Management’s Discussion and Analysis

Year Ended – December 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

April 21, 2026

For further information on the Company, including the Company’s Annual Information Form (“AIF”), reference should be made to its public filings on SEDAR+ at www.sedarplus.ca. Information is also available on the Company’s website at www.chesapeakegold.com. This Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2025 and related notes thereto which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The MD&A contains certain forward-looking statements, please review the disclaimers that are provided on the last page of the report.

CORPORATE OVERVIEW

Chesapeake Gold Corp. (“Chesapeake” or the “Company”) is a Canadian exploration and evaluation stage mining company focused on the exploration and development of precious metal deposits in North and Central America. Furthermore, the Company is developing a proprietary precious metal oxidation process to apply to Metates to derisk the project and unlock value at Metates. The Company has exploration and evaluation assets and does not generate mining revenues from operations. The Company trades on the TSX Venture Exchange (the “TSX-V”) under the symbol “CKG” and on the OTCQX market in the United States under the symbol CHPGF. The Company has its head office located at 201 – 1512 Yew Street, Vancouver, B.C.

The Company’s primary asset is the Metates project (“Metates”) located in Durango State, Mexico. Metates hosts one of the largest in-situ undeveloped gold-silver deposits in the Americas.[1] On July 26, 2021, the results of the Preliminary Economic Assessment (the “PEA”) were published. The PEA focuses on the application of the heap oxidation technology (as defined in the *Corporate Strategy* section) as applied to the Metates project. The PEA has been superseded by the technical report titled “Metates Sulphide Heap Leach Project Phase 1 – Amended NI 43-101 Technical Report Preliminary Economic Assessment” dated January 13, 2023 with an effective date of December 15, 2022 (the “2023 Amended PEA”). The 2023 Amended PEA is available on SEDAR+ and the Company’s website.

The Company also has a portfolio of exploration properties in Mexico comprising 6,460 hectares in the states of Durango and Sinaloa. As at the date of this MD&A, the Company owns 57% of Gunpoint Exploration Ltd. ("Gunpoint") which owns the Talapoosa gold project in Nevada (“Talapoosa”). Gunpoint is publicly traded on the TSX-V with a ticker symbol of “GUN”.

HIGHLIGHTS – FOURTH QUARTER ENDED DECEMBER 31, 2025

- Cash position of $10.7 million as at December 31, 2025.
- On October 1, 2025, the Company entered into a definitive agreement to sell its Tatatila gold-copper project located in Veracruz state, Mexico, to Mexican Gold Mining Corp. On November 12, 2025, the Company closed the transaction and received 4,451,361 common shares of Mexican Gold. Chesapeake also received a 1.5% net smelter return royalty (the “Royalty”). Mexican Gold may repurchase 0.5% of the Royalty (reducing the Royalty to 1.0%) for U.S.$500,000 within ten (10) years from the date of execution of the agreement. See the Company’s press release dated November 12, 2025 available on SEDAR+ and the Company's website for further details.
- On October 27, 2025, the Company extended its exploration agreement for the second time for the Metates property, with the local community of San Juan de Camarones, located in the municipality of Santiago

[1] Mexico’s biggest undeveloped gold deposits. BNAmericas. Published Tuesday, November 24, 2020.

Papasquiaro, Durango, Mexico. The extension adds an additional five years to the original agreement signed in May 2018, now until October 2030. See the Company's press release dated October 27, 205 available on SEDAR+ and the Company's website for further details.

- On December 2, 2025, Gunpoint closed a non-brokered private placement financing for gross proceeds of $3.4 million from the sale of 8,375,000 units at a price of $0.40 per unit. The Company did not participate in this financing and consequently its ownership in Gunpoint reduced from 67% to 57%.

CORPORATE STRATEGY

On January 20, 2021, the Company closed the acquisition of Alderley Gold Corp. ("Alderley Gold") pursuant to a definitive agreement dated December 9, 2020 (the "Agreement") in order to gain access to a heap oxidation technology.

The Company is developing its own proprietary heap oxidation process (the "Technology") for commercial application to Metates to derisk the project and unlock value at Metates. The Company is undertaking extensive metallurgical test work to optimize this Technology for the sulphide material of the Metates project to determine the viability of Metates as a heap leach operation. If successful, a new potential development approach could be financeable and deliverable by the Company and once operational, expandable as a sulphide heap leach.

The third phase of testing commenced in Q2 2025 and builds on the improvements made to the Technology during the Phase 2 program completed in 2024. Additional Metates core material from the 2021/2022 drilling program has been collected and shipped to the laboratory to complete variability testing. This stage of metallurgical activities includes Metates material in larger-diameter columns to provide final conditions for pilot plant and commercial operations. The lab will also perform a trial of the regeneration process to optimize costs for the oxidation process.

The recent metallurgical test work will be incorporated into a prefeasibility study ("PFS") to further derisk Metates. During the past year, the Company has continued its environmental baseline work and related studies in support of the PFS. In addition, the Company is actively seeking other sulphide gold deposits where the Technology can be applied to potentially unlock significant economic value.

At Lucy, a reconnaissance mapping and geochemistry program is being undertaken along the strike of the gold-bearing skarn corridor to guide future exploration. This program includes soil, rock, and trench sampling to the Northeast, North and West of the Lucy property. Detailed mapping is underway over zones that returned gold anomalies to identify the sources of mineralization.

On June 4, 2024, the Company, through its wholly owned subsidiary Alderley Gold, acquired the patents, patent applications, and certain other technology rights and assets for the sulphide leaching technology originally acquired from Hycroft Mining Holding Corp. and its wholly owned subsidiaries.

METATES (Durango State, Mexico)

Overview

Metates is one of the largest, undeveloped disseminated in-situ gold, silver deposits in Mexico.[2] The Metates property is comprised of twelve mineral concessions totalling 4,260 hectares. The Metates deposit is hosted by Mesozoic sedimentary rocks that have been intruded by a quartz latite body up to 300 metres thick and 1,500 metres long. Mineralization occurs in two zones: the Main Zone which is centered around the intrusive and the North Zone, within the sediments including conglomerate, sandstone and shale. The gold-silver mineralization occurs as sulphide veinlets and disseminations in both the intrusive and sedimentary host rocks.

Updated Mineral Resource Estimate - 2023

The updated mineral resource estimate for the Metates Project replaces the mineral resource estimate contained in the Company's 2023 Amended PEA. The measured and indicated mineral resource is 921.2 million tonnes at 0.57 g/t gold and 14.3 g/t silver for 16.8 million ounces of contained gold and 423.0 million ounces of contained silver. Inferred mineral resource is an additional 139.5 million tonnes at 0.47 g/t gold and 13.2 g/t silver for 2.13 million ounces

[2] Mexico's biggest undeveloped gold deposits. BNAmericas. Published Tuesday, November 24, 2020.

Q4 2025 MD&A (expressed in CAD Dollars) – year ended www.chesapeakegold.com

contained gold and 59.0 million ounces of contained silver. Table 1 below shows the new resource statement for the Metates project.

The mineral resource is broadly divided into intrusive hosted and sediment hosted mineralization. In terms of measured and indicated mineral resource tonnes, about 80% of the resources are sediment hosted and 20% intrusive hosted. The mineral resources are based on a block model developed by Mr. Marc Jutras P.Eng., M.A.Sc, Principal, Mineral Resources of Ginto Consulting Inc. All drill results including the recent metallurgical core drilling programs reported in the news releases dated June 28, 2021, February 15, 2022 and most recently April 27, 2022, have been included in this block model.

The measured, indicated, and inferred mineral resources reported are contained within a floating cone pit shell, and are compliant with the "reasonable prospects for economic extraction" requirements of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("**NI 43-101**"). The mineral resource cone shell is based on a gold price of US$1,600 per ounce and silver at US$20 per ounce.

Table 1: Metates Mineral Resource Statement

Resource Category	Mt tonnes		Gold Eq. (g/t)	Gold (g/t)	Silver (g/t)		Gold (moz)	Silver (moz)
Measured Mineral Resource	31.1		1.10	0.86	18.1		0.86	18.1
Intrusive	*19.8*		*1.27*	*1.02*	*18.7*		*0.65*	*12.0*
Sediment	*11.3*		*0.79*	*0.57*	*17.1*		*0.20*	*6.2*
Indicated Mineral Resource	890.1		0.75	0.56	14.2		15.91	405.1
Intrusive	*175.9*		*0.91*	*0.74*	*12.7*		*4.16*	*71.9*
Sediment	*714.20*		*0.71*	*0.51*	*14.5*		*11.76*	*333.2*
Measured/Indicated Resource	**921.2**		**0.76**	**0.57**	**14.3**		**16.77**	**423.2**
Intrusive	*195.7*		*0.94*	*0.76*	*13.3*		*4.81*	*83.8*
Sediment	*725.4*		*0.71*	*0.51*	*14.6*		*11.96*	*339.4*
Inferred Mineral Resource	**139.5**		**0.65**	**0.47**	**13.2**		**2.13**	**59.0**
Intrusive	*22.6*		*0.80*	*0.67*	*9.9*		*0.47*	*7.2*
Sediment	*116.9*		*0.62*	*0.44*	*13.8*		*1.64*	*51.8*

Notes:
1. The Mineral Resources have an effective date of January 28, 2023 and the estimate was prepared using the definitions in CIM Definition Standards (May 10, 2014).
2. All figures are rounded to reflect the relative accuracy of the estimate and therefore numbers may not appear to add precisely.
3. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
4. Mineral Resources are based on prices of US$1600/oz gold and US$20/oz silver.
5. Mineral Resources are based on a gold equivalent cut off grade of 0.26 g/t.
6. The gold equivalent value is calculated as follows:
   Gold Equivalent (g/t) = Gold (g/t) + Silver (g/t) / 74.67, based on gold recovery of 70% and silver recovery of 75%.
7. "Mt tonnes" = million metric tonnes; "g/t" = grams per metric tonne; "moz" = million troy ounces contained

The 2023 Amended PEA has not incorporated this new mineral resource estimate.

The following summary information about the Metates Project is all sourced from the 2023 Amended PEA.

The Company cautions that the results of the 2023 Amended PEA are preliminary in nature and include inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them to be classified as mineral reserves. There is no certainty that the results of the 2023 Amended PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Q4 2025 MD&A (expressed in CAD Dollars) – year ended www.chesapeakegold.com

Mining and Processing

The Metates mine will be a conventional open pit operation. The mining is planned to be conducted by contractors. Mine operations will consist of conventional drilling, blasting, loading and hauling with large off-road trucks, hydraulic shovels and wheel loaders. Plant feed will be delivered to the primary crusher and waste to various waste storage facilities. The mine plan for this study only considered the higher grade intrusive hosted mineralization as potential plant feed. There will be a stockpile for sedimentary hosted resource that is not considered plant feed for the first phase of the operation. A low-grade stockpile facility has been sited to store marginal grade intrusive material for processing at the end of commercial pit operations. A support fleet of track dozers, rubber-tired dozers, motor graders, and water trucks is budgeted to maintain the working areas of the pit, waste storage areas, and haul roads.

The site layout features a very compact layout with all the major infrastructure located at or near site. A water diversion tunnel is required upstream of the mine and a water reservoir will be constructed below the site to supply water for the operations. Power will come to site via a connection to a nearby substation and allow power to be supplied from the national grid. All the major mining, waste dumps, stockpiles and leach pads are located in one watershed. The mine plan consumes significantly less power and water than a conventional sulphide flow sheet with a very low environmental footprint.

A mine plan was developed to supply plant feed to a conventional three stage crushing plant with the capacity to process 15,000 tpd. After crushing to 80% minus ½ inch the material is agglomerated in alkaline conditions and placed on a "on-off" pad to allow it to oxidize for up to 180 days. Spent oxidation solutions are continuously regenerated to maintain the alkalinity and remove sulphate build up prior to reintroduction to the oxidation process.

The oxidized material once completed is then transferred to a permanent pad for conventional cyanide leaching in multiple lifts resulting in gold and silver recoveries of 70% and 75% respectively.

Gold and silver bearing solutions from the permanent pad will be collected and processed in a conventional Merrill Crowe plant to recover the gold and silver.

Precipitate from the Merrill Crowe plant will be smelted on-site into Dore and shipped off site for final refining. The barren solution will be recharged with cyanide and returned to the gold and silver permanent leach pads.

Selected operating and production statistics from the 2023 Amended PEA are presented in Table 2.

Table 2: Estimated PEA Operating and Production Parameters

Operating Metrics				
Material Mined	**Life of Mine ("LOM")**			
Total Material Mined From Pit (K tonnes)	533,998			
Direct Feed To Process (K tonnes)	127,294			
Low Grade Stockpile (K tonnes)	38,797			
Waste Rock (K tonnes)	367,907			
Strip Ratio (Low Grade as Ore)	2.22			
Average Stacking Rate (K tonnes/yr)	5,358			
Average Processed Grades	**Years 1-10**	**Years 11-20**	**Years 21-31**	**LOM Avg.**
Gold (g/t)	0.859	0.931	0.511	0.756
Average Processed Grades	**Years 1-10**	**Years 11-20**	**Years 21-31**	**LOM Avg.**
Silver (g/t)	23.18	11.22	12.75	15.71
Average Annual Production	**Years 1-10**	**Years 11-20**	**Years 21-31**	**LOM Avg.**
Gold (K oz.)	104.8	114.7	57.1	91.1
Silver (K oz.)	3,004	1,467	1,598	2,030

Initial Capital Costs Summary

The initial capital costs, including contingency are estimated at $359 million. A significant reduction from the 2016 PFS and reflects the smaller starter mine and compact site supported by nearby infrastructure including close proximity to the national grid and water source.

A summary of estimated initial capital costs is presented in Table 3.

Table 3: Summary of PEA Initial Capital Costs

Summary of Initial Capital Costs	
	Cost **$000**
Metates Site	
Mining Equipment & Mine Development	$18,713
Crushing & Conveying	$36,104
Ponds & Pads	$28,404
Reagent/Regeneration System	$11,677
Merrill-Crowe & Refinery	$9,124
Subtotal	**$104,022**
Infrastructure	
General Site/Earthworks/Access Roads	$106,069
Electric Power	$7,851
Water Supply	$7,380
Ancillaries & Buildings	$11,121
Subtotal	**$132,421**
Freight, Taxes & Duties	$4,060
Total Direct Field Cost	**$240,503**
Indirects-EPCM, Commissioning & Spares	$32,047
Total On Site Constructed Cost	**$272,550**
Contingency	$63,459
First Fills	$6,000
Owner’s Cost	$17,200
Total Initial Capital Cost	**$359,209**

Operating Costs Summary

Cash costs and AISC per payable gold ounce are non-IFRS financial measures. Please see "Cautionary Note Regarding Non-IFRS Measures".

Total estimated operating costs in the 2023 Amended PEA are presented in Table 4.

Table 4: Summary of PEA Operating Costs

	LOM Average US$/t processed	$/Au Oz. Production
Metates Site		
Mining (including rehandle)	$7.51	$441.70
Processing (Crushing, Stacking, Oxidation, Leach, Merrill-Crowe)	$8.05	$473.65
Site Support	$1.41	$82.69
Profit Sharing	$1.32	$77.74
Total Operating Cost	**$18.29**	**$1,075.78**
Royalties (0.5% NSR & 7.5% Gov't EBITDA Royalty)	$1.45	$85.35
Doré Treatment Charges	$0.17	$10.15
By-Product Credit (Silver)	($8.25)	($485.31)
Total Cash Cost	**$11.66**	**$685.97**
Sustaining Capital, Reclamation & Closure	$1.06	$62.49
AISC	**$12.72**	**$748.46**

Financial Analysis

The financial analysis presented in Table 5 with the key financial assumptions.

Table 5: Key PEA Financial Values

Metal Price Assumptions	**Low Case**	**Base Case**	**Spot**
Gold ($/oz.)	$1,360	$1,600	$1,786
Silver ($/oz.)	$19	$22	$26
USD:CDN Exchange Rate $	1:1.25		
USD:MEX Exchange Rate $	1:20.05		
Unlevered Pre-Tax Economic Indicators			
NPV @ 5% (C$M)	$896	$1,427	$1,906
NPV @ 5% (US$M)	$717	$1,142	$1,525
IRR %	25.3	35.4	45.2
Payback (years)	3.4	2.5	2.0
Levered After-Tax Economic Indicators[1]			
NPV @ 5% (C$M)	$506	$850	$1,160
NPV @ 5% (US$M)	$405	$680	$928
IRR %	26.9	41.2	56.1
Payback (years)	3.4	2.2	1.6

Notes:

The Company expects to debt finance a significant portion of development costs. The levered economics assume initial capital is 60% debt financed at an annual interest rate of 7%, an upfront financing fee of 3%, and a seven-year term post commencement of commercial production with a balloon payment of 30% of the principal at maturity.

Cancellation of San Vicente 3 Mineral Concession

In 2023, the Dirección General de Minas of Mexico (the "DGM") cancelled the San Vicente 3 mineral concession on the basis that the Company did not provide adequate evidence to support the Company's performance of the exploration work required to maintain the concession. The San Vicente 3 mineral concession is one of 12 mineral concessions comprising the Metates property, representing 700 hectares of the 4,260 hectares in the Metates project, and encompasses a portion of the Metates mineral resource. The Company's legal position, supported by external Mexican counsel, is that the work required to maintain the concession was conducted on the property and appropriate evidence was submitted to the DGM to substantiate the work.

On May 3, 2023, the Company began nullity proceedings to have the cancellation of San Vicente 3 declared as null and void by the North Center III and Auxiliary Regional Chamber of the Federal Court of Administrative Justice (the "Chamber") in the state of Durango, Mexico on the basis that the DGM failed to comply with mandated cancellation procedures in accordance with applicable legislation. The Chamber dismissed the Company's lawsuit in a 2-1 split decision, with the dissenting judge finding the Company's arguments to be well-founded. The Company has appealed the decision to the Collegiate Court on the basis that the Chamber had erroneously found that the DGM had complied with mandated cancellation procedures and, therefore, it violated the Company's fundamental rights such as due process and effective judicial protection. The Company continues to pursue all legal remedies available to it to protect and defend its position with respect to San Vicente 3. The DGM has been barred by an Appellate Court from carrying out a bidding process for said mineral concession until a definitive decision is reached.

While the Company is confident that it will be successful in reinstating its ownership of the concession, there can be no assurance of this. In the event the Company is unsuccessful, the current resource estimate and the mine development plan for Metates as proposed in the Company's 2023 Amended PEA will be materially affected and the Company's ability to develop the Metates project will be materially affected. Reliance on the 2023 Amended PEA is therefore contingent on the outcome of the litigation.

REGIONAL EXPLORATION

During the year ended December 31, 2025, the Company spent $0.8 million (2024 - $1.03 million) on regional exploration.

LUCY (Sinaloa State, Mexico)

At Lucy during 2025, the Company renewed the environmental drilling permit and initiated a geochemical grid sampling, trenching and geological mapping program. Additionally, a new mineralized corridor was identified in the Central Zone, located approximately 600 metres west of the Discovery Zone. New trenching and rock channel sampling returned 29 metres grading 0.94g/t gold, including 15 metres grading 1.33g/t gold and 34 metres grading 0.64g/t gold, including 10 metres grading 0.98 g/t gold, outlining a potential new 200-metre-long corridor that is open in all directions. Mineralization within this corridor shares several similar characteristics with the main discovery corridor.

The Comisión Federal de Electricidad ("CFE"), Mexico's state-owned electric utility, began construction of a new powerline in the western part of the Lucy property to transmit power along the Pacific coast city network. The new infrastructure provided additional accessibility to the Western Zone of Lucy, which was identified as having geological potential. This zone had seen limited ground exploration beyond geophysical surveys. Preliminary mapping identified the presence of new skarns, and rock channel sampling returned several occurrences of anomalous copper grades, including 3 metres of subcrop with 2.0% copper, a 2-metre interval of 0.59% copper and another locale with 2 metres of 0.45% copper.
In Q4-2025, an additional 215 samples were taken to finish the 2025 grid geochemical sampling program, and some anomaly testing trenches were made with a total of 50 rock channel samples. Results are expected in 2026.

CRISY (Durango State, Mexico)

The Crisy project is located South-east of Metates and during 2020 – early 2021, the Company completed the regional exploration on the eastern flank of Metates. A gold-silver prospect, Crisy, was explored within different regional structural settings associated with intermediate composition intrusive rocks. During the year ended December 31, 2023, the Company fully acquired the Crisy property and the Company is not currently undertaking any exploration activity on the project.

NICOLE (Durango State, Mexico)

The Nicole project is located North of Metates. In June 2023, a report for a drilling environmental permit was received from an Environmental firm in Durango, Mexico and an application was presented to the Mexican Environmental Agency (Semarnat). In the second quarter of 2025, a new Environmental report was submitted to Semarnat and the Environmental drilling permit was granted in May 2025. The Company is not currently undertaking any exploration activity on the project.

EL DURAZNITO (Durango State, Mexico)

On March 3, 2020, the Company announced an option to acquire a 100% interest in the El Duraznito gold-silver project ("El Duraznito") located near the town of Tayoltita in Durango State, Mexico. El Duraznito is located about 18 kilometers east of First Majestic Silver Corp.'s San Dimas Mine ("San Dimas"). In 2024, the Company paid US$78,000 to earn 60% of the rights of the Teresa Claim. After completion of a Feasibility Study, Chesapeake will pay to the Teresa Owners US$100,000 to earn an additional 20% interest in the project. Upon commencement of Mine Construction, the Company will have acquired 100% interest in the Teresa claim with a US$150,000 final payment. During 2025, the Teresa agreement continued in good standing.

In 2024, an adjacent claim to Duraznito became available when the claim holder sought to sell the property. Between January 2025 and September 30, 2025, the Company conducted evaluation visits and held various negotiations with the claim holder. Negotiations concluded in the last quarter of 2025, and the Company acquired the Ursina mineral concession. This consolidation helps expand our property footprint and provides a meaningful platform for further exploration and the ground needed for infrastructure.

TATATILA (Veracruz State, Mexico)

On October 1, 2025, the Company announced the sale of its Tatatila project to Mexican Gold. The Company closed this sale on November 12, 2025, and as per the terms of this sale agreement, acquired 4,451,361 common shares of Mexican Gold, representing 14.99% of the outstanding Mexican Gold common shares on an undiluted basis. The Company also received a 1.5% net smelter return royalty (the "Royalty"). Mexican Gold may repurchase 0.5% of the Royalty (reducing the Royalty to 1.0%) for U.S.$500,000 within ten (10) years from the date of execution of the agreement.

GUNPOINT EXPLORATION PROJECTS

TALAPOOSA (Nevada, USA)

On November 26, 2010, Gunpoint acquired from the Company a 100% interest in Talapoosa located in Lyon County, Nevada. Talapoosa is a low-sulphidation gold/silver property in the Walker Lane gold trend of western Nevada, approximately 45 kilometres east of Reno. Talapoosa consists of 535 unpatented lode mining claims and seven additional fee land sections which cover 14,780 hectares.

Talapoosa has a NI 43-101 compliant resource estimate[3] hosting a measured (0.6 million) and indicated resource (0.4 million) of 1.0 million ounces of gold (31.2 million tons at a grade of 0.032 oz/t Au) and an inferred resource of 233,532 ounces of gold (11.2 million tons at a grade of 0.021 oz/t Au) using a cut-off of 0.013 oz/t gold equivalent.

During 2024 and 2025, Gunpoint conducted a program of mapping and sampling on the recently discovered Ranch Trend located one kilometer northeast of the Talapoosa known mineral resource. Re-interpretation of historic drill holes along with the field work identified a mineralized zone 2,500 meters along strike and up to 750 meters wide. In December 2025, Gunpoint initiated a reverse circulation drilling program to test three target areas spaced 800 meters apart.

[3] See Gunpoint's technical report titled "*Technical Report and Resource Estimate on the Talapoosa Project, Nevada*" dated effective April 12, 2013.

SUMMARY OF CONSOLIDATED LOSS

(tabled amounts are expressed in thousands of CAD dollars)	Year Ended December 31,		
	2025	2024	2023
Depreciation	$ (13)	$ (15)	$ (10)
Exploration	(379)	(167)	(89)
General and administration	(2,393)	(1,948)	(2,070)
Management fees	(250)	(229)	(250)
Professional fees	(870)	(1,220)	(917)
Share based compensation expense	(429)	(634)	(959)
	(4,334)	(4,213)	(4,295)
Finance income, net	221	827	798
Foreign exchange gain (loss)	(67)	17	(122)
Unrealized gain (loss) on investments	688	192	(425)
Impairment – exploration and evaluation asset	(874)	-	(109)
Impairment – VAT recoverable	-	-	(133)
Other income (expenses)	212	31	32
Net loss before income tax	(4,154)	(3,146)	(4,254)
Deferred income tax recovery (expense)	(429)	457	(1,743)
Net loss	(4,583)	(2,689)	(5,997)
Other comprehensive loss	2,688	(3,449)	2,816
Total comprehensive loss	(1,895)	(6,138)	(3,181)
Basic/diluted loss per share	(0.07)	(0.04)	(0.09)
Total assets	167,841	161,283	164,313

The Company incurred a net loss of $4.6 million ($0.07 loss per share) for the year ended December 31, 2025, compared to a net loss of $2.7 million ($0.04 loss per share) in 2024. The change in net loss primarily relates to the following items:

- Lower finance income compared to 2024
- Higher salaries due to hiring the Chief Metallurgical Officer in 2025 to advance the development of the Company’s heap oxidation Technology
- Loss on the sale of Tatatila in 2025

The Company’s general and administration expense was $2.4 million in 2025 which was comparable to 2024 of $2.0 million.

The Company had an unrealized gain on investments of $1.0 million in 2025 compared to a loss of $0.2 million in 2024. The difference in the unrealized gain/loss on investment was due to the change in market conditions and fluctuation of the share prices for long-term investments.

The Company’s timing of stock option vesting schedule may lead to fluctuation in share-based compensation expense from period to period. During the year ended December 31, 2025, the Company incurred $0.43 million in share-based compensation expense compared to 2024 of $0.63 million.

Other comprehensive gain (loss) fluctuations over the years are due to changes in the macro-economic environment related to foreign exchange translation. This includes the translation gains and losses incurred when translating subsidiary financials with functional currencies different from the reporting currency and the IFRS Accounting Standards non-cash adjustment related to the translation of each entities functional currency to reporting currency.

Consolidated quarterly loss – 8 quarters historic trend

(tabled amounts are expressed in thousands of CAD dollars)	Q4 2025 $	Q3 2025 $	Q2 2025 $	Q1 2025 $	Q4 2024 $	Q3 2024 $	Q2 2024 $	Q1 2024 $
Amortization	(3)	(4)	(3)	(3)	(3)	(3)	(5)	(4)
Exploration	(315)	(4)	(35)	(25)	(46)	(64)	(54)	(2)
General and administration (1)	(1,037)	(907)	(944)	(625)	(849)	(703)	(1,035)	(810)
Share-based compensation	(197)	(76)	(77)	(79)	(12)	(195)	(204)	(223)
	(1,552)	(991)	(1,059)	(732)	(910)	(965)	(1,298)	(1,039)
Finance income, net	61	46	52	62	91	139	178	419
Foreign exchange (loss) gain	147	(182)	(7)	(25)	(13)	(58)	(8)	(21)
Unrealized gain (loss) on marketable securities and investments	857	(191)	(93)	115	18	36	120	18
Gain (loss) on sale of mineral property (2)	37	(911)	-	-	-	-	-	-
Other income (expense)	(459)	478	193	-	5	8	8	10
Deferred income tax recovery (expense)	(429)	-	-	-	457	-	-	-
Net loss	(909)	(1,751)	(914)	(580)	(352)	(840)	(1,000)	(613)
Other comprehensive (loss) income	205	1,155	671	657	(363)	(2,087)	(2,175)	1,176
Total comprehensive gain (loss)	(1,133)	(596)	(243)	77	(715)	(2,927)	(3,175)	563
Basic/Diluted earnings (loss) per share	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Total assets	167,679	164,532	165,141	160,878	161,283	162,147	165,015	165,373

(1) General and administration ("G&A") consists of general and administrative expenses, professional fees and management fees.
(2) In Q3 2025, this was shown as loss on project classified as asset held for sale. The sale of Tatatila was subsequently closed in Q4 2025.

Three months ended December 31, 2025 vs three months ended December 31, 2024

During the three-month period ended December 31, 2025, the Company recorded an increase in overall net loss compared to the comparative period in 2024 primarily due to the increase in G&A expenses driven by higher exploration, professional fees, loss on sale of mineral property and stock-based compensation expense, offset partially by the increase in unrealized gain on long-term investments. Other income during the quarters of 2025 includes realized gain on sale of marketable securities. During Q4 2025, the Company recognized a tax expense of $0.43 million compared to a tax recovery of $0.46 million during Q4 2024.

Exploration expenses were higher during the three-month period ended December 31, 2025 as Gunpoint increased exploration activities after completion of the financing during the quarter.

Three months ended December 31, 2025 vs. all historic quarters in 2025 and 2024

The Company incurred a net loss of $0.9 million ($0.01 loss per share) for the three months ended December 31, 2025. The net loss fluctuated quarter to quarter mainly due to changes in foreign exchange and mark-to-market adjustments in the value of the long-term investment. Operating expenditures are driven by corporate activity which can fluctuate quarter over quarter due to exploration activity, fluctuation in business development opportunities and vesting of stock options.

General and administrative expenses were slightly higher than the prior quarters of 2025 mainly due to timing differences of expenses between prior quarters.

Unrealized gains and losses on investment are dependent on market conditions which fluctuate from quarter to quarter.

Foreign exchange gains and loss along with cumulative translation adjustment (other comprehensive income or loss) fluctuate from quarter-to-quarter dependent on the strength of the Canadian Dollar against the Mexico Peso.

Q4 2025 MD&A (expressed in CAD Dollars) – year ended www.chesapeakegold.com

Change in total assets

The total assets increased slightly since the end of 2024, as the increase in VAT receivables and long-term investments were offset by the sale of the Tatatila mineral property.

Additional Disclosure for Venture Issuers

The following table represents exploration and evaluation costs incurred on the Company's mineral properties for the past two years:

	Metates (a, b)	**Regional (d)**	**Talapoosa (c)**	**Total**
December 31, 2023	132,565	3,984	5,346	141,895
Effect of foreign exchange on translation	(2,748)	(558)	-	(3,306)
Assays	94	96	-	190
Concession acquisition	132	242	265	639
Community, taxes, camp, and supplies	502	53	-	555
Drilling	-	162	-	162
Environmental	486	10	-	496
Geological and engineering	6,596	408	-	7,004
Travel and other	141	56	-	197
December 31, 2024	137,768	4,453	5,611	147,832
Effect of foreign exchange on translation	2,250	478	-	2,728
Assays	1	90	-	91
Concession acquisition	171	417	378	966
Community, taxes, camp, and supplies	433	21	-	454
Environmental	23	2	-	25
Geological and engineering	2,586	266	-	2,852
Travel and other	131	35	-	166
Sale of property	-	(1,423)	-	(1,423)
December 31, 2025	143,363	4,339	5,989	153,691

The following table presents the project to date exploration expenditures on Metates:

	Year ended December 31, 2025	**Year ended December 31, 2024**	**Project to date**
	$	$	$
Acquisition from American Gold in 2006	-	-	20,213
Concession	171	132	1,807
Assay	1	94	1,749
Community, taxes, camp and supplies	433	502	7,513
Drilling	-	-	8,193
Environmental	23	486	722
Geological and engineering	2,586	1,999	34,856
Travel and other	131	141	1,797
License and evaluation of technical feasibility	-	4,597	49,725
Other	-	-	11,914
Total additions	3,345	7,951	138,489
Effect of foreign exchange on translation	2,250	(2,748)	4,874
Total	5,595	5,203	143,363

During the year ended December 31, 2025, the Company incurred mineral exploration expenses of $3.3 million on Metates which were largely related to metallurgical test work.

Since acquisition, the Company has spent $138.5 million exploring and advancing Metates.

LIQUIDITY AND CAPITAL RESOURCES

	Year ended December 31,		
(tabled amounts are expressed in thousands of CAD dollars)	**2025**	**2024**	**2023**
Cash outflows from operating activities	(4,258)	(2,351)	$ (3,060)
Cash inflows from financing activities	7,792	225	12
Cash outflows from investing activities	(3,887)	(6,651)	(2,824)
Foreign exchange impact on cash	15	(57)	22
Net cash flows before foreign exchange on cash	(338)	(8,834)	(5,850)
Cash balance	$ 10,651	$ 10,989	$ 19,823

(tabled amounts are expressed in thousands of CAD dollars)	**2025**	**2024**	**2023**
Opening cash balance	**$ 10,989**	**$ 19,823**	**$ 25,673**
Proceeds from private placement, Chesapeake	4,416	-	-
Proceeds from private placement, Gunpoint	3,301	-	-
Proceeds from option exercise, Gunpoint	75	225	12
Purchase of equipment	-	(38)	(4)
Proceeds from option agreement - Gunpoint	-	-	1,005
Recovery of exploration expenditures - Gunpoint	-	-	175
Reclamation deposit	(62)		
Purchase of long-term investments	(1,192)	(231)	-
Proceeds from sales of market securities	1,855	227	-
Change in other receivables and prepaids	(231)	(136)	(383)
Investment income – cash received	-	827	798
Increase (decrease) in accounts payable	(292)	449	(32)
General and administration and other overhead	(3,513)	(3,397)	(3,237)
General exploration expense	(379)	(167)	(89)
Exploration and evaluation expenditures	(4,488)	(6,634)	(4,000)
Foreign exchange impact on cash and others	172	41	(95)
Ending cash balance	**$ 10,651**	**$ 10,989**	**$ 19,823**

As at December 31, 2025, the Company's net working capital (calculated as current assets less current liabilities) was $10.8 million, higher than the net working capital of $10.1 million as at December 31, 2024 due to the reclassification of the Mexico VAT receivables as current.

Cash outflows from operating activities for the year ended December 31, 2025 were $4.3 million compared to a cash outflow of $2.4 million in 2024, this was mainly driven by movements in working capital items and exploration expenditures.

Cash inflow from financing activities for the year ended December 31, 2025 was $7.8 million, compared to a cash inflow of $0.2 million in 2024, which resulted from issue of shares for $4.4 million by Chesapeake and $3.3 million by Gunpoint.

The cash outflow from investing activities for the year ended December 31, 2025 was $3.9 million compared to cash outflow of $6.7 million in 2024. During the year 2025, the Company spent $4.5 million in exploration and evaluation expenditures, which included the metallurgical sample testing, the continuation of the regional drilling program and the acquisition of the patents and underlying heap oxidation technology. Cash flows from investing activities is net of $0.66 million of net proceeds from sale of investments in Gunpoint.

The Company's ability to continue as a going concern is dependent on the Company's ability to raise funds. The Company has sufficient working capital to fund the planned development and corporate expenses through 2026 and beyond.

The following table reflects the Company's aggregate contractual commitments as of December 31, 2025:

Contractual Obligations (in '000)	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Accounts payable and accrued liabilities	1,918	1,918	-	-	-
Decommissioning obligations	421	-	-	-	421
	$ 2,339	$ 1,918	$ -	$ -	$ 421

On August 18, 2020, the Company closed a private placement with net proceeds of $19.8 million. The net proceeds from this private placement were used for Metates metallurgical test work, ongoing regional exploration and for general working capital, as per the originally disclosed objectives.

On June 13, 2025, the Company closed a private placement with net proceeds of $4.4 million. The net proceeds from this private placement were to be used to advance the Company's proprietary oxidative leach technology, ongoing exploration, including the Lucy project, and for general working capital. The funds were not deployed before year-end. The timing difference does not change the Company's previously disclosed objectives. The proceeds are currently held in cash and management expects to start deploying them in the year 2026.

SHAREHOLDERS' EQUITY

As at December 31, 2025 and date of the report, the Company had the following common shares and stock options outstanding:

('000s)	Common shares	Stock options(1)	Warrants(2)
December 31, 2025	72,094	944	1,850
Issued	4,792	100	2,633
Expired	-	(150)	-
Date of report	76,886	894	4,483

(1) Each option is exercisable for one common share of the Company.
(2) Each warrant is exercisable for one common share of the Company.

The following table discloses the number of options and vested options outstanding as at the date of this MD&A:

Number of options ('000s)	Vested ('000s)	Exercise price $	Expiry Date
40	30	1.92	28-Sept-27
200	100	2.15	07-Feb-28
20	10	2.70	28-Apr-28
100	50	1.70	31-May-28
200	100	2.20	04-Dec-28
65	16	1.80	05-Nov-29
100	-	1.00	26-Feb-30
69	69	2.84	19-Dec-30
100	-	4.24	5-Jan-2031
844	525	2.25	

REGULATORY DISCLOSURES

Off-Balance Sheet Arrangements

As at the date of this MD&A, the Company did not have any off-balance sheet arrangements.

Proposed transactions

As at the date of this MD&A, unless noted, the Company did not have any proposed transactions.

Related Party Transactions

The Company's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. Transactions with related parties for goods and services are made on normal commercial terms in the normal course of operations.

The Company incurred the following expenses with related parties during the year ended:

	Year Ended December 31,	
	2025	2024
General and administration - consulting	$ 295	$ 165
General and administration – salary	975	286
General and administration – directors' fees	276	329
Professional fees - legal	-	265
Management fees	250	229
Share-based compensation expense	429	490

Management fees were paid or accrued to a private company owned by the Executive Chairman of the Company. Consulting fees were paid or accrued to an officer of the Company.

As at December 31, 2025, the Company had amounts payable of $Nil to related parties (December 31, 2024 - $122). These amounts are unsecured and non-interest bearing, due on demand and are included in accounts payable and accrued liabilities.

On January 19, 2021, the Company closed the acquisition of Alderley Gold, a private British Columbia mining technology company (that was previously controlled by the former CEO of the Chesapeake Gold Corp.). Through the acquisition of Alderley Gold, the Company gained access to a heap oxidation technology. 7,400,000 shares were issued to a company controlled by the former CEO. The remaining 2,600,000 shares were issued to non-related parties. As at December 31, 2025, 5,920,000 shares issued to a Company controlled by the former CEO are still held in escrow.

Q4 2025 MD&A (expressed in CAD Dollars) – year ended www.chesapeakegold.com

Financial Instruments

The fair values of cash and cash equivalents, other receivables, reclamation deposits, accounts payable and other liabilities approximate their fair values due to their short-term nature. Marketable securities and long-term investments are measured at fair value based on quoted market prices.

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices). Level 3 inputs are inputs that are not based on observable market data.

The following table sets forth the Company's assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Level 1	Level 2	Level 3	Total, December 31, 2025
Marketable securities	406	-	-	406
Long-term investments	979	-	-	979
	$ 1,385	$ -	$ -	$ 1,385
	Level 1	**Level 2**	**Level 3**	**Total, December 31, 2024**
Marketable securities	636	-	-	636
	$ 636	$ -	$ -	$ 636

The fair value of other financial instruments, including cash and cash equivalents, other receivables, accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments. The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the year ended December 31, 2025.

The Company's financial instruments are exposed to certain financial risks, including the following:

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, and long-term investments. The Company's cash and cash equivalents are held through large Canadian financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company settles its financial liabilities using its cash. The Company manages liquidity risk through the management of its capital structure as described in Note 13 of its consolidated financial statements. The accounts payable and accrued liabilities is due within the current operating period.

Market Risk

The Company's financial instruments include investments which are publicly traded and therefore subject to the risks related to the fluctuation in market prices of publicly traded securities. The Company closely monitors market values to determine the most appropriate course of action.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company is exposed from time to time to interest rate risk as a result of holding fixed income cash equivalents and investments, of varying maturities. A 1% change in market interest rates would result in no significant change in value of cash. The risk that the Company will realize a loss as a result of a decline in the fair value of these assets is limited as they are generally held to maturity and held with large Canadian financial institutions.

Foreign Exchange Rate Risk

Currency risk is the risk of a loss due to the fluctuation of foreign exchange rates and the effects of those fluctuations on the Company's foreign currency denominated monetary assets and liabilities. The Company currently operates in Canada, the United States and Mexico. Certain costs and expenses are incurred in US dollars and Mexican pesos. A 10% change in the exchange rate for Mexican Peso will have an impact of $3.0 million on the consolidated statement of loss and comprehensive income. A 10% change in the exchange rate for the US dollar will have a negligible impact on the consolidated statement of loss and comprehensive income. The Company attempts to mitigate currency risk through the preparation of short and long-term expenditure budgets in the foreign currencies.

Subsequent events

On January 2, 2026, the Company announced the appointment of Mr. Jean-Paul Tsotsos as the permanent Chief Executive Office of the Company. The Company also announced the appointment of Mr. Rajesh Vyas as the Chief Financial Officer and Corporate Secretary of the Company. Both appointments were effective January 1, 2026.

On January 5, 2026, the Company granted 100,000 stock options at an exercise price of $4.24 per share for a five-year term expiring January 5, 2031. The options will vest and be exercisable on the basis of 25% annually, commencing January 5, 2027, the first anniversary of the date of the grant.

On January 27, 2026, the Company closed a bought deal public offering of 4,107,225 units at a price of $4.20 per unit for aggregate gross proceeds of $17,250,345, which included the full exercise of the over-allotment option. Each Unit consisted of one common share of the Company and one-half of one Common Share purchase warrant. Each Warrant entitles the holder thereof to purchase one Common Share at a price of $5.65 until January 27, 2029. Concurrent with the bought deal offering, the Company completed a $2,877,000 non-brokered private placement of 685,000 units with 2176423 Ontario Ltd., a corporation beneficially owned by Eric Sprott, as the sole investor, on the same terms and conditions as the bought deal offering. In aggregate, the Company raised gross proceeds of $20,127,345 from these financings.

Critical estimates, change in accounting policies, significant accounting policies, accounting policies not yet adopted

Please refer to the audited annual consolidated financial statements for the year ended December 31, 2025, which are filed on SEDAR+ for details surrounding the Company's material accounting policies.

Critical Judgments and Sources of Estimation Uncertainty

The preparation of consolidated financial statements require management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. Consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

i. Management assesses the functional currency of each entity within the Company. Based on an evaluation of relevant indicators such revenues and expenses, financing activities, retention of operating cash flows, and the frequency and nature of transactions, the Company determined the Canadian dollar as the functional currencies of all its subsidiaries, except the Mexican subsidiaries which use the Mexican Pesos as their functional currency.
ii. Management is required to assess impairment in respect of its exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful, and some assets are likely to become impaired in future periods.

Risk and uncertainties

This MD&A contains forward-looking statements. Readers are cautioned as to the risks and uncertainties related to the forward-looking statements and are directed to those risks and uncertainties discussed in the Annual Information Form (“AIF”) dated July 30, 2025, which was filed on SEDAR. Also, please refer to the “Cautionary Statement on Forward-Looking Information” at the end of the MD&A.

Recent Mining Law Changes

Recent changes to mining laws in Mexico may affect the Company’s ability to renew its concessions, explore and obtain new concessions, obtain permits to conduct mining operations or pledge its concessions as security for loan facilities to develop its mineral projects. These changes may have a material adverse effect on the Company’s planned operations and development of the Metates project and future exploration in Mexico.

Regional Violence

The Company holds exploration assets in Sinaloa, Mexico, a region that has recently experienced heightened levels of violence and organized crime activity. These conditions pose risks to the Company's ability to access and operate certain regional properties. The safety of employees, contractors, and assets may be compromised, potentially leading to operational disruptions, increased security costs, or delays in project timelines. The Company continues to monitor the situation closely and implement measures to mitigate these risks, including enhanced security protocols and contingency planning. However, the unpredictable nature of the violence in Sinaloa represents a material uncertainty that could adversely affect the Company's financial performance and operational outcomes on certain properties.

Precious Metals Price Fluctuations

The profitability of any future precious metal operations in which the Company has an interest will be significantly affected by changes in the market prices of precious metals. Prices for precious metals fluctuate on a daily basis, have historically been subject to wide fluctuations and are affected by numerous factors beyond the control of the Company such as the level of interest rates, the rate of inflation, the rates of investment return in broad financial markets, central bank transactions, world supply of the precious metals, foreign currency exchange rates, international investments, monetary systems, speculative activities, international economic conditions and political developments. The exact effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Company not receiving adequate returns on invested capital or the Company’s investments in its mineral properties not retaining their respective values. Declining market prices for precious metals could materially adversely affect the Company’s future operations and profitability.

Foreign Exchange Rate Fluctuations

The Company raises its funds through equity issuances which are priced in Canadian dollars. The Company maintains the majority of its cash and cash equivalents in Canadian dollars. By virtue of its international operations, the Company incurs costs and expenses in foreign currencies other than the Canadian dollar. The exchange rates covering such currencies, including the United States dollar and Mexican Peso, are subject to fluctuation which gives rise to foreign currency exposure, either favourable or unfavourable. The Company does not hedge the United States dollar or Mexican Peso against the Canadian dollar. The Company does not undertake steps to mitigate transactional volatility in Mexican pesos

Cautionary Statement on Forward Looking Statements

This MD&A contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. Such forward looking statements and information herein include, but are not limited to: statements regarding prospective gold and silver production and planned work programs; the timing and amount of estimated future production; costs and timing of the development of new deposits; timing of completion of exploration programs; the success of exploration and development activities and mining operations; the future price of commodities; timing and expenditures to develop Metates; gold and silver resources, grades and recoveries; cash costs per ounce, capital and operating expenditures and sustaining capital; the Company's plans and intentions surrounding the Company's heap oxidation Technology; completion of acquisitions and their potential impact on the Company and its operations; and the ability to fund mine development at Metates. The Company does not intend to and does not assume any obligation to update such forward-looking statements or information, other than as required by applicable law.

Forward-looking statements are made based upon certain assumptions and other important factors that, while considered reasonable by the Company, are inherently subject to significant business economic, competitive, political and social uncertainties and contingencies. The Company has made assumptions based on many of these factors which include, without limitation: present and future business strategies; the environment in which the Company will operate in the future, including the future price of gold and silver; currency exchange rates; estimates of capital and operating costs; the ability to raise any necessary capital on reasonable terms; production estimates; estimates of mineral resources and metallurgical recoveries; mining operational and development risks; regulatory restrictions; activities by governmental authorities and changes in legislation; community relations; the speculative nature of mineral exploration; the global economic climate; loss of key employees; additional funding requirements; and title to mineral claims or property. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made.

Forward-looking statements or information involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company and its operations to be materially different from those expressed or implied by such statements. Such factors include, among others: ability to finance mine development, fluctuations in the prices of gold and silver, fluctuations in the currency markets (particularly the Mexican peso, Canadian dollar and U.S. dollar); changes in national and local governments, legislation, taxation, controls, regulations and political or economic developments in Canada and Mexico; operating or technical difficulties in mineral exploration, development and mining activities; risks and hazards of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected geological conditions, pressures, cave-ins and flooding); risks of local violence; risks related to natural disasters, terrorism, civil unrest, public health concerns (including health epidemics or outbreaks of communicable diseases) and other geopolitical uncertainties; risks related to the Company's access to and application and commercial success of its heap oxidation Technology; uncertainty in respect of the status of the San Vicente 3 mineral concession and corresponding litigation; inadequate insurance, or inability to obtain insurance; availability of and costs associated with mining inputs and labour; the speculative nature of mineral exploration and development; diminishing quantities or grades of mineral reserves as properties are mined; risks in obtaining necessary licenses and permits, and challenges to the Company's title to properties.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or information, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed or intended. There can be no assurance that any forward-looking statements or information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information.

This Management's Discussion and Analysis makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS Accounting Standards, do not have a standardized meaning prescribed by IFRS Accounting Standards and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS Accounting Standards measures by providing further understanding of our results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS Accounting Standards. We use non-IFRS measures to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS Accounting Standards financial measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers.

Qualified Persons

Mr. Gary Parkison (VP Development) and Alberto Galicia (VP Exploration) are Qualified Persons as defined by NI 43-101 and have reviewed and approved the scientific and technical information relating to the Company's mineral properties in this MD&A.