DOMESTIC METALS CORP.

FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2025

Contents

Introduction

This Management's Discussion and Analysis ("MD&A" or "Report") of the financial condition of Domestic Metals Corp. (formerly Norden Crown Metals Corporation) (an exploration stage company) ("Domestic" or the "Company") and results of operations of the Company For the year ended December 31, 2025 (the "Period" or the "Year") has been prepared by management in accordance with the requirements under National Instrument 51-102 as at April 28, 2026 (the "Report Date"). The Report should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2025 and 2024 (collectively, the "Financial Statements"), which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and within which the Company's accounting policies are described in Note 3 of the Financial Statements. All dollar amounts in the Report are in Canadian dollars unless otherwise noted.

The Financial Statements, together with the MD&A, are intended to provide investors with a reasonable basis for assessing the performance and potential future performance of the Company and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward-looking statements, and the Company cautions investors that any forward looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events. Please refer to the risks and cautionary notices of this MD&A. Additional information related to the Company is available for view on SEDAR+ at www.sedarplus.ca.

Forward Looking Statements

The Company's Financial Statements, and this accompanying MD&A, contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future exploration plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "Risks and uncertainties" in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading "Risks and uncertainties" and to those that may be discussed as part of particular forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Additional information relating to the Company and its operations can be obtained from the offices of the Company or on SEDAR+ at www.sedarplus.ca.

Description of Business

The Company is a mineral exploration company focused on engaged principally in the acquisition, exploration and development of mineral properties in historical mining project areas in the Americas. The Company endeavours to discover new economic mineral deposits in known mining districts that have seen little or no modern exploration.

The Company was incorporated under the Business Corporations Act (British Columbia) on December 31, 2013. The Company's registered office address is Suite 2700, 1133 Melville Street, Vancouver, BC, V6E 4E5 and the Company's head office is located at #1570 – 200 Burrard Street, Vancouver, BC, V6C 3L6.

On October 19, 2020, the Company changed its name to Norden Crown Metals Corporation, and on October 21, 2020, the common shares of the Company commenced trading on the TSX-V under the symbol NOCR, without change to the Company's capital structure. The Company was listed on the Frankfurt Stock Exchange under the symbol "03EA" and on the OTCQB under the symbol "NOCRF". On February 7, 2025, the Company announced a proposed consolidation of its common shares, as to 10 old shares in the capital of the Company for 1 new share in the capital of the Company. Regulatory approval having been received, the Company consolidated its issued and outstanding common shares on the basis of one post-consolidation common share ("Post-consolidation common share") for every ten pre-consolidation common shares, such that on May 10, 2025, the common shares of the Company commenced trading on the TSXV on a post-consolidated basis. There was no change to the Company's trading symbol on the TSXV. All securities in this document have been retrospectively adjusted to take into effect the consolidation.

On March 31, 2025, the Company announced it had changed its name to Domestic Metals Corp., such that effective April 2, 2025, the Company's securities began trading under the following symbols TSXV: DMCU; OTCQB: DMCUF; FSE: 03E. There was no change to the common shares or underlying securities of the Company. In connection with the name change, new CUSIP 256919101 and ISIN CA256919108 have been assigned to the common shares of the Company. Domestic Metals Corp.'s name reflects the next stage of management's new corporate strategy, focused on the discovery of large-scale, copper and gold deposits in exceptional, historical mining areas in Montana, USA. The Company's exploration focus reflects the need for "domestically" sourced critical metals such as copper, which is critically needed for the development of infrastructure that will support the surging Artificial Intelligence's (AI) power needs, as well as for the electrification needs envisioned for a cleaner energy future.

Exploration and Evaluation Assets

Smart Creek Project (Montana, US)

On September 19, 2025, the Company completed a share exchange agreement to acquire all issued and outstanding shares of Domestic Copper Corporation ("DCC"), through which the Company is party to an option agreement between DCC and Rio Tinto Group (through its subsidiary, Kennecott Exploration Company ("Kennecott"), pursuant to which the Company has the right to acquire up to a 60% interest (subject to certain back-in rights) in the Smart Creek property ("the "Project") located in Montana, US. (the "Smart Creek Agreement").

Pursuant to the terms of the Smart Creek Agreement, the Company is required to incur the following minimum exploration expenditures to earn an initial 51% interest (the "Phase 1 Option"):

- On or before June 20, 2026 – US$2,000,000 irrevocable payment with minimum of US$350,000 by June 20, 2025, further to an amendment to the Smart Creek Agreement dated April 9, 2025 the US$350,000 expenditure commitment date has been extended to September 1, 2025 (incurred).
- On or before June 20, 2027 – US$1,000,000
- On or before June 20, 2028 – US$1,000,000
- On or before June 20, 2029 – US $1,000,000

There are underlying agreements within the Smart Creek agreement with Kennecott Exploration Company including two NSR agreements which relate to specific claims in the underlying agreements and payable to the property owners both NSR agreements are 0.5% one having a maximum royalty amount of $500,000 USD the other maximum royalty amount of $4,500,000 USD. In connection with the Smart Creek Agreement, the Company also assumed certain underlying option payments payable under those underlying agreements totaling US$2,761,000 payable from August 1, 2024 to August 1, 2029. The payments are made by Kennecott and invoiced to the Company. The payments for the underlying options have a due date of August 1 for each anniversary. As at December 31, 2025, the Company has made the necessary payments.

Upon having earned the initial 51% interest in the property, the Company has the option to earn an additional 9% interest (the "Phase 2 Option") (for an aggregate 60% interest), by agreeing to incur an additional US$5,000,000 in expenditures over a period of 5 years starting from the Phase 2 Option effective date.

Pursuant to the Smart Creek Agreement, Kennecott has the right to a one time back-in option whereby it may elect to pay an amount equal to two times the total exploration expenditures incurred to date to reacquire certain interest in the Smart Creek Project as follows:

- If the Company has exercised the Phase 1 Option only, Kennecott may reacquire 11% interest; or
- If the Company has exercised the Phase 1 Option and Phase 2 Option, Kennecott may reacquire 20% interest.

The Project consists of 570 unpatented federal mining claims (4,072 Ha) and 45 patented claims (312 Ha) in Granite County, Montana (Figure 1). The property is located approximately 16 km north of Philipsburg, Montana and is road accessible year-round.

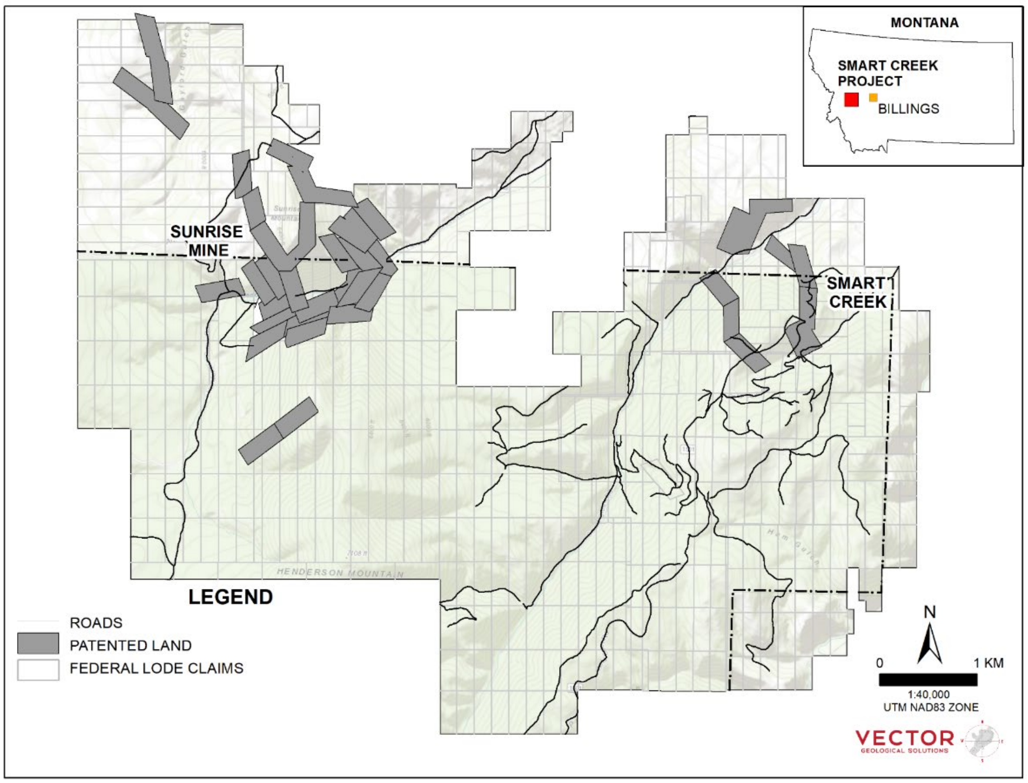

Figure 1. *The location of Patented and Federal Lode Claims at the Smart Creek Project in the State of Montana[1].*

Porphyry-related copper, gold, silver and molybdenum mineralization is hosted in sedimentary rocks of the Proterozoic Belt Supergroup and includes the reactive Helena Formation (argillaceous carbonate sedimentary rocks), the main host to mineralization at the Property. The Helena Formation contains significant mineralization, including copper-gold-silver-lead-zinc replacement style mineralization and porphyry copper-gold-molybdenum mineralization. The Project contains two drill ready, high priority targets known as the "Smart Creek" porphyry target and the "Sunrise" replacement target that are separated by 1.5 kilometers (Figure 2). At Smart Creek, porphyry related alteration and mineralization, as evidenced by surface showings (adits, pits and shafts) and surface geochemistry, define an anomalous footprint measuring 5 by 3 kilometers (Figure 2). The past producing Sunrise Mine target consists of replacement style lenses of high-grade copper, gold and silver that have potential for expansion through exploration drilling with potential for an associated porphyry "root zone". The Sunrise target has an anomalous footprint defined by surface alteration, surface mineralization and surface geochemistry measuring 3 by 2 kilometers (Figure 2).

Previous Diamond Drilling and Trenching at Smart Creek – Sunrise

A total of 40 historical diamond drill holes and 5 surface trenches are available for Smart Creek and the most significant results are summarized in Table 1 below[1,2]. These holes cut significant copper oxide and sulphide mineralization and alteration and collectively are consistent with a distal copper-gold-molybdenite porphyry environment. Using 3.5 meter minimum composite lengths, minimum grades of 0.1% copper and up to 3.5 meters of internal dilution, there are 105 significant copper intercepts in 26 drill holes and 4 trenches ranging from 3.5 meters of 0.14% copper to 109.73 meters at 0.75%. The abundance of historical exploration information contained in these holes will be used to identify prospective drill targets at Smart Creek.

Table 1. *Significant historical drill and trench intercepts at Smart Creek[1,2].*

HOLE OR TRENCH ID	FROM (m)	TO (m)	LENGTH (m)	COPPER (%)	GOLD (gpt)	SILVER (gpt)
SMCR0022	0.00	109.73	109.73	0.75	0.05	18.74
SMCR0014	0.00	35.05	35.05	0.62	0.04	11.40
SMCR0008	60.96	129.54	68.58	0.27	0.01	5.97
SC-02	82.30	179.83	97.54	0.17	n/a	n/a
M-3	3.40	45.70	42.30	0.39	n/a	7.92
SMCR0002	1018.50	1078.00	59.50	0.27	0.01	3.34
Trench_C	36.00	58.00	22.00	0.71	0.01	8.78
SC-01	71.63	100.58	28.96	0.47	0.07	6.51
Trench_A	0.00	38.00	38.00	0.32	0.03	6.81
Trench_C	0.00	30.00	30.00	0.39	0.01	10.34
SMCR0023	57.00	103.50	46.50	0.25	0.01	5.88
SMCR0026	181.50	225.35	43.85	0.24	0.07	3.64
SMCR0004	193.00	219.00	26.00	0.40	0.03	8.67
M-1	0.00	10.70	10.70	0.96	n/a	6.35

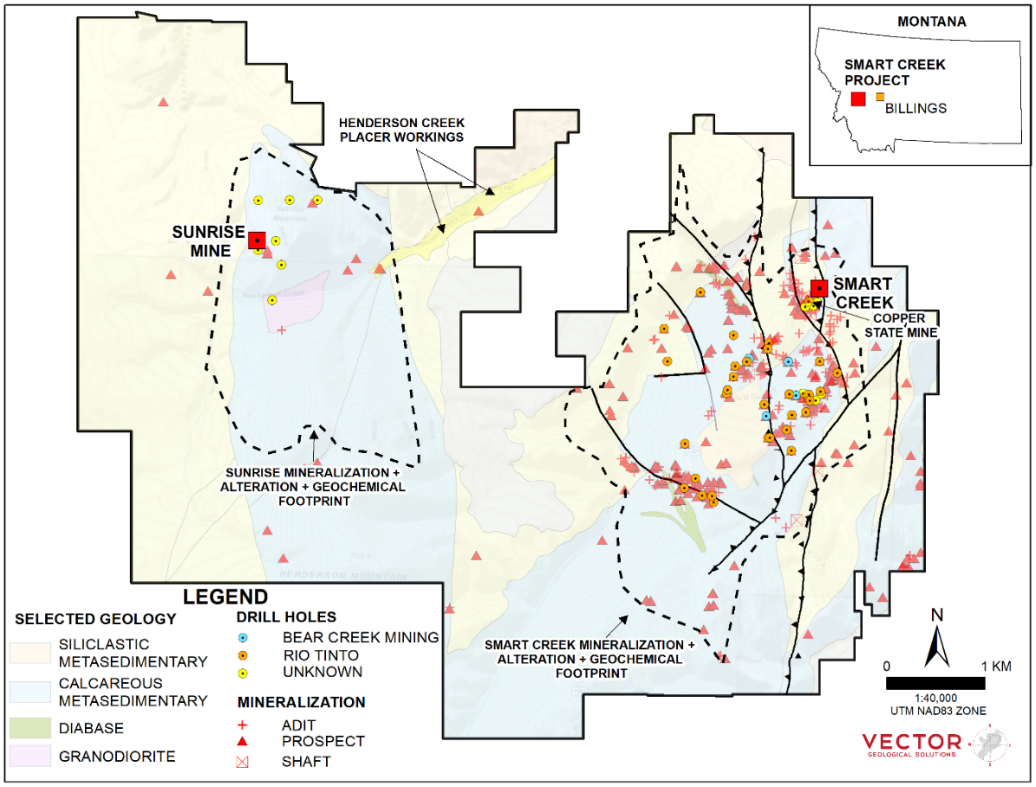

Figure 2. *The economic geology of Smart Creek including surface geology, historical drilling, surface mineralization (adits, prospects and shafts) and anomalous footprints for the drill ready Smart Creek and Sunrise targets.*

<u>Historic Exploration and Mining</u>

Historic mining activity from the Project area included high-grade copper-silver ore (several thousand tonnes) taken from the Copper State Mine prior to 1930 (Smart Creek area), placer gold dredging in the late 1800s and early 1900s (northeastern margin of the Property), and production of ~12,500 oz of gold from thin manto-style beds and fissures averaging 0.2 opt Au, 1 opt Ag and 1.5% Cu at Sunrise (Figure 1). Placer mining between 1943 and 1947 concentrated scheelite for the war effort which resulted in ~215,000lbs of 63% WO_3.

Previous exploration on the Property includes drilling conducted in the late 1960s by Bear Creek Mining (5 holes) and Melissa Syndicate (8 holes), targeting near surface copper-silver (+/- lead, zinc) mineralization in search of sediment-hosted copper at Smart Creek (Figure 1). Smart Creek Resources completed 12 lines of IP from 2010-2012 and attempted to drill 2 exploratory holes which did not reach target depth. The United States Bureau of Mines, Exxon, Utah International, Noranda and Pegasus have all conducted exploration drilling programs at the Sunrise historic mine area targeting tungsten, copper and gold.

Rio Tinto (Kennecott) acquired the property in 2016 after recognizing the porphyry potential suggested by extensive calcsilicate and skarn alteration within the hornfelsed Helena Formation sedimentary rocks and extensive copper oxide and sulphide mineralization exposed at surface across the Property. Rio Tinto identified a large zoned geochemical (soil and rock sample geochemistry) footprint consistent with a porphyry copper-gold-molybdenum hydrothermal system. Rio Tinto completed a total of 32 drill holes between 2018 and 2020 testing the bulk tonnage potential of Smart Creek (Figure 2).

Data reviewed in this MD&A includes historical drilling results and information derived from historic drill results compiled previously by Rio Tinto. Neither the Qualified Person nor the Company has undertaken any independent investigation of the sampling, nor have they independently analyzed the results of the historical exploration work in order to verify the results. The Company only considers these historical data relevant as the Company is using this data as a guide to develop future exploration programs. The Company's future exploration work on the Project will include verification of the exploration data by its Qualified Person.

Field Evaluation Campaign in 2025

On December 10, 2025, the Company announced that it had completed a field evaluation campaign at the Smart Creek Gold-Copper Project, including targeted geological mapping as well as opportunity recognition work at both the Smart Creek and Sunrise Mountain Claims, located in the Eocene Porphyry Belt of western Montana. The field program focused on four robust zones of alteration and mineralization areas that represent compelling exploration targets including the porphyry copper targets previously tested by Rio Tinto. The Company's team recognized preservation of the host stratigraphy, which provides the opportunity for additional porphyry (and related) targets, including structurally controlled/replacement style gold targets at the Sunrise mine (Figures 3,4).

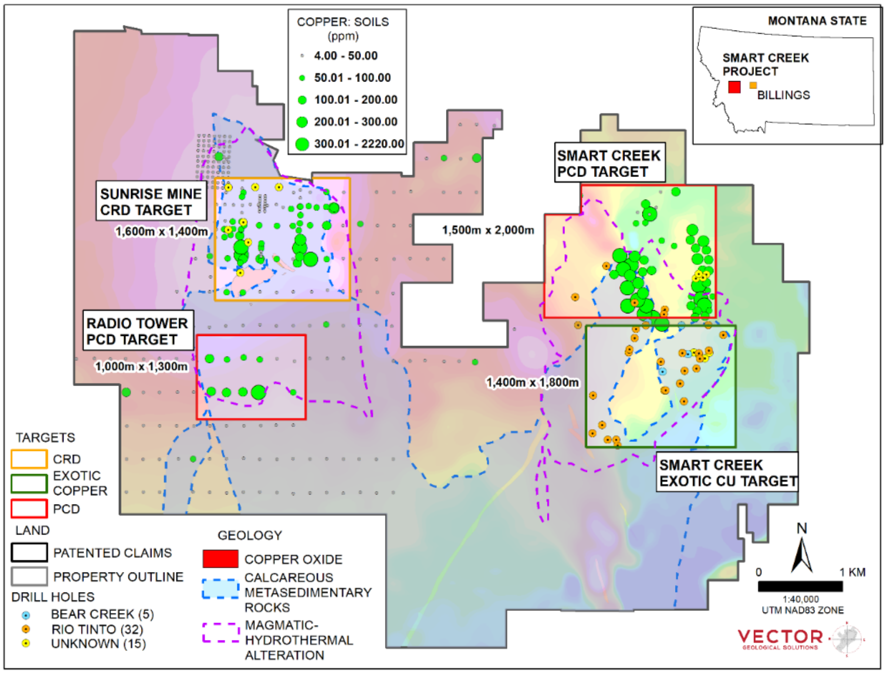

Figure 3. Smart Creek and Sunrise project situated 1 hour drive southeast of Missoula, in the well-endowed west-central part of Montana. The Smart Creek area is situated within a major gold-copper metallotect.

In addition, exploration opportunities were recognized on the Smart Creek project with potential for carbonate replacement style mineralization (CRD) at the Smart Creek target and at Sunrise including copper, gold and silver replacement bodies near and associated with the historic Sunrise Mine, as evidenced by widespread marbleization and skarn development associated with manganese oxides and copper oxides in the carbonate metasedimentary rocks of the Helena formation.

The Smart Creek copper target remains a high-priority target with widespread, high grade copper oxides (and sulphides) which outcrop at surface. This mineralization is cut by numerous historic drill holes, with multiple copper intercepts from surface e.g., 109.73m @ 0.75% Cu; 18.74 g/t Ag (SMCR0022; see below) [1,2].

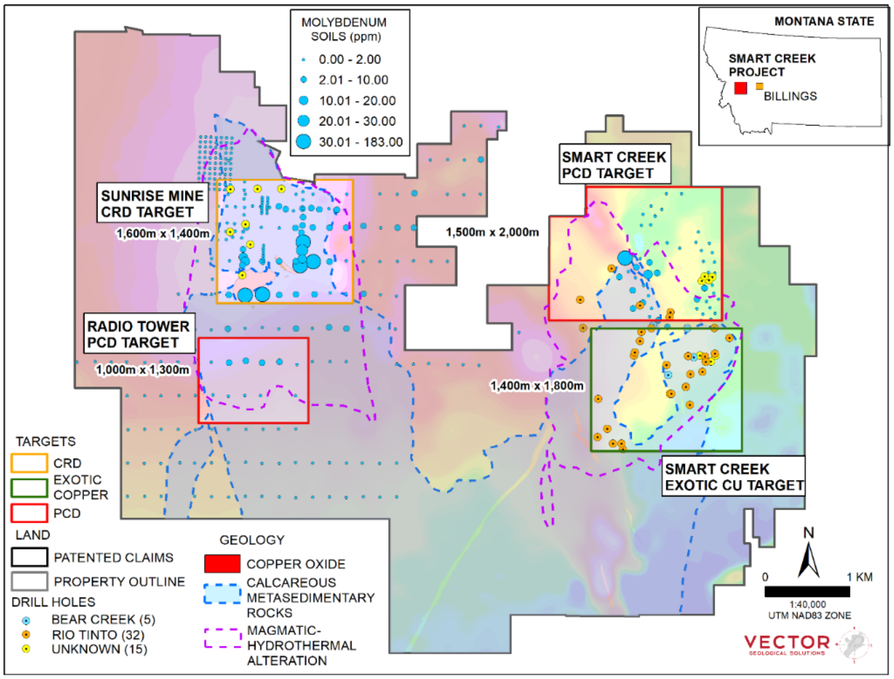

Figure 4. Smart Creek and Sunrise project showing targets, favorable host rocks and molybdenum soil anomalies.

In addition to an excellent property-scale copper and gold metal endowment, the Company's technical team focused on a variety of porphyry-related mineralization styles in the Smart Creek / Sunrise project area and has concluded that the present erosion level offers several opportunities to test, high-grade copper and gold mineralized targets. The systems are well-preserved and have large alteration footprints, which demonstrate the potential for large deposits. This, combined with the abundance of reactive host rocks that can yield high grades indicates there is the potential for the discovery of significant ore deposits in the area.

Findings from 2025 Exploration Program

The Smart Creek project hosts significant mineralization corresponding to at least 3 related styles of copper and gold deposit models, including porphyry copper-gold (PCD; Smart Creek and Radio Tower), carbonate replacement deposits (CRD; Sunrise Mine and Smart Creek), structurally controlled epithermal gold (Sunrise Mine), and exotic or remobilized copper deposits formed by supergene processes (Smart Creek Exotic Copper Target). With the exception of the copper potential at Smart Creek, mineralization at Smart Creek is the result of magmatic-hydrothermal fluid flow driven and focused by Eocene intrusions and trapped by reactive Helena Formation carbonate-rich metasedimentary rocks which ultimately produced the following exploration target opportunities.

Smart Creek PCD Target: Drilling by the previous operators did not attain target depth in the western margin of the Smart Creek area which is characterized by 1) significant copper (and molybdenum) soil anomalism, 2) a major induced polarization chargeability anomaly. Hence, the Mo soil anomaly adjacent to the extensive exotic copper has not been tested. the Company has reason to believe that the grades may be high due to 1) the quality of the reactive carbonate host rocks (Helena Formation), 2) widespread skarn, marble and quartz veins which are consistent with the distal parts of a porphyry and 3) presence of an unreactive cap rock aquitard unit (Missoula Group). Cap rocks are known to increase grades in porphyry copper deposits by forcing fluids into more reactive adjacent units. An analogous mineralized system is the Resolution copper deposit (Arizona) where high grade carbonate and diabase host rocks are "super-charged" due to fluid flow channelized by unreactive quartzite [5,6]. This target at Smart Creek is untested by drilling.

Radio Tower Target: A second porphyry copper opportunity has been recognized in the south part of the Sunrise mine area. Company geologists have recognized intense marble alteration outcropping in an area underlain by anomalous Cu-Mo-Mn in reconnaissance soil data, as well as a strong IP chargeability high in a historic single geophysical reconnaissance line. The dimensions of the target are 1000m by 1300m defined by the alteration mapping, IP and limited soil data. The strong marble alteration zone is flanked by more distal dolomite alteration and the entire area is underlain by reactive Helena Formation banded carbonates.

Sunrise Structurally-Controlled/Epithermal Gold: Company geologists have evaluated rocks and historic mine material in the Sunrise Mine area. Alteration is characterized by vuggy silica associated with silicified -clast breccia and strongly sulphidized host rocks. Intense clay, limonite are the products of weathering of the widespread sulfides. Sunrise Mine area is an opportunity to develop targets with gold potential in the shallow porphyry environment, distal to the porphyry centers identified at Smart Creek and Sunrise South. Gold deposits commonly occur in structures and stratigraphic traps within the distal and/or shallow extensions of the porphyry environment.

Carbonate replacement Targets (2+ target areas): Widespread marble and skarn alteration is mapped at both Smart Creek and Sunrise (Figures 1-3). Leakage characteristics in these rocks includes manganese oxides and copper oxides in fracture surfaces cutting the dominant Helena Formation host rocks.   This is the distal signature of the CRD clan of deposits which commonly occur in porphyry environments inside the 5km region surrounding the heat and fluid source.

Smart Creek Copper Oxide Target: The Smart Creek area is underlain by widespread copper oxides/carbonates at surface outcrops/subcrops as well as defined in RC drilling.   This target area sits 1 km east of the Smart Creek hypogene porphyry target defined by IP chargeability and soil Mo and Cu (Figures 3 and 4). The dimensions of the copper oxide body measure 900m by 400m (plan) and up to 75m depth, defined by historic drilling (Figures 1-3). The direct analogy for the copper footprint at Smart Creek is the recently active Carlota mine in eastern Arizona (50 Mt @ 0.5% Cu [6,7,8]).

Additional Evaluation Work

Reconnaissance petrographic work on samples from the Radio Tower and Smart Creek porphyry targets has yielded significant new information. Extensive porphyry and skarn related minerals pyroxene and K-feldspar are associated with mapped sericite and marble alteration indicating the potential for these targets. Five hand specimens were collected from the Radio Tower and Smart Creek porphyry targets for petrographic (thin section) evaluation to characterize the alteration and estimate the potential distance to porphyry centers. The main findings include:

- Recognition of cryptic potassic and calc-silicate alteration styles at the Radio Tower and Smart Creek porphyry targets.
- Styles of alteration indicate high temperatures and close proximity to porphyry centers.
- Telescoping identified in the rock samples (superposed alteration/mineralization styles). Telescoping in porphyry systems creates multiple overprinting mineralization events and high grades.

Confirmation of marble alteration styles overprinting the carbonate host rocks; reactive host rocks yielding optimal opportunity for high-grade mineralization.

<u>Findings from Sunrise Target Gold Reconnaissance Sampling</u>

On March 3, 2025, the Company provided assay results from reconnaissance mapping and sampling at the high-priority Sunrise Target at the Smart Creek Project. The discovery of gold mineralization sampled at surface 850 meters from the Sunrise Mine substantially increases the discovery potential of this target.

Summary of Results:

1- New discovery of gold-rich porphyry intrusions (4.26 g/t gold) 850m east of the historic Sunrise Mine. New porphyry target at Sunrise where historical mining reported grades of 6.22 g/t Au, 31.1 g/t Ag and 1.5% Cu1,2,3.

2- High gold tenor in two samples (3.2 g/t and 4.2 g/t gold) from the historic Sunrise Mine area. Confirmed epithermal gold-silver target.

The presence of the previously unknown, gold-mineralized altered porphyry intrusions 850 meters away from the past producing Sunrise Mine constitutes an exploration breakthrough at Smart Creek's Sunrise Target. This is now considered a newly recognized, low-risk exploration drill target with excellent epithermal gold and porphyry/CRD copper-gold potential.

<u>Sunrise Target Area</u>

A total of 4 samples were collected on the Sunrise Target to geochemically characterize the mineralization, and to confirm historical grades at the Sunrise Mine.

A sample consisting of an intensely altered (silica-clay-sericite) porphyritic intrusion located 850 meters from the Sunrise Mine adit that returned 4.26 g/t Gold (Table 2; Figure 5). This sample is significant because it demonstrates that gold mineralization extends well beyond the carbonate replacement style gold-copper-silver mineralization that was mined historically at Sunrise (see below). The gold-bearing porphyry intrusions suggest that there is a large epithermal to porphyry target footprint to be tested with drilling.

Two other samples collected from the Sunrise mine waste dumps confirm very significant precious metal tenor in vuggy silica (3.2 g/t Au; 72.1 g/t Ag) and hydrothermal breccia samples (4.2 g/t Au; 9.2 g/t Ag). These samples validate the exploration concepts for epithermal style gold-silver deposits at Sunrise Mountain.

Table 2. Rock sample geochemistry at the Sunrise Target, Smart Creek Project, Montana.

SAMPLE DETAILS					MINERALIZATION		PATHFINDER ELEMENTS OF INTEREST					
SAMPLE	SAMPLE	LATITUDE	LONGITUDE	SAMPLE	GOLD	SILVER	Cu	Mo	As	Sb	Fe	S
NUMBER	TYPE	DECDEG	DECDEG	LITHOLOGY	g/t	g/t	ppm	ppm	ppm	ppm	pct	pct
191902	GRAB	46.481249	-113.31959	PORPHYRY	0.088	0.25	15	21	12	2.5	1.38	0.15
191903	COMPOSITE	46.481251	-113.3196	PORPHYRY	4.26	1.4	476	48	376	10	7.11	6.95
191904	GRAB	46.48043	-113.33001	BRECCIA	3.22	72.1	124	7	1085	212	2.14	0.21
191905	GRAB	46.480299	-113.3288	BRECCIA	4.22	9.2	491	5	1110	20	19.9	10

NOTE: The rock samples included in this table are select (grab) samples and may not represent underlying mineralization

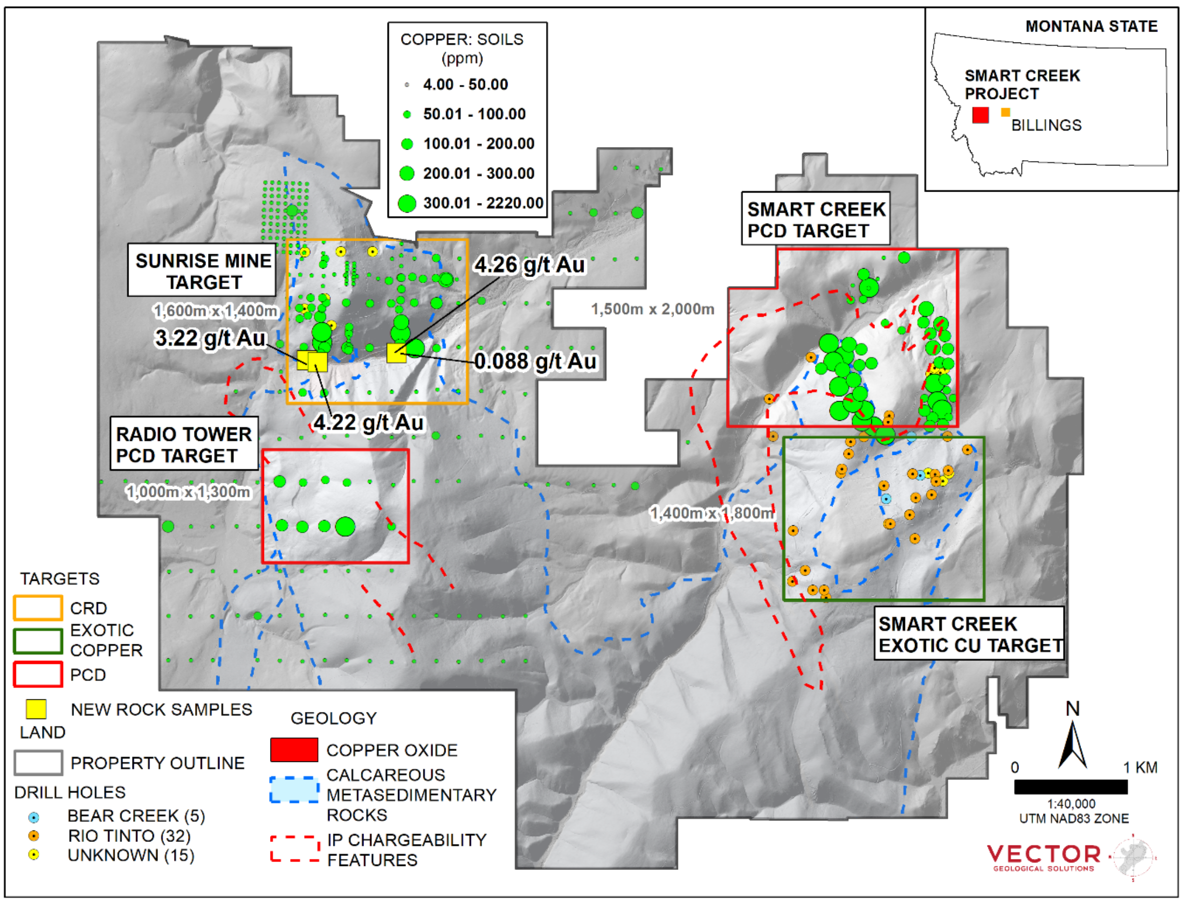

Figure 5. Smart Creek and Sunrise project showing targets, Copper soil anomalies and Gold grab sample results.

Exploration Work completed in 2025

Domestic Metals completed a 40-day field campaign in August-September 2025 focused on geological mapping as well as several novel rock sampling techniques including: prospecting grab and composite grab samples, limestone sampling for trace metal vectoring. Sample subsets were also evaluated for alteration (slab and stain for potassic alteration related to porphyry and CRD mineralization), UV light evaluation (seeking metal contaminated calcite veins that can assist with vectoring toward CRD and porphyry mineralization), short-wave infrared evaluation (clay alteration vectoring) and portable XRF evaluation of powdered iron oxide fracture fill (geochemical leakage vectoring technique to identify mineralization).

Highlight, high-grade surface samples are provided in the Table 3 and shown in Figure 6. The high-grade results include:

- 102 g/t Au (sample G019007)
- 74.7 g/t Au, 3810 g/t Ag, 5.52% Zn (sample G019235)
- 26.6 g/t Au (sample G019353)
- 23.1% Cu (sample G019225)
- 19.65% Cu (sample G019031)
- 19.05% Cu (sample G019038)

Table 3. Highlight rock sample assay results for the 2025 exploration program.

Sample ID	Easting (m)	Northing (m)	Sample Lithology	Sample Type	Gold (g/t)	Copper (%)	Silver (g/t)	Zinc (%)
G019235	321541	5148233	Limestone	Mine Dump	0	**13.8**	**3810**	0.17
G019038	326847	5148970	Siltstone	Subcrop	0.763	**19.05**	**582**	0.24
G019031	326790	5148864	Siltstone	Outcrop	0.877	**19.65**	**458**	0.35
G019225	326843	5148971	Siltstone	Outcrop	0.814	**23.1**	**424**	0.23
G019238	321545	5148248	Limestone	Mine Dump	9.45	**2.19**	**359**	0.03
G019427	325610	5148683	Siltstone	Float	0.747	**12.35**	**266**	0.11
G019094	320870	5147635	Sandstone	Mine Dump	1.5	0.0073	**222**	0.00
G019379	326830	5149873	Siltstone	Mine Dump	0.137	8.42	**187**	0.77
G019093	320056	5149968	Quartz Vein	Prospect Pit	0.226	0.0875	**186**	0.01
G019029	326795	5148835	Siltstone	Outcrop	0.313	**6.75**	**173**	**3.78**
G019298	325631	5148102	Limestone	Mine Dump	0.259	**4.00**	**161**	0.07
G019378	320281	5149152	Breccia	Mine Dump	0.487	0.0329	**157**	0.02
G019219	326817	5148809	Limestone	Subcrop	0.167	**2.72**	**148**	0.24
G019422	325394	5148187	Siltstone	Mine Dump	0.301	**7.88**	**134**	0.19
G019447	323588	5150514	quartz vein	Mine Dump	0.426	0.0177	**105**	0.00
G019465	326802	5149930	Siltstone	Mine Dump	0.007	**16.1**	9.5	0.23
G019082	321640	5151163	Marble	Mine Dump	**15.7**	0.1835	6.5	0.00

Sample ID	Easting (m)	Northing (m)	Sample Lithology	Sample Type	Gold (g/t)	Copper (%)	Silver (g/t)	Zinc (%)
G019151	321361	5150388	Dolostone	Outcrop	**15.05**	0.0787	15	0.01
G019353	321592	5150732	Oxidized Rock	Float/Trench	**26.6**	0.263	55.2	0.01
G019001	321345	5150400	Quartzite	Outcrop/Mine Dump	**30.4**	0.0549	12	0.00
G019007	321365	5150392	Limestone	Outcrop	**102**	0.0377	20.7	0.00

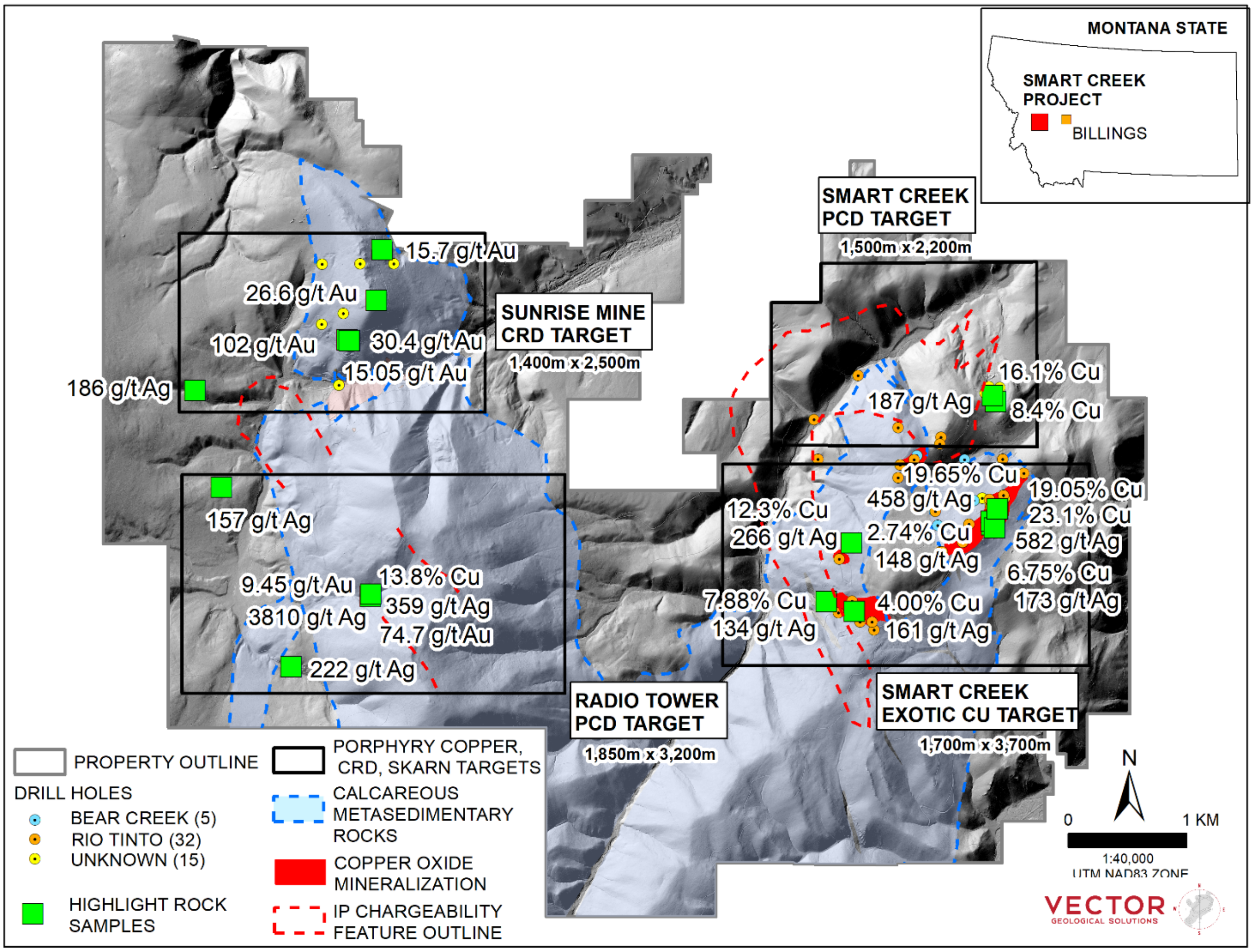

Figure 6. Key targets, favourable geology, airborne magnetics, IP targets and highlight rock samples from the 2025 surface sampling program at Smart Creek.

The mapping, sampling and prospecting focused on the Smart Creek, Sunrise Mine and Radio Tower targets. Exceptional rock sample results have been received, which highlights several opportunities including:

- High-grade replacement style zones (skarn and CRD)
- Structurally controlled zones
- Porphyry targets

- Periphery of porphyry targets

Gold, copper, silver and zinc anomalies are widespread throughout the property (Figures 7-9). Key considerations include:

1- 38 samples (out of 310) exceed 0.5 g/t Au.
2- 43 samples (out of 310) exceed 1% Cu.
3- 35 samples (out of 310) exceed 30 g/t Ag.
4- 31 samples (out of 310) exceed 1000 ppm Zn.

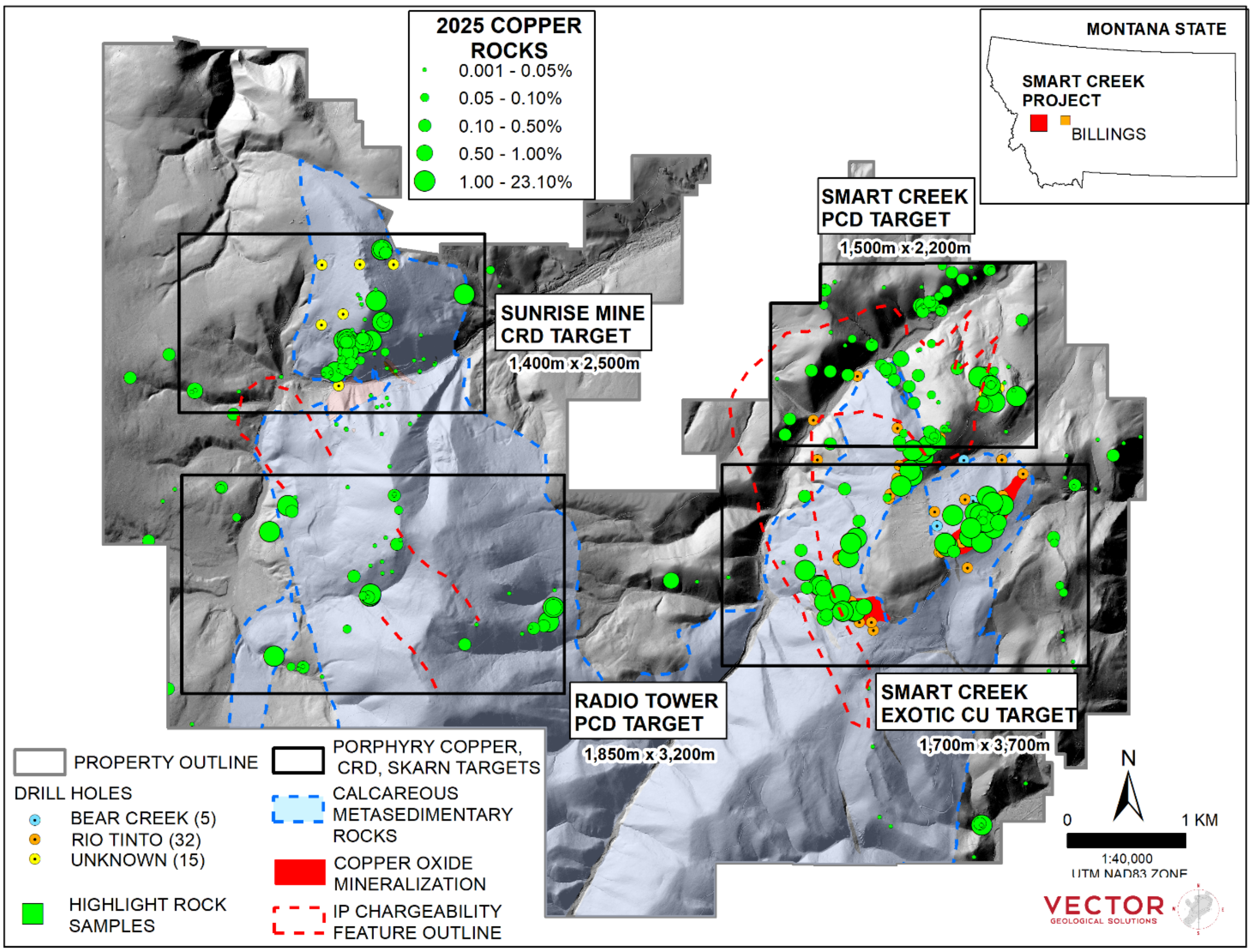

Figure 7. Key targets, favourable geology, IP targets and copper-in-rock results from the 2025 surface program at Smart Creek.

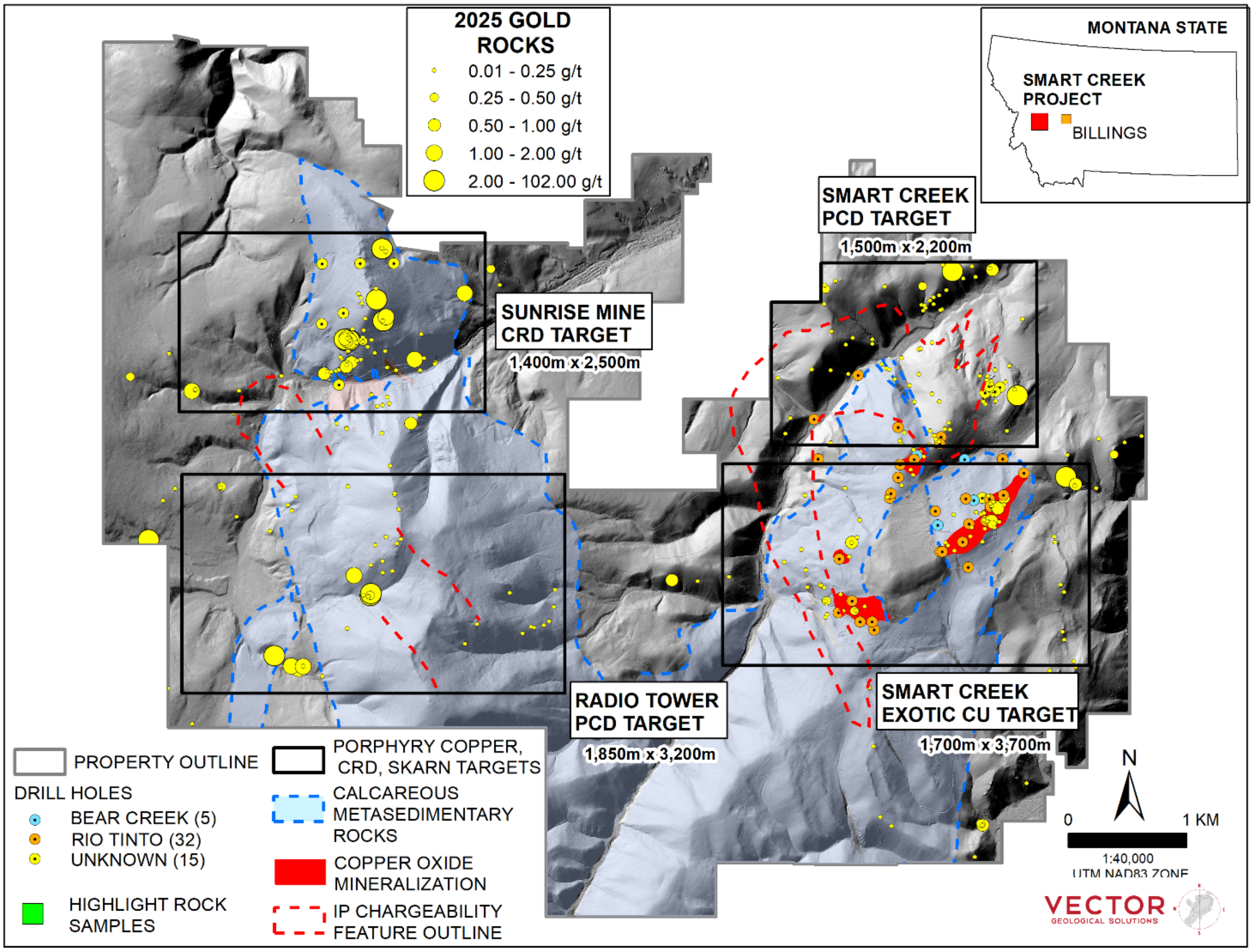

Figure 8. Key targets, favourable geology, IP targets and gold-in-rock samples from the 2025 surface program at Smart Creek.

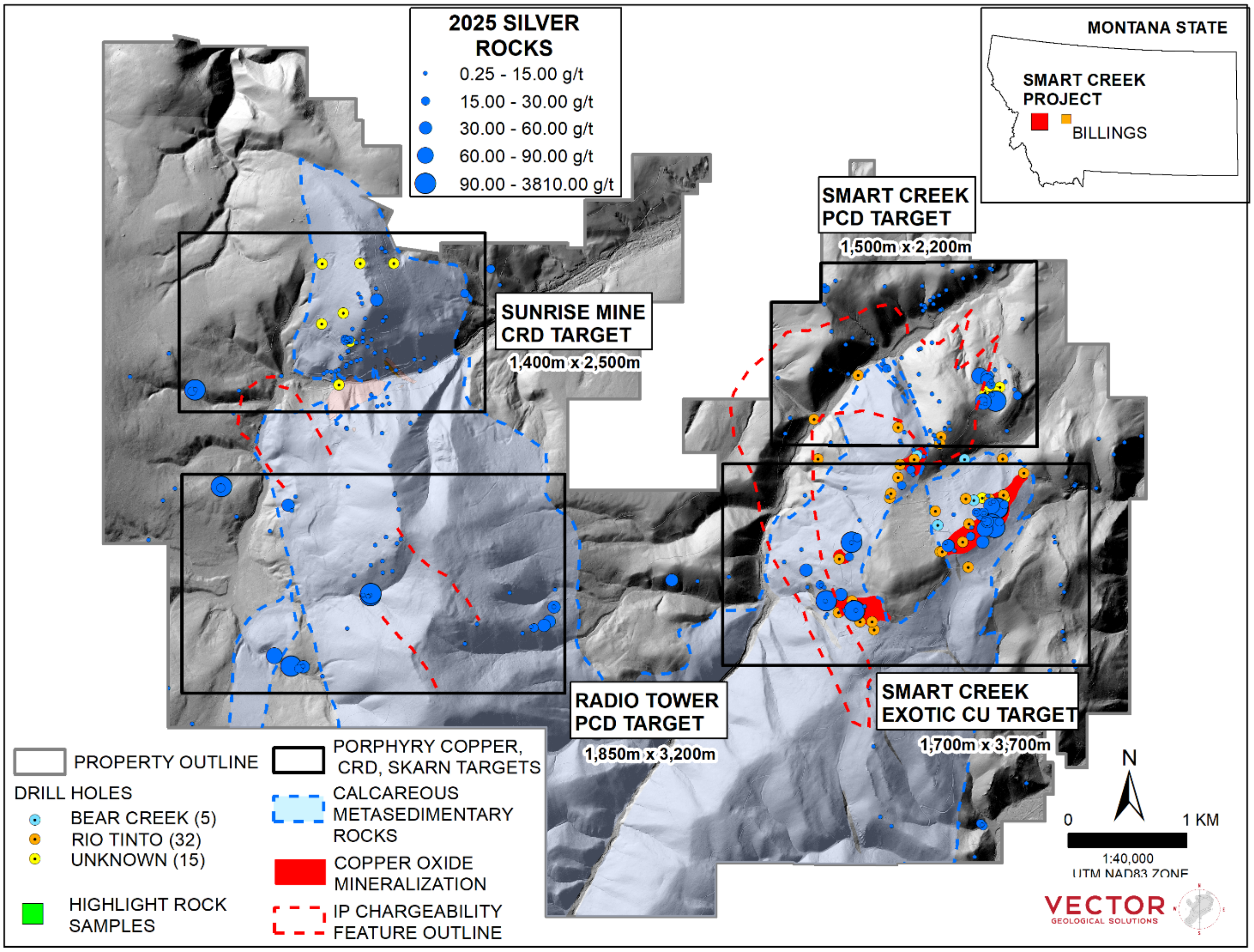

Figure 9. Key targets, favourable geology, IP targets and silver-in-rock samples from the 2025 surface program at Smart Creek.

2026 Exploration Geophysics Work

2026 Induced Polarization Ground Geophysics ("IP")

An induced polarization (IP) Geophysics is currently underway (Feb-March 2026) to further delineate the distribution of sulphides in the target areas. The survey is being conducted by Geophysique TMC, which is headquarted in Val-d'Or Quebec.

Results and data analysis are expected in March-April and these will be deployed toward 1) further refinement of known targets, and 2) identification of new targets and exploration opportunities.

Magnetic Data Inversion

Domestic Metals is also undertaking a data inversion exercise on the existing property wide airborne magnetic dataset (Q1 2026). Hardrock Geophysics will complete the Unconstrained Magnetic Susceptibility Inversion Modelling of the 2014 FUGRO Survey on behalf of the company. The results will be incorporated into the detailed 3D LeapFrog project for Smart Creek, and deployed toward drill target refinement.

Notes

[1] Composite intervals are calculated using length weighted averages based on a combination of lithological breaks and copper, gold, and silver geochemical assay. All intervals reported are core lengths, and true thicknesses are yet to be determined. Mineral resource modeling is required before true thicknesses can be reliably estimated. Composite drill intercepts are reported at minimum copper grades of 0.1% copper to a minimum of 3.5 meters and include up to 3.5 meters of internal dilution.

[2] Data disclosed in this news release includes historical drilling results and surface rock sampling results as well as information derived from historic drill results. Neither the Qualified Person (described below) nor the Company has undertaken any independent investigation of the sampling, nor have they independently analyzed the results of the historical exploration work in order to verify the results. The Company only considers these historical data relevant as the Company is using this data as a guide to develop future exploration programs. The Company's future exploration work on the Project will include verification of the exploration data by its Qualified Person.

[3] There are a total of 38 surface rock samples at Smart Creek. The copper grade in these samples ranges from below detection limit to 5.64% copper with a mean value of 1.06% Cu.

[4] Emmons, W.H., and Calkins, F.C., 1913. Geology and Ore Deposits of the Philipsburg Quadrangle, Montana. United States Geological Survey Professional Paper #78.

[5] Hehnke et al., 2012, Geology and Exploration Progress at the Resolution Porphyry Cu-Mo Deposit, Arizona, Society of Economic Geologists, Inc. Special Publication 16, p. 147–166.

[6] The nearby mines provide geologic context for Domestic's Smart Creek Property, but this is not necessarily indicative that the properties host similar tonnages or grades of mineralization.

[7] https://kghm.com

[8] Niemuth, N.J., 1992, Arizona Copper Reserves Open-File Report 92-11 July, 1992, Arizona Department Of Mines & Mineral Resources, 73 pages.

Qualified Person

The Company's disclosure of a technical or scientific nature in this Report has been reviewed and approved by Daniel MacNeil, P.Geo, a Qualified Person as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects*,

Exploration Outlook

With the execution of the Smart Creek Agreement to earn up to a 60% interest in the Smart Creek property, the Company is entering into a new phase in its exploration program. Fieldwork and geochemical sampling in 2025 significantly increased confidence in known targets and added new target opportunities. High priority target areas crop out at the Smart Creek, Sunrise and Radio Tower zones which are being advanced to the exploration drilling stage. Domestic Copper has recognized the distal expressions of carbonate replacement copper-gold-silver mineralization and porphyry copper-gold-molybdenum mineralization across the project area.

Ongoing evaluation of the exploration datsets will enable the company to vector toward porphyry centers and CRD mineralization targets. The datasets include the 3D magnetic inversion, the new IP survey data, carbon-oxygen isotope samples to map alteration fronts (limestones), ultraviolet light imaging of carbonate veins (detects base metal anomalism); portable XRF leakage analysis and potassium feldspar stain-based detection methods.

Annual financial information

As at and for the years ended December 31,	**2025 ($)**	**2024 ($)**	**2023 ($)**
Cash	1,155,144	71,834	174,412
Loss and comprehensive loss	2,334,980	3,916,168	2,021,953
Basic and diluted loss per share	0.07	0.03	0.04
Total assets	3,990,165	1,243,960	4,445,433

During the period ended December 31, 2025 and 2024, the Company settled amounts owing to various related parties through the issuance of common shares to settle December 31, 2025 $Nil (December 31, 2024: $903,339). In addition, in the year ended December 31, 2025 a total of $Nil (December 31, 2024: $377,523) owing to certain related parties was written off during the period. The advances to related parties bear no interest and have no stated terms of repayment.

The decrease in loss and comprehensive loss in 2025 as compared with 2024 results mainly from the write off of the Gumsberg project in 2024 the amount of $4,260,584. There was an increase in expenses in 2025 to offset some of the write off in 2024 which came through increases in the categories of consulting fees, legal fees, management and directors' fees and shareholder communications. These increases in 2025 came a result of increased activity from the Smart Creek Project.

The increase in total assets at December 31, 2025 as compared with December 31, 2024 results from an increase in treasury through non-brokered private placements, and the acquisition and advancement of the Smart Creek property. During 2024, the Company acquired all the issued and outstanding shares of DCC, such that the Company acquired an option to earn up to 60% in the Smart Creek project in Montana, US.

As at December 31, 2025, the Company has capitalized expenditures in respect of the project of $2,157,199 (2024: $1,063,674).

The increase in loss and comprehensive loss in 2024 as compared with 2023 results from the write off of the Gumsberg project in the amount of $4,260,584. The decrease in total assets at December 31, 2024 as compared with December 31, 2023 from decreased treasury, and the write off of the Gumsberg project.

Summary of Quarterly Results

	2025				2024			
Quarter ended	Dec 31 ($)	Sep 30 ($)	Jun 30 ($)	Mar 31 ($)	Dec 31 ($)	Sep 30 ($)	Jun 30 ($)	Mar 31 ($)
Total assets	3,990,165	2,072,909	1,265,318	1,211,334	1,243,960	1,306,604	4,372,220	4,398,443
Loss (income) and comprehensive loss (income)	1,660,021	258,109	299,263	116,142	(188,170)	4,423,486	(415,478)	96,330
Loss per share (basic and diluted)	(0.04)	(0.02)	(0.01)	0.00	(0.01)	0.40	(0.06)	0.02

The Company's expenses fluctuate from period to period primarily as a result of changes in the level of exploration activity and any write offs or acquisitions during the period and therefore, lack some degree of comparability. Exploration activity will vary depending on the availability of funding, primarily sourced from equity financing, and property expenditure requirements needed to maintain the properties in good standing.

The increase of loss in Q3/24 was primarily due to the write-off of the Gumsburg project in the amount of $4,260,584. In Q2/24, the Company recognized a gain of $440,023 on write off of various amounts owing, resulting in income for the quarter. The increase in loss in Q4/23 results primarily from the write off of the Burfjord project in the amount of $1,234,766. The increase in Total assets in Q4/25 was as a result of the work done on Smart Creek in the quarter. The increase in in Loss in Q4/25 is due to the increased activity in the exploration of Smart Creek.

Results of Operations

Exploration and evaluation property expenditures

	Sweden	**USA**	
	Gumsberg ($)	**Smart Creek ($)**	**Total ($)**
Balance, December 31, 2023	**4,257,644**	**-**	**4,257,655**
Acquisition	-	1,047,815	**1,047,815**
Accommodation	1,555	-	**1,555**
Drilling	-	-	**-**
Fieldwork	442	-	**442**
Geological	943	15,859	**16,802**
Net change	2,940	1,063,674	**1,066,614**
Write-off exploration and evaluation asset	(4,260,584)	-	**(4,260,584)**
Balance, December 31, 2024	**-**	**1,063,674**	**1,063,674**
Acquisition		**276,700**	**276,700**
Claim maintenance fees		158,062	**158,062**
Accommodation		24,605	**24,605**
Permitting		82,935	**82,935**
Geological		85,268	**85,268**
Geophysical		3,900	**3,900**
Geochemical		42,646	**42,646**
Consulting		419,409	**419,409**
Net change	-	1,093,525	**1,093,525**
Balance, December 31, 2025	**-**	**2,157,199**	**2,157,199**

Administrative and general costs

	Year ended December 31,		Three months ended December 31,	
	2025 ($)	**2024 ($)**	2025 ($)	**2024 ($)**
General and administration costs				
Consulting fees	**328,697**	42,018	313,804	3,614
General exploration expenditures	**-**	14,782	-	621
Foreign exchange	**877**	9,708	(3,363)	10,659
Legal and accounting	**599,969**	235,079	576,468	149,473
Management and directors' fees	**396,000**	126,250	275,000	31,500
Office expenses and salaries	**96,131**	34,533	32,859	12,016
Shareholder communication	**565,085**	33,194	217,266	9,129
Travel	**85,802**	9,358	68,604	1,286
	2,072,561	504,922	1,480,638	218,298
Other Items				
Amortization	**34,014**	6,909	13,286	6,909
Share-based payments	**224,454**	122,922	164,891	122,922
Accretion and interest expense	**3,951**	1,080	1,205	1,080
Gain on settlement of accounts payable	**-**	(602,226)	-	(602,226)
Write-off of exploration and evaluation assets	**-**	4,260,584	-	1,847
Write-off of accounts payable	**-**	(378,023)	-	63,000
	262,419	3,411,246	179,382	(406,468)
Loss for the period	**2,334,980**	3,916,168	1,660,020	(188,170)

For the year ended December 31, 2025 ("Year 2025") as compared with the year ended December 31, 2024 ("Year 2024")

Loss for Year 2025 results from the Company initiating the Smart Creek project with most categories of expense increasing, including in legal, consulting fees and shareholder communication. The Company realized a gain of $602,226 during Year 2024 from settlement of certain accounts payable. On September 19, 2024, the Company issued 8,000,000 shares at a price of $0.07 per share, for consideration of $560,000 in respect of the acquisition of DCC (see "*Exploration and Evaluation Assets*" in this Report).

For the three months ended December 31, 2025 ("Q4/25") as compared with the three months ended December 31, 2023 ("Q4/24")

Loss for Q4/25 results primarily due to an increase in consulting, legal, management and shareholder communications expenses as the Company ramps up the Smart Creek project. Loss for Q4/24 results primarily from legal fee expenses and issuance of options to various parties.

Compensation of Key Management Personnel and Related Parties Transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Related parties include key management personnel Patricio Varas (Executive Chairman, and Director), Gord Neal CEO and President, Stuart Ross (Chief Financial Officer) (effective July 1, 2025) and Marla K Ritchie (Corporate Secretary) who relaced Jeannine Webb (Venturex Consulting) effective July 1, 2025. David Reid, Jon Sherron, and Hendrik van Alphen (effective November 8, 2025) (independent, non-executive Directors of the Company).

During the period ended December 31, 2025, the Company settled amounts owing to various related parties through the issuance of common shares (Note 8) to settle $Nil (December 31, 2024: $763,360) of amounts owing. In addition, a total of $Nil (December 31, 2024: $377,523) owing to certain related parties was written off during the year.

During the years ended December 31, 2025 and 2024, the Company incurred fees for services by these parties as follows:

Key Management Compensation	**For the years ended December 31,**	
	2025	**2024**
	($)	**($)**
Management fees	390,000	120,000
Accounting fees, Nordfors	-	13,529
Directors' fees	6,000	6,000
Legal fees	526,112	327,039
Share-based payments	148,019	91,477
	1,070,131	558,045

As at December 31, 2025, included in accounts payable and accrued liabilities is $164,775 (December 31, 2024: $224,529) due to related parties

During the year ended December 31, 2025, the Company received advances totaling $5,625 (December 31, 2024: $338,569) from directors and related parties and settled, in shares, amounts totaling $Nil (December 31, 2024: $467,257) to directors of the Company. The advances from directors and related parties bear no interest and have no specified terms of repayment. Total accumulated advances from related parties as at December 31, 2025 is $5,625 (December 31, 2024: $545,569).

Liquidity, Financial Condition and Going Concern

The Company's cash is comprised of cash bank deposits. At December 31, 2025, the Company had cash, and receivables totaling $1,155,114 and $111,339, respectively, and working capital (current assets less current liabilities) of $1,076,984. Cash used in operating activities for the year was $2,601,001.

The Company is not in commercial production on any of its mineral properties, continues to incur operating losses, has limited financial resources, and no source of operating cash flow. There can be no assurance that sufficient funding will be available to conduct further exploration and development of its mineral properties. The Company finances its activities primarily by raising capital through the equity markets, and its investment policy is to keep its cash on deposit in an interest-bearing Canadian chartered bank account or a Swedish bank when required. In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company may raise money through equity sales, debt financing, from optioning its projects to partners, or a combination of such items. The Company must manage its treasury while satisfying regulatory requirements, maintaining its property agreements in good standing, and conducting exploration programs. As results of exploration programs are determined and other opportunities become available to the Company, management may seek to complete external financings as required in order to fund further exploration. Should the Company wish to continue fieldwork on its exploration projects, further financing will be required and the Company will either have to go to the market or engage a strategic partner to achieve this. Given the volatility in equity markets, cost pressures and results of exploration activities, management regularly reviews expenditures and exploration programs and equity markets in order that the Company has sufficient liquidity to support its growth strategy.

Financial Instruments

As at December 31, 2025, the Company's financial instruments consist of cash, amounts receivables, accounts payable and accrued liabilities, due to related parties, lease liabilities and advances from related parties. IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 – Quoted prices 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.

The fair value of cash, receivables, reclamation bonds, accounts payable and accrued liabilities, and advances from related parties approximate their carrying amounts due to the short-term nature of the financial instruments. The carrying value of the Company's lease liability is measured at the present value of the discounted future cash flows. All of the Company's financial assets and liabilities are measured at amortized cost. All of the Company's financial assets and liabilities are measured at amortized cost.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to meet their payment obligations, this risk is primarily attributable to cash. The Company's cash is held at large financial institutions such that counterparty risk is considered to be very low.

Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's policy is to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders.

Subsequent Events

On February 4, 2026 the Company announced a non-brokered private placement of up to 12,500,000 units at a price of $0.28 per unit (the "Offering") for gross proceeds of up to $3,500,000.

The Company closed a first tranche of the Offering issuing an aggregate 11,205,505 units of the Company at a price of $0.28 per unit for gross proceeds of $3,137,541. Each unit consists of one common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to acquire one additional common share of the Company for a period of three years from the date of issuance at a price of $0.40 each. Related to the Offering, the Company paid cash finders' fees of $142,122 and issued 507,581 finders' warrants, the warrants are subject to the same conditions as the warrants in the Offering.

The Company closed a final tranche of the Offering issuing an additional 874,286 units of the Company at a price of $0.28 per unit for gross proceeds of $244,800. There were no finder's fees paid in the final tranche closing.

The total aggregate units issued under both tranches of the Offering is 12,079,791 units of the Company for total gross proceeds of $3,382,341.

On February 17, 2026, 125,000 options were exercised at $0.10 each for total proceeds of $125,000.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Outstanding Share Data

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

As at	**March 28, 2026**
Shares issued	**60,942,189**
Outstanding options	**4,615,000**
Outstanding warrants	**29,783,065**

Risk Factors

The Company's principal activity is mineral exploration and development, which is speculative and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in the exploration of its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain the commercial production stage are also very substantial. The Company has a history of incurring losses and deficits, and is subject to a number of risks and uncertainties due to the nature of its business and present stage of explorations, such as, but not limited to, exploration, market, commodity prices, Aboriginal land claims, title, limited financial resources, share price volatility, key personnel, competition, environmental and regulatory requirements, uninsurable risks and critical accounting estimates.

The following sets out the principal risks faced by the Company:

<u>International Conflict:</u> International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy, supply chain and financial markets. Russia's invasion of Ukraine has led to sanctions being levied against Russia by the international community, and the recent US tariff and trade war with Canada may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chain and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect the company's business and financial condition.

The extent and duration of the current Russian-Ukrainian conflict, the US tariff and trade war, and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this MD&A, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts may materialize and may have an adverse effect on the Company's business, results of operations and financial condition.

<u>Title:</u> Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

<u>Indigenous Land and Territorial Claims:</u> Indigenous rights may be claimed on properties or other types of tenure with respect to which mining rights have been conferred. The Company is aware of the mutual benefits afforded by cooperative relationships with indigenous people in conducting exploration activity and is supportive of measures established to achieve such cooperation. The outcome of any indigenous land claims cannot be predicted, and if successful, would have a significant adverse effect on the Company.

<u>Foreign Countries and Regulatory Requirements:</u> The Company has interests in Montana, USA. Consequently, the Company is subject to certain risks associated with foreign ownership, including currency fluctuations, inflation, and political risk. Mineral exploration and mining activities and

production activities in foreign countries may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to disputes and/or conflicts between Federal and regional legislations and regulations, community rights, restrictions on production, price controls, export controls, restriction of earnings, taxation laws, expropriation of property, environmental legislation, water use, labour standards and workplace safety.

Limited Financial Resources and Going Concern: The Company has no significant source of operating cash flow and no revenues from operations. The Company has limited financial resources, no operating revenues and its ability to continue operating as a going concern is dependent upon management's success in raising additional monies to sustain the Company until cash flow from operations is adequate to sustain the Company's viability. Substantial expenditures are required to be made by the Company and/or its development partners to establish ore reserves and develop a mining operation. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. At present, the Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing exploration budgets.

Failure to obtain additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's projects and the Company may become unable to carry out its business objectives. The Financial Statements contain a note that indicates the existence of material uncertainties that raise substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund its mineral properties through the issuance of capital stock or joint ventures, and to realize future profitable production or proceeds from the disposition of its mineral interests.

While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a materially adverse outcome on the Company and its securities, and its ability to continue as a going concern.

Exploration and Development of Properties and Operations: The property interests owned by the Company, or in which it may have an interest, are currently in the exploration and evaluation stages and have no ongoing mining operations. Mineral exploration and development involve a high degree of risk and few properties are ultimately developed into producing mines. There can be no assurance that any necessary environmental approvals will be granted in a timely manner in respect of any property interests owned by the Company, or in which the Company may have an interest.

Mineral exploration and mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of base metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. The financing, exploration, development and mining of any of the Company's properties is furthermore subject to a number of macroeconomic, legal and social factors, including commodity prices, laws and regulations, political conditions, currency fluctuations, the ability to hire and retain qualified people, the inability to obtain suitable adequate machinery, equipment or labour and obtaining necessary services in jurisdictions in which the Company operates. Unfavourable changes to these and other factors have the potential to negatively affect the Company's operations and business.

Share Price Volatility, Price Fluctuations and Commodity Price: The price of the common shares, financial results and exploration, development and mining activities of the Company may in the future be significantly adversely affected by declines in the prices of base and precious metals. Metal prices fluctuate widely and are affected by numerous factors beyond the Company's control. There can be no assurance that such price fluctuations will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to impact these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Key personnel: Other than in respect of a Joint Venture, the Company's operations are dependent to a large degree on the skills and experience of certain key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a materially adverse outcome on the Company and its securities.

Competition: Significant and increasing competition exists for the opportunity to acquire or acquire an interest in the limited number of mineral properties available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional interests in attractive mineral properties on terms it considers acceptable.

Environmental and Other Regulatory Requirements: The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards, mine safety, land use, toxic substances, land claims of local people and other matters. These laws and other governmental policies may affect investments of the Company and/or its shareholders.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Market: The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short-term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Information Systems and Cyber Security: The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to equipment, natural disasters, terrorism, fire, loss of power, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Uninsurable: The Company and its subsidiaries may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

Critical Accounting Estimates: In the preparation of financial information, management makes judgments, estimates and assumptions that affect, amongst other things, the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value. Management's estimates of exploration, operating, capital and reclamation costs, if any, are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties. The Company uses the Black-Scholes Option Pricing Model in relation to share based payments. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the year.

On behalf of the Board,

"*J. Patricio Varas*"

J. Patricio Varas
Executive Chairman