ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2025

Dated as of August 24, 2026

AURO METALS INC.

(Formerly Tincorp Metals Inc.)

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ITEM 1. GENERAL

1.1. Date of Information

All information in this Annual Information Form ("**AIF**") is as of December 31, 2025, unless otherwise indicated.

1.2. Forward-Looking Statements

Information and statements contained in this AIF for Auro Metals Inc. ("**Auro**" or the "**Company**", formerly Tincorp Metals Inc.) that are not historical facts are "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and also are "forward-looking information" within the meaning of applicable Canadian provincial securities laws (collectively, "**forward-looking statements**"). Forward-looking statements include, but are not limited to, information with respect to: the potential of the mineral projects, and plans with respect to the exploration programs; the future price of minerals, particularly gold, copper, silver, tin, lead and zinc; the realization of mineral resources and mineral reserve estimates; the timing and amount of estimated future production; costs of mining activities and production; capital expenditures; success of exploration activities; government regulation of mining operations; environmental and social risks; political, economic, security and social conditions in Ecuador and Bolivia; the ability of the Company to satisfy the deferred cash and/or share consideration and net smelter return royalty obligations in connection with the Santa Barbara Acquisition (as defined below) and the payment obligations in respect of the San Florencio Project; the Company's continued reliance on Silvercorp Metals Inc. ("**Silvercorp**") for administrative services and financing; and other forecasts and predictions with respect to the Company and its properties. Estimates of mineral reserves and mineral resources are also forward-looking statements because they incorporate estimates of future developments including future mineral prices, costs and expenses and the amount of minerals that will be encountered if a property is developed. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates. Capital and operating cost estimates are based on the Company's diligence, purchase orders placed by the Company to date, recent estimates of construction and mining costs and other factors. Often, but not always, forward-looking statements are characterized by words such as "plan", "expect", "budget", "target", "schedule", "estimate", "forecast", "project", "intend", "believe", "anticipate", "seek", and other similar words or statements that certain events or conditions "may", "could", "would", "might", or "will" occur or be achieved.

Forward-looking statements are based on the opinions, assumptions, factors and estimates of management considered reasonable at the date the statements are made. The opinions, assumptions, factors and estimates which may prove to be incorrect, include, but are not limited to: the specific assumptions set forth in this AIF, or incorporated by reference herein; the expectations and beliefs of management; that prices for minerals, particularly gold, copper, silver, tin, lead and zinc remain consistent with the Company's expectations; that there are no significant disruptions affecting operations, including labour disruptions, supply disruptions, power disruptions, security disruptions, damage to or loss of equipment, whether due to flooding, political changes, title issues, intervention by local communities, indigenous consultation, social license from indigenous groups, environmental concerns, pandemics or otherwise; that operations, development and exploration at the Company's projects proceed on a basis consistent with expectations and the Company does not change its development and exploration plans and forecasts; that prices for key mining supplies, including labour costs and consumables remain consistent with the Company's current expectations; that plant, equipment and processes will operate as anticipated; that there are no material variations in the current tax and regulatory environment or the tax positions taken by the Company; that the Company will maintain access to surface rights; that the Company will be able to obtain and maintain government approvals, permits and licenses in connection with its current and planned operations, development and exploration activities; that the Company is able to meet current and future obligations; that the political, economic and security situation in Ecuador and Bolivia does not deteriorate in a manner that adversely affects the Company's operations, access to its properties or ability to obtain financing; that illegal, artisanal and small-scale mining activity does not materially disrupt access to, or operations at, the Company's projects; that the Company is able to satisfy the deferred consideration, royalty and other payment obligations relating to the Santa Barbara Project and the

San Florencio Project as they become due; and that the Company can access adequate financing, appropriate equipment and sufficient labour, all at acceptable rates.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including but not limited to those referred to in this AIF under the heading "Item 4.2 Risk Factors". This list of risk factors described herein is not exhaustive of the factors that may affect any of the Company's forward-looking statements.

Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements or information due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this AIF under the heading "Risk Factors" and elsewhere. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. 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 or information.

The Company's forward-looking statements are based on the assumptions, beliefs, expectations and opinions of management as of the date of this AIF, and other than as required by applicable securities laws, the Company does not assume any obligation to update forward-looking statements and information if circumstances or management's assumptions, beliefs, expectations or opinions should change, or if there are changes in any other events affecting such statements or information. For the reasons set forth above, investors should not place undue reliance on forward-looking statements and/or information.

1.3. Cautionary Note to U.S. Investors Concerning Preparation of Mineral Resource and Mineral Reserve Estimates

This AIF has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of the U.S. Securities and Exchange Commission (the "**SEC**"), including under Subpart 1300 of Regulation S-K (the "**SEC Modernization Rules**"). The terms "mineral resources", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" used in this AIF are in reference to the mining terms defined in the Canadian Institute of Mining, Metallurgy and Petroleum Standards (the "**CIM Standards**"), which definitions have been adopted by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). Accordingly, information contained in this AIF providing descriptions of our mineral deposits in accordance with NI 43-101 may not be comparable to similar information disclosed by U.S. companies reporting pursuant to the SEC Modernization Rules.

Readers are also cautioned that while the SEC recognizes "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", readers should not assume that all or any part of mineral resources will ever be converted into reserves. Pursuant to the CIM Standards, "inferred mineral resources" are that part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Such geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and must not be converted to a mineral reserve. However, it is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable.

1.4. Currency

All sums of money which are referred to herein are expressed in lawful money of Canada, unless otherwise specified.

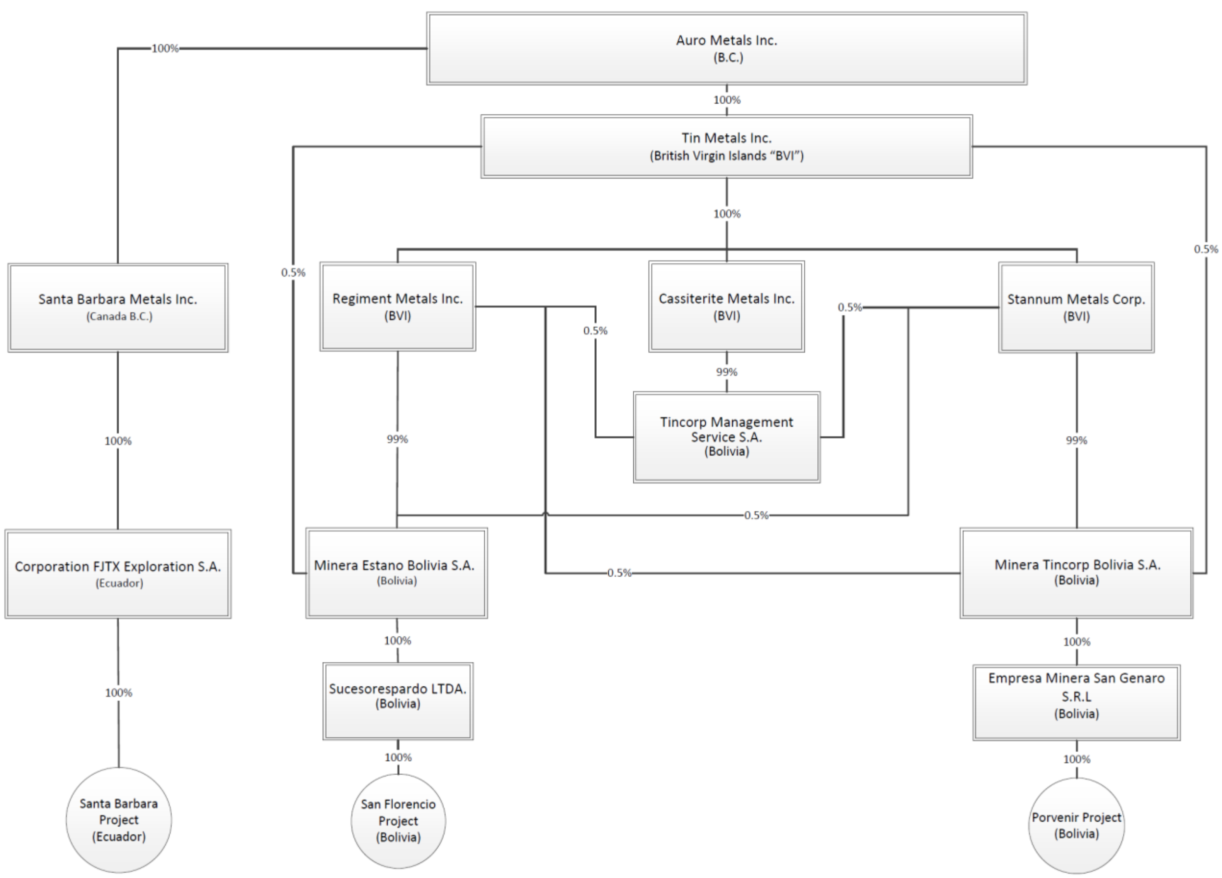
ITEM 2. CORPORATE STRUCTURE

2.1. Names, Address and Incorporation

The Company was incorporated as "Whitehorse Gold Corp." on November 27, 2019, under the British Columbia Business Corporations Act ("**BCBCA**") as a wholly owned subsidiary of New Pacific Metals Corp. ("**New Pacific**"). The Company's head office, registered address and records office are located at Suite 1750 – 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1. The Company's website is www.aurometals.ca. On November 25, 2020, the Company's common shares (the "**Common Shares**") listed for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "WHG". On May 16, 2022, the Common Shares commenced trading on the OTCQX Market under the symbol "WHGDF". On February 22, 2023, the Company filed a notice of alteration to change its name to Tincorp Metals Inc., and effective February 27, 2023, the Company's trading symbol changed to "TIN" on the TSXV and "TINFF" on the OTCQX Market, respectively. On January 2, 2026, trading of the Common Shares ceased on the OTCQX Market and commenced on the OTC Pink Open Market. Effective June 11, 2026, the Company changed its name to Auro Metals Inc., and its trading symbol changed to "AURO" on the TSXV and to "AURFF" on the OTC Pink Open Market. On July 29, 2026, the Company's Common Shares were uplisted from the OTC Pink Open Market and commenced trading on the OTCQB Venture Market under the symbol "AURFF". The Company is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland and the Yukon.

2.2. Intercorporate Relationships

The corporate structure of the Company and its subsidiaries as of August 7, 2026, is as follows:



ITEM 3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1. Business of the Company

The Company is a Canadian mining issuer engaged in gold, copper, and tin exploration. It holds a 100% interest in the Santa Barbara Project (the "**Santa Barbara Project**" or the "**Project**") in Ecuador and a 100% interest in the San Florencio Project (the "**SF Project**") and the Porvenir polymetallic Sn-Zn-Ag (tin-zinc-silver) project (the "**Porvenir Project**"), both located in Bolivia. The Porvenir Project was acquired in 2022 and the SF Project was acquired in 2023, while the Santa Barbara Project was acquired in May 2026.

<u>Exploration and Development Properties</u>

Santa Barbara Project

The Santa Barbara Project is located in the Zamora-Chinchipe Province in southeastern Ecuador, approximately 76 kilometres ("**km**") east of the city of Zamora, at a low elevation of 1,000-1,100 metres. Access to the Project is roughly a four-hour drive from the nearest airport at Catamayo city over 161 km of paved road and 13 km of year-round dirt road. The Project holds a valid environmental permit allowing for exploration and drilling activities across six concessions covering an area of 52 km^2.

Porvenir Project

The Porvenir Project is located in the west central region of Bolivia, 65 km southeast of the city of Oruro, in the Oruro department. The 11.25 km^2 property encompasses historical near surface open pit and underground workings, which exploited the deposit on a limited scale. The mineralized structures were primarily exploited for their high-grade zinc content.

To test the depth and lateral extension of the NNW-trending Condor Nasa structure and the NS-trending mineralized structures, the Company completed seven drill holes totaling 2,545 m for its 2023 drill program. For more details, please see the Company's news releases of September 7 and August 16, 2023.

SF Project

The SF Project is located in the west-central region of Bolivia, 60 km southeast of the city of Oruro, in the Potosi department. The 2 km^2 property encompasses the historical open pit and underground workings from Spanish Colonial times, which exploited the deposit on a minor and limited scale.

3.2. Three Year History

<u>Subsequent to December 31, 2025</u>

On February 25, 2026, the Company announced that it had entered into a definitive share purchase agreement dated February 24, 2026 with Silvercorp and Adventus Mining Corporation ("**Adventus**") to acquire the Santa Barbara Gold-Copper Project, located in the Zamora Copper-Gold Belt of southeastern Ecuador, through the acquisition of Santa Barbara Metals Inc. Consideration comprised 15,000,000 Common Shares at a deemed price of C$0.40 (C$6,000,000), US$13,500,000 in staged cash payments (as described in more detail below under "*Significant Acquisitions*"), and a 1.5% net smelter return ("**NSR**") royalty. Concurrently, the Company announced brokered and non-brokered private placement of subscription receipts for aggregate gross proceeds of up to C$16,000,000. As Silvercorp was a control person of the Company (approximately 29.1% interest) and Dr. Rui Feng was Chief Executive Officer and Chairman of Silvercorp and was a director of the Company at the time of entering into the transaction, the transaction constituted a related-party transaction under MI 61-101 and TSXV Policy 5.9, requiring minority and disinterested shareholder approval.

On March 24, 2026, the Company closed its offering of 43,750,000 subscription receipts at C$0.40 per subscription receipt for aggregate gross proceeds of C$17,500,000, consisting of a brokered private placement of 28,750,000 subscription receipts (C$11,500,000) led by Raymond James Ltd. and including full exercise of the agents' 15% overallotment option, and a concurrent non-brokered private placement of 15,000,000 subscription receipts (C$6,000,000). Each subscription receipt was to convert into one Common Share and one-half of one warrant, each whole warrant exercisable at C$0.65 for 24 months from closing (the

“**Subscription Receipt Financing**”). Insiders subscribed for 10,175,000 subscription receipts for gross proceeds of C$4,070,000. Completion of the offering was a condition precedent to the closing of the Santa Barbara Acquisition.

On April 9, 2026, the Company filed an independent technical report (the “**Technical Report**”) and updated mineral resource estimate ("**MRE**") for the Santa Barbara Project, prepared by SRK Consulting (Canada) Inc. (“**SRK**”) in accordance with NI 43-101, with an effective date of March 23, 2026. The MRE comprises indicated mineral resources of 29.8 million tonnes grading 0.73 g/t gold and 0.10% copper (containing 697,000 ounces gold and 68.2 million pounds copper, or 0.722 million ounces gold equivalent) and inferred mineral resources of 205.7 million tonnes grading 0.52 g/t gold and 0.09% copper (containing 3.42 million ounces gold and 425.9 million pounds copper, or 3.58 million ounces gold equivalent), with initial metallurgical test work indicating gold recoveries of up to 85.5% and copper recoveries of 19.6%.

On May 5, 2026, at the Company's Annual General and Special Meeting, shareholders approved the acquisition of the Santa Barbara Gold-Copper Project and Subscription Receipt Financing. Lon Shaver and Victor Feng were elected as new directors. Dr. Rui Feng and Hernan Uribe-Zeballos did not stand for re-election, with Dr. Feng continuing to provide technical and strategic guidance in an advisory capacity.

On May 13, 2026, the Company completed the acquisition of Santa Barbara Metals Inc., a wholly-owned subsidiary of Silvercorp and its wholly-owned subsidiary Adventus (together, the "**Vendors**"), which holds a 100% interest in the Santa Barbara Gold-Copper Project. On closing, the Company paid Silvercorp the first staged cash payment of US$1,500,000, issued 15,000,000 Common Shares at a deemed price of C$0.40 per share (C$6,000,000), and entered into a 1.5% net smelter return royalty agreement (of which two-thirds, being 1.0%, is repurchasable for US$10,000,000) together with related security agreements.

On May 14, 2026, the Company announced the appointment of Victor Feng as Chief Executive Officer, effective that date, following his interim leadership through completion of the Santa Barbara Acquisition. Mr. Feng had served as Interim Chief Executive Officer and Vice President, Corporate Development since January 12, 2024.

On May 28, 2026, the Company announced the appointment of Drew Hoyle as an independent director to the Board of Directors, effective that date. Mr. Hoyle is an investment professional with 37 years of experience in public markets, including 18 years as a discretionary portfolio manager at CIBC Wood Gundy in Vancouver. Concurrently, the Company granted an aggregate of 1,695,000 incentive stock options to directors, officers, employees and consultants, exercisable at C$1.15 per share (the closing price on May 28, 2026) for a period of five years.

On June 9, 2026, the Company announced that it had filed a Notice of Alteration to change its name from "Tincorp Metals Inc." to "Auro Metals Inc.", effective June 11, 2026. There was no change in the capitalization structure of the Company as a result of the name change. Effective at market open on June 11, 2026, the Common Shares commenced trading on the TSXV under the new symbol "AURO" and on the OTC Pink Open Market under "AURFF".

On July 29, 2026, the Company's Common Shares commenced trading on the OTCQB Venture Market, operated by OTC Markets Group Inc., following approval of the Company's application to uplist from the OTC Pink Open Market.

Year ended December 31, 2025

On August 7, 2025, the Company announced a non-brokered private placement (the “**2025 Private Placement**”) of Common Shares at a price of $0.125 per Common Share. On September 29, 2025, the Company completed the sale of its 100% interest in the Skukum Project (the “**Skukum Project**”) through the disposition of its wholly-owned subsidiary, Whitehorse Gold (Yukon) Corp., to Blue Jay Gold Corp. (“**Blue Jay**”) (the “**Skukum Sale**”). The total consideration for the Skukum Sale was $600,000, structured as follows: (i) a $25,000 cash deposit previously advanced by Blue Jay was credited toward the purchase price; (ii) Blue Jay issued 500,000 common shares and 250,000 common share purchase warrants (each whole warrant entitling the Company to acquire one additional common share of Blue Jay at an exercise price of $0.90 per share for a period of two years from issuance), having an aggregate fair value of $300,000; and (iii) a deferred payment of

$275,000 payable in cash and/or shares at Blue Jay's election on the first anniversary of closing. The Company recognized a gain on disposal of discontinued operations of $3,849,480 as a result of the Skukum Sale.

The 2025 Private Placement closed on September 16, 2025, pursuant to which the Company issued a total of 3,000,000 Common Shares for gross proceeds of $375,000. Silvercorp subscribed for 874,423 Common Shares for a total investment of $109,302, maintaining its pro rata interest of 29.15% of the outstanding Common Shares of the Company.

On November 13, 2025, the Company announced that Derek Liu had resigned as Chief Financial Officer, effective immediately, and that Tee Tan had been appointed as permanent Chief Financial Officer. Mr. Tan is a senior financial professional with over 10 years of experience in financial reporting, risk management, and regulatory compliance, and joined the Company from KPMG LLP, where he served as a Senior Manager in the audit practice advising public companies on complex financial transactions, financial reporting, and governance matters.

<u>Year ended December 31, 2024</u>

On January 12, 2024, the Company appointed Victor Feng as the Interim Chief Executive Officer and Vice President, Corporate Development of the Company. Mr. Feng previously managed the Company's investor relations and corporate development activities. Mr. Gordon Neal resigned as CEO and a director on January 12, 2024.

On January 8, 2024, the Company entered into an interest-free unsecured credit facility agreement with no conversion features with Silvercorp, for a credit facility of US$1,000,000 (the "**Facility**"). The purpose of the Facility was to provide financial flexibility to fund the Company's operations and provide general working capital.

Under the terms of the Facility, the Company was entitled to draw down up to US$1,000,000 at any time. The Facility had a maturity date of January 31, 2025, and included a voluntary prepayment option, allowing the Company to prepay the Facility at any time without penalty.

After receiving final approval from the TSXV, the Company made an initial drawdown of US$500,000 and issued 350,000 fully paid and non-assessable Common Shares of the Company to Silvercorp in consideration for granting the Facility.

The Facility was subsequently amended in January 2025 and January 2026 to extend the maturity date to January 31, 2026 and January 31, 2027, respectively.

<u>Year ended December 31, 2023</u>

On February 22, 2023, the Company filed a Notice of Alteration to change its name from "Whitehorse Gold Corp." to "Tincorp Metals Inc. ", effective February 27, 2023. There was no change in the capitalization structure of the Company as a result of this change of name. Effective as of market open on Monday, February 27, 2023, the Common Shares commenced trading on the TSXV under the stock symbol "TIN".

On February 15, 2023, further to its news releases of August 25 and December 29, 2022, the Company closed the acquisition of the private Bolivian mining company which holds a 100% interest in the San Florencio Property located in the Potosi Department, Bolivia. In 2023, the Company did not make the third payment as per agreed schedule due to communication and social issues. The Company has reached an agreement with the SF vendors to extend San Florencio Property payment to December 2026.

On January 24, 2023, the Company closed its non-brokered private placement (the "**2022 Private Placement**") of units (each, a "**2022 Unit**") at a price of $0.40 per 2022 Unit. Each 2022 Unit consisted of one Common Share and one-half of one non-transferable Common Share purchase warrant (each whole warrant, a "**2022 Warrant**"), with each 2022 Warrant entitling the holder to acquire one Common Share at a price of $0.65 per Common Share for a period of 24 months from closing. The 2022 Private Placement, which was initially announced on November 4, 2022, resulted in the issuance of an aggregate of 12,807,500 2022 Units for gross proceeds of $5,123,000.

3.3. Significant Acquisitions

The Company made no significant acquisitions in fiscal year 2025.

As described above, subsequent to the end of fiscal year 2025, the Company completed the acquisition of a 100% interest in the Santa Barbara Gold-Copper Project in Ecuador (the "**Santa Barbara Acquisition**") from the Vendors on May 13, 2026. The total consideration consisted of: 15,000,000 Common Shares at a deemed price of C$0.40 per share; and an additional US$13.5M to the Vendors in four installments as follows: 1) US$1.5M cash upon closing, 2) US$2.5M cash on the first-year anniversary of the closing date, 3) US$4.0M cash on the second-year anniversary of the closing date, and 4) US$5.5M in cash or shares at the Vendors' election on the third-year anniversary of the closing date, with any share issuance subject to a minimum price of C$0.40 per Common Share and TSXV approval at the time of issuance. The maximum number of Common Shares of the Company issuable to the Vendors under the share purchase agreement for the Santa Barbara Acquisition is 33,848,500 shares. The Vendors also received a 1.5% NSR royalty on the Project pursuant to a royalty agreement entered into upon closing (with the Company having the right to repurchase 1.0% for US$10 million).

In conjunction with the Santa Barbara Acquisition, gross proceeds of $17.5 million from the Company's private placement of 43,750,000 subscription receipts for gross proceeds that closed on March 24, 2026 were released from escrow to the Company on May 13, 2026. Upon satisfaction of the escrow release conditions, which included the completion of the Santa Barbara Acquisition, each subscription receipt from the private placement automatically converted into one Common Share and one half of one Common Share purchase warrant.

ITEM 4. DESCRIPTION OF THE BUSINESS

4.1. General

Following listing on the TSXV, the Company continued to focus on further exploration and development of mineral properties.

Detailed Descriptions of Business:

Specialized Skill and Knowledge

All aspects of the Company's business activities require specialized skills and knowledge. Such skills and knowledge include the fields of geology, mining, metallurgy, engineering, environmental issues, permitting, social issues, management, and accounting. Competition in the resource mining industry has made it more difficult to locate and retain competent employees and consultants in such fields.

Competitive Conditions

Competition in the mineral exploration industry is intense. The Company competes with other mining companies, many of which have greater financial resources and technical facilities for the acquisition and development of mineral concessions, claims, leases and other interests, as well as for the recruitment and retention of qualified employees and consultants.

Business Cycles

The mining business is subject to mineral price and investment climate cycles. The marketability of minerals is also affected by worldwide economic and demand cycles. It is difficult to assess if the current commodity prices are long-term trends, and there is uncertainty as to the recovery, or otherwise, of the world economy. If global economic conditions weaken and commodity prices decline as a consequence, a continuing period of lower prices could significantly affect the economic potential of the Company.

Economic Dependence

The Company's business is not substantially dependent on any contract such as a contract to sell a major part of its products or services or to purchase a major part of its requirements for goods, services or raw materials, or on any franchise, license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends.

Bankruptcy and Similar Procedures

There are no bankruptcy, receivership or similar proceedings against the Company, nor is the Company aware of any such pending or threatened proceedings. There have not been any voluntary bankruptcy, receivership or similar proceedings by the Company within the three most recently completed financial years or currently proposed for the current financial year.

Reorganizations

There have been no material reorganizations of the Company within the three most recently completed financial years nor any material reorganizations of the Company proposed for the current financial year.

Social Policies

The board of directors of the Company (the "**Board**") has adopted a written code of business conduct and ethics (the "**Code**"). A copy of the Code may be obtained by contacting the Company at the address on the cover of this AIF. Alternatively, a copy of the Code can be found on the Company's website at www.aurometals.ca. When proposed transactions or agreements in which directors or officers may have an interest or appear to have an interest, material or not, are presented to the Board, the directors are required to disclose any such interest and the persons who have such an interest are excluded from all discussion on the matter and are not permitted to vote on the proposal. All such interests in transactions or agreements involving senior management are dealt with by the Board, regardless of apparent immateriality.

Employees

As of December 31, 2025, the Company had one full-time employee. Operations of the Company are managed by its directors and officers. The Company relies to a large degree upon general and administrative services provided to the Company by Silvercorp and on independent contractors to carry on many of its activities, and in particular to supervise work programs at its projects.

4.2. Risk Factors

Mining Business

An investment in the Company's securities is highly speculative, due to the high-risk nature of its business and the present stage of its development. Shareholders of the Company may lose their entire investment. The market price of the Common Shares may be affected by many variables not directly related to the corporate performance of the Company, including the markets in which the Common Shares are traded, the strength of the economy generally, the availability and attractiveness of alternative investments and the breadth of the public market for its shares. The effect of these and other factors on the market price of the Common Shares cannot be predicted. The lack of an active public market could have a material adverse effect on the price of the Common Shares.

The following risk factors, as well as risks not currently known to the Company, could materially and adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in the forward-looking statements and information relating to the Company.

The Company is currently in the business of acquiring and exploring mineral properties, and is exposed to a number of risks and uncertainties that are common to other mineral exploration companies. The following is a brief discussion of those factors which may have a material impact on, or constitute risk factors in respect of, the Company's future financial performance.

No Revenues or Ongoing Mining Operations

The Company is an exploration stage mineral company and has no revenue from operations and no ongoing mining operations of any kind. The Company has not developed or operated any mines and has no operating history upon which an evaluation of the Company's future success or failure can be made. The Company's ability to achieve and maintain profitable mining operations is dependent upon a number of factors, including the Company's ability to successfully build and operate mines, processing plants, and related infrastructure. The Company may not successfully establish mining operations or profitably produce metals at its properties. As such, the Company does not know if it will ever generate revenues.

Mineral Deposits Not Economic

The determination of whether any mineral deposits on the Company's mineral projects are economical is affected by numerous factors beyond the control of the Company. These factors include: (a) the metallurgy of the mineralization forming the mineral deposit; (b) market fluctuations for metal prices; (c) the proximity and capacity of natural resource markets and processing equipment; and (d) government regulations governing prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection.

Changes in Market Price of Metals

The potential of the Company's mineral projects to be economically mined is significantly affected by changes in the market price of metals. The market price of metals is volatile and is impacted by numerous factors beyond the control of the Company, including: (a) expectations with respect to the rate of inflation; (b) the relative strength of the U.S. dollar and certain other currencies; (c) interest rates; (d) global or regional political or economic conditions; (e) supply and demand for jewelry and industrial products containing metals; and (f) sales by central banks, other holders, speculators, and producers of gold and other metals in response to any of the above factors. A decrease in the market price of metals could make it difficult or impossible to finance the exploration or development of the Company's mineral projects or cause the Company to determine that it is impractical to continue development of such projects, which would have a material adverse effect on the financial condition and results of operations of the Company. There can be no assurance that the market price of metals will not decrease.

Political and Economic Risks in Ecuador

The Santa Barbara Project is located in Ecuador and, therefore, the Company's current and future mineral exploration and mining activities are exposed to various levels of political, economic, and other risks and uncertainties. Ecuador is experiencing a period of instability. In 2023, former President Guillermo Lasso did not complete his term due to the triggering of "muerte cruzada", a constitutional mechanism whereby the Presidency and the National Assembly were dissolved, and elections were held. A new National Assembly was elected and Daniel Noboa, from the National Democratic Action party, was elected to assume the presidency in November 2023 for a period of 18 months, being the balance of former President Lasso's term. President Noboa has faced the following main issues: (i) an increase in crime, including drug trafficking, (ii) economic factors including subsidies for fuels and electricity, and (iii) the severe shortage of electricity due to a drought in 2024. In 2025, President Noboa was reelected for a full four-year term, providing a potential opportunity for greater political continuity. The ongoing and worsening electric power crisis in Ecuador is affecting economic growth and there is no clear solution in the short term. Electricity rates for large consumers, including mining companies, have increased, leading to increased costs to operate. Large consumers, including mining companies, will need to contemplate and plan for their own power generation or find a suitable private provider of electricity.

The instability present in Ecuador, and overall risks associated with foreign operations, may impact the Company's operations and financial results. In addition, this instability could impact the Company's ability to obtain financing in the future or to obtain such financing on terms favorable to the Company. This may, in turn, impact the Company's ability to execute on further acquisitions, developments or exploration if financing is required.

The Company's exploration activities may be affected by changes in government, political instability, and the nature of various government regulations relating to the mining industry. The Company cannot predict the government's positions on foreign investment, mining concessions, land tenure, environmental regulation, or taxation. A change in government positions on these issues could adversely affect the Company's business and/or its holdings, assets, and operations in Ecuador. Any changes in regulations or shifts in political conditions are beyond the control of the Company. There is no assurance that social unrest will not have an adverse impact on the Company's operations. The Company's operations in Ecuador may also be adversely affected by economic uncertainty characteristic of developing countries. In addition, operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, and safety factors.

Political and Economic Risks in Bolivia

Some of the Company's projects are located in Bolivia and, therefore, the Company's current and future mineral exploration and mining activities are exposed to various levels of political, economic, and other risks and uncertainties. There has been a significant level of political and social unrest in Bolivia in recent years resulting from a number of factors, including Bolivia's history of political and economic instability under several changes of government and high rate of unemployment.

The Company's exploration activities may be affected by changes in government, political instability, and the nature of various government regulations relating to the mining industry (including any amendments to current regulations and the adoption in the future of new regulations). Bolivia's fiscal regime has historically been favourable to the mining industry, but there is no assurance that this will continue. The Company cannot predict the government's positions on foreign investment, mining concessions, land tenure, environmental regulation, or taxation. A change in government positions on these issues could adversely affect the Company's business and/or its holdings, assets, and operations in Bolivia. Any changes in regulations or shifts in political conditions are beyond the control of the Company. Moreover, protestors and cooperatives have previously targeted foreign companies in the mining sector, and as a result there is no assurance that future social unrest will not have an adverse impact on the Company's operations. Labour in Bolivia is customarily unionized and there are risks that labour unrest or wage agreements may impact operations.

The Company's operations in Bolivia may also be adversely affected by economic uncertainty characteristic of developing countries. In addition, operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, and safety factors.

Various social, safety and security risks that may affect safety at the Santa Barbara Project

Due to the economic challenges in recent years, as well as the increasing presence of organized criminal activities related to drug cartels, Ecuador has faced a number of political and social incidents that have disrupted normal business and social activities nationally. These incidents have posed serious social and security challenges for the government at different levels. The Company could be exposed to various levels of safety and security risks which could result in injury or death, theft, sabotage or damage to property, work stoppages, or blockades of its operations. Risks and uncertainties include, but are not limited to, hostage taking and gang activities. Opposition to mining could arise and such opposition may be violent. Resistance or unrest in certain areas of Ecuador could have a material adverse effect on our operations and profitability.

Mining by illegal and artisanal miners often occurs on mineral concessions in Ecuador. While the Government of Ecuador monitors this activity, the operations of artisanal and illegal miners could interfere with the Company's activities and could result in conflicts. Under Ecuadorian law, the mining concessionaire is obliged to file a report regarding any illegal mining activities occurring within its mining concession area and can insist that the mining authorities take enforcement actions upon the lodging of such reports. The mining concessionaire may also commence an action in the criminal courts with the district judge. Potential artisanal mining activities can cause damage to mineral projects including pollution, environmental damage or personal injury or death, for which companies could potentially be held responsible. The presence of artisanal and illegal miners can lead to project delays, disputes, mine stoppages, environmental issues and could, if they occur, have a material adverse effect on the results of operations at the Santa Barbara Project.

Exploration and Development

Long-term operation of the Company's business and its profitability are dependent, in part, on the cost and success of its exploration and future development programs. Mineral exploration and development involves a high degree of risk and historically few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and future development programs will result in any discoveries, expansions of mineral resources or the definition of mineral reserves. There is also no assurance that, even if commercially viable quantities of mineral resources or mineral reserves are discovered, a mineral property will be brought into commercial production. Development of the Company's mineral properties will only commence if the Company obtains satisfactory exploration results. Discovery of mineral deposits is dependent upon a number of factors, including the technical skill of the exploration geoscientists involved. The commercial viability of a mineral deposit is also dependent upon a number of factors including: the particular attributes of the deposit such as size, grade and proximity to infrastructure; metal prices; and government regulations including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Most of the above factors are beyond the control of the Company. Unsuccessful exploration or development programs could have a material adverse impact on the Company's operations and profitability.

In addition, the Company's mineral projects are subject to a number of risks that may make it less successful than anticipated, including: (a) delays or higher than expected costs in implementing recommendations contained in the Technical Report or other technical reports that may be prepared for the Company's mineral projects; (b) negative technical results and/or technical results that fail to deliver the required returns to render the ongoing development of the Santa Barbara Project economic; (c) delays in receiving environmental permits and/or social license from indigenous groups; (d) delays in receiving construction and operating permits; (e) delays or higher than expected costs in obtaining the necessary equipment or services to build and operate the Santa Barbara Project and the Company's other mineral projects; and (f) adverse mining conditions may delay and hamper the ability of the Company to produce the expected quantities of minerals.

Moreover, the Company's operations are subject to a number of risks and hazards including, without limitation:

- industrial accidents;
- failure of processing and mining equipment;
- labour disputes;
- supply problems and delays;
- encountering unusual or unexpected geologic formations or other geological or grade problems;
- encountering unanticipated ground or water conditions;
- cave-ins, pit wall failures, flooding, rock bursts and fire;
- periodic interruptions due to inclement or hazardous weather conditions;
- uncertainties relating to the interpretation of drill results;
- inherent uncertainty of cost estimates and the potential for unexpected costs and expenses;
- results of future preliminary economic assessments, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; and
- the potential for delays in exploration or the completion of future feasibility studies.

Such risks, individually or in combination, could result in negative impacts including: damage to, or destruction of, mineral properties or processing facilities; personal injury or death; loss of key employees; environmental damage; delays in mining; monetary losses; and possible legal liabilities. Satisfying such liabilities may be very costly and could have a material adverse effect on future cash flow, results of operations and financial condition.

Governmental Regulation

The Company's mineral exploration and development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have fines or penalties imposed for violations of applicable laws or regulations.

The Company conducts operations in Ecuador. The laws of Ecuador differ significantly from those of Canada and all such laws are subject to change. Mining is subject to potential risks and liabilities associated with environment and disposal of waste products occurring as a result of mineral exploration and production.

Anti-mining sentiment and our inability to maintain positive relationships with the surrounding communities in which we operate could adversely impact our operations.

Local communities may be influenced by external entities, groups or organizations opposed to mining activities. In recent years, anti-mining NGOs and indigenous group activities in Ecuador have increased. These communities, NGOs and indigenous groups have taken such actions as road closures and work stoppages around the country. Such actions by communities and NGOs may have a material adverse effect on operations at the Santa Barbara Project and on its financial position and results of operations. Recent anti-mining sentiment in Ecuador has resulted in protests at certain mining projects and multiple mining projects being paralyzed due to opposition and legal action.

Indigenous Claims and Consultation

Indigenous interests and rights as well as related consultation issues may impact the Company's ability to pursue exploration, development and mining at its properties. The Company has and intends to communicate and consult with indigenous communities in order to manage its relationship with those groups but there is no assurance that claims or other assertions of rights by indigenous communities or consultation issues will not arise with respect to the Company's properties or activities. Such claims and issues could result in significant costs and delays or materially restrict the Company's activities.

Community Relations and Social Licence to Operate

Mining companies are increasingly required to operate in a sustainable manner and to provide benefits to affected communities and there are risks associated with the Company failing to acquire and/or subsequently maintain a “social licence” to operate on its mineral properties. “Social licence” does not refer to a specific permit or licence, but rather is a broad and generic term used to describe community acceptance / support of a company’s plans and activities related to exploration, development or operations on its mineral projects.

The Company places a high priority on, and dedicates considerable efforts and resources toward, its community relationships and responsibilities. Despite its best efforts, there are factors that may affect the Company’s efforts to establish and maintain social licence at any of its projects, including but not limited to national or local changes in sentiment toward mining, evolving social concerns, changing economic conditions and challenges, and the influence of third-party opposition toward mining with local support. There can be no guarantee that a social licence can be earned by the Company or if established, that a social licence can be maintained in the long term, and without strong community support and the ability to secure necessary permits, obtain project financing, and/or move a project into development or operation may be compromised. Delays in projects attributable to a lack of community support or other community related disruptions or delays can translate directly into a decrease in the value of a project or into an inability to bring the Company’s projects to, or maintain production. The cost thereof, and other issues relating to the sustainable development of mining operations may result in additional operating costs, higher capital expenditures, reputational damage, active community opposition (possibly resulting in delays, disruptions and stoppages), legal suits, regulatory intervention and investor withdrawal.

Illegal, Artisanal and Small-Scale Mining

Mining by illegal, artisanal and small-scale miners occurs on and near some of the Company's mineral concessions in Ecuador and Bolivia. These activities could cause disruptions and damages to the Company's operations, including road blockages, pollution, environmental damage, or personal injury, for which the Company could potentially be held responsible. The presence of illegal, artisanal and small-scale miners can lead to delays and disputes regarding the development of the Company's projects. Although the Company, with the assistance of both local government authorities and external contractors, has undertaken measures that have reduced the occurrence of illegal artisanal and small scale mining, we cannot provide assurance that these measures will be successful in reducing or eliminating illegal artisanal and small scale mining at our projects in the future including commencing formal legal proceedings for the permanent removal of such illegal, artisanal and small-scale mining operators. Such operators have temporarily restricted us from accessing our properties from time to time and although such restrictions have not had a material adverse effect on our business, results of operations and financial conditions, if we were to be restricted from accessing our projects for a longer duration, such restriction may have a material adverse effect on our business, results of operations and financial conditions.

Title to Mineral Properties

Establishing title to mineral properties is a very detailed and time-consuming process. Title to an area of mineral properties may be disputed. While the Company has investigated title to all of its mineral claims and, to the best of its knowledge, title to all of its properties is in good standing, the Company's mineral properties may be subject to prior unregistered agreements or transfers and title may be affected by such undetected defects. There may be valid challenges to the title of the Company's properties which, if successful, could impair exploration, development and/or operations. The Company's mineral properties may be subject to indigenous land claims, prior unregistered agreements or transfers and title may be affected by undetected defects. The Company cannot give any assurance that title to its properties will not be challenged.

In addition, as of the date of this AIF, the transfer of full legal title to the concessions Viche Congüime Cuerpo 3 and Hitobo (the "Transferred Concessions") from Condormining S.A. to FJTX, and the subdivision and registration of the Viche Congüime Cuerpo 2 concession (the "VC2 Concession") which comprise part of the Santa Barbara Project remain ongoing. Pending completion, the Company holds beneficial title to Transferred Concessions and in the case of the VC2 Concession, Silvercorp, through its subsidiary Condormining S.A., holds the concession for the benefit of the Company and permits the Company to access and use it for the development and operation of the Santa Barbara Project until the subdivision is completed and the resulting rights are registered in the Company's subsidiary's name. There can be no assurance as to when or whether transfer of the full legal title of the Transferred Concessions and subdivision and registration of VC2 Concession will be completed, and any delay, failure or dispute could impair, delay or increase the cost of the Company's activities at the Santa Barbara Project and have a material adverse effect on the Company.

Acquisition and Maintenance of Permits and Governmental Approvals

Exploration and development of, and production from, any deposit at the Company's mineral projects require permits from various government authorities. There can be no assurance that any required permits will be obtained in a timely manner or at all, or that they will be obtained on reasonable terms. Delays or failure to obtain, expiry of, or a failure to comply with the terms of such permits could prohibit development of the Company's mineral projects and have a material adverse impact on the Company.

The Company's current and future operations, including development activities and commencement of production, if warranted, require permits from government authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, and other matters. Companies engaged in property exploration and the development or operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations, and permits.

The Company cannot predict if all permits which it may require for continued exploration, development, or construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms, if at all. Time delays and associated costs related to applying for and obtaining permits and licenses may be prohibitive and could delay planned exploration and development activities. Failure to comply with or any violations of the applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those impacted by mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations, and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company’s operations and cause increases in capital expenditures or production costs, or reduction in levels of production at producing properties, or require abandonment or delays in the development of new mining properties.

Impact of Environmental Laws and Regulations

The Company's mineral exploration activities are subject to environmental protection requirements under applicable national and local laws and regulations in Ecuador and Bolivia, including requirements relating to environmental impact assessments, water and waste management, land reclamation, and the protection of natural habitats and endangered species. During the financial year ended December 31, 2025, compliance with environmental protection requirements did not have a material effect on the Company's capital expenditures, loss from operations, or competitive position, given the Company's exploration-stage status and the nature and limited scale of its current activities. The Company currently holds a valid environmental permit for exploration and drilling activities at the Santa Barbara Project. If the Company's mineral projects advance to the development or production stage, the Company expects that compliance with environmental protection requirements will result in additional capital expenditures and operating costs. The magnitude of these future costs cannot be reliably estimated at this time given the early stage of the Company's projects and the absence of any preliminary economic assessment, pre-feasibility study, or feasibility study. Future changes in environmental laws and regulations, or more stringent enforcement of existing requirements, could result in additional costs or delays that may have a material adverse effect on the Company's operations, financial condition, and competitive position.

No Known Commercial Mineral Deposits

The Company's mineral projects do not currently contain known amounts of commercial mineral deposits. The Company's programs are exploratory only and there is no certainty that the expenditures to be made by the Company will result in the development of any commercial mineral deposits.

Mining Operations May Not be Established or Profitable

The Company has no history of production and the Company's mineral projects are currently in the exploration stage. The future development of the Company's mineral projects will require additional financing, permits, social license, design, construction, processing plant, and related infrastructure. As a result, the Company will be subject to all of the risks associated with establishing new mining operations and business enterprises, including: (a) the timing and cost, which will be considerable, of obtaining all necessary permits including environmental, construction, and operating permits; (b) the timing and cost, which will be considerable, of the construction of mining and processing facilities; (c) the availability and costs of skilled labour, power, water, transportation, and mining equipment; (d) the availability and cost of appropriate smelting and/or refining arrangements; (e) the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits; (f) the need to consult with indigenous groups; and (g) the availability of funds to finance construction and development activities.

It is common in new mining operations to experience unexpected problems and delays during permitting, construction, development, and mine start-up. In addition, delays in the commencement of mineral production often occur, and once commenced, the production of a mine may not meet expectations, or the estimates set forth in feasibility or other studies. Accordingly, there are no assurances that the Company will successfully establish mining operations or become profitable.

Estimates of Mineralization Figures

The mineralization figures presented in the Technical Report are based upon estimates made by qualified persons. These estimates are imprecise and depend upon interpretation of geologic formations, grade, and metallurgical characteristics and upon statistical inferences drawn from drilling and sampling analysis, any or all of which may prove to be unreliable. Material changes in mineral resources or mineral reserves, grades, stripping ratios, or recovery rates may affect the economic viability of any project. The economic viability of mineral estimates can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, and work interruptions. There can be no assurance that: (a) the estimates made by qualified persons upon which the mineralization figures presented in the Technical Report are based will be accurate; (b) mineral resource or other mineralization figures will be accurate; or (c) this mineralization could be mined or processed profitably.

Mineralization estimates for the Santa Barbara Project may require adjustments or downward revisions based upon further exploration or development work. It is possible that the following may be encountered: unusual or unexpected geologic formations or other geological or grade problems, unanticipated changes in metallurgical characteristics and mineral recovery, and unanticipated ground or earth conditions. If mining operations are commenced, the grade of mineralization ultimately mined, if any, may differ from that indicated by drilling results. Estimates of mineral recovery rates used in mineral reserve and mineral resource estimates are uncertain and there can be no assurance that mineral recovery rates in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale.

Mining is Inherently Dangerous

The business of mining is subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, cave-ins, pit wall failures, flooding, fires, rock bursts, explosions, power outages, periodic interruptions due to inclement or hazardous weather conditions, other acts of God, unfavourable operating conditions, embargoes, epidemics, quarantines, war, acts of war, acts of terrorism, insurrections, riots and civil commotion. Such risks could result in damage to, or destruction of, mineral properties or processing facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, increased production costs, monetary losses, and possible legal liabilities.

Where considered practical to do so, the Company will maintain insurance against risks in the operation of its business in amounts which it believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums, or will be adequate to cover any resulting liabilities. In some cases, coverage is not available or is considered too expensive relative to the perceived risk. The Company may suffer a material adverse effect on its business if it incurs losses related to any significant events that are not covered sufficiently or at all by its insurance policies.

Financing

The Company expects to be substantially dependent upon the equity and debt capital markets or alternative sources of funding to pursue additional financing. There can be no assurance that such financing will be available to the Company on acceptable terms or at all.

Additional equity or debt financings may significantly dilute positions held by shareholders of the Company, increase the Company's leverage or require the Company to grant security over its assets. If the Company is unable to obtain such financing, it may not be able to develop the Santa Barbara Project or execute on its business plans.

Competition

The mining industry is intensely competitive. The Company will compete with other mining companies, many of which have greater financial resources for the acquisition of mineral claims and concessions, as well as for the recruitment and retention of qualified employees. Increased competition could adversely affect the Company's ability to attract necessary capital funding.

Specialized Skill and Knowledge

All aspects of the Company's business activities require specialized skills and knowledge. Such skills and knowledge include the fields of geology, mining, metallurgy, engineering, environment issues, permitting, social issues, compliance, management, and accounting. While competition in the resource mining industry has made it more difficult to locate and retain competent employees in such fields, the Company has been successful in finding and retaining experts for the majority of its key activities.

Conflict of Interest

Certain officers and directors of the Company are also directors, officers, employees, consultants or shareholders of other companies that are engaged in the business of acquiring, developing, and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. Such a conflict poses the risk that the Company may enter into a transaction on terms which place the Company in a worse position than if no conflict existed. The directors and officers are required by law to act honestly, in good faith and in the best interest of the Company, and to disclose any interest which they may have in any project or opportunity of the Company. However, each director and officer has a similar obligation to other companies for which such director or officer serves as a director or officer. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his/her interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the Board will consider, among other things, the degree of risk to which the Company may be exposed and its financial position at that time.

Outcome of Future Litigation or Regulatory Actions

Due to the nature of its business, the Company may be subject to regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the discovery of evidence process, the difficulty of predicting decisions of judges and the possibility that decisions may be reversed on appeal. There can be no assurance that these matters will not have a material adverse effect on the Company's business.

No assurance can be given with respect to the ultimate outcome of future litigation or regulatory proceedings, and the amount of any damages awarded or penalties assessed in such a proceeding could be substantial. In addition to monetary damages and penalties, the allegations made in connection with the proceedings may have a material adverse effect on the reputation of the Company and may impact its ability to conduct operations in the normal course.

Litigation and regulatory proceedings also require significant resources to be expended by the directors, officers and employees of the Company and as a result, the diversion of such resources could materially affect the ability of the Company to conduct its operations in the normal course of business. Significant fees and expenses may be incurred by the Company in connection with the investigation and defense of litigation and regulatory proceedings. The Company may also be obligated to indemnify certain directors, officers, employees and experts for additional legal and other expenses pursuant to such proceedings, which additional costs may be substantial and could have a negative effect on the Company's financial condition. The Company may be able to recover certain costs and expenses incurred in connection with such matters from its insurer. However, there can be no assurance regarding when or if the insurer will reimburse the Company for such costs and expenses.

Dependence on Certain Key Personnel

The Company is highly dependent upon its senior management and other key personnel, and the loss of any such individuals could have a material adverse effect on the business of the Company. In addition, there can be no assurance that the Company will be able to maintain the services of its officers or other key personnel required in the operation of the business. Failure to retain these individuals could adversely impact the Company's business and prospects.

Recent and Current Market Conditions

Over recent years, global capital markets, including those in Canada and the United States, have experienced a high level of price and volume volatility. Accordingly, the market price of securities of many mining companies, particularly those considered exploration or development-stage companies, has experienced unprecedented shifts and/or declines in price which have not necessarily been related to the underlying asset values or prospects of such companies. There can be no assurance that significant fluctuations in the trading price of the Common Shares will not occur, or that such fluctuations will not have a material adverse impact on the Company's ability to raise equity financing.

Economic Factors Affecting the Company

Many industries, including the mining industry, are impacted by market conditions. Some of the key impacts of the recent financial market turmoil include emerging risks relating to inflationary pressures, global supply chain disruptions, Russian invasion of Ukraine, contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metals markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability, specifically: (a) the global credit/liquidity crisis could impact the cost and availability of financing and the Company's overall liquidity; (b) the volatility of metal prices would impact the Company's finances; (c) continued recessionary pressures may adversely impact demand for the production from the Company's mineral projects; and (d) volatile energy, commodity and consumables prices and currency exchange rates may impact the Company's production costs.

Investment Risk and No Guaranteed Return

An investment in the Company is speculative and may result in the loss of a substantial portion of an investor's investment. Only investors who are experienced in high-risk investments and who can afford to lose a substantial portion of their investment should consider an investment in the Company.

There is no guarantee that an investment in the Company will earn any positive return in the short term or long term.

Cybersecurity Risks

The Company is subject to cybersecurity risks including unauthorized access to privileged information, destruction of data or the disabling, degrading or sabotaging of our systems, including through the introduction of computer viruses. Although we take steps to secure our configurations and manage our information systems, including our computer systems, internet sites, emails and other telecommunications, and financial/geological data, there can be no assurance that measures we take to ensure the integrity of our systems will provide protection, especially because cyberattack techniques used change frequently or are not recognized until successful. The Company has not experienced any material cybersecurity incident in the past, but there can be no assurance that the Company would not experience any cybersecurity incident in the future. 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. If our systems are compromised, do not operate properly or are disabled, we could suffer financial loss, disruption of business, loss of geological data which could affect our ability to conduct effective drill planning and accurate mineral resource estimates, loss of financial data which could affect our ability to provide accurate and timely financial reporting.

Measures to Protect Endangered Species and Critical Habitats

Ecuador is a country with a diverse and fragile ecosystem and the federal government, regional governments, indigenous groups and NGOs are vigilant in their protection of endangered species and critical habitats. The existence or discovery of endangered species or critical habitats at the Santa Barbara Project could have a number of adverse consequences to the Company’s plans and operations, such as temporary delays in activities. The existence or discovery of an endangered species or critical habitat at the Santa Barbara Project could also result in negative social media for the Project, which would pose further challenges to project development and could impact the Company's reputation.

Feasibility and Engineering Reports

The Company intends to carry out exploration operations at the Santa Barbara Project in accordance with its applicable exploration permits. The Company has not yet completed, and may not complete, a preliminary economic assessment, preliminary feasibility or feasibility study or report which would permit the Company to consider advancing a project to the development stage.

ITEM 5. MINERAL PROPERTY

The Company considers the Santa Barbara Project to be a material property for the purposes of NI 43-101.

5.1. Santa Barbara Project

(1) Introduction

Current Technical Report

The Santa Barbara Project is the Company's material property. The Project is 100% owned by Santa Barbara Metals Inc., a wholly owned subsidiary of the Company. The most recent technical report on the Santa Barbara Project filed in accordance with NI 43-101 is the Technical Report prepared by SRK, dated effective as of March 23, 2026, titled "Independent Technical Report for the Santa Barbara Gold and Copper Project, Ecuador". The independent Qualified Persons for the Technical Report are Ms. Sheila Ulansky, M.Sc., P.Geo., of SRK, who is responsible for the Mineral Resource estimate, and Dr. Jinxing Ji, Ph.D., P.Eng., of JJ Metallurgical Services Inc., who is responsible for the metallurgical test work and processing recoveries.

Interpretation

The detailed disclosure set out below regarding the Santa Barbara Project is based on the disclosure in the Technical Report. The Technical Report contains more detailed information and qualifications than as set out below and readers are encouraged to review the Technical Report in its entirety. The following summary is subject to all of the assumptions, information and qualifications set forth in the Technical Report and the detailed disclosure contained in the Technical Report is hereby incorporated by reference. The Technical Report is available for review under the Company's issuer profile on the System for Electronic Document Analysis and Retrieval+ ("**SEDAR+**") at www.sedarplus.ca.

In the excerpted information below, the Santa Barbara Project is also referred to as the "Project". Further, any references cited within this excerpted information (including tables and figures which are not reproduced and renumbered herein) are provided in the Technical Report and all other defined terms that are not otherwise defined herein will have the definitions ascribed to them in the Technical Report.

(2) Project Description and Ownership

The Santa Barbara Project is located in the Province of Zamora-Chinchipe, near the Ecuador–Peru border at the southern end of the Cordillera del Condor. The Project lies approximately 400 km southeast of Quito, 149 km east of Loja, and 76 km east of Zamora. The Santa Barbara Project, formerly part of the Condor Project owned by Silvercorp, has been separated as an independent project.

The ownership history of the Condor Project began with artisanal and small-scale mining activities prior to 1988. In 1988, modern exploration commenced through a joint venture between the Social Security Institute for the Ecuadorian Armed Forces ("**ISSFA**") and Prominex UK. This partnership continued until 1991, when Prominex UK withdrew. In 1993, TVX Gold Inc. ("**TVX**") and Chalupas Mining joined the venture and remained involved until 2000.

In 2002, Goldmarca established a new joint venture with ISSFA. Goldmarca was rebranded as Ecometals Ltd. in 2007 and continued operations until the Government of Ecuador imposed a moratorium on mineral exploration from April 2008 to November 2009.

In 2010, Ecometals sold its interest to Ecuador Capital, which was subsequently renamed Ecuador Gold and Copper Corp. ("**EGX**"). Lumina Gold Corp. acquired EGX in 2016, and in 2018 spun out Luminex Resources Corp. ("**Luminex**"). Following this transaction, the Condor Project became 90% owned by Condormining, a subsidiary of Luminex, with ISSFA retaining a 10% interest. However, as ISSFA did not contribute funding to ongoing operations, its ownership has been diluted to approximately 1.3%. In January 2024, Adventus merged with Luminex, and subsequently, in July 2024, Silvercorp acquired Adventus and assumed ownership of the Condor Project. The Santa Barbara Project was separated from the Condor Project by Silvercorp in 2026.

(3) Geology and Mineralization

The Santa Barbara Project is located in the Cordillera del Condor in the Zamora copper-gold metallogenic belt. The Project covers a geologically diverse and complex area, comprising the Santa Barbara porphyry gold-copper deposit, the El Hito porphyry copper-molybdenum deposit, and the Nayumbi epithermal gold-silver prospect. The area demonstrates the Project's geological diversity and significant exploration potential, highlighting the presence of multiple mineral deposits.

Santa Barbara Deposit

The most extensive unit exposed at the Santa Barbara target is a fine-grained green basaltic andesitic volcanic rock. Overlying the volcanic rocks is a sedimentary sequence composed of conglomerate, quartz sandstone, limestone, and locally garnet skarn. The andesite and associated units have been intruded by a swarm of northwest-trending diorite porphyry dykes, ranging from 2 to 30 m in width, as well as by a large diorite porphyry stock located in the northwestern portion of the prospect area. These dykes are exposed in the northeastern part of the prospect.

The main hosts for the gold-copper mineralization at Santa Barbara are the basaltic andesite volcanic unit and diorite dykes. Mineralization is most developed and has relatively higher grades in the basaltic andesite volcanic unit, often in proximity to diorite porphyry dykes.

Gold-copper mineralization is associated with quartz vein stockwork and potassic alteration, characterized by secondary biotite and K-feldspar. High gold grades are linked to B-type quartz veins containing chalcopyrite, with surrounding biotite alteration and disseminated pyrite.

El Hito Deposit

Porphyry copper mineralization at El Hito is hosted within porphyritic granodiorite associated with compositionally similar magmas of the Zamora batholith. The porphyry system is characterized by moderate to strong phyllic-argillic alteration, dominated by illite, sericite, and pyrite, along with an earlier potassic alteration phase marked by fine-grained secondary biotite and K-feldspar. These alteration assemblages clearly distinguish the porphyry centre from the surrounding batholith.

Overall sulphide content is relatively low (<5%), with chalcopyrite as the primary sulphide mineral, accompanied by minor pyrite, molybdenite, and bornite. Oxide and silicate copper minerals are locally present near the surface.

Nayumbi Prospect

Precious metal mineralization at Nayumbi is primarily hosted within hydrothermal and structurally controlled breccias. The main near-surface target comprises brecciated Jurassic sandstones containing low-temperature quartz infill with associated sulphides, predominantly marcasite. At depth, structurally controlled zones that acted as conduits for hydrothermal fluids represent secondary exploration targets.

Deposit Types

The Santa Barbara and El Hito deposits are consistent with porphyry-type mineralization. Both exhibit the geological characteristics typical of Andean porphyries, which can be summarized as follows:

- Large hydrothermal alteration zones (typically >10 km^2) are common, usually displaying a central potassic core that grades outward into phyllic, argillic, and propylitic alteration zones.
- Mineralization is generally low grade and occurs as disseminations, fractures, veinlets, and quartz stockworks hosting sulphides.

- Porphyry-style mineralization commonly shows metal zonation, characterized by a central chalcopyrite–bornite–molybdenite core, transitioning outward to chalcopyrite–pyrite and ultimately pyrite-dominated zones.
- Key geological controls on porphyry mineralization include igneous contacts, cupolas, and the uppermost bifurcating portions of stocks and dyke swarms.
- Metal grades in porphyry systems may be modified by near-surface oxidation and weathering.

The Nayumbi prospect is interpreted as a low-sulphidation epithermal gold–silver system. Mineralization is hosted in permeable breccias and sandstones and is thought to be centered on a feeder structure that focused the ascent of mineralizing fluids from depth.

(4) Exploration Status

The Santa Barbara Project is an exploration project which has seen historical geochemical (streams, soils and rocks) and geophysical surveys and drilling. Drilling has identified the Santa Barbara deposit with estimated Mineral Resources reported herein and has tested other zones of mineralization at El Hito and Nayumbi. All exploration work conducted prior to the Company's acquisition was carried out by previous operators of the Project. Since acquiring the Project, the Company has continued to advance the drilling program initiated by prior operators and has publicly released the assay results. For more information on the drilling results, please refer to the Company's news releases dated June 22, 2026, July 13, 2026, July 28, 2026, and August 18, 2026 available at: https://aurometals.ca/news-releases/.

(5) Sample Preparation, Analyses, Security, and Data Verification

Historical drilling at Santa Barbara, El Hito and Nayumbi was completed by several operators between 1999 and 2022. All programs collected half core samples on 1–2.5 m intervals, sealed them in labelled plastic bags with tamper evident ties, and retained the remaining half core in secure core storage. Samples were transported by company staff or bonded couriers directly to commercial preparation laboratories, providing a reasonable chain of custody. As of the effective date of the Technical Report, Silvercorp and the Company have not yet generated their own samples.

Sample preparation and assaying were carried out by accredited commercial laboratories, including Bondar Clegg/ALS Chemex, Acme, MSALABS, and ALS. Standard protocols were used: samples were dried, crushed and pulverized (to ~80–85% passing 200 mesh) and ~250 g pulps were generated. Gold was consistently analyzed by fire assay (30–50 g charge) and copper and other elements by multi element ICP or ICP MS following four acid digestion. Coarse rejects and pulps were returned to the operators and stored in secure warehouses.

Bulk density data are available for Santa Barbara, El Hito and Nayumbi. Measurements were collected using the water immersion method on samples spaced roughly every 10 m downhole, with every tenth sample checked at external laboratories using paraffin coated determinations. These data have been compiled by drill hole in an electronic database and are considered sufficient to derive representative densities by rock type for the Santa Barbara block model.

From 2008 onward, operators implemented formal quality assurance and quality control (QA/QC) programs that included routine insertion of CRMs and blanks, as well as field and coarse reject duplicates. At Santa Barbara, a total of 8,712 primary samples were collected between 2008 and 2018, with QA/QC samples representing approximately 17% of all submissions, a proportion consistent with standard industry practice. CRM and blank performance for gold and copper was generally within control limits; isolated failures were resolved through re assay at the primary laboratory. Field duplicates from 2012–2013 show very good precision for copper (typically within ±10%) and acceptable to good precision for gold, consistent with a nugget prone gold–copper porphyry system.

The main limitations are incomplete duplicate coverage (limited to 2012–2013) and relatively low and variable insertion rates for CRMs, blanks and duplicates (~3% each per program). The Qualified Person concludes that, despite these gaps, the historical sampling, preparation, security and analytical procedures are consistent with industry standards and that the resulting datasets are adequate to support the current Mineral Resource estimates, while recommending strengthened and more consistent QA/QC procedures for future drilling.

(6) Mineral Processing and Metallurgical Testwork

A limited amount of preliminary metallurgical testwork has been completed on nine mineralized samples between 2004 and 2014 to recover gold, silver and copper by flotation and cyanide leach. Some of these nine samples were used for the measurements of in-situ pH, specific gravity and Bond ball mill work index. Petrographic, SEM and QEMSCAN analyses were applied to quantify mineralogy and mineral grain size distribution.

The mineralized material is hard and its hardness is significantly variable with Bond ball mill work index between 10.9 and 25.0 kW.h/t. The testwork has demonstrated that the fine grind size is necessary to improve gold recovery from cyanide leach. As a result, grinding energy consumption will be high for the future commercial operation.

The mineralized material, including copper sulphide mineral, is partially oxidized and weakly acidic. It contains a high level of clay minerals. Gold particles are finely disseminated. These properties cause some issues for flotation. The best copper concentrate, which was produced in the flotation testwork, contains 139 g/t gold, 138 g/t silver and 25.3% copper, but recoveries are very low – 11.7% for gold, 3.4% for silver and 17.5% for copper. Optimization testwork is needed to improve metal recoveries and concentrate quality. For instance, a portion of pyrite has to be rejected during flotation. Also, selective collectors, slime depressant and sulphidizing conditioning will likely be helpful to improve flotation performance.

A majority of the gold is free milling and gold dissolution in cyanide solution is generally completed in 24 to 48 hours. Gold recovery from cyanide leach is strongly dependent on grind size. When grind size is 80% passing 106 µm or finer, gold recovery is 83.5% on average. A portion of the unrecovered gold is refractory due to sulphide minerals and preg-robbing.

Silver recovery from cyanide leach is extremely variable between 11% and 72%. Silver recovery from flotation is poorer than gold recovery and copper recovery.

Copper dissolution from cyanide leach is about 6.3%. To reduce the negative impact of copper minerals during cyanide leach, it is beneficial to recover as much copper into a marketable concentrate before the cyanide leach. Due to the decent payable rates for gold and silver in the copper concentrate, the combination of flotation and cyanide leach of the flotation tailing will probably generate more attractive economics.

A preferred flowsheet is proposed on the basis of available information. Gold, silver and copper will be recovered from three circuits, namely, (1) the gravity concentration in the grinding circuit, (2) the flotation to produce a marketable copper/gold/silver flotation concentrate, and (3) the cyanide leach to recover the remaining gold and silver from the flotation tail. Total recoveries are expected to be 85.5% for gold, 15.5% for silver and 19.6% for copper where the flotation concentrate contains 15% copper. A series of metallurgical testwork programs is required to optimize the proposed flowsheet, metal recoveries and flotation concentrate quality.

(7) Development and Operations

There is currently no mining development or operations on the Santa Barbara Project.

(8) Mineral Resource Estimates

The Mineral Resource Statement presented herein represents the fifth Mineral Resource evaluation disclosed for the Santa Barbara deposit in accordance with NI 43-101, superseding prior evaluations completed in 2013, 2015, 2018 and updated for metal prices in 2021. The estimate has an effective date of March 23, 2026 and was prepared by Sheila Ulansky, P.Geo. of SRK, an independent Qualified Person under NI 43-101. The work conforms to the CIM Definition Standards (2014) and CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (2019). Mineral Resources are reported exclusive of any Mineral Reserves; no Mineral Reserves have been defined.

The resource model is based on 56 core drill holes totalling 22,026.7 m completed by previous project owners between 1999 and 2018. The database, provided in validated CSV format, includes collar, survey, assays, lithology, alteration, mineralization, veins, specific gravity ("**SG**"), magnetic susceptibility, geotechnical information, and QA/QC data. The Qualified Person audited the database and considers the drilling and assay information sufficient in quality and coverage to support Mineral Resource estimation at the reported classifications.

Three key structures (Faults 1, 2, and 3) are interpreted to control gold–copper distribution, forming a structural wedge where mineralization is best developed. Mineralization is hosted in andesite and diorite porphyry dykes, which exhibit similar grades; separate lithological domains were therefore not required. Alteration mapping identifies an intense biotite–sericite (potassic–phyllic) core that coincides spatially with the main mineralized envelope. Grade shells (Au $\geqslant$ 0.10 g/t) were modelled north and south of Fault 2, and four surrounding low grade fault blocks were defined, resulting in six estimation domains. A near surface weathered layer was also modelled based on core observations.

SG data was reevaluated due to a known issue in earlier work. A bimodal density distribution was identified, with values <2.40 g/cm^3 deemed geologically implausible for andesite and diorite and traced to procedural errors in 2013 weight in water determinations. All SG <2.40 g/cm^3 (322 samples) were excluded from the estimate. Remaining SG data (547 samples in the high grade shells, 692 in low grade fault blocks) were modelled using inverse distance squared ("**ID2**") within domains, with default values of 2.88 g/cm^3 (un-estimated south blocks), 2.80 g/cm^3 (low grade blocks) and 2.0 g/cm^3 in the weathered layer. The Qualified Person considers the corrected density dataset adequate at this stage and recommends re measurement of affected intervals.

Assays were composited to 4 m downhole considering the 12 m block height and planned open pit selectivity. Missing intervals are few; where necessary, half the detection limit was assigned in non-mineralized contexts. Grade outliers were treated with domain specific top capping based on histograms and log probability plots, with minimal impact on mean grades and metal content. Variography indicated robust structures in the South domain, which was adopted in the North domain with adjusted orientations. Low grade domains use the same models with appropriate anisotropy.

A non-rotated block model was constructed using Leapfrog Edge. Gold and copper grades were estimated using ordinary kriging ("**OK**") with a two pass search in the North and South domains with a limited soft boundary and a single pass hard boundary search in the four low grade fault blocks. Search radii were tied to variogram ranges. Validation included visual comparison, domain based statistics, swath plots, and parallel ID2 and nearest neighbour runs. Results show good global reconciliation and reasonable local smoothing, with lower confidence in sparsely drilled low grade domains and the North domain (classified entirely as Inferred).

Resources were classified as Indicated where blocks in the South domain were informed by a minimum of four drill holes, with an average distance to informing composites of $\leqslant$85 m. Blocks informed by at least two drill holes, with an average distance of $\leqslant$200 m and not meeting the Indicated criteria, were classified as Inferred. Additional confidence measures, including the number of contributing composites and the slope of regression, were also considered in the final classification. All North domain and low grade fault block material is Inferred. Classification was manually smoothed to remove isolated "spotted" Indicated patches.

Reasonable prospects for eventual economic extraction were demonstrated using open pit optimization based on a gold price of USD 3,200/oz and a copper price of USD 12,000/t. Resources are reported above a NSR cut off value of USD 25/t.

Effective March 23, 2026, open pit–constrained Mineral Resources at Santa Barbara are summarized in Table 1-1.

The Qualified Person considers the methodology, density treatment and classification appropriate and the estimate a reasonable representation of the Santa Barbara deposit at the current level of knowledge, while noting structural complexity and sparse drilling in some areas as key uncertainties.

Table 1-1: Open Pit Mineral Resource Statement for Santa Barbara, effective March 23, 2026

		Average Grade			Contained Metal		
Classification	Tonnes (Mt)	Au (g/t)	Cu (%)	AuEq (g/t)	Au (koz)	Cu (Mlb)	AuEq (koz)
Indicated	29.8	0.73	0.10	0.75	697	68.2	722
Inferred	205.7	0.52	0.09	0.54	3,418	425.9	3,579

Notes:

1. Mineral Resources are reported within a conceptual open pit shell. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate; totals may not sum due to rounding.
2. Open pit Mineral Resources are reported at a NSR cut-off value of USD$25/t.
3. The open pit optimization was undertaken using metal prices of USD$3,200/oz for gold and USD$12,000/t for copper.
4. Open pit optimization was conducted using Studio NPVS (Version 2.1.308.0) and considered the following inputs: mining cost of US$3/t material; processing cost of US$11/t ROM; G&A of US$2/t ROM; average processing recoveries of 85.5% Au and 19.6% Cu; payability of 99.5% Au and 96.5% Cu; royalty of 5.0% of revenue; and overall pit slope angle of 45°. Costs and slope angle are based on SRK benchmarks and assumptions. Pit slope angle is assumed and is not based on a geotechnical stability assessment.
5. Metallurgical recoveries applied in the pit optimization and NSR calculation are 85.5% for gold and 19.6% for copper.
6. Gold equivalent grades (AuEq) were calculated using the formula: AuEq (g/t) = Au (g/t) + Cu (%) * 0.259.
7. Gold and copper grades were estimated in Leapfrog Edge (Version 2025.3.1) using OK for all estimation domains.
8. SG, reported as dry bulk density, was estimated using ID2 for the North and South domains. Lithology-based default SG values were applied to the low-grade zones.
9. The Qualified Person is not aware of any legal, political, environmental, or other relevant risks that could materially affect the potential development of the Mineral Resources.

(9) Conclusion and Recommendations

In the opinion of the Qualified Persons, the Santa Barbara Project has merit warranting additional exploration expenditures. An exploration work program is recommended comprising core drilling, sampling and related geological support work, and additional metallurgical testwork, followed by updated Mineral Resource modelling.

Overall, the combined estimated cost of the recommended exploration and metallurgical work is US$4.5M.

The following conclusions can be made based on the limited metallurgical testwork completed to date:

- The mineralized material is hard and its hardness is extremely variable with Bond ball mill work index between 10.9 and 25.0 kW.h/t.
- Most of the gold is free milling with cyanide leachable gold recovery being around 83.5% when grind size is 80% passing 106 µm or finer. Fine grind size is necessary to improve gold recovery.
- A small portion of gold is refractory due to sulphide minerals and/or preg-robbing.
- Silver recovery from cyanide leach is hugely variable between 11% and 72% likely due to varied silver mineralogy. Silver recovery from flotation is poorer than gold and copper.
- Consumptions of sodium cyanide and lime during cyanide leach are reasonable.
- The mineralized material is partially oxidized and weakly acidic. The content of clay minerals is high. The low ratio of copper to sulphide in the mineralized material does not justify the bulk flotation approach to produce a marketable copper concentrate with satisfactory recoveries for gold, silver and copper. The flotation testwork had demonstrated that a marketable copper concentrate could indeed be generated, but metal recoveries were too low. Optimization testwork is needed to improve flotation performance for both metal recoveries and concentrate quality.

- A flowsheet, which consists of a gravity concentration circuit to recover coarse gold, a flotation circuit to produce a marketable copper concentrate and a CIL cyanide leach circuit to recover the remaining gold and silver in the flotation tail, is believed to be a best choice for the future process plant. Further metallurgical testwork is required to perfect this flowsheet and to improve metal recoveries and concentrate quality.

The following conclusions can be made based on the current Mineral Resource evaluation:

- The Mineral Resource estimate is fundamentally dependent on the correctness of the geological and mineralization interpretation; the quality and reliability of the estimate are only as robust as the underlying model of the mineralized zones.
- Drilling (56 core holes, 22,026.7 m) and the supporting database were audited by the Qualified Person and are considered of sufficient quality and coverage to support the reported Indicated and Inferred Mineral Resources.
- The Qualified Person concludes that the estimation methodology, data treatment (including correction of SG issues), and classification approach are appropriate for the current level of project advancement and that the Mineral Resource estimate provides a reasonable representation of the Santa Barbara deposit, while recognizing structural complexity and locally sparse drilling as the main sources of uncertainty.
- Further drilling and detailed structural work are expected to refine vein orientations and continuity, reduce local uncertainty, and may support upgrading portions of the Inferred Mineral Resources to higher confidence categories in future updates.
- The weathered horizon has been explicitly modelled and included in the Mineral Resource estimate. Copper and gold grades within this domain have not been excluded, consistent with the Section 13 Qualified Person's conclusion that this material is likely to be metallurgically recoverable. SRK recommends that additional metallurgical testwork on weathered material be undertaken to validate this assumption. If subsequent testwork demonstrates that the weathered material is not economically recoverable, the Mineral Resource inventory will require revision to remove or appropriately downgrade this material.

ITEM 6. DIVIDENDS AND DISTRIBUTIONS

The Company has not paid dividends on its Common Shares since incorporation. The Company has no present intention of paying dividends on its Common Shares. Payment of dividends or distributions in the future will depend on the earnings and financial conditions of the Company and other factors which the directors may deem appropriate at that time.

ITEM 7. DESCRIPTION OF CAPITAL STRUCTURE

The Company has an authorized capital of an unlimited number of Common Shares without par value, of which 131,130,201 Common Shares were issued and outstanding as fully paid and non-assessable as of the date of this AIF. All of the Common Shares rank equally as to dividends, voting powers, participation in assets, and in all other respects. Each Common Share carries one vote per share at meetings of the shareholders of the Company. There are no indentures or agreements limiting the payment of dividends and there are no conversion rights, special liquidation rights, pre-emptive rights or subscription rights attached to the Common Shares. The Common Shares presently issued are not subject to any calls or assessments. As of December 31, 2025, there were 5,740,000 Common Shares issuable upon the exercise of outstanding stock options (the "**Options**") at exercise prices ranging from C$0.250 to C$1.38 per share and with terms of five years, with the last options expiring on May 6, 2031; and 16,337,075 Common Shares issuable upon exercise of outstanding warrants at prices of C$0.65 to C$2.10 (the "**Warrants**").

ITEM 8. MARKET FOR SECURITIES

8.1. Trading Price and Volume

The Common Shares began trading on the TSXV on November 25, 2020, under the symbol "WHG". Effective February 27, 2023, the Company changed its symbol to “TIN” and effective June 11, 2026, the Company changed its trading symbol to "AURO" on the TSXV. The table below sets forth the reported high and low closing prices and the aggregate volume of trading of the Common Shares on the TSXV for each of the months (or partial months) for the period from January 1, 2025, to December 31, 2025:

Period	High	Low	Volume
January 2025	0.21	0.15	284,965
February 2025	0.17	0.15	363,946
March 2025	0.17	0.15	200,429
April 2025	0.16	0.15	57,668
May 2025	0.15	0.15	68,806
June 2025	0.16	0.15	161,343
July 2025	0.19	0.15	184,526
August 2025	0.21	0.15	120,331
September 2025	0.31	0.14	542,378
October 2025	0.35	0.18	334,788
November 2025	0.20	0.18	167,297
December 2025	0.25	0.18	570,284

8.2. Prior Sales

On June 21, 2024, the shareholders of the Company approved and adopted the Company's omnibus equity incentive plan (the "**Omnibus Plan**"), which replaced the Company's previous stock option plan (the "**Option Plan**"). The Omnibus Plan was most recently confirmed by the shareholders of the Company on May 5, 2026. The Omnibus Plan is a "rolling up to 10% and fixed up to 10%" security-based compensation plan.

A summary of the Omnibus Plan can be found in the Company’s management information circular for its annual general and special meeting of shareholders held on May 5, 2026, filed on SEDAR+ at www.sedarplus.ca . Such summary is qualified in its entirety by reference to the full text of the Omnibus Plan, also filed on SEDAR+ at www.sedarplus.ca.

The only securities of the Company that were outstanding as of December 31, 2025 but not listed or quoted on a marketplace are the Warrants and the Options. No such securities were issued by the Company during the most recently completed financial year.

ITEM 9. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table lists those of our securities that, to our knowledge, are held in escrow or subject to a contractual restriction on transfer as of December 31, 2025:

Designation of Class	Number of Securities in Escrow or Subject to Contractual Restriction on Transfer	Percentage of Class
Common Shares	3,000,000[1]	4.22%

Pursuant to the subscription agreements entered into with the Company by the subscribers of the 2025 Private Placement, the 3,000,000 Common Shares issued thereunder were subject to a contractual hold period expiring January 17, 2026. Accordingly, the subscribers may not sell, transfer, hypothecate or otherwise trade such Common Shares until the expiry of such hold period.

ITEM 10. DIRECTORS AND OFFICERS

10.1. Name, Occupation and Security Holding

The names and provinces or states and countries of residence of the directors and executive officers of the Company, positions held by them with the Company, and their principal occupations as at August 24, 2026, are set forth below. Each director holds office until the next annual meeting of shareholders of the Company or until his or her successor is elected or appointed.

Name, Position, Province & Country of Residence[1]	Principal Occupations During Last Five Years[1]	Commencement of Directorship
Directors		
Victor Feng[5][6] Director and CEO *BC, Canada*	Former Interim CEO and Vice President, Corporate Development of the Company; Investor Relations Manager of Silvercorp, New Pacific Metals	May 5, 2026
Lorne Waldman[2][3][4] Chair and Director *BC, Canada*	Former Senior Vice President of Silvercorp	Mar 4, 2020
Lon Shaver[2][3] Director *BC, Canada*	President of Silvercorp	May 5, 2026
Bhakti Pavani[2][4] Director *CA, United States*	Manager at Convex; Former Director of Alliance Global Partners	Jan 11, 2021
Yongming (Alex) Zhang[3][4][5] Director *BC, Canada*	Vice President, Exploration of New Pacific Metals	Feb 24, 2022
Drew Hoyle Director *BC, Canada*	Former Portfolio Manager of CIBC Wood Gundy	May 28, 2026

Executive Officers		
Tee Tan CFO *BC, Canada*	Director of Financial Reporting of Silvercorp; Former Senior Manager of KPMG LLP	Nov 13, 2025
Jonathan Hoyles General Counsel and Corporate Secretary *BC, Canada*	General Counsel of Auro since July 2023. General Counsel and Corporate Secretary of Silvercorp and New Pacific since 2023. Director and Chief Legal Officer (from March 2023 to July 2023), Director and CEO (from 2019 to 2023), and Chief Commercial Officer and General Counsel (from 2018 to 2019) of Perk Labs Inc. (formerly Glance Technologies Inc.).	Jul 17, 2023

Notes:

1. The information as to residence, principal occupation or employment is not within the knowledge of the management of the Company and has been furnished by the respective director or officer.
2. Denotes member of the Audit Committee.
3. Denotes member of the Company's Compensation Committee.
4. Denotes member of the Company's Corporate Governance Committee.
5. Denotes member of the Technical Committee.
6. Mr. Victor Feng was appointed as Director on May 5, 2026, and as Chief Executive Officer on May 14, 2026.

As of August 24, 2026, all of the directors and officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over 7,712,295 Common Shares representing 5.88% of the Company's 131,130,201 Common Shares issued and outstanding.

10.2. Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company, within the 10 years prior to the date of this AIF, is or has been, a director, chief executive officer or chief financial officer of any company (including the Company) that: (a) while that person was acting in that capacity was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after that person ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in that capacity.

No director or executive officer of the Company or a shareholder holding a sufficient number of securities to affect materially the control of the Company, within the 10 years prior to the date of this AIF, is or has been, a director or executive officer of any company (including the Company) that while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or executive officer of the Company or a shareholder holding a sufficient number of securities to affect materially the control of the Company has, within the 10 years prior to this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Company or a shareholder holding a sufficient number of securities to affect materially the control of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

10.3. Conflicts of Interest

Certain directors and officers of the Company are also directors, officers, employees or shareholders of other companies that are similarly engaged in the business of acquiring and exploiting natural resource properties. These associations to other public companies in the resource sector may give rise to conflicts of interest from time to time. Under the laws of the Province of British Columbia, the directors and officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will disclose such interest in a contract or transaction and will abstain from voting on any resolution in respect of such contract or transaction. See also "Risk Factors" above.

ITEM 11. AUDIT COMMITTEE

11.1. Audit Committee Charter

A copy of the Charter of the Audit Committee is attached hereto as Schedule "A" (the "**Audit Committee Charter**"). A description of the responsibilities, powers and operation of the committee can be found therein.

The Audit Committee, among other things, reviews the annual financial statements of the Company for recommendation to the Board, reviews and approves the quarterly financial statements, oversees the annual audit process, the Company's internal accounting controls and the resolution of issues identified by the Company's auditors, and recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders at the next annual general meeting. In addition, the Audit Committee meets annually with the Company's auditors both with and without the presence of any members of the Company's management.

11.2. Composition of the Audit Committee

For the period from January 1, 2025, to December 31, 2025, the Audit Committee was comprised of Lorne Waldman, Bhakti Pavani and Yongming (Alex) Zhang. Mr. Yongming (Alex) Zhang stepped down as a member of the Audit Committee on May 5, 2026, and Mr. Lon Shaver was appointed as a member of the Audit Committee effective May 5, 2026

A majority of the members of the Audit Committee are independent directors in accordance with the requirements of National Instrument 52-110 Audit Committees ("**NI 52-110**"). The following table sets out the names of the members of the Audit Committee as of August 24, 2026, and whether they are "independent" and "financially literate".

Name of Member	Independent (1)	Financially Literate (2)
Lorne Waldman	Yes	Yes
Bhakti Pavani	Yes	Yes
Lon Shaver (3)	No	Yes

Notes:

1. To be considered independent, a member of the Audit Committee must not have any direct or indirect "material relationship" with the Company as defined under applicable securities laws. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
2. To be considered financially literate, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
3. Mr. Yongming (Alex) Zhang stepped down as a member of the Audit Committee on May 5, 2026, and Mr. Lon Shaver was appointed as a member of the Audit Committee effective May 5, 2026.

11.3. Relevant Education and Experience

All members of the Audit Committee are experienced businesspeople with a background and experience in financial matters; each has a broad understanding of the accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor. In addition, each member of the Audit Committee has knowledge of the role of an audit committee in the realm of reporting companies. Following are the biographies of members of the Audit Committee:

Lorne Waldman (Chair)

Mr. Waldman is a corporate lawyer and formerly a senior executive with over 20 years of experience advising NYSE and TSX listed reporting issuers in the mining and technology industry. He is a current member of the Law Society of British Columbia and was a Senior Vice President of Silvercorp, a TSX and NYSE American listed company. Prior to that, he held senior management positions, including Corporate Secretary and In-house Legal Counsel with a NYSE listed technology manufacturer. He has extensive experience in a wide range of corporate and securities matters, investor relations, corporate communications and First Nations consultation. He served as a director and audit committee member for Nam Tai Property Inc., a NYSE listed real estate company and is a current director for CaNickel Mining Limited a TSX-V listed company.

Bhakti Pavani

Ms. Pavani has over 10 years of experience in the financial industry working for several investment banks. A majority of her career has been spent working as an equity research analyst covering the precious metals sector. Ms. Pavani has an MBA degree in Finance from California State University Fullerton and is currently a Strategic Finance consultant at a technology company.

Lon Shaver

Mr. Shaver has over 25 years of capital markets and corporate finance experience, mainly focused on the mining sector. He is currently the President of Silvercorp and a Director of Omai Gold Mines. He has held investment banking roles with Raymond James and Merrill Lynch, assisting corporate issuers with numerous financing and M&A transactions. He began his career in equity research with an institutional sell-side firm and his previous corporate experience includes CFO roles with a publicly-listed mining company and a private technology company. Most recently, he acted as a consultant and advisor, providing corporate development and capital markets support to a number of companies in the resource sector. He has a B.Comm. degree, with a major in finance, and is a CFA charterholder. Mr. Shaver was appointed as a member of the Audit Committee on May 5, 2026.

11.4. Audit Committee Oversight

During the last financial year, recommendations of the Audit Committee to nominate or compensate an external auditor were adopted by the Board.

11.5. Pre-Approval of Policies and Procedures

The Audit Committee has adopted a specific policy and procedure for the engagement of non-audit services as described in Section 4 of the Audit Committee Charter.

11.6. Reliance on Certain Exemptions

As the Company is listed on the TSXV, it may avail itself of exemptions from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110, which require the independence of each member of an Audit Committee, subject to limited exceptions and the disclosure of

Audit Committee information in an annual information form, respectively. During the last financial year, the Company relied on the exemption in Part 3 of NI 52-110 because not all the members of its Audit Committee were independent. The majority of the Audit Committee is independent.

11.7. External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the services provided by Deloitte LLP, auditors to the Company, to ensure independence. Fees billed by external auditors for audit services in the last two fiscal years are outlined below:

Financial Year End	Audit Fees ($)(1)	Audit Related Fees ($)(2)	Tax Fees ($)(3)	All Other Fees ($)(4)
December 31, 2025	59,000	Nil	Nil	Nil
December 31, 2024	50,000	Nil	Nil	Nil

Notes:

1. The aggregate fees billed (before tax and service charge) by the Company's auditor for audit services.
2. The aggregate fees billed (before tax and service charge) for audit and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit Fees" column.
3. The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice, and tax planning.
4. The aggregate fees billed for professional services other than those listed in the other three columns.

ITEM 12. PROMOTERS

The Company did not retain the services of any promoters within the two most recently completed financial years.

ITEM 13. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

13.1. Legal Proceedings

The Company is not aware of any actual or pending material legal proceedings to which the Company is or is likely to be party or of which any of its business or property is or is likely to be subject.

13.2. Regulatory Actions

There are no (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during its most recently completed financial year; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision in the Company; or (c) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority during its most recently completed financial year.

ITEM 14. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this AIF, no director or executive officer of the Company or person beneficially owning, controlling or directing, indirectly or directly, more than 10% of the Common Shares, nor their respective affiliates or associates, has had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

The following table summarizes the Company's transaction with related parties during the three most recently completed fiscal years:

Transactions with related parties	**Note**	**Year ended December 31, 2025**	**Year ended December 31, 2024**	**Year ended December 31, 2023**
Silvercorp	(1)	194,608	269,619	405,854

Notes:

1. The Company shares offices with Silvercorp and Silvercorp provides various general and administrative services to the Company on a cost recovery basis, pursuant to an intercompany services and costs allocation agreement between the Company and Silvercorp dated November 16, 2020, and amended and restated February 20, 2024. As of December 31, 2025, Silvercorp owned 20,738,698 Common Shares, representing 29.15% of the issued and outstanding Common Shares on a non-diluted basis.

Related party transactions are at the amounts agreed on by the parties. As at December 31, 2025, the balances with related parties, which are unsecured, non-interest bearing, and due on demand, are as follows:

Due to related parties	December 31, 2025	December 31, 2024	December 31, 2023
Payables due to Silvercorp	$1,796,333	$1,519,800	$204,192

During the financial year ended December 31, 2025, the Company recorded total expenses of $194,608 (year ended December 31, 2024 – $269,619, year ended December 31, 2023 – $405,854) for services rendered and expenses incurred by Silvercorp on behalf of the Company.

ITEM 15. TRANSFER AGENTS AND REGISTRARS

The Company's transfer agent and registrar for the Company's Common Shares is Endeavor Trust Corporation of Suite 702 – 777 Hornby Street, Vancouver, British Columbia V6Z 1S4.

ITEM 16. MATERIAL CONTRACTS

There are no contracts other than those entered into in the ordinary course of the Company's business that are material to the Company and which were entered into in the most recently completed financial year ended December 31, 2025, or before the most recently completed financial year but are still in effect as of the date of this AIF.

ITEM 17. INTERESTS OF EXPERTS

Names of Experts

The Santa Barbara Project Technical Report

SRK prepared the independent technical report dated effective as of March 23, 2026, titled "Independent Technical Report for the Santa Barbara Gold and Copper Project, Ecuador". Ms. Sheila Ulansky, P.Geo., Senior Geologist with SRK, is the independent Qualified Person responsible for the estimate.

SRK was commissioned by the Company to prepare the Technical Report titled "Independent Technical Report for the Santa Barbara Gold and Copper Project, Ecuador" with an effective date of March 23, 2026. Qualified Persons who prepared or contributed to the Santa Barbara Project Technical Report (the "**Qualified Person**") are identified in that report as follows:

Qualified Person	Company	Responsibility/Role	Report Section(s)
Sheila Ulansky	SRK Consulting (Canada) Inc.	Resource Estimation	Sections 2, 3, 4, 5,6, 7, 8, 9, 10, 11, 12, 14, 23, 24 Shared responsibility for Sections 1, 25, 26, and 27
Jinxing Ji	JJ Metallurgical Services Inc.	Metallurgical Test Work and Recoveries	Section 13 Shared responsibility for Sections 1, 25, 26, and 27

Interests of Experts

None of the independent consulting geologists and independent "Qualified Persons" named in "Item 17 Names of Experts", when or after they prepared the statement, report or valuation, has received any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates or is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company except as disclosed below. This information has been provided to the Company by the individual experts.

The Qualified Persons who were responsible for the preparation of the Santa Barbara Project Technical Report do not own any Common Shares.

Auditor

Deloitte LLP, an independent registered public accounting firm, is the auditor of the Company and is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

ITEM 18. ADDITIONAL INFORMATION

Additional information on the Company may be found on the Company's website at www.aurometals.ca or under the Company's profile on SEDAR+ at www.sedarplus.ca. Additional financial information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's information circular for its 2026 annual meeting of shareholders.

Additional financial information is provided in the Company's most recent financial statements and the management discussion and analysis for its most recently completed financial year.

SCHEDULE "A"

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF AURO METALS INC.

(THE "COMPANY")

(Adopted by the Board of Directors on March 25, 2026)

Purpose of the Committee

1.0 Purpose of the Committee

1.1 The Audit Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Company and its subsidiaries.

2.0 Members of the Committee

2.1 The Audit Committee shall consist of no less than three Directors, a majority of whom shall be "independent" as defined in accordance with Canadian National Instrument 52-110 – Audit Committees insofar as the Company is a venture issuer (as such term is defined in applicable Canadian securities laws). The members of the Committee shall be selected annually by the Board and shall serve at the pleasure of the Board.

2.2 At least one Member of the Audit Committee must be "financially literate" as defined under National Instrument 52-110 – Audit Committees insofar as the Company is a venture issuer, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

2.3 None of the members of the Committee may have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years.

3.0 Meeting Requirements

3.1 The Committee will meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically, and shall be at such times and places as the Committee determines. The Committee may also act by unanimous written consent of all members of the Committee.

3.2 A majority of the members of the Committee shall constitute a quorum.

4.0 Duties and Responsibilities

The Audit Committee's function is one of oversight and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:

(a) be directly responsible, subject to any authority reserved by law to the Company's shareholders, for the recommendation, appointment, compensation, retention, oversight (including resolution of any disagreements between management and the auditors regarding financial reporting and ensuring that the auditor is independent and in good standing) and discharge of the independent public accountants as auditors of the Company (the "**auditors**") who perform the annual audit and any other audit, review or other services for the Company in accordance with applicable securities laws;

(b) review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;

(c) review information, including written statements from the auditors, concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;

(d) obtain from the external auditors a formal written statement delineating all relationships between the external auditors and the Company in a manner consistent with the requirements of applicable securities laws and regulations and applicable stock exchange rules; actively engage in a dialogue with the external auditors with respect to any disclosed relationships or services that impact the objectivity and independence of the external auditor;

(e) review and discuss with management and the auditors the Company's audited financial statements and accompanying Management's Discussion and Analysis of Financial Conditions ("**MD&A**"), including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles and report on them to the Board;

(f) review and discuss with management the Company's interim financial statements and interim MD&A and report on them to the Board;

(g) pre-approve all auditing services and non-audit services provided to the Company by the auditors to the extent and in the manner required by applicable law or regulation. In no circumstances shall the auditors provide any non-audit services to the Company that are prohibited by applicable law or regulation;

(h) evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board;

(i) periodically review the adequacy of the Company's internal controls and ensure that such internal controls are effective;

(j) review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and report on them to the Board;

(k) oversee and annually review the Company's Code of Business Conduct and Ethics;

(l) approve material contracts where the Board of Directors determines that it has a conflict;

(m) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding the auditing matters, internal accounting controls or other accounting matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;

(n) engage independent counsel and/or other advisors as it determines necessary to carry out its duties;

(o) satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;

(p) review and monitor all related party transactions which may be entered into by the Company; and

(q) annually review the adequacy of its charter and recommending any changes thereto to the Board.

5.0 Miscellaneous

5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

5.2 The Company shall provide for appropriate funding, as determined by the Committee, for payment of (a) compensation to any registered public accounting firm engaged for the purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (b) compensation to any advisers employed by the Committee; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.