

**Halcones Precious Metals Corp.**  
**Management's Discussion and Analysis**  
**For the three and nine months ended September 30, 2025**  
*(in Canadian dollars, unless otherwise noted)*

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**Date: November 28, 2025**

This Management's Discussion and Analysis ("**MD&A**") provides a discussion and analysis of the financial condition and results of the operations of Halcones Precious Metals Corp. (individually or collectively with its subsidiaries, as applicable, "**Halcones**" or the "**Company**"), to enable a reader to assess material changes in the financial condition and results of operations as at and for the three and nine months ended September 30, 2025. The MD&A should be read in conjunction with the condensed interim consolidated financial statements the three and nine months ended September 30, 2025 and the annual audited consolidated financial statements and MD&A for the year ended December 31, 2024. All amounts included in the MD&A are expressed in Canadian dollars, unless otherwise specified.

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as published by the International Accounting Standards Board. Please refer to Note 3 of the annual audited consolidated financial statements as at and for the year ended December 31, 2024 for disclosure of the Company's significant accounting policies.

The scientific and technical contents of this MD&A have been reviewed and approved by Mr. David Gower, (PGeo), Qualified Person under National Instrument 43-101 ("**NI 43-101**"). As a consultant of the Company, Mr. Gower is not considered independent.

The Board of Directors of the Company has reviewed this MD&A and the condensed interim consolidated financial statements for the three and nine months ended September 30, 2025, and the Company's Board of Directors approved these documents prior to their release.

### **Overview and Strategy**

Halcones is a Canadian exploration and development company engaged in the acquisition, exploration, and development of mineral properties with a primary focus on exploration in Chile. Exploration is conducted through the Company's wholly owned subsidiary, Minera Los Halcones SpA ("**Halcones Chile**").

In 2024, the Company entered into binding agreements to acquire a 100% interest in the Polaris Project ("**Polaris**" or the "**Project**") from Austral Exploraciones SpA ("**Austral**"), a privately owned Chilean exploration company.

### **Summary of Properties and Projects**

#### **Mineral Exploration Properties**

##### **Polaris Project**

In October 2024, the Company entered into binding agreements to acquire an option to acquire a 100% interest in the Polaris Project, which is a highly prospective project with multiple past-producing, high grade gold mines and extensive gold mineralization identified in stockwork zones by recent rock sampling campaigns. This transaction closed in January 2025 upon receiving regulatory approval.

Polaris is a large, highly prospective gold project. Seventeen former artisanal, high-grade operations have been identified on the project or in the immediate vicinity. Artisanal small scale mining activity can be traced back over approximately the last 100 years at Polaris. Extensive gold mineralization has been identified by surface rock sampling over 2.7 km of strike length to date and potential extensions of this mineralization remain unsampled.

Several sampling campaigns including due diligence work completed by Halcones have returned high-grade results. Of the 371 samples collected from the Polaris gold project to date, 60 returned values greater

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than 5 g/t. The average gold grade from the 371 surface samples is 2.5 g/t. There is no record of modern exploration other than surface sampling most recently by Austral and Halcones geologists.

Polaris is located in a highly developed mining district between Antofagasta and Taltal, with road access and moderate elevation making the Project workable 12 months of the year. Initial exploration targets are at or near surface.

The Company completed a field program comprised of mapping and sampling a portion of the project area in the North Zone. Sampling previously performed identified the Northwest section of the North Zone as a priority area. The two main objections of the program were:

- 1) Expand the footprint of the known mineralization in the Northwest corner of the North Zone
- 2) Test and better define the extent of mineralized stockwork as a lower grade bulk tonnage opportunity adjacent to the known vein hosted mineralization

The Company increased the density of sampling and expanded the surface footprint of sampling in this priority area. A total of 140 samples were taken during a recent field campaign. All assays from this program have been received, of which 31 returned values above 1 g/t Au. Sampling has been limited in certain areas due to the presence of a thin layer of colluvial cover. Sampling programs are being planned to test bedrock below this cover. The Company interprets that Polaris holds potential for a large scale bulk tonnage open pit operation. The presence of mineralization in stockworks in the wall rocks away from the historically mined, mineralized veins is a crucial component of this model that is present at Polaris. This stockwork is believed to have a similar genesis to the vein hosted mineralization previously exploited by artisanal miners but was never targeted. The stockwork mineralization is not visually obvious due to a general lack of associated sulfide minerals. The 17 known small scale mines in the Project area exploited very high-grade veins with no focus on the stockwork adjacent to the veins.

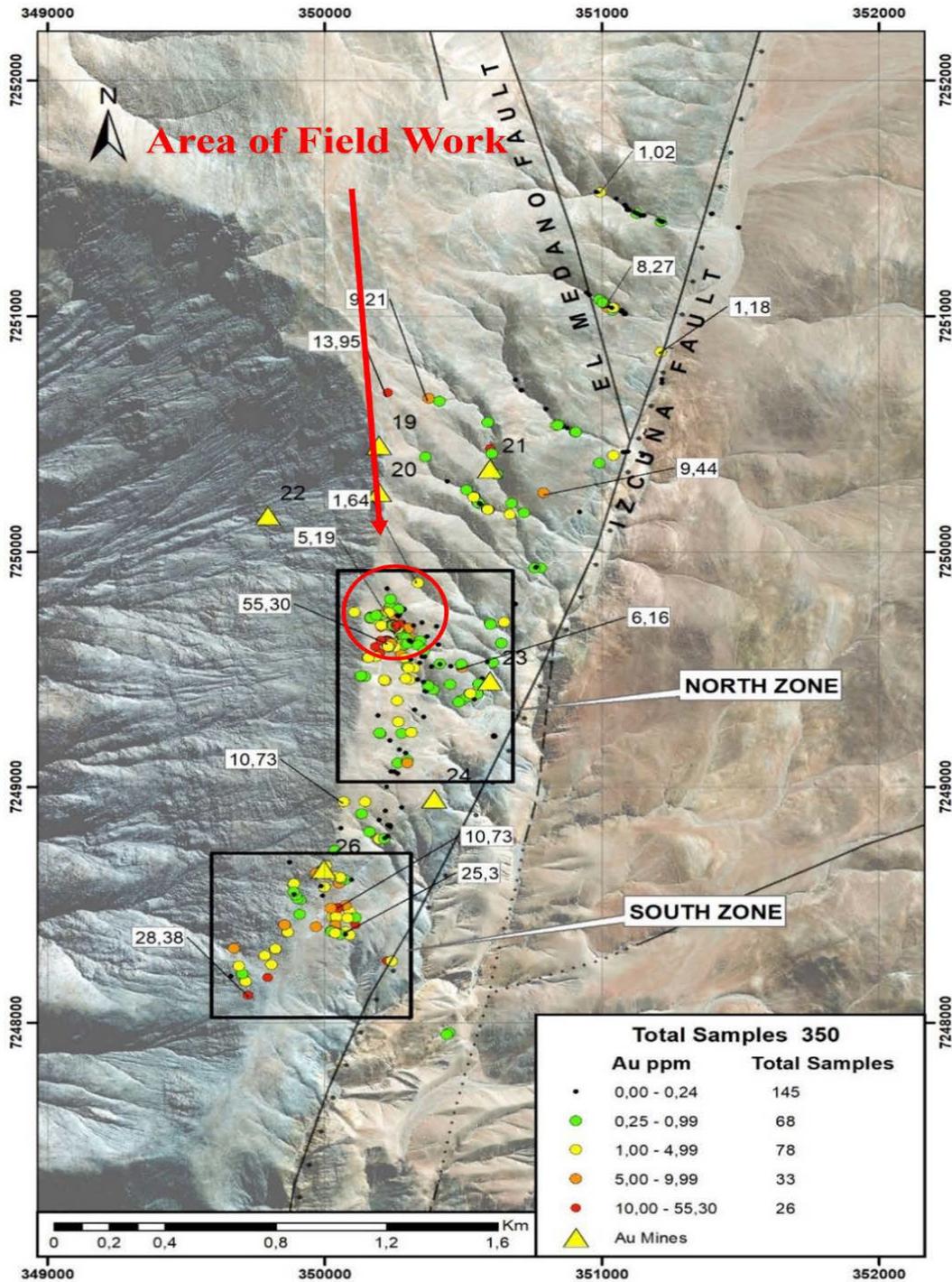
The Company believes that the North and South Zones may merge into a single large gold anomaly, further increasing the potential of the Project. Sampling is limited in the area between the North and South Zone due to the presence of thin overburden cover. The next phase of exploration focused on better defining the extension of the anomalous gold in this area to confirm the current geological interpretation of the field team.

Field work at Polaris continues in preparation for the initial drill program at the Project. Recent work has been primarily focused on detailed structural and alteration mapping and fine tuning the geologic understanding of mineralization controls. This improved geological interpretation will guide the forthcoming drill program. The Company's focus has been on the Northwest section of the North Zone. The North Zone demonstrates a dense concentration of high-grade, outcropping gold samples over an area of at least 400 m by 250 m with many assays above 10 g/t gold. The Company is planning an initial drill program of 8 holes to test the continuity of this vein and stockwork hosted mineralization at depth. Drilling will target near-surface mineralization with the holes planned to a depth of approximately 130m below surface. Follow-up drilling will be planned based on results.

Management had been diligently negotiating access agreements with surface landowners to secure access for drilling without success. Under Chilean law, mineral rights which are owned by the state have precedence over surface rights and there is a well-established process that will be followed to achieve access and arrange compensation for the surface rights holder. While this is not the preferred route, given the stalemate in negotiations, the Company has taken the decision to pursue the court process to establish the required access. The Company will continue to seek a negotiated agreement with the surface rights holders while the legal process proceeds. The process in Chile generally takes several months but temporary access may be granted in as little as one month for certain activities. As a result, the Company executed an amendment to the option agreement for the purpose of extending the term to comply with the work commitment on the properties until October 23, 2026. The deadline to complete the NI 43-101 compliant mineral resource estimate for these properties was also extended to October 23, 2028.

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Once access is granted, minor prep work is required in advance of the start of the diamond drill program. The North and South zones are immediate priorities for drill testing. The Company's technical team continues to explore Polaris with the aim of expanding the gold mineralization and prioritizing targets.



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Option terms

Pursuant to an amended and restated binding letter agreement between the Company and Austral for the option to purchase the Polaris project dated December 18, 2024, the Company can acquire up to a 100% ownership interest in the Polaris project for the following consideration:

- Cash payment of US\$100,000 (\$137,502, paid October 2024)
- Issuance of 15 million shares of the Company to Austral upon obtaining TSX Venture Exchange approval and closing of the transaction (issued January 2025);
- Issuance of 20 million shares of the Company to Austral on September 30, 2025 (issued subsequent to September 30, 2025);
- Issuance of 15 million shares of the Company on January 30, 2026
- Cash payment of US\$100,000 to Austral on October 23, 2025 (paid October 2025);
- Cash payment of US\$150,000 on October 23, 2026;
- Cash payment of US\$250,000 on October 23, 2027;
- Cash payment of US\$2,000,000 on October 23, 2028;
- Issuance of 15 million shares of the Company to Austral after publicly filing a NI 43-101 compliant technical report with a mineral resource estimate of greater than 2 million oz of gold at a minimum of 1 g/t of heap leachable material at a 0.25 g/t minimum cut-off grade;
- Issuance of 15 million shares of the Company to Austral upon publicly filing a NI 43-101 compliant economic study;
- Issuance of 15 million shares of the Company to Austral upon publicly filing a NI 43-101 compliant feasibility study; and
- Issuance of a 2% NSR over the Project to Austral.

All shares issued to Austral are subject to a statutory four month hold period. If the issuance of any of the Company's shares to Austral result in Austral owning more than 19.99% of the issued and outstanding shares of the Company, the issuance of such shares shall be subject to disinterested shareholder approval at a meeting of the shareholders of the Company. If shareholder approval is not obtained, the Company may elect to satisfy the portion of share consideration in cash at a deemed price of \$0.05 per share.

The Transaction is an arm's length transaction, and the Company did not pay any finder's fees in connection with the Transaction.

**Liquidity and Capital Resources**

As at September 30, 2025, the Company had a working capital deficit (see Non-IFRS Measures) of \$1,016,265 (December 31, 2024 – a deficit of \$1,184,975), which included a cash balance of \$587,462 (December 31, 2024 - \$176,243), amounts receivable of \$301,070 (December 31, 2024 - \$40,018) and prepaid expenses of \$123,222 (December 31, 2024 - \$18,734) offset by accounts payable and accrued liabilities of \$2,028,019 (December 31, 2024 - \$1,417,800) and short-term loan of \$nil (December 31, 2024 - \$2,170).

The Company's subsidiary had borrowed 29,500,000 CLP (\$45,103) from a subsidiary of Nobel Resources Corp. ("Nobel") on a short-term basis which was repaid as at September 30, 2025. The Company also loaned 63,350,255 CLP (\$91,718) to the subsidiary of Nobel during the nine months ended September 30, 2025. This sum remains outstanding at September 30, 2025. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment. Nobel borrowed \$25,000 and US\$80,000 (\$115,766) from the Company during the nine months ended September 30, 2025 on a short-term basis, and this amounts remains due to the Company at September 30, 2025. The Company and Nobel have certain directors and officers in common. (See Related Party Transactions.)

In March 2025, the Company closed the first tranche of a private placement financing issuing 23,445,000 units of the Company at a price of \$0.07 per unit for gross proceeds of \$1,641,150. Each unit is comprised

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of one common share of the Company and one-half of one common share purchase warrant, where each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 per share for a period of 3 years following the date of issuance. In connection with this first tranche, the syndicate of agents leading the offering received an aggregate cash fee of \$114,881 as well as 1,641,150 compensation warrants, where each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.07 for a period of 3 years from the date of close.

In April 2025, the Company closed the second and final tranche of its private placement financing issuing 7,702,200 units at a price of \$0.07 per unit for gross proceeds of \$539,504. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant, where each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 per share for a period of 3 years following the date of issuance. In connection with this second tranche, the syndicate of agents leading the offering received an aggregate cash fee of \$37,765 as well as 539,504 compensation warrants, where each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.07 for a period of 3 years from the date of close.

In May 2025, the Company closed a non-brokered private placement financing issuing 10,204,153 units at a price of \$0.07 per unit for gross proceeds of \$714,291. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant, where each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 per share for a period of 3 years following the date of issuance. Directors and officers of the Company subscribed for 2,571,428 units in relation to this financing. The Company paid finders fees of \$9,099 and issued 129,990 finder's warrants where each warrant entitles the holder to acquire one common share of the company at a price of \$0.07 per share expiring on May 2, 2028.

## **Results of Operations**

### *Three months ended September 30, 2025*

During the three months ended September 30, 2025, the Company recorded a loss of \$1,460,447 or \$0.01 per share compared to a loss of \$631,700 or \$0.00 per share during the three months ended September 30, 2024.

Expenses incurred during the three months ended September 30, 2025 included:

- \$984,787 in exploration and evaluation expenses (three months ended September 30, 2024: \$246,623). Activities during the current period focused on the Company's new option agreement for the Polaris Project. In particular, this included an option payment accrual through the issuance of 20,000,000 shares of the Company (issued subsequent to September 30, 2025) valued at \$800,000.
- \$277,695 in consulting and management fees (three months ended September 30, 2024: \$292,041);
- \$34,260 in professional fees (three months ended September 30, 2024: \$75,000);
- \$103,044 in shareholder communications expense (three months ended September 30, 2024: \$7,424) as the management increased efforts to raise the Company's profile;
- \$5,060 in office and general expenses (three months ended September 30, 2024: \$20,813);
- \$36,823 in share-based compensation related to an accrual for unvested RSUs.

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Nine months ended September 30, 2025

During the nine months ended September 30, 2025, the Company recorded a loss of \$3,484,231 or \$0.02 per share compared to a loss of \$1,526,522 or \$0.01 per share during the nine months ended September 30, 2024.

Expenses incurred during the nine months ended September 30, 2025 included:

- \$2,488,501 in exploration and evaluation expenses (nine months ended September 30, 2024: \$411,987) – including \$975,000 which was the value of the 15,000,000 shares issued in relation to the Polaris option agreement and \$800,000 which was the value of 20,000,000 shares accrued at September 30, 2025 but issued on October 10, 2025; during the comparative period, the Company was initially re-evaluating its option to acquire the Carachapampa project, from which the Company withdrew in April 2024. The Company transitioned into due diligence on the Polaris project as the comparative period progressed.
- \$559,586 in consulting and management fees (nine months ended September 30, 2024: \$877,919), lower on account of waived amounts payable to management;
- \$54,014 in professional fees (nine months ended September 30, 2024: \$105,000);
- \$258,799 in shareholder communications expense (three months ended September 30, 2024: \$116,666) as the management increased efforts to raise the Company's profile;
- \$13,330 in office and general expenses (three months ended September 30, 2024: \$48,926, reduced as a result of waived administration costs;
- \$103,460 in share-based compensation representing the value of stock options granted as well as accruals for unvested RSUs.

**Quarterly information**

Period	Interest income \$	Income/(Loss) and comprehensive income/(loss) \$	Income/(Loss) per share, basic & diluted \$	Total assets \$	Non-current liabilities \$
Q3- September 2025	3	(1,460,447)	(0.01)	1,011,754	-
Q2- June 2025	5	(1,043,955)	(0.00)	1,515,696	-
Q1- March 2025	4	(979,829)	0.00	1,609,879	-
Q4- December 2024	-	17,117	0.00	234,995	-
Q3- September 2024	-	(631,700)	(0.00)	637,164	-
Q2- June 2024	1,970	(221,868)	(0.00)	119,568	-
Q1- March 2024	1,888	(672,954)	(0.00)	201,951	-
Q4- December 2023	4,706	(1,876,198)	(0.01)	339,079	-

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**Cash flows**

*Nine months ended September 30, 2025*

During the nine months ended September 30, 2025, the Company used cash of \$1,928,608 in operating activities (September 30, 2024: \$686,626). The Company used \$2,405,771 in cash before non-cash working capital items, the majority of which was spent on exploration and evaluation expenses, consulting and management fees and other administrative costs as discussed above (September 30, 2024: \$1,541,818). Non-cash working capital used \$447,163 during the nine months ended September 30, 2025 (September 30, 2024: provided \$855,192). The net change in non-cash working capital reported on the cash flow statement identifies the changes in current assets and current liabilities that occurred during the period. An increase in a liability (or a decrease in an asset) is a source of funds, while a decrease in a liability (or an increase in an asset) account is a use of funds.

The Company used \$232,484 in investing activities during the nine months ended September 30, 2025 related to loans to related parties (September 30, 2024: \$nil).

Financing activities provided \$2,572,311 during the nine months ended September 30, 2025 (September 30, 2024: \$1,035,939). The Company closed brokered and unbrokered private placements during the nine months ended September 30, 2025 issuing 41,356,353 units of the Company for gross proceeds of \$2,894,945. Cost of issue with respect to this placement totaled \$320,464 (nine months ended September 30, 2024: 21,200,000 units for gross proceeds of \$1,060,000 with cost of issue of \$45,511). The Company received short-term unsecured loans totalling 28,000,000 CLP (\$42,933) from a related party and repaid balances owed of 29,500,000 CLP (\$45,103) during the nine months ended September 30, 2025 (September 30, 2024: 90,099,797 CLP (\$146,317) repaying 86,000,000 CLP (\$124,867)). The Company also received a short-term unsecured loan of US\$60,000 (\$81,209) from another related party during the nine months ended September 30, 2025 and repaid this balance as at September 30, 2025 (September 30, 2024: \$nil).

**Financial Instruments**

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company's financial instruments include cash, accounts payable and accrued liabilities and short-term loan. The carrying values of these financial instruments reported in the statement of financial position approximate their respective fair values due to the relatively short-term nature of these instruments. As at September 30, 2025 and 2023, the Company had no instruments to classify in the fair value hierarchy.

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

(a) *Credit risk*

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

*Trade credit risk*

The Company is not exposed to significant trade credit risk.

*Cash and cash equivalents*

In order to manage credit and liquidity risk the Company's policy is to invest only in highly rated investment grade instruments that have maturities of three and six months or less. Limits are also established based on the type of investment, the counterparty, and the credit rating.

(b) *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's foreign currency risk arises primarily with respect to the Chilean Peso (CLP) from its property interests in Chile and the US dollar in which some costs are denominated. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

As at September 30, 2025, the Company had the following financial instruments and denominated in foreign currency (expressed in Canadian dollars):

<b>September 30, 2025</b>			
	<b>Chilean pesos</b>		<b>US dollars</b>
Cash	\$	43,340	\$ 93
Accounts payable and accrued liabilities		(376,194)	(219,250)
	\$	(332,854)	\$ (219,157)

A 10% strengthening (weakening) of the Canadian dollar against the Chilean Peso would decrease (increase) net loss by approximately \$33,000 (September 30, 2024 - \$61,000).

A 10% strengthening (weakening) of the Canadian dollar against the US dollar would decrease (increase) net loss by approximately \$23,000 (September 30, 2024 - \$25,000).

(c) *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At September 30, 2024, the Company had a cash balance of \$587,462 (December 31, 2024 - \$176,243) to settle current liabilities of \$2,028,019 (December 31, 2024 - \$1,419,970). Current liabilities includes an accrual of \$800,000 which was settled through the issuance of common shares of the Company pursuant to the Polaris option agreement (Note 3). The Company's trade payables have contractual maturities of less than 30 days

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and are subject to normal trade terms. During the nine months ended September 30, 2025, vendors and consultants, including directors and officers, waived \$393,193 in payables.

(d) *Commodity / Equity price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to gold and copper, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Commodity price risk is remote as the Company is not a producing entity.

**Critical Accounting Policies**

The Company's material accounting policies are described in Note 3 of the financial statements for the three and nine months ended September 30, 2025. The preparation of statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The following is a list of the accounting policies that management believes are critical, due to the degree of uncertainty regarding the estimates and assumptions involved and the magnitude of the asset, liability or expense being reported:

- Foreign currencies
- Exploration and evaluation properties

**Foreign currencies**

The Foreign currency translation presentation and functional currency of the Company and its subsidiary is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Exchange differences are recognized in operations in the period in which they arise.

The Company makes expenditures and incurs costs in Chilean Pesos ("CLP"). At September 30, 2025, one Canadian dollar was worth CLP 690.70. During the three and nine months ended September 30, 2025, the average value of one Canadian dollar was CLP 684.12.

The Company makes expenditures and incurs costs in US dollars ("US\$"). At September 30, 2025, one Canadian dollar was worth US\$0.7183. During the three and nine months ended September 30, 2025, the average value of one Canadian dollar was US\$0.7149.

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Exploration and evaluation expenses

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Drilling and geophysics	\$ 78,614	\$ 121,709	\$ 213,619	\$ 122,563
Option payments on Polaris project	800,000	39,357	1,775,000	39,357
Land management fees, taxes and permits	4,526	227	78,283	1,604
Travel, meals and accommodations	(6)	-	1,565	82
Professional fees	28,648	14,599	124,778	54,035
Project overhead costs	73,005	70,731	295,256	194,346
<b>Total exploration and evaluation expenses</b>	<b>\$ 984,787</b>	<b>\$ 246,623</b>	<b>\$ 2,488,501</b>	<b>\$ 411,987</b>

**Non-IFRS Measures**

The Company has referred to working capital throughout this document. Working capital is a Non-IFRS performance measure. In the mining industry, it is a common Non-IFRS performance measure but does not have a standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. This Non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following tables provide a reconciliation of working capital to the financial statements as at September 30, 2025 and December 31, 2023.

	September 30, 2025	December 31, 2024
Cash	\$ 587,462	\$ 176,243
Amounts receivable	301,070	40,018
Prepaid expenses	123,222	18,734
<b>Total current assets</b>	<b>\$ 1,011,754</b>	<b>\$ 234,995</b>
Accounts payable and accrued liabilities	2,028,019	1,417,800
Short-term loan	-	2,170
<b>Total current liabilities</b>	<b>\$ 2,028,019</b>	<b>\$ 1,419,970</b>
Working capital/(deficiency), current assets less current liabilities	(\$1,016,265)	(\$1,184,975)

**Commitments and Contingencies**

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make expenditures to comply with such laws and regulations.

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**Management Contracts**

The Company is party to certain management contracts. As at September 30, 2025, these contracts require payments of approximately \$1,852,000 (December 31, 2024 - \$1,890,000) to be made upon the occurrence of a change of control to the officers and consultants of the Company. The Company is also committed to payments upon termination of approximately \$939,000 (December 31, 2024 - \$957,000) pursuant to the terms of these contracts as at September 30, 2025. As a triggering event has not taken place at September 30, 2025, these amounts have not been recorded in these consolidated financial statements. Minimum payments under these contracts due within one year are approximately \$939,000.

**Transactions with Related Parties**

During the nine months ended September 30, 2025, directors and officers of the Company waived \$442,129 in fees owed by the Company. As at September 30, 2025, an amount of \$352,906 (December 31, 2023 - \$220,085) included in accounts payable and accrued liabilities, was owed to directors and officers of the Company. Such amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

Directors and officers of the Company participated in the non-brokered private placement that closed on May 2, 2025 for an aggregate of 2,571,428 units of the Company.

The Company loaned 63,350,255 CLP (\$91,718) to a subsidiary of Nobel Resources Corp. (“Nobel”) during the nine months ended September 30, 2025. This sum remains outstanding at September 30, 2025. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment. Also during the nine months ended September 30, 2025, Nobel borrowed \$25,000 and US\$80,000 (\$115,766) from the Company, for a total of \$140,766 remaining due to the Company as at September 30, 2025. The Company and Nobel Resources Corp. have certain directors and officers in common.

*Compensation of key management personnel of the Company*

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. During the three and three and nine months ended September 30, 2025, the remuneration of directors and other key management personnel is as follows:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Management fees	\$ 214,932	\$ 215,277	\$ 400,307	\$ 645,504
Share-based compensation	\$ 27,708	\$ -	\$ 62,326	\$ -
<b>Total</b>	<b>\$ 242,640</b>	<b>\$ 215,277</b>	<b>\$ 462,633</b>	<b>\$ 645,504</b>

**Risk Factors**

Mining exploration inherently contains a high degree of risk and uncertainty, which even a combination of careful evaluation, experience and knowledge may not eliminate. The following are certain factors relating to the business of the Company, which investors should carefully consider when making an investment decision concerning the Company’s shares. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks occur, the financial condition, liquidity, and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. An investment in the Company is speculative. An investment in the Company will be subject to certain material risks and investors should not

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invest in securities of the Company unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the Company.

***Substantial Capital Requirements and Liquidity***

Substantial additional funds for the establishment of the Company's current and planned operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, current financial conditions, revenues, taxes, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

***Financing Risks and Dilution to Shareholders***

The Company will have limited financial resources, no operations, and no revenues. Even if the Company's exploration program on one or more of the properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which would result in dilution to the Company's shareholders.

***Limited Operating History***

The Company is a relatively new company with limited operating history. The Company only recently acquired its interest in its material properties and the Company has no history of business or mining operations, revenue generation or production history. The Company has yet to generate a profit from their activities. The Company will be subject to all the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

***No Mineral Resources or Mineral Reserves***

Resource exploration 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 Company may be affected by numerous factors which are beyond the control of the Company and which 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 of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

The Company's properties are in the exploration stage only and, to date, no mineral resources or mineral reserves have been identified. Development of the Company's properties will follow only if favourable exploration results are obtained. 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 any mineral resources or mineral reserves will be identified or developed. The long-term

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profitability of the Company'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 mineral resources and mineral reserves 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.

***Fluctuating Mineral Prices***

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals that may be found on the Company's properties.

***Regulatory, Permit and License Requirements***

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations that may concern, among other things, exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules because of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on its properties will be obtainable on reasonable terms, or that such laws and regulations will not have an adverse effect on any exploration or development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

***Title to Properties***

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to some or all the Company's interest in its properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have the interest it understands it has in its properties could cause the Company to lose any rights to explore, develop and mine any minerals on such properties without compensation for its prior expenditures relating thereto.

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***Competition***

The mineral exploration and development industry is highly competitive. The Company will have to compete with other companies, many of which have greater financial, technical, and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests, as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other companies could have a material adverse effect on the Company and its prospects.

***Reliance on Management and Dependence on Key Personnel***

The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

***Environmental Risks***

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the exploration, development and mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and national and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with exploration, development, and mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned, and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

***Local Resident Concerns***

Apart from ordinary environmental issues, the exploration, development, and mining of the Company's properties could be subject to resistance from local residents that could either prevent or delay exploration and development of the properties.

***Foreign Operations***

The Company's properties are located in Chile. As such, the Company's proposed activities with respect to its properties will be subject to governmental, political, economic and other uncertainties, including but not limited to expropriation of property without fair compensation, repatriation of earnings, nationalization, currency fluctuations and devaluations, exchange controls and increases in government fees, renegotiation or nullification of existing concessions and contracts, changes in taxation policies, economic sanctions and the other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations will be conducted, as well as risks including loss due to civil strife, acts of war, insurrections and the actions of national labour unions. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines, could have a significant effect on the Company. No assurances can be given that the Company's plans and operations will not be adversely affected by future developments in Chile. Any changes in regulations or shifts in political attitudes will be beyond the Company's control and may adversely affect the Company's business.

### ***Uninsurable Risks***

Exploration, development, and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes, and other environmental occurrences, any of which could result in damage to, or destruction of, equipment and mines, damage to life or property, environmental damage, and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations, and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company securities.

### ***Litigation***

The Company and/or its directors or officers may be subject to a variety of civil or other legal proceedings, with or without merit.

### **Outstanding Share Data**

As at the date of this MD&A, the Company has:

- 288,776,389 common shares outstanding;
- 66,921,282 warrants outstanding, with expiry dates ranging from July 14, 2026 to May 2, 2028. If all the warrants were exercised, 66,921,282 shares would be issued for gross proceeds of \$6,485,259.
- 20,320,000 options outstanding, with expiry dates ranging from January 26, 2028 to October 11, 2028. If all options were exercised, 20,320,000 shares would be issued for gross proceeds of \$2,747,000.
- 5,050,000 RSUs outstanding vesting in three equal instalments on each of June 23, 2026, 2027 and 2028.

### **CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION**

This MD&A contains, or incorporates by reference, "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the future performance of Halcones, Halcones's mineral properties, the future price of gold, zinc and other metals, the estimation of mineral resources and mineral reserves, results of exploration activities and studies, the realization of mineral resource estimates, exploration activities, costs and timing of the development of new deposits, the acquisition of additional mineral resources, the results of future exploration and drilling, costs and timing of future exploration of the mineral projects, requirements for additional capital, management's skill and knowledge with respect to the exploration and development of mining properties in Chile, government regulation of mining operations and exploration operations, timing and receipt of approvals and licenses under mineral legislation, the Company's local partners, and environmental risks and title disputes. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes", or variations (including negative variations) of such words and phrases, or state 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

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from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks associated with the Company's dependence on the mineral projects; general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; risks associated with dependence on key members of management; conclusions of economic evaluations and studies; currency fluctuations (particularly in respect of the Canadian dollar, the United States dollar and the rate at which each may be exchanged for the others); future prices of gold, copper, and other metals; uncertainty in the estimation of mineral resources; exploration and development risks; infrastructure risks; inflation risks; defects and adverse claims in the title to the projects; accidents, political instability, insurrection or war; labour and employment risks; changes in government regulations and policies, including laws governing development, production, taxes, royalty payments, labour standards and occupational health, safety, toxic substances, resource exploitation and other matters; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; insufficient insurance coverage; the risk that dividends may never be declared; and liquidity and financing risks related to the global economic crisis. Such forward-looking statements are based on a number of material factors and assumptions, including; that contracted parties provide goods and/or services on the agreed timeframes; that ongoing contractual negotiations will be successful and progress and/or be completed in a timely manner; that no unusual geological or technical problems occur; that plant and equipment work as anticipated and that there is no material adverse change in the price of gold. 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 to differ from those anticipated, estimated, or intended. A qualified person, as defined in National Instrument 43-101, has not done sufficient work on behalf of the Company to classify certain of the historical technical information included in this MD&A, including the historical estimates of the Company's projects as a current mineral resource and the Company is not treating the historical estimates as a current mineral resource or mineral reserve. This historical information should not be relied upon, and the Company cannot guarantee the accuracy of the historical data. Forward-looking statements contained herein are made as of the date of this MD&A. There can be no assurance that the 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 due to the inherent uncertainty therein.