



Hercules Metals Corp.

**Management's Discussion and Analysis
For the Year ended December 31, 2025**

(Expressed in Canadian Dollars)

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The following is the Management's Discussion and Analysis (the "MD&A") of the results of operations and financial condition of Hercules Metals Corp. ("Hercules Metals", "we" or the "Company") as at and for the year ended December 31, 2025. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended December 31, 2025 and 2024 (the "2025 Financials"). The 2025 Financials and the financial information contained in this MD&A are prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board and IFRIC[®] Interpretations of the IFRS Interpretations Committee. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All figures are expressed in Canadian dollars (" \$" or "CAD") unless stated otherwise. This MD&A also covers the subsequent period up to April 28, 2026.

Overview

Hercules Metals is incorporated under the *Business Corporations Act* (Ontario) with its registered office located at 100 King Street West, Suite 1600, Toronto, Ontario, M5X 1G5, Canada. The Company is an exploration company focused on developing North America's newest porphyry copper district in Idaho, United States (the "U.S."). Its 100% owned Hercules Project (the "Hercules Property") located northwest of Cambridge, hosts the newly discovered Leviathan porphyry copper system, one of the most important new discoveries in the region to date. The Company's common shares are listed on the TSX Venture Exchange (the "TSXV") under the ticker symbol "BIG", on the OTCQB[®] Venture Market under the symbol "BADEF", and on the Frankfurt Stock Exchange under the symbol "C0X".

Corporate Developments

Effective May 1, 2025, Dillon Hume was appointed as Vice President, Exploration of the Company. Mr. Hume has more than a decade of experience leading large exploration and resource definition drill programs. Prior to joining Hercules Metals, he spent over eight years with Equity Exploration, a geological firm that has supported more than 400 exploration projects and drilled over 1.4 million meters globally. Most recently, Mr. Hume served as VP, Exploration at Trailbreaker Resources, overseeing early-stage exploration initiatives across several porphyry copper and gold projects throughout British Columbia.

On June 17, 2025, the Company hosted its Annual General and Special Meeting, where Christopher Paul, Nicholas Tintor, Peter Simeon and Kelly Malcolm were all re-elected as directors of Hercules Metals.

On December 18, 2025, the Company announced the appointment of Matthieu Bos as an independent director of the Company and Chairman of the Board of Directors (the "Board"). Mr. Bos succeeds Mr. Simeon, who continues to serve as a director of Hercules Metals. Mr. Bos is a mining executive and capital markets professional with more than 15 years of experience spanning investment banking, project development, and corporate leadership in the global mining sector. He brings deep expertise in large-scale copper development, financing, and governance, with a career that bridges institutional capital markets and tier-one mine building.

Financing Activities

On August 14, 2025, the Company closed a brokered private placement (the "Offering"), pursuant to which the Company sold 24,644,500 common shares in the capital of the Company at a price of \$0.70 per common share, for aggregate gross proceeds to of \$17,251,150. The Offering was conducted on a "best efforts" agency basis, with Canaccord Genuity Corp. ("Canaccord Genuity") and BMO Capital Markets (collectively with Canaccord Genuity, the "Co-Lead Agents"), as co-lead agents and co-lead bookrunners, and First Nations Financial Markets Limited Partnership (collectively with the Co-Lead Agents, the "Agents").

During the year ended December 31, 2025, the Company issued 6,657,280 common shares as a result of the exercise of warrants for total cash proceeds of \$1,950,456. In addition, a further 1,007,500 common shares were issued as a result of the exercise of stock options for total cash proceeds of \$181,925.

Hercules Property

The Hercules Property represents 24,276 acres consisting of private, state, and federal mineral rights. The Company holds surface mining rights on 1,770 acres, granting the right to conduct exploration, drilling, road construction, mining, and milling activities, as well as a 7,669-acre state lease that provides the ability to explore, develop, and mine within the Hercules Property. The Company has a 100% interest in the Hercules Property, subject to a 2% net smelter royalty ("NSR"), of which half can be bought back for \$1 million. The Hercules Property is located on the northwestern shoulder of Cuddy Mountain, 200 kilometers ("km") northwest of Boise, Idaho. Cuddy Mountain is an uplifted and tilted fault block of accreted Mesozoic terrane about 19 km across, which is characterized by open grassy slopes. Mineralization is hosted within a Triassic-Jurassic sequence of volcanics, volcanoclastics and carbonate rocks.

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Highlights of the Hercules Property include:

- Hercules was historically a high-grade silver project, with mining and exploration activity dating back to the 1800s and extensive drilling, in over 300 holes, conducted between 1965 and 1988.
- Acquired 100% by the Company in 2021, Hercules has been re-evaluated using modern systematic exploration techniques, leading to a transformational porphyry copper discovery in 2023.
- The porphyry system was initially discovered beneath silver-rich zones on the western side, with mineralization becoming progressively shallower moving east across the property.
- Current exploration is focused on expanding the mineralized system and vectoring toward the high-grade potassic core, which has yet to be discovered.
- Located in Idaho, a stable and mining friendly jurisdiction. A 1969 agreement with the original landowner grants the Company the right to drill, mine and mill on surface land covering approximately half of the project area.

In February 2024, the Company reported strong silver-lead-zinc results from shallow holes drilled into the Upper Plate above the new Leviathan porphyry copper discovery which forms part of the Hercules Property, in western Idaho. These results showcase the presence of a significant silver system above and potentially related to the Leviathan porphyry copper discovery

In May 2024, the Company announced that three core drilling rigs are now fully mobilized and drilling the first three holes of an extensive 20,000-meter drill program ("Phase III"). The objectives of the Phase III program were to: (i) utilize systematic step-outs to vector into the highest-grade portion of the system; (ii) identify the overall size of the target; and (iii) recognize the geometry of the system to further refine the 3D target model.

In June 2024, the Company provided an update on its Phase III drill program, where a total of 3,000 meters has been cored in five completed and two in-progress drill holes ranging in length from 411 to 516 meters. The drill program has faced challenging drilling conditions in the Upper Plate resulted in slower than anticipated production rates at the start of the program. To compensate for this and ensure adequate strike length is covered early in the program, large step-outs, up to 1 km south, has been underway.

In July 2024, the Company provided a new update on its ongoing exploration drilling program at the Hercules Property, as a total of 4,600 meters have been drilled in six completed, three abandoned and three in progress drill holes ranging up to 722 min depth, where a potential trend of elevated hypogene copper-silver enrichment appears to be emerging, currently being tested in two directions: (i) two drill rigs stepping to the northeast and southwest from the 2023 discovery area to test the potential trend of elevated copper-silver, immediately below the Triassic-Jurassic unconformity, and (ii) a third drill rig is reconnaissance drilling compelling new targets across the Property.

In August 2024, the Company announced that the United States Forest Service ("USFS") has approved a Categorical Exclusion ("CatEx") for its Plan of Operations (the "Plan") allowing the Company to drill two large untested targets on its Hercules Property with 15 pre-selected drill sites through to the end of August 2025. This approval authorizes exploration activities on an eastern portion of the Hercules Property where the surface is administered by the USFS. The Plan contemplates drilling of the Grade Creek and Eastern Block targets, neither of which have been tested below the depth of shallow epithermal silver mineralization to the underlying Leviathan porphyry copper system. The Company also commenced the early stages of moving forward with an Environmental Assessment on the property, to secure longer-term drilling on USFS lands once the CatEx expires.

In October, 2024, the Company announced multiple broad copper intercepts from its Phase III drilling program on the newly discovered Leviathan porphyry copper system.

In December 2024, the Company announced results from its first phase of initial metallurgical testing at the Hercules Property. Metallurgical testing was conducted on four composite samples, each weighing over 50 kg, including samples of oxide and sulfide silver from the near surface epithermal system, as well as copper mineralization from the underlying porphyry system. Conventional flotation of porphyry copper mineralization achieved a strong recovery of $\pm 87\%$ in initial open cycle tests, with ongoing locked cycle testing now projected to recover $\pm 90\%$. A straightforward two-step leaching process on the near-surface silver delivered impressive recoveries of 86% for oxide mineralization and 82% for sulfide mineralization.

On January 15, 2025, the Company announced new step-out drilling results, as drill hole HER-24-20, a 330 meters step-out, intersected 300 meters of 0.70% CuEq, beginning at a true depth of 70 meters below surface - the shallowest that porphyry mineralization has been drilled on the Property. A separate step-out hole, HER-24-19, was collared 530 meters southwest of HER-24-20, and intersected 149 meters of 0.78% CuEq, including 43 meters of 1.22% CuEq. For more information, please refer to the press release dated January 15, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

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On February 20, 2025, the Company announced drill hole HER-24-21 intersected 354 meters of 0.47% CuEq, including 171 meters of 0.64% CuEq, and a higher grade 44 meters interval of 0.89% CuEq. The hole was designed to test below 2023 drill hole 23-14, interpreted to be drilled along the periphery of the system. The RC hole encountered strongly mineralized volcanic wall rock over 171 meters below the Jurassic cover, before deviating 60 degrees southwest, into a late-mineral porphyry. Despite the deviation, the hole ended with a strong overall intercept of 0.47% CuEq over 354 meters. Modelling shows the late porphyry to plunge southeast, giving way to thick sequences of prospective host rock in the Eastern Block and Southern Flats zones. For more information, please refer to the press release dated February 20, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On March 4, 2025, the Company announced that its U.S. wholly-owned subsidiary, Anglo-Bomarc, U.S., Inc. ("Anglo-Bomarc") has entered into a 20-year mineral lease agreement (the "Mineral Lease") with the Idaho Department of Lands (the "IDL") to explore, develop and mine metallic minerals on approximately 7,669 acres of state-owned land adjacent to the Hercules Property, and 640 acres adjacent to its nearby Mineral property (collectively the "Lease Area"). This new addition increases the Company's land position in the district by over 46%, to a total of 24,276 acres at the Leviathan porphyry discovery and 2,243 acres at the Mineral property. The Mineral Lease has a primary term of 20 years, commencing on March 1, 2025, and expiring on February 28, 2045, with the potential to extend the lease beyond its initial term, subject to Idaho law and a negotiated extension agreement with the IDL (see "Mineral Lease" for more details). For more information, please refer to the press release dated March 4, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On April 17, 2025, the Company announced completion of the first 3D block model of the Leviathan discovery on its Hercules Property. This milestone provides a clear framework to guide a fully funded 12,000-meter drill campaign, marking a major step toward expanding the discovery and unlocking the broader resource potential of the Leviathan porphyry system. For more information, please refer to the press release dated April 17, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On May 5, 2025, the Company announced the results of an independent study, focused on the high-grade enrichment zone at the Hercules Property. The study, authored by independent consultant Jamie Wilkinson, presents evidence that Leviathan's shallow enrichment zone formed through a hypogene process known as "telescoping", in which epithermal fluids overprinted and upgraded earlier porphyry mineralization. Unlike supergene enrichment, which is limited to narrow blankets of near-surface weathering, telescoping implies significantly greater scale and grade potential. The upcoming drill campaign will therefore focus on targeting the shallower levels of the system, where the porphyry and epithermal systems are believed to overlap. For more information, please refer to the press release dated May 5, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On May 21, 2025, the Company announced the start of its 2025 drilling campaign, as two core drilling rigs are currently operating, with mobilization of a third core drilling rig underway. The first two core rigs were mobilized to site by Dorado Drilling USA ("Dorado"). Certain border-related delays affected a planned earlier mobilization date. To regain momentum and keep the 2025 meterage target on track at a similar projected cost per meter, the Company has elected to add a third core rig from Scout Drilling LLC of Coeur D'Alene, Idaho. The Company is also evaluating bids to potentially add a reverse circulation rig to further accelerate progress by drilling pre-collars through the Jurassic cover sequence. For more information, please refer to the press release dated May 21, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On June 23, 2025, the Company provided an update on its 2025 drilling campaign at the Hercules Property. It reported that initial drill holes are validating the breakthrough 3D geological model announced in April 2025, and as a result, the Company has elected to ramp up production from three to five drill rigs. For more information, please refer to the press release dated June 23, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On July 9, 2025, the Company announced the successful completion of a large-scale (>100 square km ("km²")) magnetotelluric, and natural-source induced polarization ("MT-NSIP") geophysical survey by Moombarriga USA ("M-Geo") over the Hercules Property. An additional 20 km² was surveyed on the adjacent Cuddy Mountain property, held by Scout Discoveries Corp. ("Scout Discoveries"), as part of a collaborative survey initiative. The combined 120 km² dataset is now being processed and inverted as a single contiguous block, which allows resistivity to be reliably modelled to depths of up to six km, significantly beyond the ~800- meters penetration achieved from the conventional DC-IP survey completed in 2023. For more information, please refer to the press release dated July 9, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On July 16, 2025, the Company provided an additional update on its 2025 drilling campaign, as seven holes are now complete, with another five in progress, equating to more than 5,500 meters drilled so far this season. Drilling continues to validate the new 3D geological model announced in April of this year, which was the primary objective of the campaign. As a result, the Company ramped up from three to five drill rigs, all of which are focused on the following targeted approach. For

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more information, please refer to the press release dated July 16, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On July 28, 2025, the Company announced that Hercules and Anglo-Bomarc have entered into a strategic option agreement (the "Strategic Option Agreement") with Barrick Gold Exploration Inc. ("BGE"), a wholly-owned U.S. subsidiary of Barrick Mining Corporation ("Barrick") to lead a consolidated district-scale exploration strategy and earn a 100% interest (the "Barrick Option") in over 74,000 acres of unpatented mining claims (the "Olympus Claims") surrounding the Hercules Property and the flagship Leviathan porphyry discovery in western Idaho. In exchange, Barrick will increase its equity position in the Company. For more information, please refer to the press release dated July 28, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On August 18, 2025, the Company completed the closing (the "Closing") of the Strategic Option Agreement (see "Option Agreements" for details).

On August 27, 2025, the Company announced that its first ground-based MT survey has successfully revealed a strong conductive anomaly at the Leviathan porphyry system, on the Hercules Property. The +100 km² MT survey, completed by M-Geo, expanded well beyond the limits of a prior 12 km² 3D IP survey and extended the depth of geophysical investigation from 800 meters to over 6 km. The MT survey results correlate well with southeast-dipping copper mineralization at Leviathan, and importantly, reveal the potential for a major expansion to the south, where the anomaly intensifies and forms a high conductivity ring (to <70 ohm-m), over 3 km in width, under the Southern Flats Zone. For more information, please refer to the press release dated August 27, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On September 17, 2025, the Company announced the results from its first completed hole of the 2025 drilling season at the Leviathan porphyry copper discovery. A 220 meters step-out hole, HER-25-02, intersected high-grade mineralization consisting of 81 meters grading 1.5% Cu and 8.9 g/t Ag, within a larger interval of 127 m grading 1.1% Cu and 7 g/t Ag, which sits within a broad zone of 346 m grading 0.66% Cu, 3.2 g/t Ag and 78 ppm Mo. The upper high-grade subintervals are associated with strong bornite-chalcocite hypogene enrichment mineralization at the centre of the system. Hole 25-02 has extended the strike length of the system to 1.3 km, while a series of northwest-oriented fences are now targeting extensions of this high-grade centre along strike to the south, at 200 meters spacing. For more information, please refer to the press release dated September 17, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On October 8, 2025, the Company provided an update on 2025 drilling progress at the Leviathan porphyry copper discovery, as 16 holes have been completed, with one hole in-progress at Leviathan and two holes currently in-progress on a large new priority target area in the Southern Flats Zone. Over 13,000 meters have been drilled to date, with samples for nine holes awaiting assay at the lab. For more information, please refer to the press release dated October 8, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On October 22, 2025, the Company reported further results from its 2025 drilling campaign at the Leviathan porphyry copper discovery, as results are now demonstrating continuity in the Hanging Wall Zone, with HER-25-05 returning 273 meters of 0.60% Cu, 77 ppm Mo, and 1.8 g/t Ag, within a broader interval of 379 m of 0.50% Cu, 75 ppm Mo, and 1.5 g/t silver, beginning at 110 meters true depth below surface. For more information, please refer to the press release dated October 22, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On December 22, 2025, the Company reported further results from its ongoing 2025 drilling campaign on the Leviathan porphyry copper discovery at its Hercules Property. For more information, please refer to the press release dated December 22, 2025, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On February 4, 2026, the Company reported further results from its 2025 drilling campaign on the Leviathan porphyry copper discovery. These latest results demonstrate continued expansion of the high-grade hypogene enrichment at Leviathan, while highlighting the potential for additional porphyry centers across the Hercules land package. For more information, please refer to the press release dated February 4, 2026, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

Looking Ahead for 2026

On February 19, 2026, the Company announced the engagement with Equity Exploration Consultants Ltd. ("Equity") to manage drilling operations at the Hercules Property. Equity is a senior geological consulting firm, based in Vancouver, British Columbia, with nearly 40 years of experience in managing large, complex drill programs for both junior and major mining companies across North America. Equity's expert geologists and senior exploration managers will work alongside the

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Company's existing technical team to expand operational capacity at the project, improve drilling efficiency, increase production, reduce sampling and analytical turnaround times, and provide greater flexibility to scale up drilling operations while accelerating the delivery of results to market.

On March 17, 2026, the Company announced that drilling has commenced for the 2026 exploration season at its Hercules Property. The Company is planning a 20,000 to 30,000 m drill program focused on expanding the Leviathan copper discovery along strike into the Southern Flats Zone and beyond, representing roughly double the meters drilled to date and targeting larger, stronger MT geophysical anomalies identified along trend. An initial 12,500 m phase is currently underway, the results of which will continue to guide the allocation of remaining meters across additional targets. For more information, please refer to the press release dated March 17, 2026, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On March 20, 2026, the Company provided details on its initial 12,500 m drill program, currently underway at five new target areas along trend from the Leviathan copper discovery. Upon completion of this phase and evaluation of results, the Company anticipates expanding to a total of 20,000 to 30,000 meters. For more information, please refer to the press release dated March 20, 2026, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On March 24, 2026, the Company announced that Anglo-Bomarc has entered into a definitive real property lease with option to purchase agreement (the "Agreement") with an arm's length private landowner, to secure an additional 1,473 acres of private land (the "Private Property"), contiguous with the Hercules Property. The Private Property represents a strategic addition to the Company's >100,000-acre land position in the Hercules Copper Belt. The lands include both surface and mineral rights, directly along trend with the Leviathan Porphyry Copper System, as well as a series of strong MT conductivity anomalies extending along a south-trending corridor. The Company currently holds surface mining rights covering approximately 1,800 acres across the full extent of the Leviathan copper discovery. If the option is exercised, total surface rights would increase to approximately 3,273 acres, further strengthening the Company's control over key areas of the system. See "Subsequent Events" for more details on the terms of the Agreement.

On March 30, 2026, the Company reported additional drill results from its 2025 exploration campaign at the Leviathan porphyry copper system, located on its Hercules Property in western Idaho. For more information, please refer to the press release dated March 20, 2026, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

On April 22, 2026, the Company announced the results of a recently completed IP geophysical survey, covering two newly identified MT conductivity anomalies, situated along strike from its Leviathan copper porphyry discovery. For more information, please refer to the press release dated April 22, 2026, which is available for review under our profile on SEDAR+ at www.sedarplus.ca.

Overall Performance*Selected annual financial information*

Selected financial information, prepared in accordance with IFRS[®] Accounting Standards, for the Company's three most recently completed fiscal years ended December 31 are summarized as follows:

	2025	2024	2023
			\$
Total operating expenses	(20,572,312)	(19,837,815)	(9,654,703)
Net loss	(19,893,612)	(18,982,455)	(9,694,688)
Net loss per share – basic	(0.08)	(0.08)	(0.05)
Cash and cash equivalents	10,532,346	608,283	12,723,946
Short-term investments	-	8,709,372	11,854,531
Total assets	13,796,315	12,124,741	25,849,547
Total liabilities	1,179,510	744,442	504,930
Working capital	9,543,306	8,822,708	24,582,711

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Selected quarterly financial results

The Company's selected financial information for the eight most recently completed quarters as follows:

	Q4 2025	Q3 2025	Q2 2025	Q1 2025
	\$	\$	\$	\$
Operating expenses	(5,448,861)	(10,028,169)	(4,221,342)	(873,940)
Net loss	(4,718,681)	(9,997,589)	(4,301,972)	(875,370)
Net loss per share – basic and diluted	(0.02)	(0.04)	(0.02)	(0.00)
Cash and cash equivalents	10,532,346	11,908,682	678,607	737,934
Total assets	13,796,315	19,164,829	11,521,952	12,604,949

	Q4 2024	Q3 2024	Q2 2024	Q1 2024
	\$	\$	\$	\$
Operating expenses	(4,036,441)	(8,619,199)	(6,113,410)	(1,068,765)
Net loss	(3,196,096)	(8,629,539)	(6,105,875)	(1,050,945)
Net loss per share – basic and diluted	(0.01)	(0.03)	(0.03)	(0.01)
Cash and cash equivalents	608,283	4,374,106	8,179,209	12,181,925
Total assets	12,124,741	16,774,673	24,102,558	26,289,921

Results of operations for the three months ended December 31, 2025

During the three months ended December 31, 2025 ("Q4 2025"), the Company worked towards completion of the 2025 drill program. Total operating expenses of \$5,448,861 were incurred in Q4 2025, as compared to total operating expenses of \$4,036,441 incurred in the comparative period, for an increase of \$1,412,420. Total exploration and evaluation ("E&E") expenditures of \$4,754,000 were incurred in Q4 2025, comprised primarily of exploration drilling costs of \$1,791,853, and claims maintenance of \$714,225. In the comparative period, the Company incurred total E&E expenditures of \$3,390,809. For the 2025 drill program, management has engaged drilling contractors who are able to provide better results at a lower cost per drill meter.

Aside the E&E expenditures and the property option payments, there was an overall decrease in other operating expenses in Q4 2025, including share-based compensation ("SBC") of \$121,412 (2024 – \$407,706), general and administrative ("G&A") expenses of \$273,971 (2024 – \$308,344), which were partially offset by a decrease in professional fees of \$98,156 (2024 – \$137,802). SBC relates to the vesting of restricted share units ("RSUs") and options granted to various directors, officers, consultants, and employees during the period, and represents a non-cash expense.

During Q4 2025, the Company earned interest income of \$51,749 through its investments in guaranteed investment certificates ("GICs"), as compared to dividend and interest income of \$95,758 earned in 2024 through its investments in GICs and other high interest savings funds. In Q4 2025, the Company also recorded an unrealized gain of \$730,180 (2024 – unrealized gain of \$840,345) on its minority investment (the "Investment") in Scout Discoveries.

Based on the above, the Company recorded a total net loss of \$4,718,681 in Q4 2025, for a net loss per share of \$0.02, versus a total net loss of \$3,196,096, for a net loss per share of \$0.01 in the comparative period.

Results of operations for the year ended December 31, 2025

During the year ended December 31, 2025, the Company incurred total operating expenses of \$20,572,312, as compared to total operating expenses of \$19,837,815 incurred in the comparative period, for a decrease of \$734,497. Total E&E expenditures of \$17,695,528 were incurred in the year, comprised primarily of exploration drilling costs of \$13,942,560, and claims maintenance of \$1,251,632. That compares to total E&E expenditures of \$16,712,877 incurred in 2024, including exploration drilling costs of \$15,622,606, and claims maintenance of \$541,120 and geological consulting fees of \$386,361, for an overall decrease of \$806,075. As mentioned above, management has been able to engage drilling contractors who are able to provide better results at a lower cost per drill meter for the 2025 drill program. The Company also recorded property acquisition costs of \$2,155,896 as E&E expenditures, comprised of the respective cash payment and share consideration due pursuant to the Lease Option Agreement and the Strategic Option Agreement (2024 – \$162,790).

Other items contributing to the decrease in operating expenses in the period include SBC of \$853,193 (2024 – \$1,797,163), G&A expenses of \$935,643 (2024 – \$1,723,839), and professional fees of \$634,252 (2024 – \$702,603). The decreases in both G&A expenses and professional fees followed a continued trend from 2024, where management adopted a tight spending pattern as part of its cash management.

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The following summary provides a breakdown of the G&A expenses incurred during the years ended December 31, 2025 and 2024:

	2025	2024
	\$	\$
Business development	267,284	379,238
Office and general	263,722	459,984
Consulting fees, salaries and wages	195,027	676,332
Filing fees	117,143	134,670
Insurance	92,467	73,615
	935,643	1,723,839

During the year ended December 31, 2025, the Company earned interest income of \$238,757 through its investments in GICs, as compared to dividend and interest income of \$887,197 earned in 2024 through its investments in GICs and other high interest savings funds.

During the year ended December 31, 2025, the Company recorded a foreign exchange loss of \$572,860 (2024 – gain of \$328,177). It also recorded an unrealized gain of \$678,700 (2024 – unrealized gain of \$855,360) on its Investment in Scout Discoveries.

Based on the above, the Company recorded a total net loss of \$19,893,612 for the year ended December 31, 2025, for a net loss per share of \$0.073 versus a total net loss of \$18,982,455, for a net loss per share of \$0.0077 in the prior year.

Cash flows

During the year ended December 31, 2025, net cash used in the Company's operations totaled \$16,940,938 (2024 – \$18,056,595), for a decrease of \$1,115,657. The Company has been prudently managing in cash position as the usage of cash has been limited to the settlement of certain outstanding balances due to suppliers, as well as advances made to certain suppliers in preparation for the 2025 drill program. In the prior year, all operating spending was primarily geared for the Phase III drill program.

During the year ended December 31, 2025, net cash provided by financing activities totaled \$18,140,561 (2024 – \$3,196,456). During the current year, the Company closed the Offering for aggregate gross proceeds to of \$17,251,150. In connection with the Offering, the Company incurred total issuance costs of \$1,242,970, including cash commission of \$878,349 paid to the Agents. The inflow of funds also came in the form of cash proceeds of \$1,950,456 (2024 – \$2,760,456) received from exercises of warrants, and \$181,925 (2024 – \$436,000) received from exercises of options.

During the year ended December 31, 2025, the Company redeemed \$8,602,927 in GICs (2024 – \$20,204,736) for working capital purposes. In the prior year, the Company re-invested total funds of \$16,347,144 into certain short-term GICs. It also made additions of \$986,446 to its fleet of property, plant and equipment, including the purchase of a building property for \$956,542 (USD \$716,189) in Cambridge, Idaho.

Liquidity and Capital Resources

As at December 31, 2025, the Company's cash and cash equivalents balance was \$10,532,346 (December 31, 2024 – \$608,283) and it had sales tax recoverable of \$24,397 (December 31, 2024 – \$22,844) which it received shortly after year-end. The Company also had current liabilities of \$1,179,510 (December 31, 2024 – \$744,442) for a working capital of \$9,543,306 (December 31, 2024 – \$8,822,708). The Company relies upon various sources of funding for its ongoing operating and investing activities, including but not limited to, proceeds from exercises of stock options and warrants, interest earned from various GICs, and capital raising activities such as equity private placement financings.

As at December 31, 2025 and the date of this MD&A, the Company does not have any material commitments. While the Company has no source of revenue, it believes it has sufficient cash resources to meet its administrative overhead costs and planned growth as it was able to raise funds. While the Company raised more than \$17 million of funds from the Offering in the year, management also intends to continue raising funds in the near future under the right circumstances. At the same time, we do understand that even though the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or under terms favorable to the Company.

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Related Party Transactions and Balances

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee of the Board of the Company.

Remuneration to key management personnel and directors

The remuneration of directors and other members of key management personnel during the year ended December 31, 2025 and 2024 were as follows:

	2025	2024
	\$	\$
Consulting fees, salaries and wages included in G&A expenses	91,667	489,583
Consulting fees, salaries and wages included in E&E expenditures	369,736	532,829
Professional fees	334,146	273,245
	795,549	1,295,657

During the year ended December 31, 2025, Clearwater Resources Inc. ("Clearwater"), an entity controlled by Christopher Paul, the Chief Executive Officer and also a director of Hercules Metals, charged fees of \$69,167 (2024 – \$66,250), for services provided to the Company, which are included in consulting fees, salaries and wages under G&A expenses. During the year, Clearwater also charged fees of \$207,500 (2024 – \$198,750) which are included in E&E expenditures. As at December 31, 2025, \$23,389 (December 31, 2024 – \$nil) owing to Clearwater was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the year ended December 31, 2024, the CEO, through Clearwater, also received a management bonus amount of \$265,000, which was included in consulting fees, salaries and wages under G&A expenses.

During the year ended December 31, 2025, the Company's non-executive directors received fees of \$22,500 (2024 – \$158,333) as consideration for their services provided, which are included in consulting fees, salaries and wages under G&A expenses. As at December 31, 2025, no fees were owed to any of the directors (December 31, 2024 – \$nil).

During the year ended December 31, 2025, Hume Exploration Services ("Hume Exploration"), an entity controlled by Dillon Hume, the current VP of Exploration of Hercules Metals, charged fees of \$162,236 (2024 – \$nil), for services provided to the Company, which are included in E&E expenditures. As at December 31, 2025, \$16,667 (December 31, 2024 – \$nil) owing to Hume Exploration was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-

Effective May 22, 2023, the Company, through Anglo-Bomarc, and its former VP of Exploration entered into an employment agreement, whereas Hercules Metals agreed to pay an annual base salary of USD \$200,000 for the former VP of Exploration's services, of which the services were terminated effective November 19, 2024. During the year ended December 31, 2024, the former VP of Exploration's salaries of \$334,079 (USD \$243,889) were included in E&E expenditures. As at December 31, 2025, no balance was owed to the former VP of Exploration (December 31, 2024 – \$nil).

During the year ended December 31, 2025, Gowling WLG (Canada) LLP ("Gowling"), a law firm in which Peter Simeon, a director of the Company, is also a partner, charged fees of \$214,146 (2024 – \$168,245) for legal services provided, which are included in professional fees. As at December 31, 2025, \$9,050 (December 31, 2024 – \$356) owing to Gowling was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the year ended December 31, 2025, Blueknight Advisory Services Inc. ("Blueknight"), where Keith Li, the Chief Financial Officer ("CFO") and Corporate Secretary of Hercules Metals is the principal, charged professional fees of \$120,000 (2024 – \$60,000) for CFO and accounting services provided to the Company, which are included in professional fees. As at December 31, 2025, \$11,481 (December 31, 2024 – \$nil) owing to Blueknight was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the year ended December 31, 2024, Branson Corporate Services Ltd. ("Branson"), where the CFO was formerly a director, charged fees of \$45,000 for accounting and administrative services which were included in professional fees. Branson's services were terminated effective June 30, 2024. As at December 31, 2025, no balance was owed to Branson (December 31, 2024 – \$nil).

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Other related party transactions

During the year ended December 31, 2025, the Company recorded SBC of \$93,215 in connection with the vesting of options previously granted to its officers and directors (2024 – \$114,780). The Company also recorded SBC of \$507,334 in connection with the vesting of RSUs previously granted to its officers and directors (2024 – \$1,062,146).

In connection with the Offering which closed on August 14, 2025, Gowling also charged fees of \$172,745 for legal services related to the financing, which is included in the amount of share issuance costs paid.

Property Option Agreements***Lease Option Agreement***

On September 27, 2023, the Company entered into the Lease Option Agreement between the Company, Anglo-Bomarc, and a local prospector (the "Lessor"), which grants Hercules Metals the option to acquire a 100% interest in a mineral property, comprising 87 unpatented lode mining claims within the Mineral mining district (the "Property") located on Bureau of Land Management-administered lands, 14 miles southwest of the Hercules Property.

Pursuant to the terms and subject to the conditions of the Lease Option Agreement, the Company is required to make lease payments in accordance with the following schedule:

Payment Date	Cash Payments	Share Consideration	Status
Within five business days of TSXV Approval	USD \$100,000	USD \$nil	Paid
September 27, 2024	USD \$60,000	USD \$60,000	Paid
September 27, 2025	USD \$70,000	USD \$70,000	Paid
September 27, 2026	USD \$80,000	USD \$80,000	Outstanding
September 27, 2027	USD \$80,000	USD \$80,000	Outstanding
September 27, 2028	USD \$80,000	USD \$80,000	Outstanding
September 27, 2029	USD \$80,000	USD \$80,000	Outstanding
September 27, 2030	USD \$80,000	USD \$80,000	Outstanding

Upon execution of the Lease Option Agreement, the Company shall also pay the annual maintenance fees for the claims. The Lease Option Agreement provides the Lessee with certain rights, including but not limited to, the right to access, enter, occupy, improve, explore, use, market, sell and dispose mineral and mineral substances on or from the Property.

During the year ended December 31, 2025, property acquisition costs of \$198,454, comprised of the respective cash payment and share consideration of USD \$70,000 due on September 27, 2025, were recorded as E&E expenditures on the consolidated statements of loss and comprehensive loss (2024 – \$162,790, comprised of the respective first anniversary cash payment and share consideration of USD \$60,000).

At any time prior to the eighth anniversary of the Lease Option Agreement, the Lessee has the right to purchase the Property for an aggregate of USD \$3 million (the "Option"), comprised of USD \$1.5 million in cash and common shares equal to USD \$1.5 million at a deemed value per common share equal to the 10-day VWAP of the common shares on the TSXV on the day preceding the delivery of the common shares to Lessor pursuant to the Option. In the event that the Option is exercised, the Lessee will receive credit for all lease payments previously made pursuant to the Lease Option Agreement, which will serve to reduce the cash and common share value owed upon potential exercise of the Option.

At the conclusion of the eight-year term, if the Lessee elects not to purchase the Property pursuant to the Option, then the Lessee has the sole and exclusive right and discretion to continue to lease the Property by providing the Lessor with: (i) annual lease payments of USD \$160,000, and a 2% NSR from the sale of all minerals on the Property.

In the event that the Lessee pays an aggregate total of USD \$2,000,000 in royalties, then the Lessee may reduce the royalty rate to 1% upon payment of a one-time lump sum of USD \$1,000,000 to Lessor. Thereafter, Lessor shall receive a 1% NSR royalty for production on any or all unpatented claims within the Property. If Lessee does not elect to "buy down" the Royalty, then Lessor shall receive a 2% NSR for production on any or all unpatented claims within the Property.

Mineral Lease Agreement

On March 1, 2025, Anglo-Bomarc entered into a 20-year Mineral Lease with the IDL to explore, develop and mine metallic minerals on approximately 7,669 acres of state-owned land adjacent to the Hercules Property, and 640 acres adjacent to its nearby mineral property.

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The Mineral Lease has a primary term of 20 years, commencing on March 1, 2025, and expiring on February 28, 2045, with the potential to extend the Mineral Lease beyond its initial term, subject to Idaho law and a negotiated extension agreement with the IDL. Under the terms of the Mineral Lease, Anglo-Bomarc will pay an annual rental fee of USD \$24,927, which will increase by 3% each year over the 20-year lease term. Anglo-Bormarc will remit a 5% NSR on any minerals produced from the leased area.

To incentivize production, minimum annual royalty amounts are due each year, regardless of if the Mineral Lease has reached production, starting at USD \$20,000 per year for the first five years of the agreement, increasing to USD \$30,000 in years 6-10, USD \$70,000 in years 11-15, and USD \$100,000 in years 16-20. If production occurs, the production royalty payments can be credited against the minimum annual royalty for that year.

Pursuant to the terms of the Mineral Lease, the Company is required to make annual rental fees and royalty payments to the IDL in accordance with the following schedule:

Payment Date	Rental Fees	Royalty Payments	Status
March 1, 2025	USD \$24,927	USD \$20,000	Paid
March 1, 2026	USD \$25,675	USD \$20,000	Paid
March 1, 2027	USD \$26,445	USD \$20,000	Outstanding
March 1, 2028	USD \$27,238	USD \$20,000	Outstanding
March 1, 2029	USD \$28,056	USD \$20,000	Outstanding
March 1, 2030	USD \$28,987	USD \$30,000	Outstanding
March 1, 2031	USD \$29,764	USD \$30,000	Outstanding
March 1, 2032	USD \$30,657	USD \$30,000	Outstanding
March 1, 2033	USD \$31,577	USD \$30,000	Outstanding
March 1, 2034	USD \$32,524	USD \$30,000	Outstanding
March 1, 2035	USD \$33,500	USD \$70,000	Outstanding
March 1, 2036	USD \$34,505	USD \$70,000	Outstanding
March 1, 2037	USD \$35,540	USD \$70,000	Outstanding
March 1, 2038	USD \$36,606	USD \$70,000	Outstanding
March 1, 2039	USD \$37,704	USD \$70,000	Outstanding
March 1, 2040	USD \$38,835	USD \$100,000	Outstanding
March 1, 2041	USD \$40,001	USD \$100,000	Outstanding
March 1, 2042	USD \$41,201	USD \$100,000	Outstanding
March 1, 2043	USD \$42,437	USD \$100,000	Outstanding
March 1, 2044	USD \$43,710	USD \$100,000	Outstanding

Strategic Option Agreement

On August 18, 2025, the Company completed the closing (the "Closing") of the Strategic Option Agreement with Anglo-Bomarc and BGE, to lead the Barrick Option over the Olympus Claims surrounding the Hercules Property and the flagship Leviathan porphyry discovery in western Idaho. In exchange, Barrick will increase its equity position in the Company.

Pursuant to the Strategic Option Agreement, Hercules will make staged payments, either through issuance of common shares, or cash, at its election (the "Option Payments"), to BGE or its designee totaling \$8 million, over three years. On exercise of the Strategic Option Agreement, Anglo-Bomarc will grant BGE a NSR of 1% on the Olympus Claims, which can be bought back and reduced to 0.25%.

The Company has the Barrick Option to earn a 100% interest in the Olympus Claims, subject to the NSR Royalty, by issuing common shares to BGE or its designee according to the following schedule:

Payment Date	Option Payments (VWAP C\$)*	Status
Upfront within 5 days of receipt of TSXV Approval	2,000,000	Issued
Unless Hercules terminates the option in advance of an anniversary, The Company will issue:		
First Anniversary	2,000,000	Outstanding
Second Anniversary	2,000,000	Outstanding
Third Anniversary	2,000,000	Outstanding

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** The Option Payments issuable pursuant to the Agreement will be: (i) for the first payment, equal to the greater of the 5-day VWAP of the Company's common shares on the TSXV prior to the issuance, and the price reflecting the maximum permitted discount for the common shares under the rules of the TSXV; and (ii) for the remaining Option Payments, equal to the greater of the 10-day VWAP of the common shares on the TSXV prior to each issuance, and the price reflecting the maximum permitted discount for the common shares under the rules of the TSXV.*

During the term of the Strategic Option Agreement, the Company may elect to deliver cash payments to BGE, in lieu of share issuances, for the Option Payments. In addition, the Company has the right to accelerate its exercise of the option by making all of the Option Payments at any time. The Company shall also reimburse BGE for dollar amounts required by the United States Bureau of Land Management and recorders for the counties in which the Olympus Claims are located, to maintain the claims in good standing and record annual notices of intent to hold, for each relevant assessment year.

On exercise of the Strategic Option Agreement, Anglo-Bomarc, will also grant BGE a 1% NSR from the sale of all mineral products on the Olympus Claims, of which $\frac{3}{4}$ (0.75% NSR) can be repurchased for a one-time lump sum payment of USD \$7.5 million to BGE, reducing the overall NSR to 0.25%.

In connection with the Closing and as the first payment under the terms of the Strategic Option Agreement, the Company has issued 2,681,427 Shares to Barrick at a deemed price of \$0.74587136, being the 5-day VWAP of the common shares of Hercules on the TSXV prior to the issuance. These common shares were valued at \$1,957,442 and were recorded property acquisition costs under E&E expenditures, on the consolidated statements of loss and comprehensive loss.

Exploration and Evaluation Expenditures

The Company's E&E expenditures incurred for the years ended December 31, 2025 and 2024 were comprised of the following:

	2025	2024
	\$	\$
Claims maintenance	1,251,632	541,120
Geological work and technical studies	293,028	386,361
Exploration drilling	13,942,560	15,622,606
Minimum lease and royalty payment	52,412	-
Property acquisition costs	2,155,896	162,790
	17,695,528	16,712,877

Capital Management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the development of its planned business activities. The Board of the Company does not establish quantitative return on capital criteria for management but rather relies on the expertise of management to sustain future development of the business. In order to carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's approach for managing capital since the Company's last reporting period.

The Company considers its capital to be shareholders' equity, which is comprised of share capital, warrants reserve, options reserve, RSUs reserve, accumulated other comprehensive income (loss) and accumulated deficit. As at December 31, 2025, the Company's capital consisted of a balance of \$12,616,805 (December 31, 2024 – \$11,380,299).

The Company's objective when managing capital is to obtain adequate levels of funding to support its business activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the development of its business. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numerical target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising capital in this manner.

The Company is not subject to externally imposed capital requirements.

Financial Instruments

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring, and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and short-term investments, which expose the Company to credit risk should the borrower default on the maturity of the instruments. Cash and short-term investments are held with reputable Canadian chartered banks and financial institutions, which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash and short-term investments is minimal.

The Company's second exposure to credit risk is on receivables. At each reporting period, management assesses the credit risk of its receivables balance. As the Company does not currently have any trade receivable, management believes that the credit risk concentration with respect to trade receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company.

The Company generates cash flow primarily from its financing activities. The Company endeavors to have sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted. As at December 31, 2025, the Company had a cash and cash equivalents balance of \$10,532,346 (December 31, 2024 – cash of \$608,283, and short-term investments of \$8,709,372), to settle current liabilities of \$1,179,510 (December 31, 2024 – \$744,442).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as at December 31, 2025:

	Carrying amount	Year 1	Year 2 to 3	Year 4 to 5
	\$	\$	\$	\$
Accounts payable and accrued liabilities	1,179,510	1,179,510	-	-

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecasts and actual cash flows for a rolling period of 12 months to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations. Management believes there will be sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash and short-term investments position as at December 31, 2025.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices.

Price risk

The Company is exposed to price risk with respect to commodity prices. Price risk is remote since the Company is not a producing entity.

Foreign exchange risk

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. As the Company's E&E activities are primarily based in the U.S. and is exposed to foreign exchange risk with respect to USD. The Company raises funds in CAD for its operations in the U.S. Foreign exchange risk arises on cash and trade payables from operations in the U.S. The Company believes that its results of operations and cash flows would be affected by a sudden change in foreign exchange rates. The Company mitigates this risk by maintaining

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sufficient USD-denominated cash to meet its USD-denominated obligations. As at December 31, 2025 and 2024, the Company had the following assets and liabilities held in USD:

	2025	2024
	\$	\$
Cash and cash equivalents	6,792,762	119,741
Accounts payable and accrued liabilities	(793,616)	(426,529)
Net Exposure to USD	5,999,146	(306,788)

Had the value of the USD increased or decreased by 10%, the net loss and comprehensive loss would have increased or decreased by approximately \$599,900 as a result of this exposure (2024 – approximately \$30,700).

Fair value

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's financial instruments consist of cash, short-term investments, the Investment in Scout Discoveries, accounts payable and accrued liabilities, and lease liability. The fair value of the Company's cash and cash equivalents, short-term investments, and accounts payable and accrued liabilities approximates their carrying value due to their short-term nature.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2025, the Company's financial instruments carried at a fair value of \$2,261,490 consisted of the Investment in Scout Discoveries, which have been classified as Level 2 (December 31, 2024 – \$1,582,790).

Impact of U.S. Tariffs on Business

For over a year prior to the 2024 U.S. Presidential Election, Donald Trump had been signaling plans to impose across-the-board tariffs if he won the presidency. Since he was elected on November 5, 2024, President Trump has threatened, enacted, modified and delayed multiple rounds of tariffs only to announce additional protectionist trade policies are to come. The duties are widely seen as inflationary in the U.S., and with retaliatory tariffs enacted in response by, inflation is also a risk north of the border. Meanwhile, tariffs are also likely to weigh on the global economies and could even cause a recession, as the U.S. and China have further escalated trade tension since the 'Liberation Day' on April 2, 2025. Recent tariff threats by the Trump Administration, particularly in the context of Canada's potential expansion of economic ties with China, have also created uncertainty surrounding the upcoming joint review of the Canada-U.S.-Mexico Agreement (CUSMA).

Management believes that the Company is not currently impacted by the on-going tariff actions, as it does not import any goods from Canada into the U.S., and vice versa. Therefore, the Company will likely not bear any direct consequence of the on-going tariff actions. It is possible, however, that the Company may bear some currency risk in the long-run. As the majority of the Company's E&E activities are denominated and payable in USD. Should the tariffs action from the Trump Administration remain in place in the long-run, it may weaken the Canadian dollar vis-à-vis USD. Ultimately, the impact is that each bill payable in USD may become more expensive if the CAD experiences a depreciation.

Another possible impact is that the relationship between the Company's personnel with local/U.S. workers and suppliers may be jeopardized, which may slow down the Company's drill activities. The impact from this should be minimal, as studies and polls had suggested that most American citizens are not in support of U.S. tariffs imposed on Canada and had expressed support with Canada.

While the outlook of the global economy remains uncertain at this point, more analysis will be required to determine the full extent of any potential impact. The Company will closely monitor the situation for any on-going development and will take action to mitigate any impact as it sees fit.

Contingencies

The Company's E&E activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. As at December 31, 2025, the Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make future expenditures to comply with such laws and regulations.

The Company may also, from time to time, be subject to various administrative, regulatory, and other legal proceedings arising in the ordinary course of business. Liabilities associated with legal proceedings are recorded when (i) the liabilities are a result of a past event, (ii) it is probable that an outflow of resources will be required to settle the obligations, and (iii) a reliable estimate can be made of the amount of obligation.

The Company was previously responsible for payment of a dispute in connection to certain exploration drilling services provided by an arm's length party (the "Contractor"), for an alleged breach of the terms pursuant to a drilling services agreement between the parties, for the Contractor's failure to complete drilling as required. During the year ended December 31, 2024, the Company settled the dispute by making a payment of USD \$150,000 to the Contractor, for which the amount was included in accounts payable and accrued liabilities as of December 31, 2023.

Material Accounting Judgments and Estimates

The preparation of the Company's consolidated financial statements in conformity with IFRS[®] Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. These are consistent with those disclosed in Note 2(e) of the 2025 Financials, unless otherwise noted.

Summary of Material Accounting Policies

The material accounting policies applied by the Company are disclosed in Note 3 of the 2025 Financials, unless otherwise noted.

Subsequent Events

Issuance of common shares

On February 12, 2026, the Company issued 135,000 common shares as a result of the exercises of RSUs.

Option grants and cancellation

On March 18, 2026, the Company granted 1,325,000 stock options to certain officers and consultants. The options are exercisable at a price of \$0.64 per common share for a period of five years. The options vest 25% at each six-month anniversary from grant up to March 18, 2028.

On April 2, 2026, 200,000 stock options exercisable at \$0.68 were cancelled.

Lease with Option to Purchase Agreement

On March 24, 2026, the Company announced that Anglo-Bomarc has entered into the Agreement with an arm's length private landowner, to secure the Private Property. Pursuant to the Agreement, Anglo-Bomarc has been granted an eight-year lease over the Private Property, together with an exclusive option to acquire a 100% interest in the Private Property. In consideration for the rights granted under the Agreement, the Company will make annual lease payments of USD \$125,000, payable in advance at the commencement of each lease year. The first annual lease payment was made on March 25, 2026.

The Agreement may be terminated by Anglo-Bomarc at any time, upon 30 days' written notice, subject to the satisfaction of any outstanding obligations, including reclamation. The lease grants Anglo-Bomarc the exclusive right to conduct mineral exploration activities on the Private Property during the term of the lease, including drilling and geophysical surveys.

The Agreement also provides Anglo-Bomarc with the exclusive and irrevocable option to purchase the Private Property at any time during the lease term at fair market value, subject to a minimum purchase price of USD \$4.5 million and a maximum purchase price of USD \$5.8 million. The purchase price will be determined through an independent appraisal process, whereby each party appoints a qualified appraiser, with provisions for a third appraisal in the event of a material variance.

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Off Balance Sheet Arrangements

As at December 31, 2025 and the date of this MD&A, the Company does not have any off-balance sheet arrangements.

Disclosure of Outstanding Share Data as of April 28, 2026

As of the date of this MD&A, the Company has the following issued and outstanding securities:

Common shares outstanding	289,545,421
Options	5,540,000
RSUs	2,666,000

Risk Factors

There are numerous and varied risks, known and unknown, which may prevent the Company from achieving its goals. If any of these risks occur, the Company's business, financial condition or results of operation may be adversely affected. In such cases, the trading price of the Company's common shares could decline, and investors could lose all or part of their investment. The following is a summary of risk factors that could be applicable to the business of the Company:

Limited operating history

The Company, with a limited operating history, is in the early stage of exploration and must be considered as a start-up company. The Company has undertaken work on the Hercules Property, 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 particularly in the junior mineral exploration sector. The Company will have limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Company will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Dependence on the Hercules Property

Presently, the Hercules Property will account for all of the Company's future revenue. Any adverse development affecting the progress of the Hercules Property such as, but not limited to, obtaining development financing on commercially suitable terms, hiring suitable personnel, and mining contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on the Company's financial performance and results of operations. Ongoing activity at the Hercules Property will be undertaken without established Mineral Resources or Mineral Reserves and the economic viability of the operations on either project have not been established.

Exploration and development risk

The Hercules Property is in the exploration stage and will require extensive expenditure during the exploration stage. Mineral exploration and development involve a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to mitigate. The vast majority of properties which are explored are not ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of mineral resources or mineral reserves, or that minerals will be discovered in sufficient grade or quantities to justify commercial operations. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Estimates of mineral deposits

No assurance can be given that if any mineralization is identified it will be developed into a coherent mineral deposit, or that such deposit will qualify as a commercially viable and mineable ore body that can be legally and economically exploited. Estimates regarding mineralized deposits can also be affected by many factors such as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grades and tonnages of ore ultimately mined may differ from that indicated by drilling results and other exploration and development work. There can be no assurance that test work and results conducted and recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions. Material changes in mineralized tonnages, grades, dilution and stripping ratios or recovery rates may affect the economic viability of projects. The existence of mineralization or mineralized deposits should not be interpreted as assurances of the future delineation of ore reserves or the profitability of any future operations.

Ability to exploit future discoveries

It may not always be possible for the Company to participate in the exploitation of successful discoveries. Such exploitation

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may involve the need to obtain licenses or clearance from the relevant authorities, which may not be available on a timely basis or may require conditions to be satisfied and/or the exercise of discretion by such authorities. It may or may not be possible for such conditions to be satisfied, and such conditions may prove uneconomic or not practical. Furthermore, the decision to proceed to further exploration may require the participation of other companies whose interest and objectives may not be consistent with those of the Company. Such further exploitation may also require the Company to meet or commit to financial obligations which it may not have anticipated or may not be able to commit to due to a lack of funds or an inability to raise funds.

Defects in title may result in a loss of entitlement by the operator and a loss of the Company's interest

A defect in the chain of title to one of the Company's interests or necessary for the anticipated development or operation of a particular project to which an interest relates may arise to defeat or impair the claim of the operator to a property which could in turn result in a loss of the Company's interest in respect of that property. In addition, claims by third parties or aboriginal groups in the U.S. and elsewhere may impact on the operator's ability to conduct activities on a property to the detriment of the Company's interests. To the extent an owner or operator does not have title to the property, it may be required to cease operations or transfer operational control to another party. Certain interests can be contractual in nature, rather than an interest in land, with the risk that an assignment or bankruptcy or insolvency proceedings by an owner will result in the loss of any effective interest in a particular property.

Further, even in those jurisdictions where there is a right to record or register interests held by the Company in land registries or mining recorders offices, such registrations may not necessarily provide any protection to the Company. As a result, known title defects, as well as unforeseen and unknown title defects may impact operations at a project in respect of which the Company has an interest and may result in a material adverse effect on the Company's profitability, results of operations and financial condition and the trading price of its securities.

Future litigation could affect title

Potential litigation may arise on a property on which the Company holds an interest (for example, litigation between joint venture partners or between operators and original property owners or neighboring property owners), including the Hercules Property. As a holder of such interests, the Company will not generally have any influence on the litigation and will not generally have access to data. Any such litigation that results in the cessation or reduction of production from a property (whether temporary or permanent) or the expropriation or loss of rights to a property could have a material adverse effect on the Company's profitability, results of operations and financial condition and the trading price of its securities.

Deficient third-parties' reviews, reports, and projections

The Company relies upon third parties to provide analysis, reviews, reports, advice, and opinions regarding the Company's projects. There is a risk that such analysis, reviews, reports, advice, opinions, and projects are inaccurate, in particular with respect to resource estimation, process development and recommendations for products to be produced as well as with respect to economic assessments including estimating the capital and operation costs of the Company's project and forecasting potential future revenue streams. Uncertainties are also inherent in such estimations.

The Company may fail to acquire additional property interests or select appropriate acquisitions

As part of the Company's business strategy, it expects to acquire additional property interests. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions or integrate the acquired businesses or their personnel into the Company. There can be no assurance that the Company will complete any acquisition or business arrangement that it pursues on favorable terms or at all, or that any acquisitions or business arrangements completed will ultimately benefit the Company.

Increased competition for target mineral properties

Many companies are engaged in the search for and the acquisition of mineral interests, including property interests, and there is a limited supply of desirable mineral interests. The mineral exploration and mining businesses are competitive in all phases. Many companies are engaged in the acquisition of mineral interests, including large, established companies with substantial financial resources, operational capabilities, and long earnings records. The Company may be at a competitive disadvantage in acquiring those interests, whether by way of property or other form of investment, as competitors may have greater financial resources and technical staff. There can be no assurance that the Company will be able to compete successfully against other companies in acquiring new property or other interests. In addition, the Company may be unable to acquire properties or other interests at acceptable valuations, which may result in a material adverse effect on the Company's profitability, results of operations and financial condition and the trading price of its securities.

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Future acquisitions and partnerships

As part of the Company's business strategy, it may seek to grow by acquiring companies and/or assets or establishing new joint ventures that it believes will complement its future business. There are risks inherent in such activities. Specifically, there could be unknown or undisclosed risks or liabilities of such companies for which the Company is not sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Company's financial performance and results of operations. The Company may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for our business. The Company could encounter additional transaction and integration related costs or experience an impact to its operations or results of operation as a result of the failure to realize all of the anticipated benefits from such acquisitions or partnerships, or an inability to successfully integrate an acquisition as anticipated. As a result of integration efforts, the Company may experience interruptions in its business activities, the costs of integration and harm to its reputation, all of which could have a material adverse effect on the Company's business, financial condition, and results of operations. The Company may experience difficulties in combining corporate cultures, maintaining employee morale, and retaining key employees. The integration of any such acquired companies may also impose substantial demands on the management of the Company. There is no assurance that these acquisitions will be successfully integrated in a timely manner or without additional expenses incurred. In respect of potential future acquisitions or partnerships, there is no assurance that the Company will be able to complete any acquisition or partnership it pursues on favorable terms, or that any acquisitions or partnerships completed will ultimately benefit its business.

The Company may acquire other interests in respect of properties that are speculative

Exploration for metals and minerals is a speculative venture necessarily involving substantial risk. There is no certainty that the expenditure made by the operator of any given project will result in the discovery of commercial quantities of minerals on lands where the Company holds an interest. If mineable deposits are discovered, substantial expenditures are required to establish Mineral Reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funding required for development can be obtained on terms acceptable to the operator or at all.

Additional financing

The Company believes that its raised capital is currently sufficient to meet its presently anticipated working capital and capital expenditure requirements for the near future. This belief is based on its operating plan which, in turn, is based on assumptions, which may prove to be incorrect. In addition, the Company may need to raise significant additional funds sooner to support its growth, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. If its financial resources are insufficient, it will require additional financing to meet its plans for expansion. The Company cannot be sure that this additional financing, if needed, will be available on acceptable terms or at all.

Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences, or privileges senior to those of its existing shareholders. If adequate funds are not available on acceptable terms or at all, the Company may be unable to develop or enhance its services and products, take advantage of future opportunities, repay debt obligations as they become due, or respond to competitive pressures, any of which could have a material adverse effect on its business, prospects, financial condition, and results of operations.

Volatile global financial and economic conditions

Current global financial and economic conditions remain extremely volatile. Access to public and private capital and financing continues to be negatively impacted by many factors as a result of the global financial crisis and global recession. Such factors may impact the Company's ability to obtain financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long-term decrease in asset values. If such global volatility, market turmoil and the global recession continue, the Company's operations and financial condition could be adversely impacted.

The market price of securities is volatile and may not accurately reflect the long-term value of the Company

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies has experienced substantial volatility in the past. This volatility may affect the ability of holders of shares to sell their securities at an advantageous price. Market price fluctuations in the shares may be due to the Company's operating results failing to meet

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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 the Company or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the shares.

Financial markets historically at times 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 shares may decline even if the Company's results, underlying asset values or prospects, have not changed.

Additionally, these factors, as well as other related factors, may cause decreases in investment values that are deemed to be other than temporary, which may result in impairment losses. 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 common shares may be materially adversely affected.

Changes in laws

Changes to any of the laws, rules, regulations, or policies to which the Company is subject could have a significant impact on the Company's business. There can be no assurance that the Company will be able to comply with any future laws, rules, regulations, and policies. Failure by the Company to comply with applicable laws, rules, regulations, and policies may subject it to civil or regulatory proceedings, including fines or injunctions, which may have a material adverse effect on the Company's business, financial condition, liquidity, and results of operations. In addition, compliance with any future laws, rules, regulations, and policies could negatively impact the Company's profitability and have a material adverse effect on its business, financial condition, liquidity, and results of operations.

Anti-money laundering laws and regulations

The Company is subject to a variety of laws and regulations domestically and in the U.S. that involve money laundering, financial recordkeeping and proceeds of crime. In the event that any of the Company's operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Company to declare or pay dividends, or to effect other distributions. Furthermore, while there are no current intentions to declare or pay dividends on the common shares of the Company in the foreseeable future, in the event that a determination was made that the Company's proceeds from operations (or any future operations or investments in the U.S.) could reasonably be shown to constitute proceeds of crime, the Company may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Reliance on management

The Company will need to expand and effectively manage its managerial, operational, financial, development and other resources in order to successfully pursue its development and commercialization efforts of its products. The success of the Company is currently dependent on the performance of its management team, which also relies on the advice and guidance of certain members of the Board, not all of whom are or will be bound by formal contractual employment agreements.

The Company's success depends on its continued ability to attract, retain and motivate highly qualified people. The loss of the services of these persons would have a material adverse effect on the Company's business and prospects in the short term and could delay or prevent the commercialization of its products, and the business may be harmed as a result.

The Company may not be able to attract or retain qualified management and scientific personnel in the future due to the intense competition for qualified personnel with extensive management experience in such fields as pharmaceutical regulations, finance, manufacturing, marketing, law, and investment. If the Company is not able to attract and retain the necessary personnel to accomplish its business objectives, the achievement of its development objectives, its ability to raise additional capital and its ability to implement its business strategy may be significantly reduced and could have a material adverse effect on the Company and its prospects.

Risks relating to attracting and retaining qualified management and technical personnel

The Company will be dependent upon the continued availability and commitment of its key management personnel, whose contributions to the immediate and future operations of the Company are of significant importance. The loss of any such key management personnel could negatively affect business operations. From time to time, the Company may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. In

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addition, the Company frequently retains third party specialized technical personnel to assess and to execute on opportunities. These individuals may have conflicts of interest or scheduling conflicts, which may delay or inhibit the Company's ability to employ such individuals' expertise. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance that the Company will be able to recruit and retain such personnel. If the Company is not successful in recruiting and retaining qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material adverse impact on its profitability, results of operations and financial condition and the trading price of its securities.

The exploration and development of mineral resource properties is inherently dangerous and subject to risks

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of metals, including, without limitation, environmental hazards, industrial accidents, unusual or unexpected formations, safety stoppages (whether voluntary or regulatory), pressures, mine collapses, fires, power outages, labor disruptions, flooding, explosions, cave-ins, landslides and other geotechnical instabilities, equipment failure or structural failure, metallurgical and other processing problems and other conditions involved in the mining of minerals, any of which could result in damage to, or destruction of, the Company's, if applicable, mines, plants and equipment, personal injury or loss of life, environmental damage, delays in mining, increased production costs, asset write-downs, monetary losses and legal liability. The occurrence of any of these events could result in a prolonged interruption in the Company's operations that would have a material adverse effect on the Company's business, financial conditions, results of operations and prospects.

Substantial capital expenditures required

Substantial expenditures are required to (i) establish mineral reserves through drilling, (ii) develop metallurgical processes to extract metal from the ore and, (iii) in the case of new properties, develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade, and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Most of these factors are beyond the control of the Company. In addition, because of these risks, there is no certainty that the expenditure to be made by the Company on the exploration of its mineral property, as described herein, will result in the discovery of commercial quantities of ore.

Fluctuating mineral prices

The mining industry is heavily dependent upon the market price of the metals or minerals being mined or explored for. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's Hercules Property can be commercially viable. Fluctuations in the prices of precious and base metal prices may adversely affect the Company's ability to raise capital if, as and when needed, and on commercially reasonable terms.

Mineral properties may be subject to rights of indigenous peoples

Various international, national, state, and provincial laws, codes, resolutions, conventions, guidelines, treaties and other principles and considerations relate to the rights of indigenous peoples. The Company will hold, exploration interests in respect of operations located in some areas presently or previously inhabited or used by indigenous peoples. Many of these impose obligations on government to respect the rights of indigenous people. Some mandate consultation with indigenous people regarding actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national requirements, principles and considerations pertaining to indigenous people continue to evolve and be defined. The Hercules Property in respect of which the Company will hold a joint venture interest are subject to the risk that one or more groups of indigenous people may oppose operation or new development. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks, or other forms of public expression against the operator's activities. Opposition by indigenous people to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous people. Claims and protests of indigenous peoples may disrupt or delay activities of the operators of assets in respect of which the Company holds an exploration interest which may result in a material adverse effect on the Company profitability, results of operations and financial condition and the trading price of its securities.

Permit and licenses

The operation of the Company will require licenses and permits from various governmental authorities. The Company anticipates that it will be able to obtain in the future all necessary licenses and permits to carry on the activities which it intends to conduct, and that it intends to comply in all material respects with the terms of such licenses and permits. However,

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there can be no guarantee that the Company will be able to obtain at all or on reasonable terms, and maintain, at all times, all necessary licenses and permits required to undertake its proposed exploration and development or to place its property into commercial production and to operate mining facilities thereon.

Regulatory requirements

The Company's future operations will, at all stages, require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that such laws and regulations would not have an adverse effect on any mining project the Company undertakes.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material impact on us and cause increases in capital expenditure or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Environmental matters

All of the Company's exploration and development operations will be subject to environmental permitting and regulations, which can make operations expensive or prohibit them altogether. The Company may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its exploration, development, and production activities.

To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company.

All of the Company's exploration, development and production activities will be subject to regulation under one or more environmental laws and regulations. Many of the regulations require the Company to obtain permits for its activities. The Company must update and review its permits from time to time and is subject to environmental impact analyses and public review processes prior to the approval of the additional activities.

It is possible that future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have a significant impact on some portion of the Company's business, causing those activities to be economically re-evaluated at that time.

Disruption from non-governmental organizations

As is the case with any businesses which operate in the mining industry, the Company may become subject to pressure and lobbying from non-governmental organizations. There is a risk that the demands and actions of non-governmental organizations may cause significant disruption to the Company's business which may have a material adverse effect on its operations and financial condition.

Health & safety

Mining, like many other exploration or extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations, and reduce the perceived appeal of the Company as an employer. There is no assurance that the Company has been or will at all times be in full compliance with all laws and regulations or holds, and be in full compliance with, all required health and safety permits. The potential costs and delays associated with

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compliance with such laws, regulations and permits could prevent the Company from proceeding with the development of a project or the operation or further development of a project, and any noncompliance therewith may adversely affect the Company's business, financial condition, and results of operations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in the levels of production at producing properties, or abandonment or delays in development of new mining properties.

Uninsured or uninsurable risks

In the course of exploration, development and production of mineral resource properties, several risks and, in particular, significant risks that could result in damage to, or destruction of vessels and producing or processing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in the value of the securities of the Company. The Company cannot be certain that insurance will be available on acceptable terms or conditions. In some cases, coverage may not be acceptable or may be considered too expensive relative to the perceived risk.

Operating hazards and risks

Mineral resource exploration and development and the operation of mineral processing facilities involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These hazards include failure of equipment or processing facilities to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government or regulatory action or delays, unanticipated events related to health, safety and environmental matters, formation pressures, fires, power outages, labor disruptions, flooding, explosions, and the inability to obtain suitable or adequate machinery, equipment or labor.

Operations in which the Company may have a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development, and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. Although the Company plans to maintain liability insurance in an amount it considers adequate, the nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon the Company's financial condition.

Natural disasters, unusually adverse weather, pandemic outbreaks, boycotts, and geo-political events

The occurrence of one or more natural disasters, such as hurricanes and earthquakes, unusually adverse weather, pandemic outbreaks, boycotts, and geo-political events, such as civil unrest and acts of terrorism, or similar disruptions could materially adversely affect the Company's business, results of operations or financial condition. These events could result in, increases in fuel or other energy prices, temporary or permanent closure of the Hercules Property, labor shortages, temporary or long-term disruption in the supply of raw materials and other inputs, temporary disruption in transport to and from markets, or disruption to the Company's information systems, any of which could have a material adverse effect on the Company's business, results of operations or financial results.

Liability for activity of employees, contractors, and consultants

The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims or regulatory enforcement actions against the Company. Failure to comply with relevant laws could result in fines, suspension of licenses and civil or criminal action being taken against the Company. Consequently, the Company is subject to certain risks, including the risk that employees, contractors, and consultants may inadvertently fail to follow the law or purposefully neglect to follow the law, either of which could result in material adverse effects to the financial condition of the Company.

Management of growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of interest

Certain directors and officers of the Company are also directors, officers, or shareholders of other companies, which may give rise to conflicts of interest from time-to-time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required under the applicable corporate laws to disclose his interest and to abstain from voting on such matter.

Internal controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement the required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and materially adversely affect the trading price of the Company's common shares.

Dividends

The Company has no earnings or dividend record and does not anticipate paying any dividends on the Company's shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Limited market for securities

There can be no assurance that an active and liquid market for the Company's shares will develop or be maintained, and an investor may find it difficult to resell any securities of the Company.

Disruption of business

Conditions or events including, but not limited to, those listed below could disrupt the Company's operations, increase operating expenses, resulting in delayed performance of contractual obligations or require additional expenditures to be incurred: (i) extraordinary weather conditions or natural disasters such as hurricanes, tornadoes, floods, fires, extreme heat, earthquakes, etc.; (ii) a local, regional, national or international outbreak of a contagious disease, including the COVID-19 coronavirus, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu, or any other similar illness could result in a general or acute decline in economic activity (see also, "Public Health Crises, including COVID-19"); (iii) political instability, social and labor unrest, war or terrorism; or (iv) interruptions in the availability of basic commercial and social services and infrastructure including power and water shortages, and shipping and freight forwarding services including via air, sea, rail and road.

Disclosure of Internal Controls over Financial Reporting

Hercules Metals' management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the Company's financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited financial statements; and (ii) the Company's audited financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented. In contrast to non-venture issuers, this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). In particular, management is not making any representations relating to the establishment and maintenance of: (a) controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its filings or other reports or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS[®] Accounting Standards. Investors and other readers should be aware that inherent limitations on the ability of management of the Company to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of filings and other reports provided under securities legislation.

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Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These forward-looking statements relate to future events or the Company's future performance. Wherever possible, words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks, uncertainties, and assumptions. Many factors could cause the actual results, performance, or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the "*Risk Factors*" section of this MD&A. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements vary materially from those expressed or implied by the forward-looking statements contained in this MD&A. These factors should be considered carefully, and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what the Company management currently believes to be reasonable assumptions, the Company cannot assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements. The forward-looking statements contained in this MD&A have been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond the Company's control. The Company assumes no responsibility to update forward-looking statements, other than as may be required by applicable securities laws. The factors identified above are not intended to represent a complete list of the factors that could affect the Company.

Management's Responsibility for Financial Information

Management is responsible for all information contained in this MD&A. The 2025 Financials have been prepared in accordance with IFRS[®] Accounting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the financial statements in all material aspects.

The Audit Committee has reviewed the 2025 Financials and this MD&A. The Board of the Company approved the 2025 Financials and this MD&A on the recommendation of the Audit Committee.