expenses	-	20,163	-	-	-		20,163
Total current assets	1,103,915	401,586	293,887	-	49,519,228		51,318,616
Non-current assets							
Loan receivable	-	-	-	2	-		2
Property and equipment	-	10,266	-	-	-		10,266
Exploration and evaluation assets	-	40,209,585	1,131,429	-	130,820 14,078,720	d) e)	55,550,554
Deferred acquisition and share issuance costs	62,842	-	4,352	-	(67,194)	d) e)	-
Total non-current assets	62,842	40,219,851	1,135,781	2	14,142,346		55,560,822
Total assets	1,166,757	40,621,437	1,429,668	2	63,661,574		106,879,438

See accompanying notes to the unaudited pro forma consolidated financial statements.

Pecoy Copper Corp.

Pro Forma Consolidated Statement of Financial Position

As at April 30, 2025

(Unaudited)

(Expressed in Canadian dollars)

	Pecoy Copper Limited	Pembroke Copper Corp.	Copper X Mining Corp.	Pecoy Copper Corp. (Formerly Priyanka Capital Inc.)	Pro forma adj.	Note 4	Pro Forma Pecoy Copper Corp.
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	108,193	937,489	551,233	284,373	(937,489)	d)	943,799
Deposits from Pecoy Copper Limited	-	1,700,000	-	-	(1,700,000)	d)	-
Due to shareholders	4,000	-	-	-	-		4,000
Interest payable	-	1,197,245	-	-	(1,197,245)	d)	-
Convertible notes	-	9,178,481	-	-	(9,178,481)	d)	-
Note payable	-	901,223	120,000	-	(901,223)	d)	120,000
Balance of purchase price	-	-	-	-	174,012	d)	174,012
Total current liabilities	112,193	13,914,438	671,233	284,373	(13,740,426)		1,241,811
Non-current liabilities							
Deferred income tax liability	-	939,007	-	-	(939,007)	d)	-
Total Liabilities	112,193	14,853,445	671,233	284,373	(14,679,433)		1,241,811
Equity							
Share capital	1,093,977	137,503,420	474,438	65,833	1,940,000	a)	104,898,045
					59,630,000	b)	
					(65,833)	c)	
					1,800,000	c)	
					4,845,456	d)	
					(137,503,420)	d)	
					17,588,614	d)	
					5,000,000	d)	
					(474,438)	e)	
					12,999,998	e)	
Commitment to issue shares	-	-	498,667	-	(498,667)	e)	-
Reserves	-	19,886,252	-	-	(19,886,252)	d)	3,279,685
					54,845	d)	
					1,014,036	d)	
					2,210,804	d)	
Equity component of convertible notes	-	105,267	-	-	(105,267)	d)	-
Deficit	(39,413)	(132,245,842)	(214,670)	(350,204)	132,245,842	d)	(2,540,103)
					350,204	c)	
					(2,500,690)	c)	
					214,670	e)	
Equity attributable to the equity owner of the company	1,054,564	25,249,097	758,435	(284,371)	78,859,902		105,637,627
Non-controlling interest	-	518,895	-	-	(518,895)	d)	-
Total Equity	1,054,564	25,767,992	758,435	(284,371)	78,341,007		105,637,627
Total Liabilities and Equity	1,166,757	40,621,437	1,429,668	2	63,661,574		106,879,438

See accompanying notes to the unaudited pro forma consolidated financial statements.

Pecoy Copper Corp.

Pro Forma Consolidated Statement of Loss

For the twelve-month period ended October 31, 2024

(Unaudited)

(Expressed in Canadian dollars)

	Pecoy Copper Limited	Pembrook Copper Corp.	Copper X Mining Corp.	Pecoy Copper Corp. (Formerly Priyanka Capital Inc.)	Pro forma adj.	Note 4	Pro Forma Pecoy Copper Corp.
Operating and administrative expenses							
General exploration	-	1,040	-	-	-		1,040
Interest on convertible notes	-	1,715,596	-	-	(1,715,596)	d)	-
General and administration	-	1,201,047	-	1,000	2,500,690	c)	3,702,737
Professional fees	-	-	-	16,050	-		16,050
Total operating and administrative expenses	-	2,917,683	-	17,050	785,094		3,719,827
Write-down of exploration and evaluation assets	-	7,115	-	-	-		7,115
Loss on disposal of property and equipment	-	1,332	-	-	-		1,332
Gain on modification of convertible notes	-	(438,599)	-	-	438,599	d)	-
Foreign exchange loss	-	5,480	-	-	-		5,480
	-	2,493,011	-	17,050	1,223,693		3,733,754
Deferred income tax expense	-	144,273	-	-	-		144,273
Net Loss	-	2,637,284	-	17,050	1,223,693		3,878,027

See accompanying notes to the unaudited pro forma consolidated financial statements.

Pecoy Copper Corp.

Pro Forma Interim Consolidated Statement of Loss

For the six-month period ended April 30, 2025

(Unaudited)

(Expressed in Canadian dollars)

	Pecoy Copper Limited	Pembrook Copper Corp.	Copper X Mining Corp.	Pecoy Copper Corp. (Formerly Priyanka Capital Inc.)	Pro forma adj.	Note 4	Pro Forma Pecoy Copper Corp.
Operating and administrative expenses							
General exploration	-	525	-	-	-		525
Interest on convertible notes	-	925,444	-	-	(925,444)	d)	-
General and administration	-	661,954	16,229	7,352	-		685,535
Professional fees	9,097	-	192,663	5,886	-		207,646
Travel and other transaction expenses	29,695						29,695
Bank fees	284		160				444
Other	337	-	-	-			337
Total operating and administrative expenses	39,413	1,587,923	209,052	13,238	(925,444)		924,182
Forgiveness of interest on convertible notes	-	(3,117,719)	-	-	3,117,719		-
Foreign exchange loss	-	130,718	5,618	-	-		136,336
Net Loss	39,413	(1,399,078)	214,670	13,238	2,192,275		1,060,518

See accompanying notes to the unaudited pro forma consolidated financial statements.

Pecoy Copper Corp.

Notes to the Pro Forma Consolidated Financial Statements

As at April 30, 2025

(Unaudited)

(Expressed in Canadian dollars, unless noted otherwise)

1. BASIS OF PRESENTATION

The unaudited pro forma consolidated financial statements (the "Pro Forma Financial Statements") have been prepared by the management of Pecoy Copper Corp. (formerly Priyanka Capital Inc.) ("Pecoy Copper" or the "Corporation") for their inclusion in the listing application of Pecoy Copper dated [date] (the "Listing Application") in connection with (i) the business combination agreement dated July 3, 2025 entered into among Pecoy Copper and Pecoy Copper Limited ("SPV") (the "Business Combination Agreement"); and (ii) the share purchase agreement dated May 27, 2025 entered into among SPV, 1540646 B.C. LTD. and Pembroke Copper Corp. ("Pembroke") (the "Pembroke Agreement"); and (iii) the share purchase agreement dated May 27, 2025 entered into among SPV and Camila Carlessi Vargas ("CCV") (the "CCV Agreement"); and (iv) the option agreement dated May 27, 2025 entered into among SPV and Mario Carlessi Vargas ("MCV") (the "MCV Agreement") (together with the Pembroke Agreement and the CCV Agreement, the "Pembroke Group Agreement"); and (v) share purchase agreement dated May 27, 2025 entered into among SPV and Copper X Mining Corp. ("Copper X") (the "Copper X Agreement") (collectively the "RTO Transaction"). The RTO Transaction (refer to Note 3 for details) is subject to a number of conditions including, among other things, regulatory approval and the concurrent completion of equity financing and will result in the former shareholders of SPV holding approximately 65% of Pecoy Copper's outstanding common shares. The RTO Transaction will constitute a reverse takeover of Pecoy Copper by SPV. The issuer resulting from the RTO Transaction described in Note 3 will carry on its business of acquisition and exploration of mineral properties as Pecoy Copper Corp.

The Pro Forma Financial Statements have been prepared for illustrative purposes only and give effect to the RTO Transaction as further described in Note 3 and pursuant to the assumptions and adjustments described in Note 4. The unaudited pro forma consolidated statement of financial position as at April 30, 2025 gives effect to the RTO Transaction as if it had occurred on April 30, 2025 and the unaudited pro forma consolidated statement of loss for the twelve-month period ended October 31, 2024 gives effect to the RTO Transaction as if it had occurred on November 1, 2023.

The Pro Forma Financial Statements are not necessarily indicative of the financial position and results of operations that would have been achieved if the transactions had been completed on the date or for the periods presented, nor do they claim to project the results of operations or financial position of the entity for any future period or as of any future date. Any potential synergies that may be realized and integration costs that may be incurred upon completion of the transactions, if successful, have been excluded from the Pro Forma Financial Statements.

The calculation and allocation of the purchase price for the acquisitions of Pecoy Copper, Pembroke and Copper X have been prepared on a preliminary basis and is subject to change between the time such preliminary estimations were made and closing as a result of several factors which could include among others: changes in fair value of the assets acquired and liabilities assumed, the market price of the related shares, options and warrants, and the actual transaction costs incurred. Further, the pro forma financial information is not necessarily indicative of the results of operations that may be obtained in the future.

The Pro Forma Financial Statements are presented in Canadian dollars unless otherwise noted.

In preparing the Pro Forma Financial Statements, the following historical information, that was prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), was used:

- a. For the unaudited pro forma consolidated statement of financial position as at April 30, 2025:
 - (i) the audited statement of financial position of SPV as at April 30, 2025;
 - (ii) the unaudited consolidated statement of financial position of Pembroke as at June 30, 2025;
 - (iii) the audited consolidated statement of financial position of Copper X as at April 30, 2025;
 - (iv) the unaudited statement of financial position of Pecoy Copper as at April 30, 2025.
- b. For the unaudited pro forma consolidated statement of loss for the twelve-month period ended October 31, 2024:
 - (i) the audited consolidated statement of loss and comprehensive loss of Pembroke for the year ended December 31, 2024;
 - (ii) the audited consolidated statement of loss and comprehensive loss of Pecoy Copper for the year ended October 31, 2024.
- c. For the unaudited pro forma consolidated statement of loss for the six-month period ended April 30, 2025:
 - (i) the audited consolidated statement of loss and comprehensive loss of SPV for the 38-day period ended April 30, 2025;
 - (ii) the unaudited interim consolidated statement of loss and comprehensive loss of Pembroke for the six-month period ended June 30, 2025;
 - (iii) the audited consolidated statement of loss and comprehensive loss of Copper X for the 84-day period ended April 30, 2025;

Pecoy Copper Corp.

Notes to the Pro Forma Consolidated Financial Statements

As at April 30, 2025

(Unaudited)

(Expressed in Canadian dollars, unless noted otherwise)

(iv) the unaudited statement of loss and comprehensive loss of Pecoy Copper for the six months ended April 30, 2025.

The Pro Forma Financial Statements should be read in conjunction with: (i) the description of the transactions in the Listing Application, and (ii) the historical financial statements, together with the notes thereto, of SPV, Pembroke, Copper X and Pecoy Copper referred to above which are included in the Listing Application and are available at www.sedarplus.ca.

In the opinion of Pecoy Copper's management, these Pro Forma Financial Statements include all adjustments necessary for a fair presentation of the transactions described in the notes to the Pro Forma Financial Statements and applied on a basis consistent with the SPV's accounting policies.

2. MATERIAL ACCOUNTING POLICIES

The accounting policies used in preparing the Pro Forma Financial Statements are set out in SPV, Pecoy Copper, Pembroke and Copper X's audited financial statements for the 38-day period ended April 30, 2025, the year ended December 31, 2025, the year ended October 31, 2025 and the 84-day period ended April 30, 2024 which have been prepared in accordance with IFRS as issued by the IASB. In preparing the Pro Forma Financial Statements, a review of available information was undertaken to identify accounting policy differences between SPV, Pecoy Copper, Pembroke, and Copper X. While management believes that the material accounting policies of SPV, Pecoy Copper, Pembroke and Copper X are consistent in all material respects, accounting policy differences may be identified upon completion of the transactions.

Certain assets, liabilities and expenses of Pecoy Copper, Pembroke and Copper X have been reclassified to conform to SPV's financial statements presentation and the presentation of the consolidated statement of financial position and statement of loss have been changed in the Pro Forma Financial Statements to be aligned with the anticipated presentation of the Resulting Issuer.

Pecoy Copper Corp.

Notes to the Pro Forma Consolidated Financial Statements

As at April 30, 2025

(Unaudited)

(Expressed in Canadian dollars, unless noted otherwise)

3. AGREEMENT AND RELATED TRANSACTIONS

Business Combination Agreement with Pecoy Copper

In connection with the acquisition agreements described below, on July 3, 2025, Pecoy Copper and SPV entered into the Business Combination Agreement pursuant to which Pecoy Copper will acquire all the issued and outstanding common shares of SPV pursuant to the term and condition of the Business Combination Agreement under which it will issue 85,461,020 common shares (excluding the Concurrent Private Placement, but including SPV shares issued pursuant to the Pembroke Agreement, the Copper X Agreement and the MCV Agreement) to SPV's shareholders reflecting an exchange ratio of 1:1, at a deemed price of \$0.60 per share and will thereafter continue the exploration and evaluation of the SPV's mining properties as the Resulting Issuer.

Acquisition Agreements entered into by SPV for the Pecoy Project

On May 27, 2025, SPV entered into three separate acquisition agreements and an option agreement, pursuant to which it holds the rights to acquire a 100% interest in the Peruvian mining property known as the "Pecoy Project". Each of the acquisitions contemplated by the acquisition agreements will be completed immediately prior to closing of the RTO Transaction and are conditional upon the concurrent closing of each of the other acquisitions. The terms of the acquisition agreements and option agreement are as follows:

Pembroke Agreement

SPV has entered into an acquisition agreement with 1540646 B.C. Ltd., a wholly owned subsidiary of SPV, and Pembroke the registered holder of 76.385% of the shares in the capital of Pecoy Sociedad Minera S.A.C ("Pecoy Peru"). Pursuant to the Pembroke Agreement, SPV will acquire all common shares of Pembroke. In consideration for the acquisition of Pembroke, SPV will be deemed to have issued to the shareholders of Pembroke an aggregate of 29,314,356 SPV shares (at a ratio of 0.14667 common share of SPV for each common share of Pembroke excluding common shares held by one dissenting shareholder) at a deemed price of \$0.60 per SPV share and 454,675 replacement options. It is assumed SPV will pay \$1,163,386 to the dissenting shareholder based on a deemed price of \$0.60 per share of the Resulting Issuer. In addition, SPV will be deemed to have satisfied \$7,363,186 of Pembroke's liabilities and payables. Also, the Resulting Issuer will issue 8,333,333 common shares and 4,166,667 warrants to a convertible notes holder.

CCV Agreement

SPV has entered into an acquisition agreement with CCV. CCV is the registered holder of 3,971,781 shares of Pecoy Peru, representing 10.273% of the shares in the capital of Pecoy Peru ("CCV Shares"). Pursuant to the terms and conditions of the CCV Acquisition Agreement, SPV will acquire the CCV Shares for cash consideration of \$1,800,000. SPV will also be required to make an additional post-closing cash payment of \$350,000 subject to certain conditions as set forth in the CCV Agreement.

MCV Agreement

SPV has entered into an option agreement with MCV. MCV is the registered holder of 5,158,152 shares of Pecoy Peru, representing 13.342% of the shares in the capital of Pecoy Peru ("MCV Shares"). Pursuant to the terms and conditions of the MCV Agreement, SPV will acquire the MCV shares by issuing at the closing of the RTO Transaction, 9,480,000 shares, that will be held in escrow until January 2026.

Copper X Agreement

SPV entered into a share exchange agreement with the shareholders of Copper X pursuant to which SPV will acquire 100% of the issued and outstanding common shares of Copper X. As consideration for the acquisition, SPV will be deemed to have issued an aggregate of 21,666,664 SPV shares at a deemed price of \$0.60 per share to the Copper X shareholders. Copper X is party to an option agreement under which it has the option to acquire 100% of the Rosita Claims.

Concurrent with the RTO Transaction, SPV completed a brokered private placement on a "best efforts" basis, of 105,800,000 subscription receipts at a price of \$0.60 per subscription receipt for a gross proceed of \$63,480,000 (the "Concurrent Private Placement"). Each subscription receipt entitles the holder to receive one common share of the Resulting Issuer, upon satisfaction of certain conditions. The Concurrent Private Placement closed on July 8, 2025 and will be used to fund the cash consideration of the various acquisitions.

As a condition for the completion of the RTO Transaction and prior to its closing, both SPV and Copper X completed in June 2025 offerings of 6,666,669 common shares at a price of \$0.30 per share for gross proceeds of \$2,000,000 (the "SPV Seed Financing") and 3,333,331 common shares at a price of \$0.30 per share for gross proceeds of \$999,999, respectively (the "Copper X Seed Financing"). The estimated share issuance costs were \$15,000 for both offerings.

Pecoy Copper Corp.

Notes to the Pro Forma Consolidated Financial Statements

As at April 30, 2025

(Unaudited)

(Expressed in Canadian dollars, unless noted otherwise)

The capital structure of Resulting Issuer will be unchanged from Pecoy Copper's current capital structure, other than for the issuance of the shares contemplated by the RTO Transaction and the Concurrent Private Placement (collectively the "Transactions"). The RTO Transaction will result in a reverse take-over of Pecoy Copper by SPV, whereby SPV will be deemed to have acquired control of Pecoy Copper through the deemed issuance of 2,999,370 common shares to Pecoy Copper's shareholders based on Pecoy Copper's adjusted net liabilities as at April 30, 2025.

Pecoy Copper does not constitute a business and as such the deemed acquisition is accounted for as an acquisition of assets and assumption of liabilities taking into account the application of IFRS 2 *Share-based Payment*. The RTO Transaction also led to the acquisitions of Pembroke and its related minority interest and Copper X, which have been recorded as acquisitions of assets as neither the acquired assets and assumed liabilities constitute businesses under IFRS 3 *Business Combinations*.

The completion of the Transactions is subject to the satisfaction of a number of conditions but not limited to: (i) closing conditions customary in transactions of this nature; (ii) receipt of regulatory approvals (iii) completion of the RTO Transaction; (iv) completion of the Concurrent Private Placement; and (v) other actions necessary to complete the Transactions. There can be no assurance that the Transactions will be completed as described or at all. The RTO Transaction will be effected at arm's length and does not require approval of the shareholders of Pecoy Copper under the Business Corporations Act (British Columbia) and applicable securities legislation.

Pecoy Copper Corp.

Notes to the Pro Forma Consolidated Financial Statements

As at April 30, 2025

(Unaudited)

(Expressed in Canadian dollars, unless noted otherwise)

Acquisition of Pecoy Copper (formerly Priyanka Capital Inc.)

The net liabilities of Pecoy Copper acquired are to be recorded at their estimated relative fair market values at the time of the closing of the RTO Transaction and are based on preliminary management estimates. As such, the preliminary estimates of the consideration paid and the allocation to the net liabilities acquired, which are subject to change, are summarized as follows:

Consideration deemed paid for the deemed acquisition of Pecoy Copper	\$
3,000,000 common shares of SPV deemed issued to Pecoy Copper's existing shareholders ⁽¹⁾	1,800,000
Estimated transaction costs to be paid in cash	540,000
	<u>2,340,000</u>
Net liabilities deemed acquired:	
Net liabilities of Pecoy Copper as at April 30, 2025	284,371
<i>Adjustments to:</i>	
Cash ⁽²⁾	(283,681)
Transaction costs of Pecoy Copper	160,000
	<u>160,690</u>
Listing expenses	<u>2,500,690</u>

(1) Based on the 13,187 Pecoy Copper common shares outstanding as at April 30, 2025 and the 2,986,813 common shares issued in June and July 2025. The price of the Pecoy Copper common shares was based on the pricing of the Concurrent Private Placement.

(2) To adjust for Pecoy Copper's private placement consisting of 2,986,813 common shares of Pecoy Copper at a price of \$0.10 per share for a total amount of \$298,681. The estimated common share issuance costs amount to \$15,000.

Acquisition of Pembroke and the minority shareholders of Pecoy Peru

The acquisition of Pembroke and the minority shareholders of Pecoy Peru will be effected by the Pembroke Agreement, the CCV Agreement and the MCV Agreement.

The net assets of Pembroke acquired are to be recorded at their estimated relative fair market values at the time of the closing of the RTO Transaction and are based on preliminary management estimates. As such, the preliminary estimates of the consideration paid and the allocation to the net assets acquired, which are subject to change, are summarized as follows:

Consideration deemed paid for the deemed acquisition of Pembroke and the minority shareholders of Pecoy Peru	\$
29,314,356 SPV common shares deemed issued to Pembroke's existing shareholders ⁽¹⁾	17,588,614
Cash payment to dissenting shareholder ⁽²⁾	1,163,386
8,333,333 Resulting Issuer common shares deemed issue to one convertible note holder ⁽³⁾	5,000,000
454,675 replacement options deemed issued to Pembroke's existing option holders ⁽⁴⁾	54,845
Cash payment to CCV ⁽⁵⁾	1,974,012
9,480,000 SPV escrowed common shares deemed issued to MCV ⁽⁶⁾	4,845,456
4,166,667 SPV warrants issued to one convertible notes holder ⁽⁷⁾	1,014,036
Cash payment to be applied on Pembroke liabilities and payables ⁽⁸⁾	7,363,186
Estimated SPV transaction costs to be paid in cash	180,000
	<u>39,183,535</u>

Pecoy Copper Corp.

Notes to the Pro Forma Consolidated Financial Statements

As at April 30, 2025

(Unaudited)

(Expressed in Canadian dollars, unless noted otherwise)

Net assets deemed acquired:

Net assets of Pembroke as at June 30, 2025	25,767,992
Adjustments to:	
Deferred acquisition costs	(62,842)
Deferred income tax liabilities	939,007
Debt Settlement	13,914,438
Transaction costs of Pembroke	(215,000)
Change of control payments	(1,290,880)
	<u>39,052,715</u>

Exploration and Evaluation Assets

130,820

- (1) Based on the 210,818,173 Pembroke common shares outstanding at June 30, 2025, adjusted for the 2,272,727 Pembroke common shares issued to the Convertible Notes holders less the 13,220,000 shares pertaining to one dissenting shareholder and taking into consideration an exchange ratio of 0.14667. The value of the SPV shares issued is based on the pricing of the Concurrent Private Placement.
- (2) To reflect the cash payment to the dissenting shareholder. The cash payment is based on 13,220,000 shares pertaining to the dissenting shareholder at a deemed fair value of \$0.60 per share. The deemed fair value is based on the pricing of the Concurrent Private Placement.
- (3) 8,333,333 shares of the Resulting Issuer issued to one convertible notes holder. The value of the Resulting Issuer shares issued is based on the pricing of the Concurrent Private Placement.
- (4) Based on the 454,675 Pembroke share options outstanding as at June 30, 2025. The fair value of the 454,675 replacement options was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: risk-free interest rate of 2.72%, average expected volatility of 80%, dividend yield of 0%, average expected life of common share options of 4.16 years and a fair value of the SPV common share of \$0.60. The fair value of the SPV shares issued is based on the pricing of the Concurrent Private.
- (5) To reflect the acquisition by SPV of 3,971,781 shares in the capital of Pecoy Peru held by CCV, representing 10.273% of the outstanding shares of Pecoy Peru, for cash consideration of \$1,800,000 and an additional post-closing cash payment of \$350,000, subject to certain conditions. The present value of the post-closing cash payment of \$350,000 is estimated to be \$174,012 and has been calculated based on a discount rate of 15% and an estimated term of five years.
- (6) To reflect the acquisition by SPV of 5,158,152 shares in the capital of Pecoy Peru held by MCV, representing 13.342% of the outstanding shares of Pecoy Peru by issuing 9,480,000 common shares at \$0.60 per share for a total of \$5,688,000. The fair value of the SPV shares issued is based on the pricing of the Concurrent Private Placement. The shares will be held in escrow and will be released from escrow in January 2026. The fair value of the escrowed shares was estimated using a put option pricing model, which treats the escrow condition as an embedded restriction similar to a put option held by SPV. The fair value of the put option of \$842,544 was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: risk-free interest rate of 2.63%, average expected volatility of 80%, dividend yield of 0%, average expected life of common share options of 0.76 years and a fair value of the SPV common share of \$0.60. The fair value of the SPV shares issued is based on the pricing of the Concurrent Private Placement. The fair value of the put option was then deducted from the amount of \$5,688,000 mentioned above.
- (7) To record the 4,166,667 warrants issued by the Resulting Issuer to one of Pembroke convertible notes holder for the settlement of the encumbrances on the Torion Mining S.A.C shares. The warrants have an exercise price of \$1.00 and a term of 36 months. The fair value of the warrants was estimated using the Black-Scholes pricing model based on the following assumptions: risk-free interest rate of 2.61%, expected volatility of 80%, dividend yield of 0%, average expected life of 3 years and a fair value of common share of SPV of \$0.60. The fair value of the SPV shares issued is based on the pricing of the Concurrent Private Placement.
- (8) To reflect the cash payment of \$7,363,186 which includes a payment of \$4,374,928 made by SPV for the payment of certain Pembroke creditors and another payment of \$2,938,258 made by SPV to the convertible notes holders for which the notes were not converted into shares of Pembroke. Of the total amount of \$7,363,186, \$400,000 was disbursed prior to the financial position date of SPV for a total cash outflow of \$6,963,186.

Acquisition of Copper X

The net assets of Copper X acquired are to be recorded at their estimated relative fair market values at the time of the closing of the RTO Transaction and are based on preliminary management estimates. As such, the preliminary estimates of the consideration paid and the allocation to the net assets acquired, which are subject to change, are summarized as follows:

Pecoy Copper Corp.

Notes to the Pro Forma Consolidated Financial Statements

As at April 30, 2025

(Unaudited)

(Expressed in Canadian dollars, unless noted otherwise)

Consideration deemed paid for the deemed acquisition of Copper X		\$
21,666,664 common shares of SPV deemed issued to Copper X's existing shareholders ⁽¹⁾		12,999,998
6,000,000 warrants of SPV deemed issued to Copper X existing warrants holders ⁽²⁾		2,210,804
Estimated transaction costs to be paid in cash		180,000
		<u>15,390,802</u>
Net assets deemed acquired:		
Net assets of Copper X as at April 30, 2025		758,435
Adjustments to:		
Cash ⁽³⁾		982,999
Deferred share issuance costs		(4,352)
Transaction costs of Copper X		<u>(425,000)</u>
		1,312,082
Exploration and evaluation assets		<u>14,078,720</u>

- (1) Based on the 9,600,000 Copper X common shares outstanding as at April 30, 2025, the 500,000 common shares issued as part of a private placement completed in May 2025, the repurchase of 540,000 common shares in May 2025, the issuance of 2,773,333 common shares and 6,000,000 units as a settlement of professional services payable as at April 30, 2025 and the 3,333,331 common shares issued as part of the Copper X Seed Financing. The price of the SPV common shares was based on the pricing of the Concurrent Private Placement.
- (2) To record the impact of the 6,000,000 warrants issued by the Resulting Issuer to the warrants holders of Copper X. The warrants have an exercise price equal to the lesser of (a) a 25% premium to the deemed price per security issued pursuant to the Concurrent Private Placement and a term of 5 years. The fair value of the warrants was estimated using the Black-Scholes pricing model based on the following assumptions: risk-free interest rate of 2.88%, expected volatility of 80%, dividend yield of 0%, average expected life of 5 years and a fair value of common share of SPV of \$0.60. The fair value of the SPV shares issued is based on the pricing of the Concurrent Private Placement.
- (3) To adjust for the private placement of 500,000 common shares at a price of \$0.05 completed in May 2025 for a total amount of \$25,000, the repurchase of 540,000 common shares at a price of \$0.05 for an amount of \$27,000 and the Copper X Seed Financing of 3,333,331 common shares at a price of \$0.30 per share for a total amount of \$999,999. The estimated common share issuance costs amount to \$15,000.

4. PRO FORMA ADJUSTMENTS

The Pro Forma Financial Statements include the following assumptions and adjustments to give effect to the Transactions:

Financing:

- a. To record SPV Seed financing of 6,666,669 common shares at a price of \$0.30 per share for total gross proceeds of \$2,000,000, less estimated common share issuance costs of \$60,000, resulting in net proceeds of \$1,940,000.
- b. Concurrently with the transaction, SPV conducts the Concurrent Private Placement of 105,800,000 subscription receipts for an amount of \$63,480,000. The Concurrent Private Placement consists of common share subscription receipts at a price of \$0.60 per subscription receipt. The estimated subscription receipt issue costs amount to \$3,850,000 including the agents' commission of \$3,549,250. As a result, the net proceeds amount to \$59,630,000.

Acquisition:

- c. To record the deemed acquisition of Pecoy Copper's issued and outstanding common shares by SPV at a consideration deemed paid of \$2,340,000 as described in Note 3, including estimated transaction costs paid in cash of \$540,000. This adjustment also reflects Pecoy Copper private placement completed in June 2025 and its estimated transaction costs. As a result, listing expenses of \$2,500,690 were recognized in the unaudited pro forma statement of loss for the twelve-month period ended October 31, 2024.

Pecoy Copper Corp.

Notes to the Pro Forma Consolidated Financial Statements

As at April 30, 2025

(Unaudited)

(Expressed in Canadian dollars, unless noted otherwise)

- d. To record the deemed acquisition of Pembroke's and the minority interest of Pecoy Peru by SPV at a consideration deemed paid of \$39,183,535 as described in Note 3, including estimated transaction cost paid in cash of \$180,000. This adjustment also reflects Pembroke's estimated transaction costs and change of control payments to their former and current Chief Financial Officer and other Canadian and Peruvian employees, as well as the effect of the initial recognition exemption in regards of the deferred tax effects.
- e. To record the deemed acquisition of Copper X's issued and outstanding common shares and options by SPV at a consideration deemed paid of \$15,390,802 as described in Note 3, including estimated transaction cost paid in cash of \$180,000. This adjustment also reflects Copper X financings completed in May and June 2025, a repurchase of shares, the impact of shares and units issued as a settlement of liabilities, fair value adjustment for the deferred share issuance costs and Copper X's estimated transaction costs.

5. PRO FORMA SHARE CAPITAL

Share capital as at April 30, 2025 in the unaudited pro-forma consolidated statement of financial position is comprised of the following:

	Number of shares	Share Capital \$
Opening balance – SPV	18,333,331	1,093,977
Shares issued by SPV for the acquisition of Pecoy Copper	3,000,000	1,800,000
Shares issued by SPV as part of the SPV Seed Financing	6,666,669	1,940,000
Shares issued by SPV to MCV	9,480,000	4,845,456
Shares issued by SPV to Pembroke shareholders	29,314,356	17,588,614
Shares issued by the Resulting Issuer for settlement of Pembroke convertible note	8,333,333	5,000,000
Shares issued by SPV to Copper X shareholders	21,666,664	12,999,998
Shares issued under the Concurrent Private Placement	105,800,000	59,630,000
Total	202,594,353	104,898,045

Pecoy Copper Corp.

Notes to the Pro Forma Consolidated Financial Statements

As at April 30, 2025

(Unaudited)

(Expressed in Canadian dollars, unless noted otherwise)

6. PRO FORMA OUTSTANDING OPTIONS AND WARRANTS

a) The terms of the options outstanding as at April 30, 2025 are as follows:

	<u>Number</u>	<u>Exercise price</u> \$	<u>Years to expiry</u>
Pembroke replacement options	269,873	8.52	3.11
Pembroke replacement options	155,468	2.73	5.59
Pembroke replacement options	29,334	2.73	6.32
Weighted average		6.17	4.16

b) The terms of the warrants outstanding as at April 30, 2025 are as follows:

	<u>Number</u>	<u>Exercise price</u> C\$	<u>Years to expiry</u>
Resulting Issuer warrants issued to a convertible note holder (Note 3)	4,166,667	1.00	3.00
Resulting Issuer warrants issued to Copper X existing warrants holders (Note 3)	6,000,000	0.75	5.00

7. PRO FORMA LOSS PER SHARE

	<u>For the twelve-month ended October 31, 2024</u>	<u>For the six-month ended April 30, 2025</u>
Pro forma net loss	\$(3,878,027)	\$(1,060,518)
Pecoy Copper basic weighted average number of common shares outstanding	13,187	13,187
Shares issued by Pecoy Copper as part of a private placement	2,986,813	2,986,813
Shares issued to acquire SPV as part of the reverse take over	85,461,020	85,461,018
Shares issued by the Resulting Issuer for the acquisition of Pembroke	8,333,333	8,333,333
Shares issued under the Concurrent Private Placement	105,800,000	105,800,000
Total	202,594,353	202,594,351
Basic and diluted pro forma net loss per share	(0.02)	(0.01)

Basic and diluted net loss per share are identical as all potentially dilutive common shares are deemed to be antidilutive as a result of the pro forma net loss.

8. INCOME TAXES

The pro forma effective income tax rate applicable to the consolidated operations was based on the statutory tax rate of 26.60% applicable to all periods presented.

APPENDIX “O”

RESULTING ISSUER LONG TERM INCENTIVE PLAN

PECOY COPPER CORP.
OMNIBUS EQUITY INCENTIVE PLAN

Effective as of September 3, 2025

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PECOY COPPER CORP.

Omnibus Equity Incentive Plan

ARTICLE 1 PURPOSE

1.1 Purpose

The purpose of this Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors, Employees, Consultants and Investor Relations Service Providers, to reward such of those Directors, Employees, Consultants and Investor Relations Service Providers as may be granted Awards under this Plan by the Board from time to time for their contributions toward the long term goals and success of the Corporation and to enable and encourage such Directors, Employees, Consultants and Investor Relations Service Providers to acquire Shares as long term investments and proprietary interests in the Corporation.

ARTICLE 2 INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

“Affiliate” means any entity that is an “affiliate” for the purposes of National Instrument 45-106 – *Prospectus Exemptions*, as amended from time to time;

“Award” means any Option, Deferred Share Unit, Restricted Share Unit or Performance Share Unit granted under this Plan, which may be denominated or settled in Shares, cash or in such other forms as provided for herein;

“Award Agreement” means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, and evidencing the terms and conditions on which an Award has been granted under this Plan (including written or other applicable employment agreements) and which need not be identical to any other such agreements;

“**BCA**” means the *Business Corporations Act* (British Columbia);

“**Board**” means the board of directors of the Corporation as it may be constituted from time to time;

“**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Montreal are open for commercial business during normal banking hours;

“**Canadian Taxpayer**” means a Participant that is resident in Canada for purposes of the Tax Act;

“**Cash Fees**” has the meaning set forth in Subsection 5.1(a);

“**Cause**” means, with respect to:

- (a) a particular Employee: (1) “cause” as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Employee; (2) in the event there is no written or other applicable employment agreement between the Corporation or a subsidiary of the Corporation or “cause” is not defined in such agreement, “cause” as such term is defined in the Award Agreement; or (3) in the event neither clause (a) nor (a) apply, then “cause” as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where an employer can terminate an individual’s employment without notice or pay in lieu thereof;
- (b) in the case of a Consultant or Investor Relations Service Provider (1) the occurrence of any event which, under the written consulting contract with the Consultant or Investor Relations Service Provider or the common law or the laws of the jurisdiction in which the Consultant or Investor Relations Service Provider provides services, gives the Corporation or any of its Affiliates the right to immediately terminate the consulting contract; or (2) the termination of the consulting contract as a result of an order made by any Regulatory Authority having jurisdiction to so order;
- (c) in the case of a Director, ceasing to be a Director as a result of (1) ceasing to be qualified to act as a Director pursuant to the BCA; (2) a resolution having been passed by the shareholders pursuant to the BCA, or (3) an order made by any Regulatory Authority having jurisdiction to so order; or
- (d) in the case of an Officer, (1) cause as such term is defined in the written employment agreement with the Officer or if there is no written employment agreement or cause is not defined therein, the usual meaning of just cause under the common law or the laws of the jurisdiction in which the Officer provides services; or (2) ceasing to be an Officer as a result of an order made by any Regulatory Authority having jurisdiction to so order.

“Change of Control” means (i) the acceptance of an offer by a sufficient number of holders of shares of the Corporation to constitute the offeror, together with persons acting jointly or in concert with the offeror, a shareholder of the Corporation being entitled to exercise more than fifty (50%) percent of the voting rights attaching to the outstanding shares (provided that prior to the offer, the offeror was not entitled to exercise more than fifty (50%) percent of the voting rights attaching to the outstanding shares); (ii) the completion of a consolidation, merger or amalgamation of the Corporation with or into any other entity whereby the voting shareholders of the Corporation immediately prior to the consolidation, merger or amalgamation receive less than fifty (50%) percent of the voting rights attaching to the outstanding securities of the consolidated, merged or amalgamated entity; (iii) the completion of a sale whereby all or substantially all of the Corporation’s undertakings and assets become the property of any other entity and the voting shareholders of the Corporation immediately prior to that sale hold less than fifty (50%) percent of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale; or (iv) the first day on which a majority of the members of the Board are not current Directors.

“Commencement Date” has the meaning set forth in Section 9.1(e);

“Committee” has the meaning set forth in Section 3.2;

“Consultant” means, in relation to the Corporation, an individual (other than a Director, Officer, or Employee of the Corporation or any of its subsidiaries) or company that:

- (a) is engaged to provide services on an ongoing bona fide basis, consulting, technical management or other services to the Corporation or to any of its subsidiaries, other than services provided in relation to a Distribution;
- (b) provides the services under a written contract between the Corporation or any of its subsidiaries and the individual or the Corporation, as the case may be; and
- (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a subsidiary of the Corporation;

“Consultant Company” means a Consultant that is a company;

“Control” means:

- (a) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;
- (b) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and

- (c) when applied in relation to a trust, the beneficial ownership at the relevant time of more than fifty (50%) percent of the property settled under the trust, and

the words “**Controlled by**”, “**Controlling**” and similar words have corresponding meanings; provided that a Person who controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such Person and so on;

“**Corporation**” means Pecoy Copper Corp.;

“**Date of Grant**” means, for any Award, the current date or future date specified by the Plan Administrator at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;

“**Deferred Share Unit**” or “**DSU**” means any right granted under Article 5 of this Plan;

“**Director**” means a director of the Corporation who is not an Employee;

“**Director Fees**” means the total compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a Director in a calendar year for service on the Board;

“**Disabled**” or “**Disability**” means, in respect of a Participant, suffering from a state of mental or physical disability, illness or disease that prevents the Participant from carrying out his or her normal duties as an Employee for a continuous period of six months or for any period of 180 days in any consecutive twelve month period, as certified by two medical doctors or as otherwise determined in accordance with procedures established by the Plan Administrator for purposes of this Plan;

“**Discounted Market Price**” means (a) if the Market Price is not greater than \$0.05, then Market Price (subject to a minimum price per security of \$0.01); or (b) if the Market Price is greater than \$0.05, then the Market Price less the following maximum discounts based on closing price (and subject, notwithstanding the application of any such maximum discount, to a minimum price per security of \$0.05): (i) up to \$0.50 - 25%; (ii) \$0.51 to \$2.00 - 20%; and (iii) above \$2.00 - 15%;

“**Disinterested Shareholders Approval**” means approval in accordance with the TSX Venture Exchange Policy 4.4 by the Corporation’s shareholders at a duly constituted meeting of shareholders, excluding (i) votes attached to the Shares beneficially owned by Insiders to whom Awards may be granted under this Plan and the Associates and the Affiliates of such Insiders; and (ii) such other excluded votes as described under the TSX Venture Exchange Policy 4.4;

“**Effective Date**” means the effective date of this Plan, being September 3, 2025;

“**Elected Amount**” has the meaning set forth in Subsection 5.1(a);

“**Electing Person**” means a Participant who is, on the applicable Election Date, a Director;

“**Election Date**” means the date on which the Electing Person files an Election Notice in accordance with Subsection 5.1(b);

“Election Notice” has the meaning set forth in Subsection 5.1(b);

“Employee” means

- (i) an individual who is considered an employee of the Corporation or of its subsidiary under the Tax Act and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
- (ii) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and methods of work as an employee of the Corporation or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
- (iii) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum of twenty (20) hours per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and methods of work as an employee of the Corporation or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source;

“Exchange” means the TSX Venture Exchange and any other exchange on which the Shares are or may be listed from time to time;

"Exchange Hold Period" means the four month resale restriction imposed by the Exchange on the shares, more particularly described in the Exchange's Policy 1.1 - *Interpretation*;

“Exercise Notice” means a notice in writing, signed by a Participant and stating the Participant's intention to exercise a particular Option;

“Exercise Price” means the price at which an Option Share may be purchased pursuant to the exercise of an Option;

“Expiry Date” means the expiry date specified in the Award Agreement (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth (10th) anniversary of the Date of Grant;

“Insider” has the meaning given to such term in the Exchange's Policy 1.1 - *Interpretation*, as such policy may be amended, supplemented or replaced from time to time;

“Investor Relations Activities” means any activities or oral or written communications, by or on behalf of the Corporation or shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - (i) to promote the sale of products or services of the Corporation; or
 - (ii) to raise public awareness of the Corporation;

that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;

- (b) activities or communications necessary to comply with the requirements of:
 - (i) applicable securities laws; and
 - (ii) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or Exchange having jurisdiction over the Corporation;
- (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (i) the communication is only through the newspaper, magazine or publication; and
 - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (d) activities or communications that may be otherwise specified by an Exchange.

“Investor Relations Service Providers” includes any Consultant that performs Investor Relations Activities and any Director, Officer or Employee whose role and duties primarily consist of Investor Relations Activities.

“Management Company Employee” means an individual employed by a company providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities.

“Market Price” at any date in respect of the Shares shall be the volume weighted average closing price of the Shares on the Exchange, for the five trading days immediately preceding the Date of Grant (or, if such Shares are not then listed and posted for trading on the Exchange, on such stock exchange on which the Shares are listed and posted for trading as may be selected for such purpose by the Board); provided that, for so long as the Shares are listed and posted for trading on the Exchange, the Market Price shall not be less than the market price, as calculated under the policies of the Exchange. In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion;

“Officer” means an officer (as defined under Securities Laws) of the Corporation or of any of its subsidiaries;

“Option Shares” means Shares issuable by the Corporation upon the exercise of outstanding Options;

“Participant” means an Officer, Employee, Consultant, Management Company Employee, an Investor Relations Service Provider or Director to whom an Award has been granted under this Plan;

“Participant’s Employer” means with respect to a Participant that is or was an Employee, the Corporation or such subsidiary of the Corporation as is or, if the Participant has ceased to be employed by the Corporation or such subsidiary of the Corporation, was the Participant’s Employer;

“Performance Goals” means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, a subsidiary of the Corporation, a division of the Corporation or a subsidiary of the Corporation, or an individual, or may be applied to the performance of the Corporation or a subsidiary of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;

“Performance Share Unit” or “PSU” means any right granted under Article 7 of this Plan;

“Person” means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

“Plan” means this Omnibus Equity Incentive Plan, as may be amended from time to time;

“Plan Administrator” means the Board or, to the extent that the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

“Restricted Share Unit” or “RSU” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 6;

“Retirement” means, unless otherwise defined in the Participant’s written or other applicable employment agreement or in the Award Agreement, the termination of the Participant’s working career at the age of 67 or such other retirement age, with consent of the Plan Administrator, if applicable;

“Securities Laws” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject;

“Security Based Compensation Arrangement” means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Participants;

“Share” means one common share in the capital of the Corporation as constituted on the Effective Date, or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, and/or one share of any additional class of common shares in the capital of the Corporation as may exist from time to time, or after an adjustment contemplated by Article 11, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;

“subsidiary” means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Corporation has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary, provided that, in the case of a Canadian Taxpayer, the issuer is related (for purposes of the Tax Act) to the Corporation;

“Tax Act” means the *Income Tax Act* (Canada);

“Termination Date” means:

- (a) in the case of an Employee whose employment with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Employee and the Corporation or a subsidiary of the Corporation in a written employment agreement, or other written agreement between the Employee and Corporation or a subsidiary of the Corporation, or (ii) if no written employment agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which an Employee ceases to be an employee of the Corporation or the subsidiary of the Corporation, as the case may be, provided that, in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date that notice of resignation was given, and “Termination Date” specifically does not mean the date of termination of any period of reasonable notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant; or
- (b) in the case of a Consultant whose consulting agreement or arrangement with the Corporation or a subsidiary of the Corporation, as the case may be, terminates, the date that is designated by the Corporation or the subsidiary of the Corporation (as the case may be), as the date on which the Participant’s consulting agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant of the Participant’s consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given, and “Termination Date” specifically does not mean the date on which any period of notice of termination that the Corporation or the subsidiary of the Corporation (as the case may be) may be required to provide to the Participant under the terms of the consulting agreement or arrangement expires.

2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term “discretion” means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms “Article”, “Section”, “Subsection” and “clause” mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

ARTICLE 3 ADMINISTRATION

3.1 Administration

This Plan will be administered by the Plan Administrator and except as otherwise provided for herein, the Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals to whom grants of Awards under the Plan may be made;
- (b) make grants of Awards under the Plan, whether relating to the issuance of Shares or otherwise (including any combination of Options, Deferred Share Units, Restricted Share Units or Performance Share Units), in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Awards may be granted;
 - (ii) the conditions under which:

- (A) Awards may be granted to Participants; or
- (B) Awards may be forfeited to the Corporation,
including vesting and any conditions relating to the attainment of specified Performance Goals;
- (iii) the number of Shares to be covered by any Award;
- (iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
- (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
- (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine, subject to the requirements set out in TSX Venture Exchange Policy 4.4;
- (c) establish the form or forms of Award Agreements;
- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;
- (e) construe and interpret this Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws;
- (g) if an Award is to be granted to Employees, Consultant, or Management Company Employees, the Plan Administrator and the Participant to whom that Award is to be granted are responsible for ensuring and confirming that the Participant is a bona fide Employee, Consultant or Management Company Employee; and
- (h) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

3.2 Delegation to Committee

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the “**Committee**”) all or any of the powers conferred on the Plan Administrator pursuant to this Plan, including the power to

sub-delegate to any member(s) of the Committee or any specified officer(s) of the Corporation or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party.

3.3 Determinations Binding

Except as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Corporation and all subsidiaries of the Corporation, the affected Participant(s), their respective legal and personal representatives and all other Persons.

3.4 Eligibility

All Officers, Employees, Consultants, Management Company Employees, Investor Relations Service Providers and Directors are eligible to participate in the Plan, subject to Section 9.1(f). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Officer, Employee, Consultant, Management Company Employee, Investor Relations Service Provider or Director any right to receive any grant of an Award pursuant to the Plan. The extent to which any Officer, Employee, Consultant, Management Company Employee, Investor Relations Service Providers or Director is entitled to receive a grant of an Award pursuant to the Plan will be determined in the discretion of the Plan Administrator.

3.5 Plan Administrator Requirements

Any Award granted under this Plan shall be subject to the requirement that, if at any time the Corporation shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

3.6 Total Shares Subject to Awards

- (a) In respect of Options, so long as it may be required by the rules and policies of the Exchange:

- (i) the aggregate number of Shares issuable under this Plan in respect of Options, Deferred Share Units, Restricted Share Units and Performance Share Units shall not exceed in the aggregate ten (10%) percent of the Corporation's issued and outstanding Shares at any point in time;
 - (ii) Investor Relations Service Providers may only receive Options as Awards under this Plan;
 - (iii) All Options granted to Investor Relations Service Providers will vest and become exercisable in stages over a period of not less than twelve (12) months, with no more than one-quarter (1/4) of such Options vesting and becoming exercisable in any three (3) month period;
 - (iv) the total number of Options issuable to Investor Relations Service Providers shall not exceed two (2%) percent of the issued and outstanding Shares in any twelve (12) month period, calculated as at the date any Award is granted; and
- (b) Any exercise of Options, Deferred Share Units, Restricted Share Units and Performance Share Units does increase the available number of Options, Deferred Share Units, Restricted Share Units and Performance Share Units issuable under the Plan.
- (c) In the event of a Cashless Exercise or Net Exercise, it is the the number of Options exercised, surrendered or converted, and not the number of listed Shares actually issued by the Corporation, that must be included in calculating the limits set forth in Sections 3.6 and 3.7 of the Plan.

3.7 Limits on Grants of Awards

Notwithstanding anything in this Plan:

- (a) If the Corporation is subject to the policies of the Exchange, the number of Shares issuable pursuant to Awards granted under the Corporation's Security Based Compensation Arrangements in existence from time to time on and after the effective date of the Plan:
 - (i) to Insiders (as a group) shall be no more than 10% of the issued and outstanding share capital of the Corporation at any point in time, unless the Corporation has obtained Disinterested Shareholder Approval;
 - (ii) to Insiders (as a group) shall be no more than 10% of the issued and outstanding share capital of the Corporation within any 12 month period, calculated as at the date any Award is granted to any Insider, unless the Corporation has obtained Disinterested Shareholder Approval;
 - (iii) to any one Person, shall be no more than 5% of the issued and outstanding share capital of the Corporation within any 12 month period, calculated as at the date any Award is granted, with the exception of a Consultant who may not receive grants of more than 2% of the issued and outstanding share

capital of the Corporation within any 12 month, calculated as at the date any Award is granted;

- (iv) to all Investor Relations Service Providers, shall be no more than an aggregate of 2% of the number of issued and outstanding Shares in the capital of the Corporation within any 12 month period, calculated as at the date any Award is granted, and shall only include Awards of Options; and
- (b) if the recipient of an Award is a company, excluding Participants that are Consultant Companies, then such recipient must provide the Exchange with a completed Certification and Undertaking Required from a Company Granted Security Based Compensation in the form of Schedule “A” to Form 4G - *Summary Form – Security Based Compensation*.
- (c) If the Corporation is subject to the policies of the Exchange then the aggregate number of Shares:
 - (i) issuable to Insiders at any time under all of the Corporation’s Security Based Compensation Arrangements, shall not exceed 10% of the Corporation’s total issued and outstanding Shares; and
 - (ii) issued to Insiders within any one year period, under all of the Corporation’s Security Based Compensation Arrangements, shall not exceed 10% of the Corporation’s total issued and outstanding Shares.

3.8 Award Agreements

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one Officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, any Award Agreement to a Participant granted an Award pursuant to this Plan.

3.9 Non-transferability of Awards

Except as permitted by the Exchange, and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant by will or as required by law (and in accordance with Section 9.1(d)), no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards or under this Plan whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

ARTICLE 4 OPTIONS

4.1 Granting of Options

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.

4.2 Exercise Price

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the greater of (i) the Discounted Market Price on the Date of Grant, and \$0.05.

4.3 Term of Options

Subject to any accelerated termination as set forth in this Plan, each Option expires on its Expiry Date and the Plan Administrator will ensure that no Option shall be exercised beyond the date permitted by the Exchange, subject to a maximum exercise period of no more than ten (10) years unless extended pursuant to Section 8.2 of the Plan.

4.4 Vesting and Exercisability

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options provided that for so long as the Corporation is listed on the Exchange:
 - (i) Options granted to Investor Relations Service Providers shall be subject to the vesting requirements set out in TSX Venture Exchange Policy 4.4, namely, that such Options must vest in stages over a period of not less than 12 months such that:
 - (A) no more than 1/4 of the Options vest no sooner than 3 months after the Options were granted;
 - (B) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted;
 - (C) no more than another 1/4 of the Stock Options vest no sooner than nine months after the Stock Options were granted;
 - (D) the remainder of the Options vest no sooner than 12 months after the Options were granted.
 - (ii) Subject to section 4.4(a)(i), Options granted to all other Participants shall be subject to the vesting requirements determined by the Plan Administrator.
- (b) Once an instalment becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant. Each vested Option or instalment may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any instalment of any Option, other than an Option granted to an Investor Relations Service Provider, becomes exercisable. Notwithstanding the following, Options granted to an Investor Relations Activities Service Provider cannot be accelerated without the prior acceptance of the Exchange.

- (c) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Corporation.
- (d) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in this Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

4.5 Payment of Exercise Price

- (a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid by certified cheque, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Plan Administrator, which may include (i) in the event that payment of the Exercise Price is occurring via cashless exercise in accordance with Sections 4.6 and 4.7 of this Plan, respectively, through an arrangement with a broker or other third party approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option, or (ii) such other consideration and method of payment for the issuance of Shares to the extent permitted by the Exchange and Securities Laws, or any combination of the foregoing methods of payment.
- (b) No Shares will be issued or transferred until full payment therefor has been received by the Corporation.

4.6 Cashless Exercise

Subject to prior approval by the Board, where the Corporation has an arrangement with a brokerage firm or other third party pursuant to which the party will loan money to a Participant to purchase the Shares underlying Options, the Participant may borrow money from such party to exercise Options. The brokerage firm or other third party will then sell a sufficient number of Shares to cover the Exercise Price of such Option in order to repay the loan made to the Participant. The brokerage firm or other third party will receive an equivalent number of Shares from the exercise of such Options and the Participant will receive the balance of the Shares or the cash proceeds from the balance of such Shares.

4.7 Net Exercise of Options

Subject to prior approval by the Board, a Participant other than an Investor Relations Service Provider, may elect to surrender for cancellation to the Corporation any vested Option. The Corporation will issue to the Participant, as consideration for the surrender of the Option, that number of Option Shares (rounded down to the nearest whole number) determined on a net issuance basis in accordance with the following formula below. The Corporation may elect to forego any deduction in accordance with subsection 110(1.1) of the Tax Act in respect of such surrender:

$$X = \frac{Y}{A - B}$$

A

where:

X = The number of Option Shares issuable to the Participant as consideration in respect of the exchange or surrender of an Option under this Section 4.7;

Y = The number of Option Shares issuable with respect to the vested portion of the Option exercised by the Participant (the “**Subject Options**”);

A = The VWAP of the Shares; and

B = The Exercise Price of the Subject Options.

ARTICLE 5 DEFERRED SHARE UNITS

5.1 Granting of DSUs

- (a) The Plan Administrator may fix, from time to time, a portion of the Director Fees that is to be payable in the form of DSUs. In addition, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 5.1(b) to participate in the grant of additional DSUs pursuant to this Article 5. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this Article 5 shall receive their Elected Amount (as that term is defined below) in the form of DSUs in lieu of cash. The “**Elected Amount**” shall be an amount, as elected by the Director, in accordance with applicable tax law, between 0% and 100% of any Director Fees that are otherwise intended to be paid in cash (the “**Cash Fees**”).
- (b) Each Electing Person who elects to receive their Elected Amount in the form of DSUs in lieu of cash will be required to file a notice of election in the form of Schedule A hereto (the “**Election Notice**”) with the Chief Financial Officer of the Corporation by June 30th in the year prior to the year to which such election is to apply.
- (c) Subject to Subsection 5.1(d), the election of an Electing Person under Subsection 5.1(b) shall be deemed to apply to all Cash Fees that would be paid subsequent to the filing of the Election Notice, and such Electing Person is not required to file another Election Notice for subsequent calendar years.
- (d) Each Electing Person is entitled once per calendar year to terminate his or her election to receive DSUs in lieu of Cash Fees by filing with the Chief Financial Officer of the Corporation a notice in the form of Schedule B hereto. Such termination shall be effective immediately upon receipt of such notice, provided that the Corporation has not imposed a “black-out” on trading. Thereafter, any portion of such Electing Person’s Cash Fees payable or paid in the same calendar year and, subject to complying with Subsection 5.1(b), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 5, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs in lieu of cash again until the calendar year following the year in which the termination notice is delivered.

- (e) Any DSUs granted pursuant to this Article 5 prior to the delivery of a termination notice pursuant to Section 5.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.
- (f) The number of DSUs (including fractional DSUs) granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any compensation that is to be paid in DSUs (including Director Fees and any Elected Amount), as determined by the Plan Administrator, by (ii) the Market Price of a Share on the Date of Grant.
- (g) In addition to the foregoing, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant DSUs to any Participant.

5.2 DSU Account

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant. The terms and conditions of each DSU grant shall be evidenced by an Award Agreement.

5.3 Vesting of DSUs

Subject to TSX Venture Exchange Policy 4.4, the Plan Administrator shall have the authority to determine the vesting terms applicable to grants of DSUs, which, for certainty, shall not be before the date that is one year following the date of the grant, except if otherwise authorized under Section 9.2.

5.4 Settlement of DSUs

- (a) DSUs shall be settled on the date established in the Award Agreement; provided, however that, notwithstanding any other terms of this Plan to the contrary, in no event shall a DSU Award be settled prior to, or later than one (1) year following, the date of the applicable Participant's separation from service. If the Award Agreement does not establish a date for the settlement of the DSUs, then the settlement date shall be the date of separation from service. Except as otherwise provided in an Award Agreement, on the settlement date for any DSU, the Participant shall redeem each vested DSU will be redeemed for:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct, or
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 5.4 by the Corporation to a Participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Share as at the

settlement date.

- (c) Payment of cash to Participants on the redemption of vested DSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.

ARTICLE 6

RESTRICTED SHARE UNITS

6.1 Granting of RSUs

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of services rendered in the year of grant. The terms and conditions of each RSU grant shall be evidenced by an Award Agreement.
- (b) The number of RSUs (including fractional RSUs) granted at any particular time pursuant to this Article 6 will be calculated by dividing (i) the amount of any compensation that is to be paid in RSUs, as determined by the Plan Administrator, by (ii) the Market Price of a Share on the Date of Grant.

6.2 RSU Account

All RSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

6.3 Vesting of RSUs

Subject to the TSX Venture Exchange Policy 4.4, the Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, which, for certainty, shall not be before the date that is one year following the date of the grant, except if otherwise authorized under Section 9.2.

6.4 Settlement of RSUs

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms, including time of settlement, applicable to the grant of RSUs and such terms will be set forth in the applicable Award Agreement. Subject to 11.2 below and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant shall redeem each vested RSU for:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct, or
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,

in each case as determined by the Plan Administrator in its discretion.

- (b) Any cash payments made under this Section 6.4 by the Corporation to a Participant in respect of RSUs to be redeemed for cash shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Subject to Section 11.2 below and except as otherwise provided in an Award Agreement, no settlement date for any RSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any RSU, under this Section 6.4 any later than the final Business Day of the third calendar year following the year in which the RSU is granted.

ARTICLE 7

PERFORMANCE SHARE UNITS

7.1 Granting of PSUs

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Employee and Director in respect of services rendered in the year of grant. The terms and conditions of each PSU grant shall be evidenced by an Award Agreement. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 7.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.

7.2 Terms of PSUs

The Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of an Employee or Director's employment and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

7.3 Performance Goals

The Plan Administrator will issue Performance Goals prior to the Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate or individual goals, and may be applied relative to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the Performance Goals as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with an Employee or Director. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

7.4 PSU Account

All PSUs received by an Employee or Director shall be credited to an account maintained for the Employee or Director on the books of the Corporation, as of the Date of Grant.

7.5 Vesting of PSUs

Subject to TSX Venture Exchange Policy 4.4, the Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs, which, for certainty, shall not be before the date that is one year following the date of the grant, except if otherwise authorized under Section 9.2.

7.6 Settlement of PSUs

- (a) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of PSU, which shall be set forth in the applicable Award Agreement. Subject to Section 11.2 below and except as otherwise provided in an Award Agreement, on the settlement date for any PSU, the Employee or Director shall redeem each vested PSU will be redeemed for:
 - (i) one fully paid and non-assessable Share issued from treasury to the Employee or Director or as the Employee or Director may direct, or
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 7.6 by the Corporation to an Employee or Director in respect of PSUs to be redeemed for cash shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Employees and Directors on the redemption of vested PSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Subject to Section 11.2 below and except as otherwise provided in an Award Agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any PSU, under this Section 7.6 any later than the final Business Day of the third calendar year following the year in which the PSU is granted.

ARTICLE 8 ADDITIONAL AWARD TERMS

8.1 Dividend Equivalents

- (a) Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, and subject to the restrictions of the Exchange set out in Subsection 3.7(a) above (if the Corporation is subject to the policies of the Exchange), as part of a Participant's grant of DSUs, PSUs or RSUs (as applicable)

and in respect of the services provided by the Participant for such original grant, DSUs, PSUs and RSUs (as applicable) shall be credited with dividend equivalents in the form of additional DSUs, PSUs or RSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be in the amount a Participant would have received if the DSUs, PSUs or RSUs had been settled for Shares on the record date of such dividend. Dividend equivalents credited to a Participant's account shall be subject to the same terms and conditions, including vesting and time of settlement, as the DSUs, PSUs or RSUs, as applicable, to which they relate. Notwithstanding any other terms of this Plan, if the number of securities issued as dividend equivalents, together with all of the Corporation's other share-based compensation would exceed any of the limits set forth in this Plan or TSX Venture Exchange Policy 4.4, then the Corporation may make payment for such dividend in cash to the extent that it does not have a sufficient number of Shares available under this Plan to satisfy its obligations in respect of such dividends.

- (b) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

8.2 Blackout Period

In the event that an Award expires, at a time when an undisclosed material change or material fact in the affairs of the Corporation exists, subject to the requirements of TSX Venture Exchange Policy 4.4, the expiry of such Award will be extended to a date that is no later than ten (10) business days after the expiry of the blackout period formally imposed by the Corporation pursuant to its internal trading policies as a result of the undisclosed material change or material fact.

8.3 Withholding Taxes

- (a) Notwithstanding any other terms of this Plan, and subject to TSX Venture Exchange Policy 4.4, the granting, vesting or settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation the minimum amount as the Corporation or an Affiliate of the Corporation is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or an Affiliate of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation may (a) withhold such amount from any remuneration or other amount payable by the Corporation or any Affiliate to the Participant, (b) require the sale of a number of Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Corporation of the net

proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

- (b) If the Corporation does not withhold an amount or require payment of an amount by a Participant sufficient to satisfy all obligations referred to in 8.3(a) the Participant shall forthwith make reimbursement, on demand, in cash, of any amount paid by the Corporation to a governmental authority to satisfy any such obligation.

8.4 Recoupment

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or the relevant subsidiary of the Corporation and in effect at the Date of Grant of the Award, or as set out in the Participant's employment agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 8.4 to any Participant or category of Participants.

ARTICLE 9 TERMINATION OF EMPLOYMENT OR SERVICES

9.1 Termination of Employment, Services or Director

Subject to Section 9.2, unless otherwise determined by the Plan Administrator and set forth in an employment agreement, Award Agreement or other written agreement, but always subject to any restrictions in Section 4.11 of TSX Venture Exchange Policy 4.4:

- (a) where a Participant's employment, consulting agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of termination by the Corporation or a subsidiary of the Corporation for Cause, then any Option or other Award held by the Participant that has not been exercised as of the Termination Date shall be immediately forfeited and cancelled as of the Termination Date;
- (b) where a Participant's employment, consulting agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant, then any Option or other Award held by the Participant that has not been exercised as of the date that is ninety (90) days following the Termination Date shall be immediately forfeited and cancelled as of such date;
- (c) subject to Section 4.6 of TSX Venture Exchange Policy 4.4, where a Participant's employment, consulting agreement or arrangement is terminated by the Corporation or a subsidiary of the Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) then a portion of any unvested Options or other Awards shall immediately vest, such portion to be equal to the number of unvested Options or other Awards held by the Participant as of the Termination Date multiplied by a fraction the numerator of which is the number of days between the Date of Grant and the Termination Date

and the denominator of which is the number of days between the Date of Grant and the date any unvested Options or other Awards were originally scheduled to vest, which vested Options or other Awards may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date or any other date determined by the Plan Administrator. Any Option or other Award that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;

- (d) where a Participant becomes Disabled, then any Option held by the Participant that has not vested as of the date of the Disability of such Participant shall continue to vest in accordance with its terms and may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the first anniversary of the Participant's date of Disability. Any Option that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;
- (e) where a Participant's employment, consulting agreement or arrangement is terminated by reason of the death of the Participant, then any Option or other Award held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date and may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the first anniversary of the date of the death of such Participant. Any Option or other Award that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;
- (f) where a Participant's employment, consulting agreement or arrangement is terminated due to Retirement, then any Option or other Award held by the Participant that has not vested as of the date of such Retirement shall continue to vest in accordance with its terms and may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the first anniversary of the Participant's date of Retirement. Any Option or other Award that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period. Notwithstanding the foregoing, if, following his or her Retirement, the Participant commences (the "**Commencement Date**") employment, consulting or acting as a director of the Corporation or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any Person that carries on or proposes to carry on a business competitive with the Corporation or any of its subsidiaries, any Option or other Award held by the Participant that has not been exercised as of the Commencement Date shall be immediately forfeited and cancelled as of the Commencement Date;
- (g) a Participant's eligibility to receive further grants of Options or other Awards under this Plan ceases as of:
 - (i) the date that the Corporation or a subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the

Participant's employment, consulting agreement or arrangement is terminated, notwithstanding that such date may be prior to the Termination Date; or

(ii) the date of the death, Disability or Retirement of the Participant; and

(h) notwithstanding Subsection 9.1(b), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Options or other Awards are not affected by a change of employment or consulting agreement or arrangement, or directorship within or among the Corporation or a subsidiary of the Corporation for so long as the Participant continues to be a Director, Employee, Consultant, Investor Relations Service Provider, as applicable, of the Corporation or a subsidiary of the Corporation.

9.2 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 9.1 but subject to compliance with the policies of the Exchange, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator. Notwithstanding the following, Options granted to Investor Relations Service Providers cannot be accelerated without the prior acceptance of the Exchange.

9.3 Participants' Entitlement

Except as otherwise provided in this Plan, Awards previously granted under this Plan are not affected by any change in the relationship between, or ownership of, the Corporation and an Affiliate of the Corporation. For greater certainty, all grants of Awards remain outstanding and are not affected by reason only that, at any time, an Affiliate of the Corporation ceases to be an Affiliate of the Corporation.

ARTICLE 10 EVENTS AFFECTING THE CORPORATION

10.1 General

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this ARTICLE 10 would have an adverse effect on this Plan or on any Award granted hereunder.

10.2 Change in Control

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant:

- (a) Subject to the prior approval of the Exchange, where applicable, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control; provided that such Participant ceases to be an eligible Participant under this Plan upon such change of control; (iii) subject to prior acceptance by the Exchange, the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction net of any exercise price payable by the Participant (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights net of any exercise price payable by the Participant, then such Award may be terminated by the Corporation without payment); (iv) subject to prior acceptance by the Exchange, the replacement of such Award with other rights or property selected by the Board in its sole discretion; or (v) subject to prior acceptance by the Exchange, any combination of the foregoing. In taking any of the actions permitted under this Subsection 10.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Subsection 10.2(a)) any property in connection with a Change of Control other than rights to acquire shares of a corporation or units of a "mutual fund trust" (as defined in the Tax Act), of the Corporation or a "qualifying person" (as defined in the Tax Act) that does not deal at arm's length (for purposes of the Tax Act) with the Corporation, as applicable, at the time such rights are issued or granted. Notwithstanding the foregoing, in the case of DSUs held by a Canadian Taxpayer, the Plan Administrator may not (pursuant to this Subsection 11.2(a)) redeem any such DSUs in connection with a Change of Control.
- (b) Notwithstanding Subsection 10.2(a), and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Corporation may terminate all of the Awards granted under this Plan (other than Options held by Canadian Taxpayers) at the time of and subject to the completion of the Change in Control transaction by paying to each

holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably, or in the case of Options held by a Canadian Taxpayer by permitting the Canadian Taxpayer to surrender such Options to the Corporation for an amount for each such Option equal to the fair market value of such Option as determined by the Plan Administrator, acting reasonably, upon the completion of the Change in Control (following which such Options may be cancelled for no consideration).

- (c) Any actions taken under this Section 10.2 will comply with the policies of the Exchange including, without limitation, the requirement that the acceleration of vesting of Options granted to Investor Relations Service Provider shall only occur with the prior written approval of the Exchange.

10.3 Reorganization of Corporation's Capital

Subject to the prior approval of the Exchange, if applicable, should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, then the Plan Administrator in consultation with the Board will take such steps as are required to preserve the proportionality of the rights and obligations of the Participants holding such Awards as it deems equitable and appropriate.

10.4 Other Events Affecting the Corporation

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange (if required), authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

10.5 Immediate Acceleration of Awards

In taking any of the steps provided in Sections 10.3 and 10.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 10.3 and 10.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required, to permit the immediate

vesting of any unvested Awards other than any Options granted to an Investor Relations Service Provider, subject to the requirements set forth in TSX Venture Exchange Policy 4.4.

10.6 Issue by Corporation of Additional Shares

Except as expressly provided in this Article 11, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards or other entitlements of the Participants under such Awards.

10.7 Fractions

No fractional Shares will be issued pursuant to an Award. Accordingly, (whether as a result of any adjustment under this ARTICLE 10, a dividend equivalent or otherwise), a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 11 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

11.1 Amendment, Suspension, or Termination of the Plan

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that:

- (a) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements; and
- (b) any amendments to the Plan or to any Awards granted pursuant to the Plan are subject to Exchange approval (including such amendments that do not otherwise trigger approval of the holders of voting shares of the Corporation).

11.2 Shareholder Approval

This Plan, and any renewal of this Plan, is each subject to the approval of the holders of voting shares of the Corporation and the approval of the Exchange. Any Options granted under this Plan prior to receipt of shareholder approval for the Plan will not be exercisable or binding on the Corporation unless and until such approval is obtained. DSUs, PSUs and RSUs cannot be granted under this Plan prior to receipt of shareholders approval.

Notwithstanding Section 11.1 and subject to any rules of the Exchange or/and any applicable regulatory authority, the approval of the holders of voting shares of the Corporation (and Disinterested Shareholder Approval only if required under TSX Venture Exchange Policy 4.4) shall be required for any amendment, modification or change that:

- (a) increases the percentage of Shares reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increases or removes the limitations set out in Sections 3.6 and 3.7;
- (c) allows for the grant to Insiders (as a group), within a twelve (12) month period, an aggregate number of Awards exceeding ten (10%) percent of the Corporation's issued Shares, calculated at the date the Award is granted to the Insider;
- (d) allows for the grant to any one Participant, within a twelve (12) month period, an aggregate number of Awards exceeding five (5%) percent of the Corporation's issued Shares, calculated at the date the Award is granted to the Insider;
- (e) reduces the exercise price of an Award to an Insider (for this purpose, a cancellation or termination of an Award of a Participant prior to its Expiry Date for the purpose of reissuing an Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Award) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (f) extends the term of an Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a blackout period applicable to the Participant);
- (g) increases or removes the limits on the participation of Directors;
- (h) permits Awards to be transferred to a Person; or
- (i) changes the eligible participants of the Plan.

11.3 Permitted Amendments

Without limiting the generality of Section 11.1, but subject to Section 11.2 and any rules of the Exchange, the Plan Administrator may, without the approval of the holders of voting shares of the Corporation, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of

the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;

- (c) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Directors; or
- (d) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

ARTICLE 12 MISCELLANEOUS

12.1 Legal Requirement

The Corporation is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

12.2 News Release

Every Awards granted or issued to a Director, an Officer, or an Investor Relations Service Provider, and any amendment to such Award, must be disclosed to the public by way of a news release on the day the Awards are granted, issue or amended.

12.3 No Other Benefit

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

12.4 Rights of Participant

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Consultant, Investor Relations Service Provider or Director. No Participant has any rights as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

12.5 Corporate Action

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

12.6 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Plan shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Corporation or a subsidiary of the Corporation, as the case may be, on the other hand, the provisions of the Plan shall prevail.

12.7 Anti-Hedging Policy

By accepting the Option or Award each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Options or Awards.

12.8 Participant Information

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan (including as to whether the circumstances described in Section 9.1(e) exist). Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

12.9 Participation in the Plan

- (a) The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares. The Corporation does not assume responsibility for the income or other tax consequences for the Participants and Directors and they are advised to consult with their own tax advisors.
- (b) The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Corporation is listed as

may be required. The Corporation shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:

- (i) obtaining any approvals from governmental agencies that the Corporation determines are necessary or advisable; and
 - (ii) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Corporation determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.
- (c) The inability or impracticability of the Corporation to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Corporation's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Corporation of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

12.10 International Participants

Subject to compliance with the policies of the Exchange, with respect to Participants who reside or work outside Canada, the Plan Administrator may, in its discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

12.11 No Limit on Other Security-Based Compensations Arrangements

- (a) Nothing contained in this Plan shall prevent the Corporation from adopting or continuing in effect other security-based compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.
- (b) Subject to prior acceptance of the Exchange, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant other security-based compensation arrangements to any Participant; provided, however, that such right will comply with applicable law. Subject to prior acceptance of the Exchange, the terms of this Plan, and any applicable Award Agreement, the Plan Administrator will determine the terms and conditions of other security-based compensation arrangements. Shares or other securities delivered pursuant to a purchase right granted under this Section 12.11 of the Plan will be purchased for such consideration, which may be paid by such method or methods and in such form or forms, including, without limitation, cash, Shares, other securities, other Awards, other property, or any combination thereof, as the Plan Administrator shall determine in its discretion.

12.12 No Representations or Warranties

The Corporation makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.

12.13 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation and its subsidiaries.

12.14 General Restrictions on Assignment

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

12.15 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

12.16 Notices

All written notices to be given by a Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

Pecoy Copper Corp.
1500-1055 West Georgia Street
Vancouver, BC V6E 4N7

Attention: Chief Financial Officer

All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth business day following the date of mailing; provided that in the event of any actual or imminent postal disruption, notices shall be delivered to the appropriate party and not sent by mail. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

12.17 Effective Date

This Plan shall become effective upon the date of approval by the shareholders of the Corporation given by affirmative vote of the majority of the Shares represented at the meeting of the shareholders of the Corporation at which motion to approve the Plan is presented.

12.18 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the internal laws of the Province of British Columbia and the federal laws of Canada applicable therein, without reference to conflicts of law rules.

12.19 Submission to Jurisdiction

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of British Columbia in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.

SCHEDULE A

PECOY COPPER CORP. EQUITY INCENTIVE PLAN (THE "PLAN")

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the grant of DSUs pursuant to Article 5 of the Plan and to receive ____% of my Cash Fees in the form of DSUs in lieu of cash.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when DSUs credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Corporation will make all appropriate withholdings as required by law at that time.
- (c) The value of DSUs is based on the value of the Shares of the Corporation and therefore is not guaranteed.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Date: _____

(Name of Participant)

(Signature of Participant)

SCHEDULE B

**PECOY COPPER CORP.
EQUITY INCENTIVE PLAN (THE "PLAN")**

ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUS

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the date hereof shall be paid in DSUs in accordance with Article 5 of the Plan.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: _____

(Name of Participant)

(Signature of Participant)

Note: An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.