



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Background

This Management Discussion and Analysis (MD&A) of AXO Copper Corp. ("Axo Copper". "Axo" or "the Company") is dated February 27, 2026 and provides an analysis of the financial operating results for the six-month period ended December 31, 2025. This MD&A should be read in conjunction with the interim unaudited condensed consolidated financial statements and accompanying notes for the six-month period ended December 31, 2025, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). All amounts are in Canadian dollars unless otherwise specified. The financial statements and additional information, including news releases and technical reports referenced herein are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR+) at www.sedarplus.ca under the Company's name.

The common shares of AXO Copper Corp. began trading on the TSX Venture Exchange on June 4, 2025 under the trading symbol **AXO**. Additional information can be found on the Company's website at www.axocopper.com.

Forward-Looking Information

Certain statements in this MD&A are forward-looking statements or information (collectively "forward-looking statements"). The Company (as defined herein) is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts, may be forward-looking, and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: limited operating history; exploration, development and operating risks; regulatory risks; substantial capital requirements and liquidity; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; fluctuating mineral and commodity prices and marketability of minerals; title to properties; local residential concerns; no mineral reserves or mineral resources; environmental risks; governmental regulations and processing licenses and permits; management inexperience in developing mines; conflicts of interest of management; uninsurable risks; exposure to potential litigation; no history of paying dividends and no intention of paying dividends in the near future; and other factors beyond the control of the Company.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "Risk Factors" section of this MD&A for additional details.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Company Overview and Initial Public Offering

AXO Copper was incorporated on April 15, 2021 under the Canada Business Corporations Act (CBCA). The registered and head office of the Company is located at 2446 Purcells Cove Road, Halifax, Nova Scotia B3V 1G3.

On June 4, 2025, the Company completed an initial public offering (the "IPO") pursuant to which the Company's common shares began trading on the TSX-V under the trading symbol AXO. In connection with the IPO, the Company completed an offering (the "IPO Offering") of units ("Unit" or "Units") pursuant to which the Company issued 20,909,300 Units at a price of \$0.55 per Unit for total gross proceeds of \$11,500,115. Each Unit consisted of one common share and one-half of one common share warrant ("IPO Warrant"), whereby each whole IPO Warrant entitles the holder to purchase one common share at a price of \$0.70 at any time prior to the close of business on June 4, 2027.

February 2026 - \$40.3 Million Bought Deal Financing

On February 19, 2026, Axo Copper closed a bought deal offering (the "Offering") whereby 57,500,000 units were issued at a price of \$0.70 per unit for gross proceeds of \$40,250,000 lead by a syndicate of underwriters led by Desjarding Capital Markets and BMO Capital Markets as Co-Lead Underwriters. Each unit is comprised of one common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of \$1.00 for a period of 18 months following the closing of the Financing, subject to certain acceleration conditions. The Company intends to use the proceeds of the Offering to continue the advancement of both the La Huerta Project and the San Antonio Project, as well as for working capital and general corporate purposes.

Acquisition of Past Producing San Antonio Gold Project

On January 27, 2026, the Company closed its previously announced acquisition of Sapuchi Minera S. de R.L. de C.V. ("Sapuchi Minera") pursuant to (i) a definitive purchase agreement (the "Purchase Agreement") dated November 21, 2025 to acquire Sapuchi Minera from Osisko Development Corp. ("Osisko Development") (the "Transaction") and (ii) a share issuance agreement with OR Royalties International Ltd. ("OR International"), a wholly-owned subsidiary of OR Royalties Inc. (the "Share Issuance Agreement") also dated November 21, 2025. Sapuchi Minera holds a 100% economic interest in the San Antonio Gold Project ("San Antonio" or the "Project"). San Antonio is a brownfield open-pit project located in Sonora, Mexico, with a history as a past-producing oxide copper mine from 2011 to 2018. Upon closing of the Transaction, Sapuchi Minera and OR International entered into an amended and restated stream agreement (the "Amended Stream Agreement").

In accordance with the terms of the Purchase Agreement, the Company acquired from Osisko Development all the issued and outstanding shares of Sapuchi Minera, which has a 100% economic interest in the Project. The consideration payable to Osisko Development under the Purchase Agreement consisted of the 15,325,841 common shares of the Company, resulting in Osisko Development owning 9.99% of the issued and outstanding common shares of the Company on January 27, 2026, upon completion of the Transaction. In addition, Osisko Development is entitled to the following contingent payments: (i) a cash payment equal to 70% of any Mexican value-added tax refund due and owing to Sapuchi Minera in respect of any period of time ending on or before the completion of the Transaction; (ii) contingent payments of up to \$4,000,000 in the aggregate, payable as follows: (A) \$2,000,000 payable in cash or Axo Copper common shares, at Axo's option, upon the filing of a feasibility study on the San Antonio property prepared in accordance with NI 43-101, subject to a maximum number of 5,521,699 Axo Copper common shares, with any remaining difference to be paid in cash; and (B) \$2,000,000 payable in cash or Axo Copper common shares, at Osisko Development's option, upon the first gold pour being completed at the San Antonio property; and (iii) in the event that the Company completes one or more equity financings that result in aggregate gross proceeds of at least US\$10,000,000, the Company will issue to Osisko Development such number of Axo



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Copper common shares that would result in Osisko Development retaining its 9.99% interest in Axo Copper on the initial US\$10,000,000 raised.

In accordance with the terms of the Share Issuance Agreement, in consideration for entering into the Amended Stream Agreement, the Company issued 7,655,250 Axo Copper common shares, resulting in OR International owning 4.99% of the issued and outstanding Axo Copper common share on January 27, 2026, upon completion of the Transaction. In addition, following the completion of the Transaction, in the event that Axo Copper completes one or more equity financings that result in aggregate gross proceeds of at least US\$10,000,000, the Company will issue to OR International such number of Axo Copper common shares that would result in OR International retaining its 4.99% interest in the Company on the initial US\$10,000,000 raised.

In connection with the Axo Copper common shares to be issued under the Transaction, each of Osisko Development and OR International has: (i) entered into a lock-up agreement providing for restrictions on the transfer of such Axo Copper common share for 12 months following the completion of the Transaction; and (ii) provided voting support for certain matters presented at meetings of the shareholders of Axo Copper for 24 months following the completion of the Transaction.

In connection with the Transaction, the Company agreed to provide a non-interest bearing loan to Sapuchi Minera in order for it to satisfy any payments or obligations to the ejido community in respect of any parcel of the Project subject to ejidal or communal ownership that may become due or payable prior to the completion of the Transaction. At December 31, 2025, Axo Copper had advanced \$751,660 to Sapuchi Minera.

Upon completion of the Offering, as described in the "*February 2026 - \$40.3 Million Bought Deal Financing*" section of this MD&A, and pursuant to the Purchase Agreement, the Company issued 2,363,516 Axo Copper common shares to Osisko Development and pursuant to the Share Issuance Agreement, the Company issued 1,181,575 Axo Copper common shares to OR International, representing 9.99% and 4.99% interests, respectively, in the initial US\$10,000,000 of the Financing.

The San Antonio Project

Property Location, Description and Ownership

Location

The San Antonio Project is located in the south-central portion of the Mexican state of Sonora, which borders on the American state of Arizona, and is approximately 138 km southeast of the city of Hermosillo, the capital of Sonora. The Project is specifically located within the Sonoran municipalities of Soyopa and San Javier, within the San Javier Mining District.

Osisko Development Ownership

In August, 2020, Osisko Gold Royalties Ltd. acquired the San Antonio Project. The San Antonio Project was subsequently transferred to Osisko Development, as part of the Reverse-Take-Over (RTO) transaction and the formation of Osisko Development. Osisko Gold Royalties Ltd. retained a 15% stream on the gold and silver produced from the Project. The stream is secured by a first ranking security. There are no other royalties that exist on the Project. There was a historic royalty on the property and payments were made to the holder, but and this royalty is now extinguished.

Osisko Development owned 100% of the San Antonio Project through its wholly owned Mexican subsidiary Sapuchi Minera S. de R.L. de C.V. (Sapuchi Minera) which is based in Hermosillo.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

As noted elsewhere herein, on January 27, 2026, the Company acquired a 100% interest in the San Antonio Project.

Property Description

The San Antonio Project is comprised of 43 mineral concessions which vary in size and are mostly contiguous, for a total property area 11,338.024 ha.

Accessibility, Climate, Local Resources and Infrastructure

Accessibility

The San Antonio Project is located west of the Yaqui River and situated largely within the San Javier Mountain Range (Sierra de San Javier), which is part of the Western Sierra Madre. The eastern edge of the holdings is located near the river at an elevation of approximately 250 metres above sea level (masl), the lowest point on the property.

Access from Hermosillo, the capital of Sonora, to the site is via Federal Highway 16, a two-lane paved road, east for 164 km. This road connects to an improved dirt road immediately west of the Yaqui River, for approximately 8 km to the Luz del Cobre copper plant, field camp, offices and workshop. The site is approximately a 3-hour drive from the international airport in Hermosillo. The airport in Hermosillo has daily flights to Mexico City and some US destinations.

Local Resources and Infrastructure

The industrial centre and state capital city of Hermosillo is three hours' drive time to the west and provides the full range of services and supplies typically needed for a mining project.

Experienced and competent mining professionals are readily available in Mexico and general labour can be recruited from the surrounding small towns or regional centres.

The historic camp facilities have been established near the Yaqui River on the eastern side of the property. This is less than a kilometre south from the village of San Antonio de La Huerta. The population of the village is approximately 297 people, which increases when jobs are locally available. Other villages of a similar or slightly larger size within a 20 km radius include Tonichi, Soyopa, San Javier and Onavas. All communities are accessible by paved and/or improved dirt roads.

The camp and administration facilities are located on the eastern side of the property. The Luz del Cobre mine owns the license to a fully permitted water well (350,000 m³/year) about 800 m northeast of the camp. The Yanqui River was also previously used to supply water to the camp and the processing plant.

A 13.2 KV power transmission line crosses the property from the Novillo hydroelectric facility 30 km to the north. The line currently provides power for the camp and office facilities. The site also has generators which were originally required to produce power for the mining and milling of ore from the Luz del Cobre deposit.

Relatively flat terrain, suitable for the construction of facilities is present near the river. However, most facilities are likely be located near mine locations, where it is anticipated that such features as tailings impoundments, leach pads, and waste disposal areas will be sited in adjacent valleys.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

History

In October, 2007, Zaruma signed agreements with EMLQ, whereby EMLQ undertook to finance the capital cost for development of the Luz del Cobre deposit, with Glencore acquiring the right to purchase copper cathodes produced at prevailing London Metal Exchange (LME) market prices at the time of delivery.

In October, 2008, Zaruma suspended development of the Luz del Cobre deposit an estimated four months short of production.

In 2011, Zaruma changed their name to Red Tiger Mining Inc. (Red Tiger), secured bank financing and private equity to fund construction of the Luz del Cobre operation. Waste stripping started in November, 2012. Over the period of 2013 and 2014, the mine produced an average of 5,555 t of copper cathode per year.

By 2015, production had dropped to 1,390 t for the year. Red Tiger halted mining operations in November, 2014 as copper production from the leaching operations had begun to decline in September, 2014. Red Tiger claimed a sudden and unprecedented occurrence of clay materials resulted in low permeability of the heap.

Red Tiger initiated a remediation plan and, in December, 2015, it resumed mining operations. In December, 2016, Red Tiger Mining announced it had ceased mining operations at the Luz del Cobre copper mine, as recoveries had dropped, thus making the operation unfeasible. The operation was put under care and maintenance and continued leaching residual copper from the heap. This continued until 2018 when the pregnant solution grade dropped below economic conditions.

In January, 2019, Osisko Gold entered into negotiations with the lender to purchase the San Antonio Project, which resulted in the agreement to purchase in August, 2020. On October 5, 2020, Osisko Gold transferred the San Antonio property into a new company called Osisko Development., which was created through a reverse take-over of Barolo Ventures Corp.

Geological Setting and Mineralization

Property Geology

Hydrothermal breccias provide an important host for mineralization across the property. They occur in intimate association with intrusive bodies but are present in all rock types. The breccias are highly variable in clast size, clast composition, form, matrix volume and matrix mineralogy (see mineralization section below).

The geology and deposit geometry at the San Antonio Project is complicated by multiple generations of faulting with variable orientations and apparent slip vectors. Some structural control may be exerted by early phase faulting locally annealed by mineralizing fluids. Conversely, mineralized zones are offset and locally delineated by late-stage faulting (or late-stage reactivation of early phase faulting) ranging from low-angle through subvertical.

Mineralization

Four parallel northeast-southwest oriented mineralized trends are identified within the greater area of the San Antonio Project. The central Sapuchi-Cerro Verde trend spans a strike length greater than 15 km from the Cerro Verde deposit of the Barksdale Resources San Javier Project to the southwest, and includes the advanced target Sapuchi, Golfo de Oro and California deposits. The southeastern most La Ventana trend spans an 8 km strike-length, includes the Luz del Cobre deposit, and is in part defined by highly anomalous surface samples ranging from 2 to approximately 25 ppm gold. The central approximately 8 km Canuc-Brindeña trend appears to be the northeast extension of gold-bearing breccias and veins on Canuc Resources claims to the southwest. The northwestern most and newly defined >10 km strike-length La Centradita trend is delineated by anomalous surface samples and historical workings.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Gold mineralization at the San Antonio Project is primarily associated with sulphide minerals (mostly pyrite and pyrrhotite), occurring within stockwork veins and within the matrix of hydrothermal breccias. Vein mineralogy comprises quartz, iron-carbonates, iron-oxides and sulphides. Sulphide mineralogy is dominated by pyrite and pyrrhotite but locally includes marcasite, chalcopyrite, bornite, galena and sphalerite. Near surface sulphides have been leached by supergene oxidation and the remaining gold is associated with the resulting hematite, within stockwork veins and hydrothermal breccia matrix. The best gold grades and the bulk of the corresponding sulphide mineralization discovered thus far generally occupy a position within the upper parts of the system.

San Antonio Project - 43-101 Technical Report

On January 27, 2026, the Company filed a technical report on SEDAR+ in respect of the San Antonio Project prepared in accordance with NI 43-101 titled "NI 43-101 Technical Report for the San Antonio Project, State of Sonora, Mexico" dated November 1, 2025 (with an effective date of November 1, 2025), prepared for the Company by William J. Lewis, P.Geol. and Richard Gowans, P.Eng. of Micon International Limited and Rodrigo Calles-Montijo, CPG of Servicios Geológicos IMEX, S.C. (the "**San Antonio Technical Report**"), the full text of which is incorporated by reference into this AIF. See "*Mineral Projects – San Antonio Project*" for more information on the San Antonio Project.

San Antonio Project Mineral Resource Estimate

Mineral Resource Estimate

Table 1.1 summarizes the in-pit mineral resource estimate for each of the Golfo de Oro, California, Sapuchi, High Life and Calvario deposits at the San Antonio Project. Table 1.3 also summarizes the details of the in-pit mineral resources by weathering zone within each of the deposits.

Table 1.2 summarizes the combined mineral resources for all deposits by weathering zone in order to separately tabulate the combined mineral resource total for the San Antonio Project.

**Table 1.1
Summary of In-Pit Mineral Resource Estimate by Deposit for the San Antonio Project**

Category	Deposit	Weathering Zone	Tonnes (Mt)	Gold (g/t)	Silver (g/t)	Gold Ounces (*1,000)	Silver Ounces (*1,000,000)
Indicated	California	Oxide	0.6	0.93	2.8	17	0.05
		Transition	0.2	0.79	3.3	6	0.02
		Sulphide	3.1	1.31	2.4	130	0.23
		Total	3.9	1.22	2.5	153	0.31
	Golfo de Oro	Oxide	0.2	1.07	2.8	7	0.02
		Transition	0.1	1.19	2.8	6	0.01
		Sulphide	5.3	1.46	2.5	249	0.42
		Total	5.7	1.44	2.5	262	0.46
	Sapuchi	Oxide	1.9	0.85	3.6	53	0.22
		Transition	1.4	1.04	3.6	47	0.16
		Sulphide	2.1	0.94	3.4	62	0.22
		Total:	5.4	0.93	3.5	162	0.61
	Total	Oxide	2.7	0.89	3.4	77	0.30
		Transition	1.8	1.02	3.5	59	0.20
Sulphide		10.4	1.31	2.6	441	0.88	
Total		14.9	1.20	2.9	576	1.37	
Inferred	California	Oxide	0.4	0.68	2.1	8	0.02
		Transition	0.1	0.85	2.6	4	0.01
		Sulphide	1.1	1.27	3.8	46	0.14
		Total	1.6	1.10	3.3	58	0.17
	Golfo de Oro	Oxide	0.5	0.80	3.0	12	0.04
		Transition	0.2	0.93	3.4	5	0.02
		Sulphide	5.7	1.29	2.5	237	0.46
		Total	6.4	1.24	2.5	254	0.52
	High Life	Oxide	0.5	0.84	4.2	14	0.07
		Transition	0.2	0.73	4.5	4	0.02
		Sulphide	0.1	0.90	8.3	4	0.04
		Total	0.8	0.83	4.9	22	0.13
	Sapuchi	Oxide	3.2	0.74	3.7	75	0.37
		Transition	1.6	0.92	3.6	48	0.19
Sulphide		2.8	0.92	4.1	84	0.37	
Total		7.6	0.85	3.8	208	0.94	
Calvario	Oxide	0.1	0.53	0.0	2	0.00	
	Transition	0.0	0.55	0.0	0	0.00	
	Sulphide						

Category	Deposit	Weathering Zone	Tonnes (Mt)	Gold (g/t)	Silver (g/t)	Gold Ounces (*1,000)	Silver Ounces (*1,000,000)
	Total	Total	0.1	0.53	0.0	2	0.00
		Oxide	4.6	0.74	3.5	111	0.51
		Transition	2.1	0.90	3.6	61	0.24
		Sulphide	9.8	1.18	3.2	371	1.00
		Total	16.6	1.02	3.3	544	1.76

Source: Talisker/Micon (2022).

Notes:

- Rodrigo Calles, of Servicios Geológicos IMEx, S.C., William Lewis, of Micon International Limited have reviewed and validated the mineral resource estimate for Sapuchi, Golfo de Oro, California, High Life and Calvario deposits. Both are independent "Qualified Persons" (as defined in NI 43-101) responsible for auditing the 2022 mineral resource estimate. The effective date of the mineral resource estimate is June 22, 2022.
- Specific extraction methods are used only to establish reasonable cut-off grades for various portions of the deposit. No Preliminary Economic Analysis, Pre-Feasibility Study or Feasibility Study has been completed to support economic viability and technical feasibility of exploiting any portion of the mineral resource, by any particular mining method.
- The mineral resources disclosed in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") standards on mineral resources and reserves definitions, and guidelines, prepared by the CIM standing committee on reserve definitions and adopted by the CIM council.
- The calculated economic cut-off grade for the resource in Oxides (70% recovery) is 0.27 g/t Au, Transition (90% recovery) is 0.44 g/t Au, and Fresh Rock (90% recovery) is 0.44 g/t Au.
- Mineral resources are not mineral reserves and do not have demonstrated economic viability.
- Geologic modelling was completed by Osisko Development geologist Gilberto Moreno. The resource estimation was completed by Talisker Exploration Services Geologist Leonardo Souza, MAusIMM (CP).
- The estimate is reported for a potential open pit scenario and USD. The cut-off grades were calculated using a gold price of \$1,750 per ounce, a CAD:USD exchange rate of 1.3; mining cost of \$2.95/t; processing cost of \$4/t for oxides and \$13.0/t for transition and sulphides; and general and administration costs of \$2.50/t. The cut-off grades should be re-evaluated in light of future prevailing market conditions (metal prices, exchange rate, mining cost, etc.).
- A density of 2.55 g/cm³ was established for all oxide zones, 2.69 g/cm³ for transition zones and 2.74 g/cm³ for the sulphide zones.
- Resources for Sapuchi, Golfo de Oro, California, High Life and Calvario were estimated using Datamine Studio RM 1.3 software using hard boundaries on composited assays (3.0 m for all zones). Ordinary Kriging interpolation was used with a parent block size = 10 m x 10 m x 5 m.
- Results are presented in-situ. Ounce (troy) = metric tons x grade / 31.10348. Calculations used metric units (metres, tonnes, g/t). The number of metric tons was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations as per NI 43-101.
- Neither the Axo Copper, Servicios Geológicos IMEx, S.C., nor Micon International Limited, is aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect the mineral resource estimate other than disclosed in this Technical Report.
- William Lewis of Micon International Limited has reviewed and validated the mineral resource estimate for Sapuchi, Golfo de Oro, California, High Life and Calvario deposits for this report. Mr. Lewis is an independent "Qualified Person" (as defined in NI 43-101) and was responsible for auditing the 2022 mineral resource estimate. The effective date of the mineral resource estimate remains June 22, 2022.

Table 1.2
Summary of the In-Pit Constrained Mineral Resource Estimate by Weathering Zone

Category	Weathering Zone	Tonnes (Mt)	Gold (g/t)	Silver (g/t)	Gold Ounces (*1,000)	Silver Ounces (*1,000,000)
Indicated	Oxide	2.7	0.89	3.4	77	0.30
	Transition	1.8	1.02	3.5	59	0.20
	Sulphide	10.4	1.31	2.6	441	0.88
	Total	14.9	1.20	2.9	576	1.37
Inferred	Oxide	4.6	0.74	3.5	111	0.51
	Transition	2.1	0.90	3.6	61	0.24
	Sulphide	9.8	1.18	3.2	371	1.00
	Total	16.6	1.02	3.3	544	1.76

Source: Talisker/Micon (2022).

Note: Since Table 1.5 summarizes the combined mineral resources for all deposits by weathering zone, all of the previous resource notes from Table 1.4 are applicable to Table 1.5.

San Antonio Exploration Work Plan

Axo Copper will be conducting the first drill program since Osisko Development Corp.'s 2021, 27,870 metre resource definition drilling. The program is expected to be divided into two parts:

- (i) infill and resource expansion drilling in and around existing resources and
- (ii) initial drilling on high-priority targets along strike of current resources, that have been identified through mapping and sampling.

Resource definition drilling will initially focus on the Sapuchi deposit. Total resources at San Antonio stand at 576koz Au and 1.37moz Ag grading 1.20 g/t Au and 2.9g/t Ag in the Indicated category, with 544koz Au and 1.76moz Ag grading 1.02 g/t Au and 3.3g/t Ag in the Inferred category across all deposit types (oxide, transition and sulphide). All resources are pit-constrained. Axo is considering the Sapuchi deposit as a favourable starter-pit due to its high-grade oxide resources, and highly favourable topography. Oxide resources at Sapuchi sit at 53koz Au and 0.22moz Ag grading 0.85 g/t Au and 3.6 g/t Ag in the Indicated category, and 75koz Au and 0.37moz Ag grading 0.74 g/t Au and 3.7 g/t Ag in the Inferred category. Axo plans to fast track Sapuchi oxides into production by using the existing infrastructure at San Antonio including a crusher and carbon-in-column plant already on site.

The goal of the Sapuchi drill program is to upgrade the resource confidence, in conjunction with adding new ounces from drilling 'gaps' within the initial resource, and drilling around the peripherals of the deposit. The initial Sapuchi drill plan is targeting 25,000 metres and is recently underway.

La Huerta Project

AXO Copper is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties with a focus on its La Huerta Project, located in the State of Jalisco, Mexico. The La Huerta Project consists of two distinct Mexican mining concessions with a total surface area of 11,331.1 hectares: Los Juanes (the “Los Juanes Concession”) and La Gallina (the “La Gallina Concession”).

General Location Map, Jalisco





MANAGEMENT’S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Los Juanes Concession – Overview and Acquisition

The Los Juanes Concession, a copper and silver exploration property, is located in the municipality of Cuautitlán de García Barragán, Jalisco State in southwestern Mexico. The Los Juanes Concession consists of a Mexican mining concession with a surface area of 25.0 hectares. Small scale artisanal mining activities as well as step out drilling have taken place on the Los Juanes Concession. Prior concession owners completed a drilling campaign of 26 holes. Exploration by AXO Copper in 2023 and 2024 has included channel samples, chip/grab samples of surface mineralization, IP geophysics and diamond drilling (19 holes).

On May 4, 2023, the Company entered into an agreement (the “Rights Assignment Agreement”) which provides for the assignment of 100% of the exclusive rights to the Los Juanes Concession of the La Huerta Project. The Rights Assignment Agreement required the Company to make a one-time payment of MxP350,000, which was paid on May 14, 2024.

Upon signing of the Rights Assignment Agreement on May 4, 2023, payments due pursuant to a commercial agency agreement (the “Commercial Agency Agreement”) signed on January 15, 2022 became effective. Pursuant to the Commercial Agency Agreement, the Company agreed to make the following cash payments:

	Cash US\$
At inception	600,000
During 1 st year after signing, paid monthly	500,000
During 2 nd year after signing, paid monthly	500,000
During 3 rd year after signing, paid monthly	500,000
During 4 th year after signing, paid monthly	500,000
During 5 th year after signing, paid monthly	500,000
	<hr/>
	3,100,000
	<hr/>

In accordance with Commercial Agency Agreement, the annual amounts are being paid in equal monthly installments over each year. The Company can terminate the Commercial Agency Agreement at any time if it no longer wishes to acquire and maintain an interest in the Los Juanes Concession. As of December 31, 2025, 29 monthly payments of US\$41,667 have been made pursuant to the Commercial Agency Agreement.

La Gallina Concession – Overview and Acquisition of Rights

The La Gallina Concession, a copper and silver exploration property, is located in the municipality of Cuautitlán de García Barragán, Jalisco State in southwestern Mexico. The La Gallina Concession consists of a Mexican mining concession with a surface area of 11,306.1 hectares. Prior concession owners completed a small drilling campaign of 17 holes. Exploration by AXO Copper in 2023 and 2024 has included channel samples, chip/grab samples of surface mineralization, IP geophysics and diamond drilling (7 holes).



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

On November 10, 2022, the Company entered into an agreement (the "Rights Option Agreement") which provides the exclusive option to acquire 100% of the rights to the La Gallina Concession of the La Huerta Project. As consideration, the Company agreed to make the following cash payments and common share issuances:

	Cash US\$	Common Shares #
At inception	1,000,000	-
Due 1 year after signing, paid monthly	1,500,000	1,000,000
Due 2 years after signing, paid monthly	1,500,000	1,000,000
Due 3 years after signing, paid monthly	1,500,000	1,000,000
Due 4 years after signing, paid monthly	2,500,000	2,000,000
	8,000,000	5,000,000

The Company made a payment of US\$1,000,000 at inception of the Rights Option Agreement. Pursuant to the Rights Option Agreement, the cash consideration owing subsequent to inception is payable in equal monthly installments which commenced in November 2023. The Company can terminate the Rights Option Agreement at anytime by providing 60 days written notice. As of December 31, 2025, 26 monthly payments of US\$125,000 have been made pursuant to the Rights Option Agreement. As of December 31, 2025, a total of 2,000,000 common shares have been issued pursuant to the Rights Option Agreement. Subsequent to December 31, 2025, an additional 1,000,000 common shares were issued pursuant to the Rights Option Agreement.

La Huerta - 43-101 Technical Report

The Company commissioned an independent 43-101 Technical Report for the La Huerta Project (the "43-101 Technical Report"), which was dated February 18, 2025 and has been filed on SEDAR+ at www.sedarplus.ca.

The Qualified Persons for the 43-101 Technical Report are William Stone, Ph.D., Pigeon., Brian Ray, P.Geo. and Eugene Puritch, P.Eng., FEC, CET, all of whom were contracted by P&E Mining Consultants Inc.

The 43-101 Technical Report for the La Huerta Project did not include either a Mineral Resource Estimate or a Mineral Reserve Estimate.

La Huerta Drilling Results Since the Release of the 43-101 Technical Report and Exploration Update

On June 5, 2025, AXO Copper initiated a 15,000 metre Phase II drill program at its La Huerta Copper Project targeting the main La Huerta Trend around the Las Marias Zone. A second drill was added, initially targeting the La Huerta South regional target, located approximately 3km away from Las Marias,

On August 18, 2025, the Company announced the first of the drill results from the Phase II drill program, highlighted by LHCC-25-031 which returned an interval of 3.08% CuEq (2.90% Cu and 14.3gpt Ag) over 5.8 metres, within a broader and wider interval of 1.74% CuEq (1.64% Cu and 7.6gpt Ag) over 12.4 metres. The hole represents a down-dip extension of LHCC-23-021, which was previously reported as 3.16% CuEq (3.00% Cu and 12gpt Ag) over 12.0 metres.

On September 18, 2025, the Company announced additional drill results from the Phase II drill program, highlighted by hole LHCC-25-045 which intercepted 5.24% CuEq (4.86% Cu and 30.0gpt Ag) over 6.4 metres, within a wider interval of 3.08% CuEq (2.89% Cu and 15.0gpt Ag) over 13.2 metres. Copper mineralization in LHCC-25-045 was



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

hosted in chalcopyrite and bornite, cut through an andesitic host rock, with stronger bornite patches present through the higher-grade section. The hole tested a down dip extension of the historical hole G-023 (3.05% CuEq over 6.4 metres), with LHCC-25-045 finding mineralization and the continuity of the La Huerta Trend on the other side of a minor fault.

The latest assay results from La Huerta were highlighted by hole LHCC-25-043, recording an intercept of 2.26% Cu and 6.29gpt Ag over 11.4 metres, containing 3.69% Cu and 9.33gpt Ag over 4.2 metres. These results represent a down dip extension of about 40 metres from hole LHCC-25-031, which was previously reported as 1.64% Cu and 7.59gpt Ag over 12.4 metres.

Drilling at La Huerta is ongoing, with the current target testing the down-dip extension at Las Marias, through a series of several planned holes ranging from approximately 350m to 450m in length.

Qualified Person

Unless noted otherwise herein, Charles Spath, P. Geo., a Qualified Person as defined by National Instrument 43-101, has reviewed and approved the information provided in this Management's Discussion and Analysis for the period ended December 31, 2025.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Selected Financial Information

The Company incurred a consolidated net loss for the six-month period ended December 31, 2025 of \$1,213,058 (\$0.00 per share) compared to a consolidated net loss of \$1,423,776 (\$0.01 per share) for the year ended June 30, 2025, a consolidated net loss of \$360,602 (\$0.00 per share) for the year ended June 30, 2024 and a net loss of \$90,185 (\$0.00 per share) for the year ended June 30, 2023.

The following table contains selected financial information for the three most recent fiscal years.

	Six months ended December 31, 2025 \$	Year ended June 30, 2025 \$	Year ended June 30, 2024 \$	Year ended June 30, 2023 \$
Revenue	-	-	-	-
Net loss and comprehensive loss	1,213,058	1,423,776	360,602	90,185
Total assets	24,036,657	25,479,513	14,787,369	13,060,045
Working capital	3,855,586	9,005,317	4,359,449	6,866,777
Shareholder equity	23,040,162	24,041,220	14,245,903	11,290,138
Loss per share – basic and diluted	0.01	0.01	0.00	0.00

Results of Operations – Six-Month Period Ended December 31, 2025

For the six-month period ended December 31, 2025, the Company incurred a consolidated net loss and comprehensive loss of \$1,213,058 compared to consolidated net income and comprehensive income of \$696,330 for the six-month period ended December 31, 2024.

The expenses and income incurred during the six-month periods ended December 31, 2025 and December 31, 2024 are detailed in the following table.

	Six-months ended December 31, 2025 \$	Six-months ended December 31, 2024 \$
Consulting fees	107,500	35,156
Dues and fees	30,866	361
Insurance	81,056	17,998
Office and other	13,290	21,199
Professional fees	121,590	86,621
Shareholder communication	447,578	29,993
Stock-based compensation	212,000	447,000
Travel	38,491	22,817
Wages and benefits	225,144	119,275
Total operating expenses	1,277,515	780,420
Interest income	(87,057)	(79,376)
Foreign exchange loss (gain)	22,600	(4,714)
Net loss and comprehensive loss	1,213,058	696,330

For the six-months ended December 31, 2025, the Company incurred consulting fees of \$107,500 as compared to \$35,156 during the comparable period in the period year, an increase of \$72,344. Consulting fees represent consulting fees paid for the services of the Executive Chair and the Chief Financial Officer. A portion of the increase relates to consulting fees paid to the Executive Chair, which commenced July 1, 2025.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

For the six-months ended December 31, 2025, the Company incurred dues and fees expenses \$30,866 as compared to \$361 during the comparable period in the period year, an increase of \$30,505. Dues and fees expense will vary from period to period.

For the six-month period ended December 31, 2025, the Company recorded insurance expense of \$81,056 as compared to \$17,998 for the same period during the prior year, an increase of \$63,058. Insurance expense includes premiums for both the Company's directors and officers' insurance and commercial general liability insurance coverage. The increase in insurance expense during the six-month period ended December 31, 2025 is a result of the Company updating its insurance policies as part of the IPO process.

For the six-month period ended December 31, 2025, the Company recorded office and other expenses of \$13,290 as compared to \$21,199 during the six-month period ended December 31, 2024, a decrease of 7,909. Office expenses and other include office and administrative costs, as well as bank fees, website costs and other miscellaneous expenses.

For the six-month period ended December 31, 2025, the Company incurred professional fees of \$121,590 compared to \$86,621 during the same period in the prior year, an increase of \$34,969, a result of the timing of certain advisory, legal, and tax service fees.

For the six-month period ended December 31, 2025, the Company incurred shareholder communication expense of \$447,578 as compared to \$29,993 for the six-month period ended December 31, 2024, an increase of \$417,585. With the completion of the IPO, the Company undertook a number of investor relations initiatives and expects shareholder communications to be lower in future periods.

For the six-month period ended December 31, 2025, the Company recorded non-cash stock-based compensation expense of \$212,000, as compared to \$447,000 for the six-month period ended December 31, 2024. Stock-based compensation expense is driven by the timing, estimated fair value and vesting of stock option grants and deferred share units ("DSUs"). The estimated fair value of stock options granted is estimated using the Black-Scholes option pricing model. During the six-month period ended December 31, 2025, 1,500,000 DSUs were granted to an officer of the Company. During the six-month period ended December 31, 2024, the Company granted 300,000 stock options with an exercise price of \$0.40 per common share and vesting over 18 months to officers and consultants of the Company.

Travel expenses for the six-month period ended December 31, 2025 were \$38,491 as compared to \$22,817 for the sixth-month period ended December 31, 2024, an increase of \$15,674. Travel expense is driven by the Company's overall level of operations and by the level of investor relations activities, both of which are expected to increase as a result of the IPO.

For the six-month period ended December 31, 2025, the Company incurred wages and benefits expense of \$225,144 as compared to \$119,275 for the period ended December 31, an increase of \$105,869. Wages and benefits include salaries and independent director fees. At December 31, 2025, the Company, in addition to a number of consultants, had one full-time employee. Jonathan Egilo joined the Company as President and CEO in June 2024.

For the six-month period ended, the Company earned interest income of \$87,057 as compared to \$79,376 for the six-month period ended December 31, 2024, an increase of \$7,681. The Company holds cash not required for day-to-day operations in either fully cashable guaranteed investment certificates or high interest savings accounts at a major Canadian bank.

A significant portion of the Company's exploration and operating expenses are denominated in foreign currencies and as a result, the Company realized a foreign exchange loss of \$22,600 during the six-month period ended December 31, 2025 as compared to a foreign gain of \$4,714 during the six-month period ended December 31, 2024.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Results of Operations – Three-Month Period Ended December 31, 2025

For the three-month period ended December 31, 2025, the Company incurred a consolidated net loss and comprehensive loss of \$638,940 compared to a consolidated net loss and comprehensive loss of \$334,818 for the three-month-period ended December 31, 2024.

The expenses and income incurred during the three-month periods ended December 31, 2025 and December 31, 2024 are detailed in the following table.

	Three-months ended December 31, 2025 \$	Three-months ended December 31, 2024 \$
Consulting fees	53,750	15,624
Dues and fees	24,175	361
Insurance	40,528	9,987
Office and other	9,078	15,105
Professional fees	93,327	43,327
Shareholder communication	219,499	14,997
Stock-based compensation	122,000	206,000
Travel	24,983	14,972
Wages and benefits	61,792	55,645
Total operating expenses	649,132	376,018
Interest income	(28,224)	(34,293)
Foreign exchange loss (gain)	18,032	(6,907)
Net loss and comprehensive loss	638,940	334,818

For the three-months ended December 31, 2025, the Company incurred consulting fees of \$53,750 as compared to \$15,624 during the comparable period in the period year, an increase of \$38,126. Consulting fees represent consulting fees paid for the services of the Executive Chair and the Chief Financial Officer. A portion of the increase relates to consulting fees paid to the Executive Chair, which commenced July 1, 2025.

For the three-months ended December 31, 2025, the Company incurred dues and fees expenses \$24,175 as compared to \$361 during the comparable period in the period year, an increase of \$23,814.

For the three-month period ended December 31, 2025, the Company recorded insurance expense of \$40,528 as compared to \$9,987 for the same period during the prior year, an increase of \$30,541. Insurance expense includes premiums for both the Company's directors and officers' insurance and commercial general liability insurance coverage. The increase in insurance expense during the three-month period ended December 31, 2025 was a result of the Company updating its insurance policies as part of the IPO process.

For the three-month period ended December 31, 2025, the Company recorded office and other expenses of \$9,078 as compared to \$15,105 during the three-month period ended December 31, 2024, a decrease of \$6,027. Office expenses and other include office and administrative costs, as well as bank fees, website costs and other miscellaneous expenses.

For the three-month period ended December 31, 2025, the Company incurred professional fees of \$93,327 compared to \$43,327 during the same period in the prior year, an increase of \$50,000, a result of the timing of certain advisory, legal, and tax service fees.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

For the three-month period ended December 31, 2025, the Company incurred shareholder communication expense of \$219,499 as compared to \$14,997 for the three-month period ended December 31, 2024, an increase of \$204,502. With the completion of the IPO, the Company undertook a number of investor relations initiatives and expects shareholder communications to be lower in future periods.

For the three-month period ended December 31, 2025, the Company recorded non-cash stock-based compensation expense of \$122,000, as compared to \$206,000 for the three-month period ended December 31, 2024. Stock-based compensation expense is driven by the timing, estimated fair value and vesting of stock option grants and deferred share units ("DSUs"). The estimated fair value of stock options granted is estimated using the Black-Scholes option pricing model.

Travel expenses for the three-month period ended December 31, 2025 were \$24,983 as compared to \$14,972 for the three-month period ended December 31, 2024, a decrease of \$10,011. Travel expense is driven by the Company's overall level of operations and by the level of investor relations activities, both of which are expected to increase as a result of the IPO.

For the three-month period ended December 31, 2025, the Company incurred wages and benefits expense of \$61,792 as compared to \$55,645 for the period ended December 31, 2024, an increase of \$6,147. Wages and benefits include salaries and independent director fees.

For the three-month period ended, the Company earned interest income of \$28,224 as compared to \$34,293 for the three-month period ended December 31, 2025, a decrease of \$6,069.

A significant portion of the Company's exploration and operating expenses are denominated in foreign currencies and as a result, the Company realized a foreign exchange loss of \$18,032 during the three-month period ended December 31, 2025 as compared to a foreign gain of \$6,907 during the three-month period ended December 31, 2024.

Summary of Quarterly Results

The following table contains selected financial information for the Company for the past eight quarterly periods.

	Revenue \$	Net income (loss) and comprehensive loss \$	Total assets \$	Working capital (deficiency) \$	Shareholder equity \$	Loss per Share – basic and diluted \$
March 31, 2024	Nil	31,704	13,838,180	4,327,794	13,259,211	0.00
June 30, 2024	Nil	(80,642)	14,787,369	4,359,449	14,245,903	0.00
September 30, 2024	Nil	(361,512)	14,794,986	3,123,320	14,125,391	0.00
December 31, 2024	Nil	(334,818)	15,245,469	1,978,657	14,396,573	0.00
March 31, 2025	Nil	(279,017)	15,505,985	666,181	14,231,556	0.00
June 30, 2025	Nil	(448,429)	25,479,513	9,005,317	24,041,220	0.00
September 30, 2025	Nil	(574,118)	24,661,206	6,440,702	23,557,102	0.00
December 31, 2025	NIL	1,213,058	24,036,657	3,855,586	23,040,162	0.00



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Liquidity, Capital Resources

Working Capital

At December 31, 2025, the Company reported current assets of \$4,852,081 (June 30, 2025 - \$10,443,610), current liabilities of \$996,495 (June 30, 2024 - \$1,438,293) and working capital of \$3,855,586 (June 30, 2025 - \$9,005,317).

The Company's liquidity position is a result of the IPO Offering and multiple private placement equity financings completed during the years ended June 30, 2024 and June 30, 2023, offset by the Company's exploration and property costs at the La Huerta Project.

Initial Public Offering

On June 4, 2025, the Company completed an IPO pursuant to which the Company's common shares began trading on the TSX-V under the trading symbol AXO. In connection with the IPO, the Company completed an IPO Offering of Units pursuant to which the Company issued 20,909,300 Units at a price of \$0.55 per Unit for total gross proceeds of \$11,500,115. Each Unit consisted of one common share and one-half of one IPO Warrant, whereby each whole IPO Warrant entitles the holder to purchase one common share at a price of \$0.70 at any time prior to the close of business on June 4, 2027 (2 years from the completion of the IPO), subject to certain adjustments. Pursuant to the closing of the IPO Offering, the Company was obligated to pay Underwriters' commissions of \$490,116, which have been recorded as share issue costs. In addition to the Underwriters' commissions, the Company incurred professional and listing fees of \$842,906 in connection with the IPO Offering. The estimated fair value of the IPO Warrants issued pursuant to the IPO was determined to be \$891,000, or approximately \$0.085 per IPO Warrant, calculated using the residual value method; accordingly, \$891,000 of the gross proceeds of the IPO Offering have been allocated to the IPO Warrants. Immediately following the completion of the IPO Offering, 107,385,933 common shares (representing 82.4% of the issued and outstanding shares) were held in escrow pursuant to securities and listing regulations and are scheduled for release over a 36-month period following the Company's TSX-V listing on June 4, 2025. At December 31, 2025, 57,639,682 common shares (representing 44% of the issued and outstanding shares) remain in escrow. These common shares rank equally with other common shares but are subject to resale restrictions until released from escrow.

February 2026 - \$40.3 Million Bought Deal Financing

On February 19, 2026, Axo Copper closed a bought deal offering (the "Offering") whereby 57,500,000 units were issued at a price of \$0.70 per unit for gross proceeds of \$40,250,000 lead by a syndicate of underwriters led by Desjarding Capital Markets and BMO Capital Markets as Co-Lead Underwriters. Each unit is comprised of one common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of \$1.00 for a period of 18 months following the closing of the Financing, subject to certain acceleration conditions. The Company intends to use the proceeds of the Offering to continue the advancement of both the La Huerta Project and San Antonio Project, as well as for working capital and general corporate purposes.

Subsequent to December 31, 2025, 475,000 IPO Warrants were exercised for total gross proceeds of \$332,500.

Subsequent to December 31, 2025, 1,000,000 common shares were released from trust pursuant to the La Gallina Rights Option Agreement.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Cash Flows and Other Liquidity Items

During the six -month period ended December 31, 2025, the Company had negative cash flows from operations of \$1,336,244 compared to a negative cash flow from operations of \$200,140 during the six-month period ended December 31, 2024. As operations ramp, the Company anticipates it will continue to have negative cash flow from operating activities in future periods.

During the three-month period ended December 31, 2025, and as discussed elsewhere in this MD&A, the Company used cash of \$4,317,673 (December 31, 2024 - \$2,104,748) to advance the La Huerta Project.

In connection with the acquisition of San Antonio, the Company agreed to provide a non-interest bearing loan to Sapuchi Minera in order for it to satisfy any payments or obligations to the ejido community in respect of any parcel of the Project subject to ejidal or communal ownership that may become due or payable prior to the completion of the Transaction. At December 31, 2025, Axo Copper had advanced \$751,660 to Sapuchi Minera.

The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and exploration requirements and eventually to generate positive cash flows, either from operations or sale of properties. These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate and these adjustments could be material.

Recoverability of Mexican VAT

Management's assumptions regarding the recoverability of Value Added Tax ("VAT") receivable in Mexico, at the end of each reporting period, are made using all relevant facts available, including past collectability, the development of VAT policies and the general economic environment of the country to determine if a write-down of the VAT is required. Collection of the amount receivable depends on processing and payment of the claims by the government in Mexico. The Company has approximately \$2.35 million of VAT receivable at December 31, 2025 (June 30, 2025 - \$1.69 million). While the Company is pursuing collection, with expected delays in processing and collection, management has determined that it is appropriate to classify this amount to the resource property to which the VAT paid related. The timing and amount of the VAT ultimately collectible could be materially different from the amount recorded in the consolidated financial statements.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Board of Directors

As of the date of this MD&A, the Board of Directors of AXO Copper is comprised of the following individuals:

- Jonathan Egilo, President, CEO and Director
- Glenn Jessome, Executive Chair, Corporate Secretary and Director
- Douglas Reid, Independent Director
- Lila Maria Bensojo-Arras, Independent Director
- Karen Flores, Independent Director



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Management Team

As of the date of this MD&A, the Management of AXO Copper is comprised as follows:

- Jonathan Egilo, President and CEO,
- Glenn Jessome, Executive Chair and Corporate Secretary
- Keith Abriel, Chief Financial Officer

Disclosure for Venture Issuers without Significant Revenue

During the six-month periods ended December 31, 2025 and December 31, 2024, the Company incurred expenses related to the following:

	Six-months ended December 31, 2025 \$	Six-months ended December 31, 2024 \$
Capitalized exploration and property costs, net	4,148,673	2,531,462
Operating expenses	1,277,515	780,420

Outstanding Share Data

At December 31, 2025 and as of the date of this MD&A, the Company has 130,295,233 and 215,795,415 common shares issued and outstanding.

The Company has 3,500,000 and 6,975,000 stock options outstanding as at December 31, 2025 and as of the date of this MD&A, respectively. As of December 31, 2025 and as of the date of this MD&A, 3,500,000 stock options are fully vested. The Company's outstanding stock options as of the date of the MD&A are summarized in the following table:

Number of Options	Exercise Price	Expiry date
350,000	\$0.15	May 4, 2033
1,000,000	\$0.40	October 24, 2033
350,000	\$0.40	April 14, 2034
1,500,000	\$0.40	June 9, 2034
300,000	\$0.40	July 18, 2034
3,975,000	\$0.92	February 22, 2036

At December 31, 2025 and at the date of this MD&A, the Company has 11,024,576 and 39,299,576 warrants outstanding, respectively, all of which are fully vested. The Company's outstanding warrants as of the date of the MD&A are summarized in the following table:

Number of Warrants	Exercise Price	Expiry date
569,926	\$0.40	June 4, 2027
9,979,650	\$0.70	June 4, 2027
28,750,000	\$1.00	August 18, 2027

At December 31, 2025 and as at the date of this MD&A, the Company has 1,500,000 deferred share units outstanding, none of which have vested.

As of the date of this MD&A, if all stock options, warrants and DSUs were exercised, the number of common shares of the Company outstanding would be 263,569,991.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Risk Factors

The following are certain factors relating to the business of the Company. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually 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. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. If any of the risks described below or described in the Company's Annual Information Form dated January 27, 2026 actually occur, the Company's business, financial condition and operating results could be adversely affected.

Exploration Stage Company

The Company is an exploration stage company and cannot give any assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Company currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Company fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

Negative Operating Cash Flow

The Company is an exploration stage company with limited financial resources and has not generated cash flow from operations. During the six-month period ended December 31, 2025, the Company had negative cash flow from operating activities of \$1,336,244. The Company anticipates it will have negative cash flow from operating activities in future periods until profitable commercial production is achieved. The Company is devoting significant resources to the development of the La Huerta Project and the San Antonio Project; however, there can be no assurance that either project will generate positive cash flow from operations in the future. To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. There can be no assurance that additional funding will be available to the Company for the exploration and development of its projects. Furthermore, significant additional financing, whether through the issue of additional securities and/or debt, will be required to continue the development of the La Huerta Project and the San Antonio Project. There can be no assurance that the Company will be able to obtain adequate additional financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of the La Huerta Project and/or the San Antonio Project.

No Mineral Reserves

Currently, there are no mineral reserves (within the meaning of NI 43-101) on the La Huerta Project and the Company cannot give assurance that any mineral reserves will be identified. If the Company fails to identify any mineral reserves on The La Huerta Project, its financial condition and results of operations could be materially adversely affected.

Capital Requirements, Liquidity and Risks to Shareholders

Additional funds for the establishment of the Company's current and planned exploration and development operations will be required. No assurances can be given that the Company will be able to raise the additional funding



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

that may be required for such activities. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, 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 or anticipated expansion.

The market price of the common shares may be volatile and is subject to wide fluctuations.

The market price of the common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control. This volatility may affect the ability of holders of common shares to sell their securities at an advantageous price. Market price fluctuations in the common shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by government and regulatory authorities, the Company, or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the common shares. Financial markets have at times historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the common shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Shares may be materially and adversely affected.

Reliability of Historical Information

The Company has relied on, and the disclosure in the La Huerta Technical Report based, in part, upon, historical data compiled by previous parties involved with the La Huerta Project. To the extent that any of such historical data is inaccurate or incomplete, the Company's exploration plans may be adversely affected.

Mineral Exploration, Development and Operating Risks

The business of mineral exploration and development is highly speculative in nature, generally involves a high degree of risk and is frequently non-productive. The La Huerta Project is in the exploration stage and the San Antonio Project is a development project, and there is no assurance that exploration and development efforts will be successful or that expenditures to be made by the Company will result in discoveries of commercial quantities of minerals or profitable commercial mining operations. Resource acquisition, exploration, development, and operation involves significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience, and knowledge may not eliminate. Significant expenses are required to locate and establish economically viable mineral deposits, to acquire equipment, and to fund construction, exploration and related operations, and few mining properties that are explored are ultimately developed into producing mines. Success in establishing an economically viable project is the result of a number of factors, including the quantity and quality of minerals discovered, proximity to infrastructure, metal and mineral prices, which are highly cyclical, costs and efficiencies of the recovery methods that can be employed, the quality of management, available technical expertise, taxes, royalties, environmental matters, government regulation (including land tenure, land use and import/export regulations) and other factors. Even in the event that mineralization is discovered on a given property, it may take several years in the initial phases of drilling until production is possible, during which time the economic



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

feasibility of production may change as a result of such factors. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on its invested capital, and no assurance can be given that any exploration program of the Company will result in the establishment or expansion of resources or reserves. The Company's operations are subject to all the hazards and risks normally encountered in the exploration and development of mineral resource properties, including hazards relating to the discharge of pollutants or hazardous chemicals, unusual or unexpected adverse geological or geotechnical formations, unusual or unexpected adverse operating conditions, seismic activity, fire, explosions and natural phenomena and 'acts of God' such as inclement weather conditions, floods, earthquakes or other conditions, any of which could result in damage to, or destruction of, mineral properties, personal injury or death, damage to property, environmental damage, unexpected delays, monetary payments and possible legal liability, which could have a material adverse impact upon the Company. In addition, any future mining operations will be subject to the risks inherent in mining, including adverse fluctuations in fuel prices, commodity prices, exchange rates and metal prices, increases in the costs of constructing and operating mining and processing facilities, availability of energy and water supplies, access and transportation costs, delays and repair costs resulting from equipment failure, changes in the regulatory environment, and industrial accidents and labour actions or unrest. The occurrence of any of these risks could materially and adversely affect the development of a project or the operations of a facility, which could have a material adverse impact upon the Company.

Shareholders may experience significant dilution.

The Company's Articles and by-laws allow it to issue an unlimited number of common shares for such consideration and on such terms and conditions as established by the Board, in many cases, without the approval of the Company's Shareholders. The Company may issue additional common shares in subsequent offerings (including through the sale of securities convertible into or exchangeable for common shares) and on the exercise of stock options or other securities exercisable for common shares. The Company cannot predict the size of future issuances of common shares or the effect that future issuances and sales of common shares will have on the market price of the common shares. Issuances of a substantial number of additional common shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the common shares. With any additional issuance of common shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

The common shares do not pay dividends.

No dividends on the common shares have been declared or paid to date. The Company anticipates that, for the foreseeable future, it will retain its cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including earnings, operating results, financial condition, current and anticipated cash needs and any restrictions in financing agreements, and the Company may never pay dividends.

Forward-looking statements may prove to be inaccurate.

Investors should not place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

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 any assurance that title to its exploration properties



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that AXO Copper does not have title to its exploration properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

Limited Operating History

The Company has no history of an operating business or mining operations, revenue generation or production history. The Company was incorporated on April 15, 2021 and has yet to generate a profit from its activities. The Company will be subject to all of 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 will take several years to achieve any cash flow from operations.

Global Financial Volatility

Global financial conditions are volatile from time to time. Global economic volatility may impact domestic markets and the ability of the Company to obtain equity or debt financing to continue its operations and, if obtained, on terms favourable to the Company. Market volatility and turmoil could adversely impact the Company's operations and the value and the trading price of the Company's common shares.

Commodity Prices

Factors beyond the control of the Company may affect the marketability and price of minerals discovered, if any. Commodity and metal prices have fluctuated widely in recent years and months and are affected by numerous factors beyond the control of the Company, including international, economic and political trends, market intervention by state actors, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors cannot be accurately predicted. Periods of depressed metal prices may negatively affect the ability of the Company to obtain required financing and have a material adverse effect on the Company.

Foreign Operations

The Company's principal asset is located in Mexico and the Company's operations are therefore subject to Mexican federal and state laws and regulations. The risks normally associated with the conduct of business in foreign countries include various levels of political, regulatory, economic, social and other risks and uncertainties. Such risks may include, but are not limited to: local economic instability, high rates of inflation, emerging resource nationalism, restrictions on foreign ownership and activities, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits and contracts, limitations on repatriation of earnings or other currency controls, limitations on commodity exports, labor unrest, invalidation of governmental orders and permits, corruption, sovereign risk, war (including neighboring states), military repression, civil disturbances, terrorist activity, hostage taking, unanticipated changes in laws or policies, the failure of foreign parties to honor contractual relations, foreign taxation, delays or inability to obtain necessary governmental permits, and opposition to mining from environmental or other non-governmental organizations.

The Company believes the attitude of the current Mexican government toward mineral resource development activities and foreign investment to be favorable, however, any deterioration in economic conditions or other factors could result in a change in government policies at either the national or state level. In addition, no assurance can be given that new rules and regulations will not be enacted or that existing laws, rules and regulations will not be applied in a manner which could limit or curtail the Company's activities.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Mexico's legal and regulatory requirements in connection with companies conducting mineral exploration and mining activities, banking system and controls as well as local business culture and practices are, in particular, different from those in Canada. While the Company believes its exploration and development activities are currently carried out in material compliance with all applicable rules and regulations, the officers and directors of the Company must rely, to a great extent, on the Company's Mexican legal counsel and local consultants retained by the Company in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Company's operations. The Company also relies, to some extent, on those members of management and directors of the Company who have previous experience working and conducting business in Mexico in order to enhance its understanding of and appreciation for the local business culture and practices in Mexico. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices in Mexico are beyond the control of the Company and may adversely affect its business.

Limited Market for Securities

The common shares are listed on the TSXV, however there can be no assurance that an active and liquid market for the common shares will be maintained, and an investor may find it difficult to resell securities of the Company.

Conflicts of Interest

Certain directors and officers of the Company are or may become associated with other mineral resource exploration companies which may give rise to conflicts of interest. In accordance with applicable Canadian corporate law, directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. Certain of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and, accordingly, the Company will not be the only business enterprise of these directors and officers.

Competition

The Company will compete with many exploration companies that may have substantially greater financial and technical resources than the Company, as well as, for the recruitment and retention of qualified personnel.

Reliance on Key Individuals

The Company's success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in its growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Company.

Infrastructure

Mineral resource development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Unusual or infrequent weather, phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could have a material adverse impact on the Company and its operations.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Litigation

Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. At any time, the Company is subject to the threat of litigation and may be involved in disputes with other parties in the future which may result in litigation or other proceedings. The results of litigation or any other proceedings cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it could have a material adverse effect on the Company and its financial position, operations or development.

Dependence on Projects

The Company is currently allocating substantially all of its financial resources and efforts to the La Huerta Project and the San Antonio Project. While the Company may acquire additional mining and exploration projects in the future, the La Huerta Project and the San Antonio Project are currently the Company's only mineral projects. Therefore, any adverse conditions or events affecting the La Huerta Project or the San Antonio Project could materially and adversely affect the Company's potential profitability, financial performance and operational results.

Substantial Environmental and Reclamation Costs

The Company's activities are subject to laws and regulations controlling not only the mining of and exploration for mineral properties, but also the possible effects of such activities upon the environment. Environmental legislation may change and make mining operations uneconomic, or result in significant environmental or reclamation costs. 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 could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties or the suspension or closure of mining operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities. Environmental legislation is evolving in a manner which may mean 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. Permits from a variety of regulatory authorities are required for many aspects of mine development, operation and reclamation. Future legislation and regulations could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of reclamation plans, the Company must comply with standards and laws and regulations which may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

Sales by Existing Shareholders

Sales of a substantial number of Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Shares intend to sell Shares, could reduce the market price of the Shares. If this occurs and continues, it could impair the Company's ability to raise additional capital through the sale of securities.

Safety and Security

The Company's property interests are located in the State of Jalisco, Mexico. Criminal activities in the region, or the perception that activities are likely, may disrupt the Company's operations, hamper the Company's ability to hire and keep qualified personnel and impair the Company's access to sources of capital. Risks associated with conducting business in the region include risks related to personnel safety and asset security. Risks may include, but



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

are not limited to: kidnappings of employees and contractors, exposure of employees and contractors to local crime related activity and disturbances, exposure of employees and contractors to drug trade activity, and damage or theft of the Company's or personal assets. These risks may result in serious adverse consequences including personal injuries or death, property damage or theft, limiting or disrupting operations, restricting the movement of funds, impairing contractual rights and causing the Company to shut down operations, all of which may expose the Company to costs as well as potential liability. Such events could have a material adverse impact on the Company and make it more difficult for the Company to obtain required financing. Although the Company actively attempts to mitigate such risks, there is no assurance that the Company's efforts will be effective in safeguarding personnel and the Company's property effectively.

Enforcement of Judgements

The majority of the Company's assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Company or its subsidiaries, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Company or its subsidiaries under Canadian securities laws. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims in original actions instituted in other jurisdictions. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure may also be governed by foreign law.

Insurance and Uninsurable Risks

While the Company has obtained insurance to address certain risks in such amounts as it considers being reasonable, such insurance has limitations on liability and the insurance may not continue to be available. Moreover, such risks may not be insurable in all instances or, in certain instances, the Company may elect not to insure against certain risks because of high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company and the occurrence of an event in which the Company is not fully insured against, could have a material adverse effect upon its business, operating results and financial condition.

Currency

Our financials are reported in Canadian dollars. However due to our operations in foreign jurisdictions, expenditures may be incurred in foreign currencies. Thus the Company may be exposed to financial risk arising from fluctuations in exchange rates between the Canadian dollar and foreign currencies, which may, from time to time, impact our financial position and results.

Social and Environmental Activism

There is an increasing level of public concern relating to the effects of mining on the nature landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who 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. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operations, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Acquisition of Additional Mineral Properties

If the Company loses or abandons its interests in its mineral properties, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the TSXV. There is also no guarantee that the TSXV will approve the acquisition of any additional properties by the Company, whether by way of an option or otherwise, should the Company wish to acquire any additional properties.

Government or Regulatory Approvals

Exploration and development activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a mining licence will be granted with respect to exploration territory. There can also be no assurance that any exploration licence will be renewed or if so, on what terms. These licences place a range of past, current and future obligations on the Company. In some cases, there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant licence or related contract.

Permits and Government Regulation

The future operations of the Company may require permits from various federal, state, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. Possible future government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before development and production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance, with changes in governmental regulations, has the potential to reduce the profitability of operations. The Company is currently in compliance with all material regulations applicable to its exploration activities.

Uncertainty of Use of Available Funds

Although the Company has set out its intended use of available funds in its public filings, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such funds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of copper on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, pandemics, epidemics or quarantine restrictions.

Reporting Issuer Status

As noted elsewhere herein, on June 4, 2025, the common shares of the Company began trading on the TSXV and the Company is now a reporting issuer, the Company will be subject to reporting requirements under applicable securities law, the listing requirements of the TSXV and other applicable securities rules and regulations. Compliance with these requirements will likely result in increased legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Company is now required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

Management of the Company expects that being a reporting issuer will make it more expensive to obtain and maintain director and officer liability insurance, and the Company may in the future be required to accept reduced coverage or incur substantially higher costs to obtain or maintain adequate coverage. This factor could also make it more difficult for the Company to retain qualified directors and executive officers.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Company may acquire mineral claims, material interests in other mineral claims, and companies that the Company believes are strategic. The Company currently has no understandings, commitments or agreements with respect to any material acquisition, other than as described in its public filings, and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired Company or mineral claims into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

Climate Change Risks

The Company acknowledges climate change as an international and community concern and it supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. However, in addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Company expects that this could result in increased costs at some of its operations in the future.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

The Company and the mining industry are facing continued geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, floods, seismic activity, droughts and pit wall failures, may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's business results of operations and financial position.

Internal controls cannot provide absolute assurance with respect to the reliability of financial reporting and financial statement preparation

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, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

No Established Market for Securities

As noted elsewhere herein, on June 4, 2025, the common shares of the Company began trading on the TSXV; however, there can be no assurance that an active and liquid market for the common shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company. If a market does not develop or is not sustained, it may be difficult for investors to sell the common shares at an attractive price or at all. The Company cannot predict the prices at which the common shares will trade.

Speculative Nature of Investment Risk

An investment in the Company's securities carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. An investment in the Company's securities may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

Price may not Represent the Company's Performance or Intrinsic Fair Value

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the common shares on the TSXV in the future cannot be predicted.

Securities or Industry Analysts

The trading market for the common shares could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or its competitors. The Company does not have any control over these analysts and cannot assure that such analysts will cover the Company or provide favourable coverage. If any of the analysts who may cover the Company's business change their recommendation regarding



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

the Company's stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Company's business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

Price Volatility of Publicly Traded Securities

As noted elsewhere herein, on June 4, 2025, the common shares of the Company began trading on the TSXV. Securities of mineral exploration and development companies, have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries.

The price of the common shares is also likely to be significantly affected by short-term changes in copper or other mineral prices or in our financial condition or results of operations. Other factors unrelated to our performance that may affect the price of the common shares include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the common shares may affect an investor's ability to trade significant numbers of Shares; the size of our public float may limit the ability of some institutions to invest in the common shares; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the common shares, 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 common shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We 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 market price of the common shares is affected by many other variables which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the market for all resource sector securities, the breadth of the public market for our common shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the common shares is expected to make the price of the common shares volatile in the future, which may result in losses to investors.

Dilution

Future sales or issuances of equity securities could decrease the value of the common shares, dilute shareholders' voting power and reduce future potential earnings per common share. We may sell additional equity securities in subsequent offerings (including through the sale of securities convertible into common shares) and may issue additional equity securities to finance our operations, development, exploration, acquisitions or other projects. We cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the common shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the common shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per common Share.

Dividends

To date, the Company has not paid any dividends on its outstanding common shares. Any decision to pay dividends on the common shares of the Company will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

TSXV Listing

In the future, the Company may fail to meet the continued listing requirements for the common shares to be listed on the TSXV. If the TSXV delists the common shares from trading on its exchange, the Company could face significant material adverse consequences, including: a limited availability of market quotations for the common shares; a determination the common shares are a "penny stock" which will require brokers trading in the common shares to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary market for the common shares; a limited amount of news and analysts coverage for the Company; and a decreased ability to issue additional securities or obtain additional financing in the future.

Significant Accounting Estimates and Judgements

The preparation of the consolidated financial statements requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses during the reporting year. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results may differ from these estimates. The more significant areas requiring the use of management estimates and judgements are discussed below.

Going concern

The Company's assessment of whether material uncertainties exist in relation to the Company's ability to continue as a going concern requires significant judgment. Management prepares detailed cash flow projections, considering expected spending on its resource properties and general and administrative expenses and assesses whether it has the ability to meet its obligations as they come due, for a minimum of a twelve-month period from the consolidated statements of financial position date.

Recoverability of resource properties

At the end of each reporting period, the management assesses whether there are any indicators of impairment related to resource properties. Management applies judgment is required in determining whether indicators of impairment exist, including factors such as the period for which the Company has the right to explore, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and whether results of exploration and evaluation activities on the resource properties indicate that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale.

Where an indicator of impairment exists, an estimate of the recoverable amount is calculated by management, which is considered to be the higher of fair value less cost of disposal and value in use. The value in use of resource properties is generally determined as the present value of future cash flows arising from the continued use of the assets. The determination of discounted cash flows is dependent on a number of factors, including future metal prices, the amount of reserves, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, and site closure, restoration and environmental rehabilitation costs. These factors may change due to changing economic conditions or the accuracy of certain assumptions and, hence, affect the recoverable amount. The fair value of resource properties is estimated by management through the use of, where available, comparison to similar assets and industry benchmarks. Actual results may differ materially from these estimates.



MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE PERIOD ENDED DECEMBER 31, 2025

Recoverability of sales tax

Management's assumptions regarding the recoverability of VAT receivable in Mexico, at the end of each reporting period, are made using all relevant facts available, including past collectability, the development of VAT policies and the general economic environment of the country to determine if a write-down of the VAT is required. Collection of the amount receivable depends on processing and payment of the claims by the government in Mexico. The Company has approximately \$2.35 million of VAT receivable at December 31, 2025 (June 30, 2025 - \$1.69 million). While the Company is pursuing collection, with expected delays in processing and collection, management has determined that it is appropriate to classify this amount to the resource property to which the VAT paid is related. The timing and amount of the VAT ultimately collectible could be materially different from the amount recorded in the consolidated financial statements.

Share-based payments

The Company issues equity-settled share-based payments to certain employees and third parties outside the Company. Equity-settled share-based payments are measured at estimated fair value, except warrants issued as part of units for which the residual method is used, excluding the effect of non-market based vesting conditions, at the date of grant. Fair value is estimated using the Black-Scholes option pricing model and requires the exercise of judgment in relation to variables such as the expected life and expected volatilities, which are based on information available at the time the fair value is measured.

Other Information

Additional information regarding the Company will be available on SEDAR+ at www.sedarplus.ca following the completion of the Initial Public Offering process.