



Fuerte Metals Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Year Ended December 31, 2025



www.fuertemetals.com

TSX.V: **FMT**

OTCQB: **FUEMF**

INTRODUCTION

Fuerte Metals Corporation ("Fuerte" or the "Company") was incorporated under the Business Corporations Act of British Columbia on April 8, 2020. The Company's head office is in Vancouver, Canada. The principal business of the Company is to identify, explore, evaluate, and develop mineral properties, primarily in the Americas. The Company's common shares are listed on the TSX Venture Exchange ("TSXV"), trading under the symbol "FMT" and also trade on the OTCQB under the symbol "FUEMF".

On February 9, 2024, the Company completed a reverse takeover transaction (the "RTO"), pursuant to a Business Combination Agreement dated December 15, 2023, between the Company, 1000723052 Ontario Corporation, a newly incorporated subsidiary of the Company, and TCP1 Corporation ("TCP1"). Immediately prior to completing the RTO, the Company consolidated its issued and outstanding shares on a 6 for 1 basis. Pursuant to the RTO, the Company acquired all of the issued and outstanding common shares of TCP1 in exchange for common shares of Fuerte (the "TCP1 Transaction"). Upon completion of the TCP1 Transaction, the shareholders of TCP1 controlled the Company and accordingly, for accounting purposes, the transaction was accounted for as a reverse acquisition of Fuerte by TCP1 and TCP1 was identified as the accounting acquirer. Since TCP1 was the accounting acquirer, the audited consolidated financial statements were prepared as a continuation of TCP1. Fuerte continued to trade on the TSXV following the TCP1 Transaction.

On October 17, 2025, the Company closed the acquisition of Goldcorp Kaminak Ltd., the owner of the Coffee Gold Project (the "Coffee Project") in Yukon, Canada, from Newmont Corporation ("Newmont"), (the "Coffee Transaction"). On November 10, 2025, Goldcorp Kaminak Ltd. changed its corporate name to Kaminak Gold Ltd. ("Kaminak"). Pursuant to the Coffee Transaction, the Company paid approximately US\$10 million in cash and issued 22,729,126 common shares and 10,842,989 preferred shares to an affiliate of Newmont. The Company also granted Newmont a 3% net smelter return (the "Newmont NSR") royalty on the Coffee Project. The Newmont NSR may be repurchased for US\$100 million within one year following the announcement of commercial production. The preferred shares were non-voting and economically equivalent to the common shares and automatically converted to common shares on a one-for-one basis on February 14, 2026.

In connection with the acquisition of Kaminak, the Company completed a private placement of 34,848,485 subscription receipts at \$1.65 per receipt (the "Offering") for gross proceeds of approximately \$57.5 million on October 9, 2025. Each subscription receipt converted into one common share and one common share purchase warrant exercisable at \$2.50 per common share for five years upon closing.

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Fuerte and its subsidiaries during the relevant reporting period and to the date of this report. The MD&A supplements, but does not form part of, the audited consolidated financial statements of the Company and the notes thereto for the years ended December 31, 2025 and 2024, and, consequently, should be read in conjunction with the aforementioned audited consolidated financial statements and notes thereto.

ADDITIONAL INFORMATION

Additional information about the Company is available under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.fuertemetals.com. The Company reports its financial information in Canadian dollars and all monetary amounts set forth herein are expressed in Canadian dollars unless specifically stated otherwise. The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB").

Denis Flood, P.Eng., is a qualified person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed and approved for inclusion the scientific and technical disclosure in this MD&A. Mr. Flood is the Chief Operating Officer of the Company.

This MD&A is current to April 15, 2026.

FORWARD LOOKING STATEMENTS AND RISK FACTORS

This MD&A contains "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation. Except for statements of historical fact relating to Fuerte, forward-looking information includes, but is not limited to, information with respect to the Company's future exploration plans and the results thereto for the Company's mineral properties; the Company's ability to raise additional funds, as required; future price of minerals, particularly gold, silver and copper; the estimation of mineral resources; the results of the Preliminary Economic Assessment ("PEA") for the Coffee Project, including planned mine life and anticipated production; the anticipated timing of a construction decision for the Coffee Project; the timing and amount of estimated future exploration; costs of general and administrative and other expenses; success of exploration activities; foreign currency rates and risks; government regulation of mineral exploration and mining operations; environmental risks; and outlook, guidance, and other forecasts.

Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as "expect", "plan", "anticipate", "project", "target", "potential", "schedule", "forecast", "budget", "estimate", "intend" or "believe" and similar expressions or their negative connotations, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made.

Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond the Company's control, including risks associated with or related to: the volatility of metal prices; changes in tax laws; the dangers inherent in exploration, development and mining activities; the uncertainty of mineral resource estimates; title matters; cost or other estimates; actual exploration plans and costs differing materially from the Company's expectations; the ability to obtain and maintain any necessary permits, consents or authorizations required for exploration activities; environmental regulations or hazards and compliance with complex regulations associated with exploration activities; the availability and need for financing and debt activities, including potential restrictions imposed on the Company's operations as a result thereof and the ability to ultimately generate sufficient cash flows; remote operations and the availability of adequate infrastructure; shortages or cost increases in necessary equipment, supplies and labour; the reliance upon contractors and other third parties; the dependence on key personnel and the ability to attract and retain skilled personnel; the risk of an uninsurable or uninsured loss; adverse climate and weather conditions; litigation risk; competition with other mineral exploration and mining companies; community support for the Company's operations; conflicts with small scale miners; failures of information systems or information security threats; compliance with anti-corruption laws, and sanctions or other similar measures. The list is not exhaustive of the factors that may affect Fuerte's forward-looking statements.

The Company's forward-looking statements are based on the applicable assumptions and factors management considers reasonable as of the date hereof, based on the information available to management at such time. These assumptions and factors include, but are not limited to, assumptions and factors related to Fuerte's ability to carry

on current and future planned exploration operations; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the availability and cost of inputs; the timely receipt of necessary approvals or permits; the ability to meet current and future obligations; the ability to obtain timely financing on reasonable terms when required; the current and future social, economic and political conditions; and other assumptions and factors generally associated with the mining industry.

The Company's forward-looking statements are based on the opinions and estimates of management and reflect their current expectations regarding future events and operating performance and speak only as of the date hereof. The Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, and actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits or liabilities the Company will derive therefrom. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

For additional discussion of risk factors, please refer to the Company's Annual Information Form for the year ended December 31, 2025, which is available on the Company's website www.fuertemetals.com and on www.sedarplus.ca.

OVERVIEW OF SIGNIFICANT EVENTS, REVIEW OF ACTIVITIES AND FINANCING ACTIVITY

In order to better understand the Company's financial results, it is important to gain an appreciation of the significant events, transactions and activities involving mineral property interests that occurred during the year ended December 31, 2025 and to the date of this MD&A. This overview should be read in conjunction with the remainder of this MD&A to appreciate more fully the Company's results and activities for the year ended December 31, 2025.

Project Updates

The Company's mineral property assets include the following:

Coffee Project

On October 17, 2025, the Company closed the acquisition of Kaminak, the owner of 100% of the Coffee Project in Yukon, Canada, from Newmont. Pursuant to the transaction, the Company paid approximately US\$10 million in cash and issued 22,729,126 common shares and 10,842,989 preferred to an affiliate of Newmont. The Company also granted Newmont a 3% net smelter return (Newmont NSR) royalty on the Coffee Project. The Newmont NSR may be repurchased for US\$100 million within one year following the announcement of commercial production.

The Coffee Project is approximately 130 km south of Dawson City and is currently accessible by air or by barge along the Yukon River. A proposed 214 km all-season road from Dawson City is currently in the permitting process and a preferred contractor for road construction has been identified, and a secondary all-weather airstrip has also been designed and is permitted for construction. The Coffee Project was subject to an assessment under the Yukon Environmental and Socio-economic Assessment Act (YESAA), administered by the Yukon Environmental and Socio-economic Assessment Board (YESAB), which was completed in March 2022. The primary remaining

approvals required for mine construction and operation are a Water Use Licence and Quartz Mining Licence. Applications for these permits were submitted to the respective licensing bodies in November 2023 and are under review by regulators. Other authorizations, including those required for all-season access road construction are also being reviewed by regulators. Along with the announcement of the Coffee Project acquisition on September 15, 2025, the Company provided an updated resource estimate for the project which established a Measured and Indicated gold resource of 2.96 Moz, consisting of 80 Mt at a grade of 1.15 g/t gold at a weighted average cut-off of 0.18 g/t. and an Inferred resource of 0.8 Moz, consisting of 21 Mt at a grade of 1.17 g/t gold. The entire resource is amenable to conventional open-pit, heap-leach mining and processing to produce gold doré bars.

In December 2025, the Company announced a partnership with G Mining Services to produce a Feasibility Study anticipated in Q4 2026, and to perform preliminary engineering for critical-path items and lead the eventual mine construction for the Coffee Project. In addition, the Company engaged WSP to complete a Preliminary Economic Assessment for completion in Q1 2026.

On February 22, 2026, the Company announced the results of the PEA for the Coffee Project. The PEA contemplates a high-grade open-pit heap-leach mine with an initial planned mine life of approximately 13 years. Coffee is expected to produce 249,000 saleable gold ounces per year on average for the first full five years of production and an average of 217,000 saleable gold ounces per year over the life of mine. The PEA includes inferred resources. The Company filed the corresponding Coffee PEA Technical Report on April 8, 2026. With the positive results of the PEA, the Company is planning an Early Works program to complete several strategic initiatives that will help accelerate the construction timeline once a construction decision is made. The initiatives permissible under our existing permits include a new airstrip that allows larger aircraft and night flights; installation of a construction camp; development of laydown areas; and other minor projects (e.g., aggregate stockpiling, powder magazine, etc.)

In March 2026, the Company announced the award of the construction contract for the Northern Access Route ("NAR"), which will connect the Coffee Project to the City of Dawson and the Yukon highway network. The NAR marks the first stage of early infrastructure development, positioning the Company to make a final construction decision, following the release of an updated feasibility study and receipt of final mine permits. Additionally in March 2026, a 40,000-metre drill program commenced, a portion of which will focus on infill drilling to convert a portion of the 0.8 Moz Inferred gold resource to the Indicated category for inclusion in the Feasibility Study, noted earlier.

Cristina Project

The Company holds a 100% interest in the Cristina Project ("Cristina") located in Chihuahua State, Mexico. There is an existing 2% net smelter royalty ("NSR"), held by Maverix Metals Inc. ("Maverix") which is owned by Triple Flag Precious Metals Corp. over all minerals produced from certain exploitation tenements included in the Cristina Project. The Company has the right to buy back 1% of the NSR for US\$1,000,000.

The Company conducted a diamond drilling program at Cristina in 2025. Results for the initial phase of the drilling program (fifty holes for a total of 13,754 metres) were successful in supporting the theory that Cristina consists of multiple outcropping quartz veins that are frequently greater than 10 metres in width and extend for at least a five-kilometre strike length. Four parallel mineralized vein zones have been mapped and sampled to date, with most of the existing mineral resource estimate at Cristina contained within only one of the vein zones, the Guadalupe vein. Drilling activity has also taken place in vein areas known as Los Ingleses and Mexico Libre.

Following this drill program, the Company is continuing to work on an improved and updated geologic and resource model for Cristina.

Placeton Project

The Company holds the rights to the Placeton Project located in the Atacama region of Chile which consists of the Placeton, Caballo Muerto and Los Naranjos targets. Altogether, the Placeton Project is comprised of thirty-nine mining concession tenement groups. The Placeton Project's mineral claims are subject to a 2% NSR.

No work was undertaken at the Placeton Project in 2025. The Company is permitted to carry out geological and geophysical surveys under Chilean law and is working to negotiate long-term agreements with the surface rights owners to allow access for a future drilling program at the Placeton and Caballo Muerto targets. A positive development occurred in January 2025 with the resolution of a long-running legal dispute between the Teck-Newmont Nueva Union joint venture and two Chilean landowners over surface rights adjacent to and partially overlapping the Placeton Project. While the Company was not a party to the lawsuit, its resolution allowed the removal of a judicial caution which prevented the granting of transit and occupation easements. Chilean law requires surface rights holders to grant such easements, either voluntarily or judicially in case of opposition, to allow concession holders to carry out exploration and development works.

In 2024, a geophysical surveying program was completed on the Placeton Project, which defined two shallow copper-gold porphyry targets at the Placeton and Caballo Muerto target areas. The next stage of exploration for both these areas will involve drill testing, either by the Company or with a partner.

Yecora Project

The Company holds a 100% interest in the Yecora Project ("Yecora") located in Sonora State, Mexico. Pursuant to the terms of the Yecora acquisition agreement, the Company is required to pay a sum of US\$500,000 when the Company makes the decision to start production, and US\$2,000,000 when the Company starts commercial production on any of the claims within Yecora. There is a pending obligation for the Company to register a 3% NSR which has not been completed as of the date of this MD&A.

No work was undertaken at the Yecora Project in 2025.

El Cofre Project

On September 12, 2025, the Company entered into a definitive agreement (the "Agreement") to sell the El Cofre Project to Chilean Cobalt Corp. ("C3"). Under the terms of the Agreement, the Company transferred all of the mining concessions that comprise the El Cofre Project to Baltum Minería SpA, a wholly owned subsidiary of C3, in exchange for 4,500,000 common shares of C3 and reimbursement of the 2025 annual concession payments. The Company received 4,500,000 common shares of C3 on October 6, 2025; and a cash payment of \$147,715 (CLP 101,833,291) on October 7, 2025.

Corporate Updates

Following the acquisition of the Coffee Project in the Yukon, the Company strengthened its senior leadership team with several key management appointments to support the advancement of the project toward development. The Company appointed Denis Flood as Chief Operating Officer, and Jason O'Connell as Chief Financial Officer, who bring extensive experience to enhance the Company's technical, financial, and operational capabilities.

In November 2025, the Company announced the appointment of Chris Beer, Dawson Proudfoot, and Sandip Rana to its Board of Directors. Mr. Beer was appointed Chair of the Board, succeeding Scott V. Hicks, who remains a director. These additions strengthen the Board's expertise in mining finance, engineering, operations, and capital markets. In conjunction with these appointments, Colinda Parent and Charlie Ronkos resigned from the Board. Mr. Ronkos continues with the Company in his capacity as Executive Vice-President, Exploration.

In December 2025, the Company appointed Kerry Sparkes and Scott J. Hicks as technical advisors to the board of directors, to further enhance the technical and industry experience to advance the Coffee Project through permitting and engineering studies in preparation for a potential construction decision targeted for 2027.

The Board comprises Chris Beer (Chair), Shannon McCrae, Scott V. Hicks, Dawson Proudfoot, Sandip Rana, Tracy Reynolds and Tim Warman.

In connection with the Coffee Gold Project acquisition, the concurrent \$57.5 million financing, and the leadership appointments, the Company granted 6,975,000 incentive stock options and 2,600,000 bonus shares to certain officers, employees, and directors under its Long-Term Incentive Plan. The stock options are exercisable at \$3.49 per share for a period of five years and are subject to standard vesting provisions. The bonus shares are issuable in three equal tranches upon the achievement of specified share-price thresholds for the Company's common shares listed on the TSXV.

Financing Activity

On December 18, 2025, the Company issued a total of 3,036,570 flow-through common shares, each of which qualify as a "flow-through share" within the meaning of the Income Tax Act (Canada) for total gross proceeds of \$17,249,933. This offering was comprised of 1,380,950 flow-through common shares issued at a price of \$5.25 per share for gross proceeds of \$7,249,988, and 1,655,620 special flow-through common shares issued at a price of \$6.04 per share for gross proceeds of \$9,999,945.

On October 9, 2025, in connection with the Coffee Transaction, the Company completed a private placement of 34,848,485 subscription receipts at \$1.65 per receipt for gross proceeds of approximately \$57.5 million. Each subscription receipt converted into one common share and one common share purchase warrant exercisable at \$2.50 per share for five years upon closing of the offering. In connection with this transaction, the Company also issued 2,000,000 units to Trinity Advisors Corporation for advisory services, each unit comprising one common share and one warrant exercisable at \$2.50 per share for five years.

On February 9, 2024, the Company closed a private placement financing for gross proceeds of \$12,780,892 in conjunction with the TCP1 Transaction. The Company incurred cash share issue costs of \$680,929 which included 6% agent's fees totalling \$442,795.

In conjunction with closing the TCP1 Transaction, the Company also issued common shares as follows: (i) 46,296 common shares (\$50,000) as partial repayment of salary to an officer of the Company; (ii) 61,837 common shares (\$66,782) as repayment of salary owed to an officer of the Company; and (iii) 46,297 common shares (\$50,000) to repay a loan. On February 9, 2024, the Company granted 1,425,000 stock options to acquire common shares at an exercise price of \$1.26 per share and granted 700,000 RSUs, to directors, officers, employees and consultants of the Company. On March 20, 2024, 200,000 stock options exercisable at \$1.33 per share were granted to an investor relations service provider. On February 3, 2025, the Company granted 737,500 stock options exercisable at \$0.91 per common share and granted 225,000 RSUs to directors, officers, employees and consultants.

At December 31, 2025, the Company had \$56,864,178 in cash on hand with outstanding payables and accrued liabilities of \$2,093,423.

OUTLOOK

Subsequent to the Coffee Transaction, the Company's primary focus has become the advancement of the newly acquired Coffee Project in Yukon, Canada. The Company is planning to advance the project through permitting and technical studies, including a preliminary economic assessment and feasibility study, with the objective of making a construction decision in early 2027.

Other assets will be advanced on a measured basis. At Cristina (Mexico), work continues - albeit at a reduced level - with efforts focused on completing the updated geologic model to support a future resource update and preserve strategic optionality for the asset. At Placeton (Chile), the Company will maintain community/access dialogue and preserve the option to drill-test targets pending partnership or permitting progress. No work is currently planned in the near term at Yécora (Mexico). El Cofre (Chile) was sold in September 2025 as previously disclosed.

Following the October 2025 and December 2025 financings, the Company's near-term liquidity has improved however additional funding will be required to support the Coffee Project's longer-term development program. Plans and timelines remain subject to permitting outcomes and timing, technical results, commodity prices, cost inflation, labour and supply chain availability, stakeholder engagement, and access to capital.

SELECTED ANNUAL FINANCIAL INFORMATION

The following summary financial information has been derived from the financial statements of the Company, which have been prepared in accordance with IFRS. The Company's material accounting policies are outlined in Note 3 to the audited consolidated financial statements of the Company for the fiscal years ended December 31, 2025 and 2024.

	Year Ended December 31,		
	2025	2024	2023
Consolidated Statements of Loss and Comprehensive Loss			
Revenue	\$ -	\$ -	\$ -
<i>Operating expenses:</i>			
Exploration and evaluation expenditures	(3,905,265)	(3,207,405)	(877,426)
Consulting fees	(94,038)	(1,340,051)	(38,846)
Pre-exploration and evaluation expenditures	(594,700)	-	-
Salaries, management and director fees	(1,382,589)	(592,507)	(120,000)
Professional fees	(410,774)	(274,056)	(153,333)
Share-based compensation	(7,921,112)	(2,208,568)	(1,156,740)
Shareholder communications	(427,339)	(642,225)	-
Other operating expenses	(862,587)	(467,631)	(46,320)
<i>Other income (expenses):</i>			
Listing expense	-	(5,518,535)	-
Gain on sale of El Cofre Project	1,360,800	-	-
Fair value gain on investment in marketable securities	5,564,550	-	-
Interest income	318,933	415,241	75,987
IVA recovery	16,264	90,465	-
Foreign exchange	(41,328)	(95,105)	19,752
<i>Income tax expense:</i>			
Current income tax expense	(240,604)	-	-
Deferred income tax expense	(1,391,000)	-	-
Net loss and comprehensive loss for the year	\$ (10,010,789)	\$ (13,840,377)	\$ (2,296,926)
Loss per share – basic and diluted	\$ (0.13)	\$ (0.25)	\$ (0.39)
Consolidated Statements of Financial Position			
	As at December 31,		
	2025	2024	2023
Cash	\$ 56,864,178	\$ 5,575,071	\$ 1,167,968
Deferred acquisition costs	-	-	314,616
Investment in marketable securities (current and non-current)	6,925,350	-	-
Exploration and evaluation assets	122,600,810	6,076,118	1,919,724
Property, plant and equipment	24,727,311	-	-
Total assets	211,529,937	11,768,340	3,466,347
Accounts payable and accrued liabilities	2,093,423	96,640	758,864
Flow-through premium liability	2,516,813	-	-
Loans	-	-	1,121,950
Provision for reclamation and remediation	10,274,326	-	-
Deferred tax liability	1,391,000	-	-
Total liabilities	16,275,562	96,640	1,880,814
Equity:			
Share capital, common and preferred	220,221,973	38,705,824	15,801,438
Reserves	15,817,284	3,739,969	2,717,811
Accumulated deficit	\$ (40,784,882)	\$ (30,774,093)	\$ (16,933,716)

A review of the results of operations for the years ended December 31, 2025 and 2024 is presented below in the "Review of Financial Results" section.

REVIEW OF FINANCIAL RESULTS

This review of the results of operations should be read in conjunction with the audited consolidated financial statements of the Company for the years ended December 31, 2025 and 2024, along with other public disclosure documents of the Company. For the year ended December 31, 2025, the Company reported a net loss of \$10,010,789, compared to a net loss of \$13,840,377 for the year ended December 31, 2024. The commentary that follows provides additional details on the Company's reported net losses for the years ended December 31, 2025 and 2024.

Exploration and Evaluation Assets (Mineral Properties)

The Company capitalizes costs incurred acquiring exploration and evaluation assets (mineral projects) and any required licenses related thereto with a term of more than one year. At December 31, 2025, the carrying value of the exploration and evaluation assets was \$122,600,810 (December 31, 2024 - \$6,076,118).

Below is a summary of the carrying value of the Company's exploration and evaluation assets:

	Coffee	Yecora	Cristina	Placeton	Total
Balance, December 31, 2023	\$ -	\$ 1,905,936	\$ 13,788	\$ -	\$ 1,919,724
Additions from RTO	-	-	-	4,156,394	4,156,394
Balance, December 31, 2024	-	1,905,936	13,788	4,156,394	6,076,118
Acquisition of Coffee Project	116,552,603	-	-	-	116,552,603
Change of estimate to provision for reclamation and remediation	(27,911)	-	-	-	(27,911)
Balance December 31, 2025	\$ 116,524,692	\$ 1,905,936	\$ 13,788	\$ 4,156,394	\$ 122,600,810

The increase in the Company's exploration and evaluation assets is due to the acquisition of the Coffee Project in 2025.

Operating Expenses

Exploration and evaluation expenditures

Exploration and evaluation ("E&E") expenditures are expensed to profit and loss as incurred, and were as follows for the years ended December 31, 2025 and 2024:

Year ended December 31, 2025	Coffee	Yecora	Cristina	Placeton	EI Cofre	Total
Camp	\$ 199,058	\$ -	\$ -	\$ -	\$ -	\$ 199,058
Claims, licenses and permits	-	98,436	111,454	303,257	-	513,147
Consultants	59,890	-	162,635	1,350	-	223,875
Drilling	-	28,619	1,160,334	-	-	1,188,953
Engineering	108,034	-	-	-	-	108,034
Depreciation	527,689	-	-	-	-	527,689
Salaries and Benefits	321,304	-	-	-	-	321,304
Sustainability & Environment	456,116	-	-	-	-	456,116
Geology and geophysics	-	1,447	158,721	-	-	160,168
Miscellaneous field costs	57,254	17,466	17,466	14,853	51,104	158,143
Travel	39,734	-	-	9,044	-	48,778
Total	\$ 1,769,079	\$ 145,968	\$ 1,610,610	\$ 328,504	\$ 51,104	\$ 3,905,265

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

April 15, 2026

Year ended December 31, 2024	Yecora	Cristina	Placeton	El Cofre	Total
Camp	\$ -	\$ -	1,068	\$ 1,250	2,318
Claims, licenses and permits	99,653	281,871	81,356	35,221	498,101
Consultants	-	59,869	27,312	-	87,181
Drilling	39,589	2,066,391	-	-	2,105,980
Geology and geophysics	-	104,059	344,810	542	449,411
Miscellaneous field costs	7,011	7,011	10,874	-	24,896
Property management	-	-	2,735	19,163	21,898
Travel	-	-	13,729	3,891	17,620
Total	\$ 146,253	\$ 2,519,201	\$ 481,884	\$ 60,067	\$ 3,207,405

Prior to September 15, 2025, the Company's primary focus had been conducting a drilling program at Cristina with the initial phase completed in May 2025 with 5,383 metres drilled (year ended December 31, 2024 – 8,371 metres were drilled at Cristina). With the announcement of the Coffee Project acquisition in September 2025, the Company's focus shifted to advancing the Coffee Project through permitting and engineering studies, towards making a construction decision in early 2027.

In March 2025, the Company renewed the Placeton and El Cofre mineral concessions for the 2025 calendar year. As noted above, in September 2025, the Company sold its 100% interest in the El Cofre Project to Chilean Cobalt Corp. ("C3"), and the 2025 annual concession payments were reimbursed.

Other operating expenses

Other operating expenses for the years ended December 31, 2025 and 2024 were as follows:

	2025	2024
Consulting fees	\$ 94,038	\$ 1,340,051
Pre-exploration and evaluation expenditures	594,700	-
Salaries, management and director fees	1,382,589	592,507
Professional fees	410,774	274,056
Share-based compensation	7,921,112	2,208,568
Shareholder communications	427,339	642,225
Other operating expenses	862,587	467,631
	\$ 11,693,139	\$ 5,525,038

Significant variances in other operating expenses are as follows:

- Consulting fees of \$1,340,051 for the year ended December 31, 2024 included \$1,250,000 related to the termination of a consulting agreement with a director of TCP1 in connection with the February 2024 RTO, which was settled in common shares.
- Pre-exploration and evaluation expenditures of \$594,700 for the year ended December 31, 2025 related to due diligence expenditures in connection with the review of new opportunities, primarily related to the Coffee Project acquisition.
- Salaries, management and directors fees of \$1,382,589 for the year ended December 31, 2025 increased in comparison to \$592,507 in 2024 due to the increased workforce from the acquisition of the Coffee project.
- Share-based compensation of \$7,921,112 was significantly higher in the year ended December 31, 2025, compared to \$2,208,568 in 2024 due to the stock options and bonus shares granted in connection with the Coffee Gold Project acquisition, the concurrent \$57.5 million financing, and senior leadership appointments.
- Professional fees, Shareholder communications and other operating expenses were broadly consistent year on year.

Other income (expenses)

Other income (expenses) for the years ended December 31, 2025 and 2024 were as follows:

	Year ended December 31,	
	2025	2024
Listing expense	\$ -	\$ (5,518,535)
Gain on sale of El Cofre	1,360,800	-
Fair value gain on investment in marketable securities	5,564,550	-
Interest income	318,933	415,241
IVA recovery	16,264	90,465
Foreign exchange	(41,328)	(95,105)
	\$ 7,219,219	\$ (5,107,934)

Significant variances in other income (expenses) are as follows:

- The Company completed a RTO transaction with TCP1 on February 9, 2024 which resulted in the listing expense of \$5,518,535 during the year ended December 31, 2024.
- The sale of the El Cofre Project during the year ended December 31, 2025 resulted in a gain of \$1,360,800.
- The fair value gain on investment in marketable securities of \$5,564,550 for the year ended December 31, 2025 represents the unrealized fair value increase of the 4.5 million common shares of Chilean Cobalt Corp. acquired as consideration in the sale of the El Cofre Project.

Related Party Transactions

The Company incurred the following expenses with related parties:

Related company	Nature of transactions	Year ended December 31,	
		2025	2024
Durus Copper SpA	E&E expense	\$ -	\$ 13,640

The Company incurred the following expenses with key management personnel:

	Year ended December 31,	
	2025	2024
Short-term benefits (i)	\$ 1,274,903	\$ 1,905,353
Share-based compensation	6,805,335	1,973,100
	\$ 8,080,238	\$ 3,878,453

(i) Short-term benefits include fees and salaries and include fees paid to CLMLC LLC.

Trinity Advisors Corporation ("TAC"), CLMLC LLC and Durus Copper SPA are related to the Company by way of directors, officers or shareholders in common. Durus Copper SPA ceased to be a related party on September 4, 2024. TAC ceased to be a related party following completion of the RTO transaction.

Related party transactions are recognized at the amounts agreed between the parties. Outstanding balances are unsecured and normally settled in cash. Included in the expense to CLMLC LLC for the year ended December 31, 2024 is \$1,250,000 that was settled by common shares as described in financial statement Note 13(iv).

In 2024, the Company repaid loans in cash of \$1,218,275 of which two loans were from TAC consisting of: (i) US\$750,000 and (ii) \$130,000. The loans were non-interest bearing and had no specific terms of repayment. TAC ceased to be a related party following completion of the RTO transaction as described in the financial statement Note 7.

\$27,095 owing to CLMLC LLC was included in accounts payable and accrued liabilities at December 31, 2025 (December 31, 2024 - \$11,033).

SUMMARY OF QUARTERLY RESULTS AND FOURTH QUARTER (UNAUDITED)

The information presented below highlights the Company's unaudited quarterly results for the past eight quarters.

Three months ended:	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Revenue	\$ -	\$ -	\$ -	\$ -
E&E expenditures	(1,930,279)	(178,959)	(363,028)	(1,432,999)
Other operating expenses	(8,602,131)	(1,381,934)	(616,401)	(1,092,673)
Other income	7,162,352	19,147	15,603	22,117
Net loss for the period	(5,001,662)	(1,541,746)	(963,826)	(2,503,555)
Basic and diluted loss per share	(0.04)	(0.02)	(0.03)	(0.04)

Three months ended:	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Revenue	\$ -	\$ -	\$ -	\$ -
E&E expenditures	(1,010,706)	(502,037)	(1,324,890)	(369,772)
Other operating expenses	(870,921)	(654,037)	(1,146,751)	(2,853,329)
Listing expense	-	-	-	(5,518,535)
Other income	175,118	129,945	87,663	17,875
Net loss for the period	(1,706,509)	(1,026,129)	(2,383,978)	(8,723,761)
Basic and diluted loss per share	(0.03)	(0.02)	(0.04)	(0.24)

The Company's operating expenses vary from period to period primarily as a result of the level of exploration and evaluation activities that are being carried out at a particular time. Given that the Company is in the exploration phase it can easily ramp operations up or down for the current exploration program being conducted.

As discussed earlier in this MD&A, prior to September 15, 2025, the Company's primary focus had been conducting a drilling program at Cristina, with a seasonal slowdown during the quarter ended September 30, 2024. With the announcement of the Coffee Project acquisition in September 2025, the Company's focus shifted to advancing the Coffee Project through permitting and engineering studies, and as such exploration and evaluation expenditures and other operating expenses for the three months ended December 31, 2025 increased compared to the prior quarter. Other income for the three months ended December 31 relates to the gain on sale of the El Cofre Project and the fair value gain on investment in marketable securities.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's expenses and mineral property costs is provided earlier in this MD&A.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2025, the Company had cash of \$56,864,178 compared to cash of \$5,575,071 at December 31, 2024. The Company had working capital of \$54,974,680 on December 31, 2025, compared to \$5,595,582 at December 31, 2024. The Company's current working capital is sufficient to fund immediate operations, subject to the discussion below.

Working capital is defined as current assets minus current liabilities. Working capital calculations or changes are not measures of financial performance, nor do they have standardized meanings, under IFRS. Readers are cautioned that this calculation may differ among companies and analysts and therefore may not be directly comparable. Management believes that disclosure of the Company's working capital is of value to assess the available capital resources of the Company at a reporting period end.

As at December 31, 2025, the Company's cash was held at a major chartered bank in Canada, one bank in Chile and one bank in Mexico. Management is not aware of any liquidity issues associated with any of the banks in which funds have been deposited.

The Company had no long-term debt obligations or off-balance sheet arrangements as at December 31, 2025.

To date, the capital requirements of the Company have been met by equity or loan proceeds. As described in Note 2(c) to the audited consolidated financial statements of the Company for the year ended December 31, 2025, the Company has incurred cumulative losses of \$40,784,882 and will continue to incur losses and utilize cash for operating activities in the development of its business.

In October 2025, the Company completed a private placement for gross proceeds of approximately \$57.5 million and in December 2025, the Company completed a flow-through share issuance for gross proceeds of approximately \$17.25 million. While these financings have strengthened the Company's near-term liquidity position, additional funding will be required to support engineering and development activities at the Coffee Project, as well as the measured advancement of exploration programs across Fuerte's broader asset portfolio.

The impact of global events could adversely impact the Company's ability to carry out its plans and raise capital. The ability to raise additional financing for future activities beyond those contemplated by the aforementioned financing activity may be impaired, or such financing may not be available on favourable terms, due to conditions beyond the control of the Company, such as uncertainty in the capital markets, depressed commodity prices or country risk factors. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

CONTINGENCY

On November 26, 2024, the Company was served, in Chile, with a wrongful termination lawsuit by a former employee. The claim was settled in November 2025.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make certain judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The Company evaluates its estimates on an ongoing basis and bases them on various assumptions that are believed to be reasonable under the circumstances. The Company's estimates are used for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results are likely to differ from these estimates. Should the Company be unable to meet its ongoing obligations, the realizable value of its assets may decline materially from current estimates. The accounting policy estimates and judgments described below are considered by management to be essential to the understanding and reasoning used in the preparation of the Company's consolidated financial statements and the uncertainties that could have a bearing on its financial results. Further details, and a description of certain other areas of estimation and judgment, can be found at Note 4 in the Company's audited consolidated financial statements for the year ended December 31, 2025 and in the notes that follow.

Going concern

The assessment of the Company's ability to continue as a going concern requires significant judgment. As disclosed in Note 2(c) of the audited consolidated financial statements for the year ended December 31, 2025, the Company has incurred cumulative losses of \$40,784,882. The ability of the Company to continue as a going concern is dependent upon obtaining additional financing to meet its ongoing operational needs and while the Company has successfully raised funds in the past, including in October 2025 and December 2025, there is no certainty that it will be able to do so successfully in the future. Factors that the Company evaluates include forecasts, the ability to reduce expenditures if required, and indications of shareholder support.

RTO transaction

Significant estimates were required to determine the fair value of the consideration transferred by TCP1 to acquire the net assets of Fuerte. More details are provided in Note 7 of the audited consolidated financial statements of the Company for the year ended December 31, 2025.

Acquisition of Coffee Project

Significant estimates and assumptions were required to determine the fair value of the consideration transferred by the Company to acquire the Coffee Project, and in addition to determine the fair value of the net assets acquired. More details are provided in Note 5 of the audited consolidated financial statements of the Company for the year ended December 31, 2025.

Valuation of non-financial assets

The carrying amount of the Company's long-lived assets including property, plant and equipment and exploration and evaluation assets do not necessarily represent present or future values and have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the exploration and development and upon future profitable production or proceeds from the disposition of the mineral property interests themselves. Judgment is required in assessing indicators of impairment and there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its mineral property interests or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's property, plant and equipment and exploration and evaluation assets.

Provision for reclamation and remediation

The Company assesses its provision for reclamation and remediation on an annual basis or when new material information becomes available. Exploration activities are subject to various laws and regulations governing the protection of the environment. The reclamation and remediation obligations are determined using estimates of the nature, timing and amount of future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each property. Future changes to environmental laws and regulations could change the nature and extent of reclamation and remediation work required to be performed by the Company. Changes in the nature, timing and amount of future costs, as well as inflation, foreign exchange and discount rate assumptions, could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

Income tax

The estimation of income taxes includes evaluating the recoverability of deferred income and resource tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Refundable tax credits and flow-through expenditures

The Company is required to spend proceeds received from the issuance of flow-through shares on qualifying resource expenditures. Management's judgment is applied in determining whether qualifying expenditures have been incurred. Differences in judgment between management and regulatory authorities could materially decrease refundable tax credits and increase the flow-through share premium liability and flow-through expenditure commitment.

Share-based compensation

Share-based compensation expense is measured by reference to the fair value of the stock options, restricted stock units and bonus shares at the date at which they are granted. Estimating fair value for granted stock options and bonus shares requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Valuation of investment in marketable securities

The Company received common shares of Chilean Cobalt Corp. in connection with the sale of the El Cofre Project that required the use of the Chaffe and Finnerty option pricing models to determine the discount for lack of marketability applied to the value of these common shares. Typical inputs into the Chaffe and Finnerty option pricing models include: stock price, restriction period, holding period and volatility. Historical volatility in particular requires judgment around the reference period or benchmark rate used as inputs into the option pricing models.

CHANGES IN ACCOUNTING STANDARDS

There were no accounting standards effective January 1, 2025, which were adopted by the Company, and which had a material impact on the audited consolidated financial statements for the year ended December 31, 2025.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

At December 31, 2025, the Company's financial instruments consist of cash, receivables, investment in marketable securities and accounts payable and accrued liabilities. The fair values of cash, receivables and accounts payable and accrued liabilities approximate their carrying values due to their short terms to maturity or capacity for prompt liquidation and the interest rates being charged or earned on these amounts. The fair value of investment in marketable securities is determined using the Chaffe and Finnerty option pricing models to determine the appropriate discount for the lack of marketability of the common shares reflecting their contractual lock-up restrictions.

The Company's financial instruments have been classified under IFRS as follows:

- Cash: amortized cost
- Receivables: amortized cost
- Investment in marketable securities: fair value through profit and loss
- Accounts payable and accrued liabilities: amortized cost

The types of financial risk exposure and the way in which such exposure is managed by the Company is described in more detail below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and receivables. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company believes its credit risk with respect to receivables is minimal.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At December 31, 2025, the Company had working capital of \$54,974,680 (December 31, 2024: \$5,595,582).

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at its main financial institution are subject to floating rates of interest. The interest rate risk on cash is not considered significant.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities, denominated in Chilean Pesos or Mexican Pesos. A 5% fluctuation between the Canadian dollar against these currencies at December 31, 2025, would have resulted in a change in foreign exchange recorded of approximately \$12,851.

Price risk

The Company is exposed to price risk with respect to equity prices through its investment in marketable securities. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company's maximum exposure to price risk on its investment in marketable securities is the carrying value at December 31, 2025 of \$6,925,350 (December 31, 2024 - \$nil). A 5% fluctuation in equity price at December 31, 2025, would have resulted in a change in the fair value gain on investment in marketable securities recorded of approximately \$345,000.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As at the date of this MD&A, the following common shares, common share purchase options, bonus shares, restricted stock units ("RSUs") and common share purchase warrants were outstanding:

Common shares:	140,613,376	
Common share purchase options:	10,055,419	exercisable between \$0.91 - \$3.49 per option
Bonus common shares:	2,600,000	vesting subject to achieving market price of \$5.00, \$7.00, and \$9.00
RSUs:	808,010	
Common share purchase warrants:	38,430,008	exercisable between \$1.08 - \$3.60 per warrant