CANDELARIA
MINING CORPORATION

Management's Discussion and Analysis

Year Ended April 30, 2025

(Expressed in thousands of Canadian dollars, except where otherwise noted and per share amounts)

Dated: October 24, 2025

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the consolidated financial statements of Candelaria Mining Corp. ("Candelaria" or the "Company"), for the year ended April 30, 2025, and the related notes contained therein (the "Financial Statements") which were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca. All amounts are expressed in thousands of Canadian dollars except where otherwise noted, per share amounts, and tonnes and ounces. Certain amounts shown in this MD&A may not add exactly to total amounts due to rounding differences.

This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained therein. All information contained in this MD&A is current and has been approved by the Board of Directors of the Company as of October 24, 2025, unless otherwise stated.

OVERVIEW AND COMPANY HISTORY

Candelaria is a Canadian-based gold-copper exploration company with a portfolio of tow highly prospective projects in Mexico, one of the world's best mining jurisdictions. Candelaria currently own 100% of the Caballo Blanco and the Pinos Gold Projects.

The Company is a publicly listed entity registered in British Columbia and trades on the TSX Venture Exchange ("TSXV") under the symbol "CAND.H." It was incorporated under the British Columbia Business Corporations Act on January 23, 2012. The Company's registered and records office is located at Suite 1200, 750 West Pender Street, Vancouver, BC, Canada, V6C 2T8. The head office address is 410 – 1111 Melville Street, Vancouver, BC, V6E 3V6.

Board Changes

Effective July 18, 2024, the Company appointed Alejandro Arteaga and Luis Chavez to its Board of Directors. On June 30, 2024, Manuel Gomez resigned as a Director of the Company.

Going Concern

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future which is at least, but not limited to, twelve months from the end of the reporting year.

The Company has not yet generated income or cashflow from operations. As at April 30, 2025, the Company had cash of $8 (April 30, 2024 - $282), a working capital deficit of $3,327 (April 30, 2024 - $5,959) and an accumulated deficit of $78,961 (April 30, 2024 - $77,086). For the year ended April 30, 2025, the Company incurred a net loss of $1,875 (April 30, 2024 – loss of $14,246). The Company will require additional financing, through various means including but not limited to equity financings, to continue with its exploration and development programs and to meet its future obligations and administrative expenses. There is no assurance that the Company will be successful in raising the additional required funds.

The above noted conditions indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

CABALLO BLANCO DISTRICT, STATE OF VERACRUZ, MEXICO

Ownership: 100% Candelaria Mining Corp.

Background:

The Caballo Blanco licence area is located on the eastern coast of Mexico in the state of Veracruz, 65 kilometers northwest of the city of Veracruz. The most advanced project in the licence area, La Paila, was subject to a PEA in 2012 (refer NI43-101 Technical Report, May 2012, Goldgroup Mining Inc.) which envisaged a low CAPEX, conventional open pit / heap leach mining operation targeting approximately 100,000 ounces of gold production annually. Further geological and exploration works by the Company since acquiring Caballo Blanco have included an updated pit-constrained resource estimate for La Paila (refer Candelaria Mining Corp. NI43-101 Technical Report, April 2017), and additional exploration activities in the wider licence area, including at the seven additional high-priority targets in the Northern and Highway Zones.

The most recently reported activities included ongoing exploration in and around priority targets within the license area (see below), refurbishment and upgrades to core storage facilities and other infrastructure, and continued engagement with local community groups.

Caballo Blanco is subjected to two separate underlying royalty commitments as defined below:

1) Almaden Minerals Limited retains a 1.5% NSR
2) An (arm's length) 3rd party retains an NSR as follows:
   - 1.25% NSR up to 1,000 tonnes per day
   - 1.00% NSR from 1,001 to 1,500 tonnes per day
   - 0.75% NSR from 1,501 to 10,000 tonnes per day
   - 0.5% NSR from 10,001 or more tonnes per day

Outlook:

Whilst the Company's exploration drilling permit application remains outstanding, the Company has continued surface exploration and reconnaissance throughout the licence area. This has identified further narrow vein gold targets west of La Paila, and extended knowledge of the regional geology within the licence for improved future targeting.

Further refinements have been made to the re-evaluation of the extensive geophysics dataset for the Caballo District, which identified extremely compelling potential for "giant" porphyry Cu-Au targets adjacent to and beneath the epithermal mineralisation and amended the drill program accordingly to also test these as a priority. The work demonstrates that the Caballo Blanco licence area most likely contains the core of a large, mineralised porphyry system, in addition to the range of low and high-sulphidation epithermal gold targets already defined.

The plan for subsequent drilling will depend on discoveries made during Phase 1 but will include resource expansion drilling of La Paila to the north-east and south.

In connection with the Caballo Blanco property, the Company has received advances from a third party to cover expenditures related to Caballo Blanco. As at April 30, 2025, the total amount advanced was MXN$8.075 million (April 30, 2024 – MXN$5.727 million). This balance is included in accounts payable and accrued liabilities.

PINOS GOLD PROJECT, STATE OF ZACATECAS, MEXICO

Ownership: 100%

Background:

The Pinos mining property and historical mining district is located in the municipality of Pinos, Zacatecas state in north-central Mexico near the town of Pinos, Zacatecas. The property lies 405 air-kilometres northwest of Mexico City and is 67 km west-northwest of the city of San Luis Potosí, 113 km east-southeast of the city of Zacatecas, and 85 km northeast of the city of Aguascalientes. The project is located in one of the most prolific gold-silver mining trends of Mexico, the Zacatecas Trend, containing the current major mines of Minera Frisco, Fresnillo and Pan American Silver.

The Pinos Gold Project contains a compliant resource (NI43-101 Technical Report, September 2018) with significant expansion potential.

Royalties:

The Company granted a 1.5% NSR on the Apolo Property to the shareholders of Apolo. The Company will have a right of first refusal on the NSR.

On November 25, 2020, the Company sold a 0.5% net smelter return (“NSR”) royalty on production from the Pinos Project to Empress Royalty Corp. (“Empress”) for US$750,000. Empress also purchased an additional 0.5% NSR royalty from a previous royalty holder on the Pinos Project, for a total of a 1.0% NSR royalty. The Company can buyback 0.25% from Empress for US$937,500.

The Pinos Project is subject to total NSR royalties of 2.5%.

Project Progress:

During the reporting period, activities have focused on maintaining the project in a care and maintenance state while evaluating alternative options for future development. This has included assessing potential access to higher-grade ore veins through refurbishing existing mine shafts and considering new spiral declines into high-grade shoots. Detailed structural interpretations have also continued.

Outlook:

With the Pinos Project currently on care and maintenance, the Company has been revising its capital plan, construction schedule, and financial models to assess the feasibility of future development, with the objective of improving project economics and reducing investment risk.

On March 6, 2025, however, the Company entered into an agreement with Goldgroup to fully settle enforcement proceedings related to the Debenture default described in Note 8 to the Company’s year end consolidated financial statements as at April 30, 2025. Under the terms of the agreement, the Company agreed to transfer all of the issued and outstanding shares of its subsidiary, Minera Apolo, S.A. de C.V. ("Apolo"), which holds the Pinos Project, to Goldgroup. The transaction was approved by the TSXV and completed on July 2, 2025.

Additionally, Goldgroup agreed to provide additional consideration to Candelaria, including cash payments and the issuance of common shares as follows:

- A cash payment of US$89,000 within five days of receipt of all necessary approvals from the Exchange required by Goldgroup and Candelaria to complete the transaction (received subsequent to April 30, 2025);
- A cash payment of US$89,000 on the later of (i) the delivery of the Apolo shares to Goldgroup, or (ii) six months after receipt of the Exchange approvals, provided that the Apolo shares have been delivered to Goldgroup by such date; and
- Issue 716,667 common shares of Goldgroup at a price of $0.30 per share to Candelaria (received subsequent to April 30, 2025).

Upon completion of the transaction, all claims against Candelaria related to the debenture were released.

As at April 30, 2025, the carrying value of the assets and liabilities related to Apolo and its wholly own subsidiary, Minera Catanava, S.A. de C.V. ("Catanava"), were classified as held for sale. This classification resulted in the reclassification of $4,602 of assets to assets held for sale and $3,945 of liabilities to liabilities associated with assets held for sale. The related transaction was completed on July 2, 2025.

RESULTS OF OPERATIONS

Amounts are presented in thousands of Canadian dollars

		Three months ended April 30,		Year ended April 30,	
		2025	2024	2025	2024
	Note	($)	($)	($)	($)
General and administration expenses					
Exploration expense	15	72	121	264	679
Consulting and professional fees	12	153	132	411	437
General and administrative		5	15	4	156
Regulatory and filing fees		1	39	6	39
Stock-based compensation	11	–	(127)	–	(70)
Other expense (income):					
Finance cost	8 & 9	130	834	637	1,245
Foreign exchange loss		(365)	173	381	95
(Recovery) Impairment of exploration and evaluation assets	8	(1,337)	8,874	(1,337)	8,874
Impairment of equipment	7	–	615	–	615
Impairment of deposit for equipment in transit	7	–	1,087	–	1,087
Other expense, net of (income)	4 & 17	1,509	1,089	1,509	1,089
Net loss		168	12,852	1,875	14,246

For the year ended April 30, 2025, the Company reported a net loss of $1,875 compared to a net loss of $14,246 in the prior year. For the three months ended April 30, 2025, the Company reported a net loss of $168, compared to a net loss of $12,852 for the same period in 2024.

The significant reduction in net loss, both on a quarterly and annual basis, primarily reflects the absence of impairment charges in the current year and the reversal of previously recorded impairments related to the

Pinos Project. In fiscal 2024, the Company recognized impairments of $8,874 on exploration and evaluation assets, $615 on equipment, and $1,087 on a deposit for equipment in transit, none of which recurred in fiscal 2025. In fiscal 2025, the Company reversed an impairment of $1,337 previously recognized on exploration and evaluation assets, as discussed in Note 8 – Exploration and Evaluation Assets of the consolidated financial statements as at April 30, 2025, under the Pinos Project section.

On a year-to-date basis, general and administrative expenses decreased to $685 from $1,241 in the prior year, a reduction of more than 50% as the Company continued to implement cost-saving measures to preserve cash. On a quarterly basis, general and administrative expenses were $231 in Q4 2025 compared to $180 in Q4 2024, reflecting lower consulting, regulatory, and filing fees.

Finance costs for the year ended April 30, 2025, were $637 compared to $1,245 in the prior year. For the quarter, finance costs were $130 compared to $834 in Q4 2024. The decrease is primarily attributable to the extinguishment of certain liabilities and a lower principal balance outstanding during the year, partially offset by the application of default interest rates following the Debenture default notice received from Goldgroup in August 2024.

Foreign exchange resulted in a loss of $381 for the year ended April 30, 2025, compared to a loss of $95 in the prior year. For the quarter, foreign exchange recorded a gain of $365 in 2025 compared to a loss of $173 in Q4 2024. These fluctuations are mainly due to movements in the Canadian dollar relative to the U.S. dollar, as the Company maintains significant U.S. dollar–denominated obligations.

Other expense totalled $1,509 for the year ended April 30, 2025 (2024 – $1,089) and primarily related to the recognition of an allowance for unrecoverable value-added tax (“IVA”) receivables.

ANNUAL FINANCIAL INFORMATION

Amounts are presented in thousands of Canadian dollars

	Year ended April 30, 2025	2024	2023
Net loss	$ 1,875	$ 14,246	$ 4,386
Net loss per share - basic and diluted	0.01	0.10	0.03
Cash	8	282	1,089
Total assets	4,623	5,249	16,792
Total liabilities	7,950	6,929	2,626
Shareholders' (deficiency) equity	(3,327)	(1,680)	11,585
Working capital deficiency	3,327	5,959	847
Cash dividends declared	-	-	-

REGULATORY DISCLOSURES

Off balance sheet arrangements

The Company does not have any off-balance sheet arrangements as at April 30, 2025, and date of this report.

Proposed Transactions

The Company does not have any proposed transactions as at April 30, 2025, and date of this report other than as disclosed elsewhere in this document.

Financial instruments

As at April 30, 2025, the Company’s financial instruments comprise cash, other receivables, accounts payable and accrued liabilities, debenture, and Caballo Blanco acquisition payable. The fair values of the Company’s financial instruments approximate their carrying values due to their short-term maturity.

Fair value of financial instruments:

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly
- Level 3 – Inputs that are not based on observable market data.

The Company’s activities expose it to financial risks of varying degrees of significance, which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are credit risk, liquidity risk and currency risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework and reviews the Company’s policies on an ongoing basis.

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 other receivables. The Company’s cash is held through large Canadian and Mexican financial institutions, while the Company’s other receivables primarily consist of trade receivables that the Company continues to collect. These trade receivables are primarily with government agencies and are not subject to significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures.

The Company ensures that sufficient funds are raised from equity offerings or debt financings to meet its operating requirements, after considering existing cash balances, expected exercise of share purchase warrants, and stock options. The Company's ability to continue as a going concern involves significant judgements and estimates while determining forecasted cashflows and is dependent on the Company's ability to obtain financing, please refer to the April 30, 2025, consolidated financial statements Note 1. Most of the Company's financial liabilities have contractual maturities of 30 days or less and are subject to normal trade terms.

Interest Rate Risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company currently has interest-bearing financial instruments in relation to debt, please refer to the April 30, 2025, consolidated financial statements Note 9. The Company’s exposure to interest rate risk is minimal as the interest rates are at a fixed percentage on the term of the loan.

Foreign Exchange Risk

The Company is exposed to currency risk by having balances and transactions in currencies that are different from its functional currency. The Company operates in foreign jurisdictions, which uses the Mexican pesos and U.S. dollars. The Company does not use derivative instruments to reduce upward, and downward risk associated with foreign currency fluctuations. The following are the Canadian dollar equivalents as at April 30, 2025.

	U.S. dollars	Mexican Peso
Cash	$ -	$ 11
Other receivables	-	2
Accounts payable and accrued liabilities	(966)	(974)
Debenture (included in liabilities associated with assets held for sale)	(3,821)	-
Caballo Blanco acquisition payable	(1,769)	-
Net financial (liabilities) assets	$ (6,556)	$ (961)

The following are the Canadian dollar equivalents as at April 30, 2024.

	U.S. dollars	Mexican Peso
Cash	$ -	$ 217
Accounts payable and accrued liabilities	(1,023)	(724)
Debenture	(3,257)	-
Caballo Blanco acquisition payable	(1,677)	-
Net financial (liabilities) assets	$ (5,957)	$ (507)

A 10% change in the U.S. dollar exchange rate relative to the Canadian dollar would change the Company's comprehensive loss by $198 (April 30, 2024 – $596). A 10% change in the Mexican peso exchange rate relative to the Canadian dollar would change the Company's comprehensive gain (loss) by ($96) (April 30, 2024 – ($51)).

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold to determine the appropriate course of action to manage this risk.

Exploration expenses

The Company has not had revenue from operations. The Company is primarily involved in geological exploration and resources and project development. The table below shows the significant expenditures for the current period ended April 30, 2025:

	Caballo Blanco	Pinos	Total
Salary, consulting and administration	$ 109	$ 82	$ 191
Equipment maintenance and rental	1	70	71
Concessions and permitting	-	2	2
Year ended April 30, 2025	110	154	264
Project to date – April 30, 2025	$ 5,546	$ 4,385	$ 9,931

During the year ended April 30, 2024, the Company incurred an exploration expense on general project investigation and evaluation expense on various projects:

	Caballo Blanco	Pinos	Total
Salary, consulting and administration	$ -	$ 166	$ 166
Equipment maintenance and rental	-	6	6
Concessions and permitting	436	71	507
Year ended April 30, 2024	436	243	679
Project to date – April 30, 2024	$ 5,436	$ 4,231	$ 9,667

Related Party Transactions

The Company's related parties include its subsidiaries and key management personnel which consists of senior executive management and directors. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. Compensation provided to key management personnel is as follows:

	Year ended April 30, 2025	Year ended April 30, 2024
Professional fees	$ 179	$ 116
Stock based compensation	-	(62)

Professional fees were paid and accrued to firms of which one of the partners has been the Chief Executive Officer, President or Chief Financial Officer of the Company.

As at April 30, 2025, the Company had amounts payable of $73 (April 30, 2024 – $12) to these parties. These amounts are unsecured and non-interest bearing, due on demand and included in accounts payable and accrued liabilities.

Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. As at April 30, 2025, the Company will require to raise additional capital resources to support its normal operating requirements, planned development and exploration of its mineral properties. There are no externally imposed capital requirements to which the Company has not complied.

There has been no change to the Company's approach to capital management during the year ended April 30, 2025.

Internal controls and procedures

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the year ended April 30, 2025 and 2024, and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company on SEDAR+ at www.sedarplus.ca.

Accounting estimates

The preparation of financial statements in conformity with IFRS, requires management to select accounting policies and make estimates and judgments that may have a significant impact on the audited consolidated financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The Company's critical accounting judgements and estimates were presented in note 2 of its annual audited consolidated financial statements as at April 30, 2025, and have remained substantially unchanged and are still applicable to the Company unless otherwise indicated.

Material Accounting Policies

Full disclosure of the Company's accounting policies in accordance with IFRS can be found in Note 3 of its audited consolidated financial statements as at April 30, 2025, and have remained substantially unchanged and are still applicable to the Company unless otherwise indicated.

Risk and Uncertainties

The operations of the Company are speculative due to the nature of its business which is investment in the exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Operating Hazards and Risks

Exploration and development of natural resources involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Although the Company has or will obtain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Title to Assets

Although the Company has or will receive title options for any concessions in which it has or will acquire a material interest, there is no guarantee that title to such concessions will be not challenged or impugned. In some countries, the system for recording title to the rights to explore, develop and mine natural resources is such that a title opinion provides only minimal comfort that the holder has title. Also, in many countries, claims have been made, and new claims are being made by aboriginal peoples that call into question the rights granted by the governments of those countries.

The successful exploration and development of the Company's properties is dependent on support from local communities. A community agreement may be required to permit the Company to conduct exploration activities on its projects. There is no assurance that such an agreement can be reached or, if reached, subsequently renewed or extended. The Company is committed to working in partnership with its local communities in a manner which fosters active participation and mutual respect. The Company works towards minimizing negative project impacts, encouraging certain joint consultation processes, addressing certain decision-making processes and towards maintaining meaningful ongoing dialogue. The Company regularly consults with the communities close to its exploration and development activities.

Management

The Company is dependent on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company.

Requirement of New Capital

As an early exploration/development company, the Company typically needs more capital than it has available to it or can expect to generate through the sale of its products. In the past, the Company has had to raise, by way of debt and equity financing, considerable funds to meet its capital needs. There is no guarantee that the Company will be able to continue to raise funds needed for its business. Failure to raise the necessary funds in a timely fashion will limit the Company's growth. It is the intention of the Company to invest in cash-flowing assets, to migrate the business into a situation where the need to raise capital on the markets for continued operation is reduced over time.

Metals Pricing Risk

The feasibility of the Company's mineral exploration and development is significantly affected by changes in the market price of gold and silver. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, world supply of gold and stability of exchange rates can all cause significant fluctuations in gold prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

Risk of Foreign Operations

In Mexico, the jurisdiction in which the Company has its operations and mineral properties is subject to various political, economic and other uncertainties, including the risks of civil unrest, expropriation, nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, and changing political conditions. In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such changes may have a material adverse effect on the Company's operations.

Other Significant Risks

In addition to the foregoing, the Company's business risks include operating hazards, environmental and other government regulations, collection risk related to IVA, competition in the marketplace, and the market for our securities. Its properties are located in Mexico and are subject to the laws and regulations of that country. The Company carries on its exploration activity outside of Canada. Accordingly, it is subject to the risks associated with the fluctuation of the rate of exchange of the Canadian dollar and foreign currencies, in particular the U.S. dollar and the Mexican pesos. Such fluctuations may materially affect the Company's financial position and results.

Also, please refer to the "Cautionary Statement on Forward-Looking Information" at the end of the MD&A.

SUMMARY OF QUARTERLY RESULTS

	Apr 30, 2025 Q4-2025	Jan 31, 2025 Q3-2025	Oct 31, 2024 Q2-2025	Jul 31, 2024 Q1-2025	Apr 30, 2024 Q4-2024	Jan 31, 2024 Q3-2024	Oct 31, 2023 Q2-2024	Jul 31, 2023 Q1-2024
Exploration expense	$ (72)	$ (92)	$ (47)	$ (53)	$ (121)	$ (93)	$ (116)	$ (349)
Stock-based compensation	-	-	-	-	127	-	(28)	(29)
General and administration (1)	(5)	38	(19)	(18)	(116)	(71)	(257)	(118)
Finance cost (2)	(130)	(189)	(159)	(159)	(834)	(139)	(135)	(137)
Foreign exchange	365	(243)	(533)	30	(173)	45	(61)	94
Net loss	(168)	(610)	(832)	(265)	(12,852)	(258)	(597)	(539)
Other comprehensive income (loss)	(103)	(68)	216	183	429	246	(413)	789
Total comprehensive (loss) income	(271)	(678)	(616)	(82)	(12,423)	(12)	(1,010)	250
Basic & diluted loss per share	0.00	0.00	0.01	0.00	0.10	0.00	0.00	0.00

(1) General and administration include all administration expense including salary and wages, investor relations and development, regulatory and filing fees, travel, professional fees, etc.

(2) Finance costs and other includes foreign exchange and other expenses that are not categorized.

Three months ended April 30, 2025, compared to historical quarters

For the three months ended April 30, 2025 (Q4-2025), the Company reported a net loss of $168, compared to a net loss of $12,852 in Q4-2024, a net income of $610 in Q3-2025, and net losses of $832 and $265 in Q2-2025 and Q1-2025, respectively.

The significant improvement relative to Q4-2024 reflects the absence of impairment charges recognized in the prior year, while the higher loss compared to Q3-2025 is primarily attributable to foreign exchange movements.

General and administrative expenses in Q4-2025 totaled $5, compared to $116 in Q4-2024, continuing the declining trend seen throughout fiscal 2025 as the Company implemented cost-saving initiatives and cash-preservation measures.

Finance costs in Q4-2025 were $130, down substantially from $834 in Q4-2024, and broadly consistent with Q2 and Q3-2025 levels. The decrease compared to the prior year reflects a lower principal balance outstanding and the absence of default-interest accruals that had been recognized in fiscal 2024.

Foreign exchange recorded a gain of $365 in Q4-2025, compared to a loss of $173 in Q4-2024, a loss of $243 in Q3-2025, and a loss of $533 in Q2-2025. The Q4 gain was driven by the strengthening of the Canadian dollar against the U.S. dollar, positively affecting the valuation of the Company's U.S.-dollar-denominated debt.

Stock-based compensation was nil in Q4-2025, compared to $127 in Q4-2024, as no new equity-based awards were granted during the year and previously issued grants were fully expensed.

Other comprehensive loss for Q4-2025 totaled $103 (Q4-2024 – income of $429) and reflects foreign-currency translation differences on the Company's foreign subsidiaries, consistent with the quarterly volatility observed in prior periods.

Overall, the total comprehensive loss for Q4-2025 was $271, compared to $12,423 in Q4-2024, demonstrating continued financial stabilization following the Company's restructuring and completion of the Pinos Project settlement.

LIQUIDITY AND CAPITAL RESOURCES

A summary of the Company's cash position and changes in cash is as follows:

	Year ended April 30,	
	2025	**2024**
Cash used in operating activities	$ (267)	$ (834)
Cash used in investing activities	-	-
Cash provided by financing activities	-	-
Decrease in cash	(274)	(807)
Cash, end of the year	8	282

As of April 30, 2025, the Company's net working capital deficit was $3.327 million, compared to a net working capital deficit of $5.959 million as of April 30, 2024. These amounts remain relatively consistent, as the Company currently lacks the cash to improve its working capital position and debt continues accumulating. The Company is actively exploring options to secure funding to support its business objectives.

Cash outflows from operating activities for the year ended April 30, 2025, were $267, compared to $834 in the prior year. Despite reporting a net loss for the year, cash used in operations decreased relative to fiscal 2024, reflecting lower general and administrative expenses as the Company continued to implement cost-saving initiatives.

The change in operating cash flows also reflects non-cash items, including accrued finance costs, which remained significant during the year due to the application of default interest rates following the Debenture's default notice. These accrued charges increased the reported net loss but did not result in equivalent cash outflows during the period.

No investing or financing activities were recorded in either fiscal 2025 or 2024. As a result, the Company recorded a net decrease in cash of $274 during the year (2024 – decrease of $807), leaving an ending cash balance of $8 as at April 30, 2025 (2024 – $282).

The Company's ability to continue as a going concern is dependent on its ability to raise additional funding through debt or equity financings or the sale of assets to support its ongoing operations and obligations.

As at April 30, 2025, and as at the date of this report

Candelaria's authorized capital stock consists of an unlimited number of common shares without par value.

As at April 30, 2025, the Company has share purchase warrants outstanding as follows:

	Warrants outstanding ('000)		Weighted average exercise price
Outstanding, April 30, 2023 and 2024	27,380	$	0.29
Issued	-		-
Expired	(9,380)		0.65
Exercised	-		-
Outstanding, April 30, 2025	18,000	$	0.11

On June 28, 2025, a total of 18,000,000 share purchase warrants expired unexercised.

Stock options

The Company and did not grant any stock options during the year ended April 30, 2025, and the date of this report. The current number of stock options outstanding and exercisable are:

	Number of stock options ('000)		Weighted average exercise price
Outstanding, April 30, 2024 and 2025	480	$	0.23
Issued	-		
Expired	(280)		0.30
Cancelled	-		
Outstanding, October 24, 2025	200	$	0.14

On July 27, 2025, a total of 280,000 stock options expired unexercised.

	Outstanding & Exercisable		
Expiry date	Number of stock options ('000)	Exercise price	Remaining contractual life (years)
27-Apr-27	200	0.14	1.99
	200	$ 0.14	

As at October 24, 2025, the remaining life of the outstanding and exercisable stock options is 1.51 years.

SUBSEQUENT EVENTS

a) On July 2, 2025, the Company completed the transaction with Goldgroup, pursuant to which all of the issued and outstanding shares of Apolo were transferred to Goldgroup. As consideration, the Company received cash of US$89,000, 716,667 common shares of Goldgroup, and is entitled to receive an additional US$89,000 in cash no later than January 2, 2026.

b) On May 30 and June 27, 2025, Catanava a subsidiary of the Company, received MXN$658,000 from Minas de Oroco Resources, S.A. de C.V., a subsidiary of Goldgroup, to cover expenditures related to the Pinos Project.

c) On June 28, 2025, a total of 18,000,000 share purchase warrants expired unexercised.

d) On July 27, 2025, a total of 280,000 stock options expired unexercised.

FORWARD-LOOKING STATEMENT

This MD&A contains forward-looking statements that involve risks and uncertainties, which may cause actual results to differ materially from the statements made. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to such risks and uncertainties. Many factors could cause our actual results to differ materially from the statements made, including those factors discussed in filings made by us with the Canadian securities regulatory authorities. Should one or more of these risks and uncertainties, such as the actual results of current exploration and development programs, the general risks associated with the mining industry, the price of gold and other metals, reduced funding, currency and interest rate fluctuations, increased competition and general economic and market factors, occur or should assumptions underlying the forward-looking financial statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated or expected. We do not intend and do not assume any obligation to update these forward-looking statements, except as required by law. Shareholders are cautioned not to put undue reliance on such forward-looking statements.

This MD&A has been approved by the Board of Directors of the Company and contains certain information that is current to the date of the report. Events occurring after that date could render the information contained herein inaccurate or misleading in a material respect. The Company may, but is not obligated to, provide updates to forward-looking statements, including in subsequent news releases and its annual and interim MD&A as filed with regulatory authorities. Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.

Qualified persons

Mr. Jim Cuttle, B. Sc, P.Geo. a qualified person as defined in National Instrument 43-101, has reviewed, and approved the technical information related to Caballo Blanco in this report.

Mr. Jose Antonio Olmedo, Eng. Geol. MSc. is an Independent Consultant, located in Mexico City, Mexico, who is an “Independent Qualified Person” as defined by NI 43-101 and the lead person responsible for completing the Pinos resource and has reviewed this report as it relates to the Pinos project.

Mr. David Salari, P.Eng. of DENM Engineering Ltd. located in Oakville, Ontario, Canada who is an “Independent Qualified Person” as defined by NI 43-101 and the lead person responsible for reviewing the metallurgical work for the Pinos resource and has reviewed this report as it relates to the Pinos project and has overseen the metallurgical and recovery methods and infrastructure.