Cabral Gold Inc.

Management Discussion and Analysis

For the six months ended March 31, 2026

Dated: May 29, 2026

Management Discussion and Analysis

The following Management Discussion and Analysis ("**MD&A**") of Cabral Gold Inc. ("**Cabral**" or the "**Company**") has been prepared as at May 29, 2026. It is intended to be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company as at and for the six months ended March 31, 2026.

All of the financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") unless otherwise noted.

All monetary amounts are expressed in Canadian dollars ("**$**") unless otherwise noted.

The Company trades on the TSX Venture Exchange under the symbol CBR and on the OTCQX under the symbol CBGZF.

Brian Arkell, B.S. Geology and M.S. Economic Geology, SME (Registered Member), AusIMM (Fellow) and SEG (Fellow), Cabral Gold's Vice President, Exploration and Technical Services, and a Qualified Person under NI 43-101 ("**NI 43-101**") approved the technical information presented in this MD&A.

Assay results quoted herein have been determined by fire assay at SGS Laboratories, Belo Horizonte.

Cautionary Statement on Forward-Looking Information

This MD&A document contains 'forward-looking information' and 'forward-looking statements' (together, the "**forward-looking statements**") within the meaning of applicable securities laws. Such forward-looking statements concern the Company's anticipated operations in future periods, planned exploration and development of its properties, and plans related to its business and other matters that may occur in the future. These forward-looking statements are made as of May 29, 2026.

Users of forward-looking statements are cautioned that actual results may vary from the forward-looking statements contained herein. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to:

- Risks related to uncertainty associated with the Company's ability to obtain funding in the future
- Risks related to delivery of the Cuiú Cuiú gold-in-oxide starter operation
- Risks related to the Company's inability to meet its financial obligations under agreements to which it is a party (see 'Liquidity and going concern')
- Risks related to governmental regulations, including without limitation, environmental laws and regulations
- Risks related to delays in obtaining governmental or regulatory approvals, licenses or permits
- Risks related to the Company's mineral properties being subject to prior unregistered agreements, transfers or claims and other defects in title

- Risks related to the exploration and development of natural resource properties
- Risks related to the uncertainty of mineral resource calculations and the inclusion of inferred mineral resources in economic estimations
- Risks related to fluctuations in future metal prices (particularly gold prices)
- Risks related to market events and conditions
- Risks related to competition from larger companies with greater financial and technical resources, and

Material risks to the Company which have been identified are provided in the Company's Annual Information Form for the nine months ended September 30, 2025. The Company has endeavoured to outline material risks; however, the list is not exhaustive.

Although the forward-looking statements contained in this document are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this document, and the Company assumes no obligation to update or revise them to reflect new events or circumstances except as may be required under applicable securities laws. There can be no assurance that forward-looking statements, or the material factors or assumptions used to develop such forward-looking statements, will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking statements.

Overview

The Company is a mineral exploration and development company with interests in gold projects in the state of Pará in northern Brazil. Cabral's primary project is Cuiú Cuiú. References in this document to the Cuiú Cuiú Project refer to the Cuiú Cuiú Gold-in-Oxide Heap Leach Project under construction.

The Company's subsidiary Cabral Gold B.C. Inc. ("**CGBC**") holds its interest in Cuiú Cuiú through Magellan Minerais Prospecção Geológica Ltda. ("**Magellan Brazil**"). The Updated PFS refers to the NI 43-101 Technical Report and Updated Pre-Feasibility Study on the Cuiú Cuiú.Gold Project with an effective date of July 29, 2025 as published on www.sedarplus.ca on September 10, 2025.

Highlights

The six months ended March 31, 2026 and the subsequent period ended to the date of this MD&A were highlighted by the following activities and initiatives:

Summary Highlights Six Months Ended March 31, 2026

Financing

Gold Loan

On November 26, 2025[1], the Company announced the completion and closing of an arm's length gold loan agreement and the receipt of the US$45.1 million principal amount ("Gold Loan"). The Gold Loan has a term ending 39 months from the drawdown date of November 25, 2025 with principal payments of 39 kgs of gold per quarter commencing March 31, 2027. The Gold Loan has an annual interest rate of 10% (in gold terms) with interest costs capitalized until December 2026. The borrower under the Gold Loan is Magellan Brazil (the "Borrower").

[1] See news release dated November 26, 2025.

The Company entered into binding transaction agreements, including all necessary Finance Agreements and the Intercreditor Agreements and issued a draw down notice to the Lender and received the principal amount under the Gold Loan equal to 345 kilograms of gold at a value of US$45,121,732. No finder's fees were payable in connection with the Gold Loan and the terms of such Gold Loan.

The Borrower's obligations under the Gold Loan will be secured by, among other things, corporate guarantees and first ranking security from each of the Company, the Borrower and Cabral Gold B.C. Inc., a wholly owned subsidiary of the Company. Pursuant to the terms of intercreditor agreements entered into with each of OR Royalties Inc. (formerly Osisko Gold Royalties Inc., "Osisko") and Versamet Royalties Corporation ("Versamet"), the priority of security interests previously granted to each of Osisko and Versamet were adjusted accordingly to grant the lender a senior security interest.

Concurrent with the receipt of the principal amount under the Gold Loan, the Company issued 10,000,000 non-transferrable common share purchase warrants of the Company to the lender. Each warrant entitles the lender to acquire one common share of the Company at a price of $0.71 until November 26, 2027.

Brokered Private Placement

On April 2, 2026[2], the Company closed, on a bought deal basis, the sale of 21,055,000 common shares of the Company at a price of $0.95 per common share for gross proceeds of C$20,002,250 (the "April 2026 Offering").

The April 2026 Offering was completed pursuant to an underwriting agreement entered into among the Company, Stifel Nicolaus Canada Inc. as sole bookrunner and lead underwriter ("Stifel") and Paradigm Capital Inc. ("Paradigm", and together with Stifel, the "Underwriters"). In consideration for the services rendered by the Underwriters in connection with the April 2026 Offering, the Company paid a cash commission of C$1,200,135 to the Underwriters, representing 6.0% of the gross proceeds of the Offering.

The Company expects to use the proceeds of the Brokered Private Placement to expand the exploration drilling program within the Cuiú Cuiú district which is aimed at expanding the Inferred and Indicated resource base.

Phase 1 Construction Update

Construction of the Phase 1 Heap Leach project continues in line with the Updated PFS. In general the construction activities are on budget and on schedule. Major milestones and achievements to date include:

- Procurement of all mechanical and electrical equipment and construction materials has been completed with most purchased goods on site or in transit to site. The largest equipment package was the ADR (Adsorption Desorption and Recovery) plant, which was manufactured in Perth, Western Australia, and is currently in transit to the site. All equipment and materials required for first gold production are due to arrive on site by early July 2026.

- Earthworks and civil works began during the quarter ended December 31, 2025 and are now complete. These activities were completed on time and within budget, even after being negatively affected by difficult work conditions expected during the Amazonian wet season.

- During April 2026, construction activities moved to plant installation and erection. This prepares the plant for the commissioning phase which is due to take place during calendar Q3 2026.

[2] See news release dated April 2, 2026.

- Strategic Metallurgy (a Western Australian-based technical services consulting company) has been engaged to manage the commissioning of the plant. They will be assisted by some of the equipment suppliers that will be on site to ensure correct commissioning and start-up of their respective equipment packages.

Phase 1 of a detailed infill drilling campaign focusing on the first 9 months of production at the MG gold deposit has been completed. Preliminary results from this program were recently reported and were in line with expectations (see press release dated April 7, 2026). The results from these infill drill holes will be used to generate a revised reserve estimate for MG and an updated mine plan.

As of mid-May, the Cuiú Cuiú Project is approximately 70% complete. The project expenditures and schedule are tracking in line with the Updated PFS (See "Cabral Gold Advances Construction of Cuiú Cuiú Gold-in-Oxide Heap Leach Project" below).

The Company will be focused on the following major development milestones in the coming calendar quarters:

- Plant construction during Q2 2026
- Plant commissioning during Q3 2026
- Commencement of mining Q3 2026
- Commercial production and ramp-up in Q4 2026

As at mid May, the Company has 340 construction crew members and Owners team on site. Despite the rapid growth in personnel, construction activities have progressed safely with no loss time incidents through mid-May 2026.

Exploration Highlights for the Six Months ended March 31, 2026

- The Company continued to operate one reverse circulation (RC) drill rig and two diamond drill rigs during calendar Q4 and into calendar Q1 2026. Drilling during the periods has focused on the Jerimum Cima exploration target as well as exploration at Moreira Gomez ("MG") and Mutum, The Company drilled a total of 10,087 metres during the six-month period.

- On December 4, 2025[3], the Company announced that it had identified a new and previously unrecognized mineralized structure which appears to extend for 1.8km in a NW-SE direction and connects the Central gold deposit with the PDM gold discovery further to the north. Reconnaissance drill intercepts from the Mutum target, which is located 1.3km NW of the Central gold deposit and 500m SE of the PDM gold discovery, include 8m @ 1.32 grams per tonne ("g/t") gold from 43m depth in RC0602, 13m @ 0.83 g/t gold from 11m depth in RC0604, and multiple mineralized intervals including 4m @ 0.76 g/t gold from 29m depth and 4m @ 1.06 g/t gold from 41m depth in RC0603.

- At Jerimum Cima, the Company initiated diamond drilling during the quarter to follow up on previous RC drilling results and to test a new area identified in geophysics and surface geochemistry. Six diamond drill holes (1382 m) were completed along this newly identified trend.

- On January 26, 2026[4], the Company announced six drill holes at the Jerimum Cima target at Cuiú Cuiú. Drilling at the Jerimum Cima target returned 9.5m @ 5.74 g/t gold, 14.4m @ 0.62 g/t gold and 15.1m @ 1.04 g/t gold in hole DDH359 and has extended the eastern limit to the mineralized zone which remains open to the east. Gold mineralization at Jerimum Cima has now been traced over an E-W strike length of 750m.

[3] See news released dated December 4, 2025.
[4] See news release dated January 26, 2026.

In addition, DDH365 returned 3.75m @ 10.80 g/t including 0.5m @ 80.51 g/t. This was a reconnaissance hole drilled 250m southeast of DDH359 and cut a previously unrecognized high grade zone south-east of the main mineralized zone at Jerimum Cima. Additional results include 2.0m @ 15.29 g/t gold from DDH355, and 0.5m @ 34.87 g/t gold and 0.6m @ 68.04 g/t gold in DDH356 from the current western limit of the Jerimum Cima target. The narrow high-grade zones intersected in DDH356 were also previously unknown and are believed to be peripheral and parallel to the main mineralized zone.

- Drilling at the Machichie Main zone continued to both infill and extend the mineralized zone at depth. RC587 returned 5m @ 4.70 g/t gold from 35m depth including 2m @ 10.76 g/t gold. DDH353 returned 6m @ 1.78 g/t gold from 285.5m depth including 1m @ 8.36 g/t gold 60m down dip of the deepest intercept on section 552900E.

- On March 12, 2026[5], Cabral announced drilling at the Jerimum Cima target which returned 9.5m @ 87.4 g/t gold from 173.8m depth including 2.9m @ 285.5 g/t gold from 178.7m depth in hole DDH372. The zone intersected in DDH372 is likely the same zone intersected by previously released drill holes which returned 45.6m @ 4.5 g/t gold, and 9.5m @ 5.74 g/t gold including 3.6m @ 13.9 g/t gold. DDH372 is the best drill hole ever drilled anywhere within the Cuiú Cuiú district.

  In addition, DDH369 which was drilled 500m further to the east at Jerimum Cima, intersected 6.1m @ 0.55 g/t gold and 13.9m @ 0.73 g/t gold. This hole is the most easterly hole so far drilled at Jerimum Cima and is a 150m step out from a previously released intercept in DDH365 which returned 3.8m @ 10.80 g/t including 0.5m @ 80.51 g/t. Gold mineralization remains open to the east and at depth.

  Successful exploration drill results at the Jerimum Cima target suggest the presence of an E-W trending zone of gold mineralization that is up to 750m long and 200m wide and the presence of a high-grade zone within this broader envelope that is at least 400m long.

- On May 26, 2026[6], the Company announced results from 32 additional reverse circulation infill drill holes from gold-in-oxide material at the MG starter pit at the Project.

Corporate outlook

Management's focus through 2026 will be on the following:

- Completion of construction activity for the Phase 1 gold-in-oxide heap leach which commenced in Q4 2025 following a construction decision and execution of the Gold Loan. Based on the Updated PFS schedule, commissioning is scheduled for the third quarter and initial gold production is targeted for the fourth quarter of calendar 2026.

- The Cuiú Cuiú project currently has two Trial Mining Licenses ("GUs") on the two main tenements 850.047/2005 (300,000t/year renewed May 30, 2025) and 850.615/2004 (200,000t/year awaiting renewal in early September 2025). Installations Licences for the two GUs were renewed on June 13, 2025 and Suppression of Vegetation (ASV) and Rescue of Fauna Licenses were issued on July 25, 2025. The request for a full mining license is advancing well with positive technical analysis of the background Environmental Study ("EIA-RIMA") now complete and Public Audiences completed in early August 2025. Following two successful public audiences with the local communities of Cuiú Cuiú and Itaituba in August 2025, the Company received formal written notice that the Licencia Previa (LP) for the Full

[5] See news release dated March 12, 2026.
[6] See news release dated May 26, 2026.

Mining License has been issued (see press release dated March 10, 2026). The LP is an important environmental permitting step that precedes a request for the LI (Installation License) & LO (Operating License) which will be submitted in calendar Q2 2026. The federal ICMBio environmental agency provided formal consent for both the Trial Mining and Full Mining Licensing in April 2025.

- Continuation of an aggressive exploration drilling program aimed at growing the global resource base within the Cuiú Cuiú district, particularly at the existing MG, Jerimum Baixo and Central deposits. Reverse circulation (RC) and diamond drill programs are also planned at Machichie Main, Machichie NE, and Jerimum Cima, aimed at defining maiden resources within the primary material at these targets. Reconnaissance drilling is also planned on a number of other early stage targets within the Cuiú Cuiú district.

Cuiú Cuiú

The Company's primary gold project is Cuiú Cuiú.

Background: surface-access agreement, garimpeiro condominium

On February 19, 2006, Magellan Brazil entered into a surface-access agreement with a garimpeiro condominium, the holders of the traditional surface rights over the Cuiú Cuiú property. The 2006 agreement has since been amended and extended several times the most recent of which was on March 29, 2017. Annually, the Company works with the condominium to negotiate annual payments.

As at March 31, 2026, Magellan Brazil owned nine majority interests and eight minority interest in the Cuiú Cuiú condominium.

NSR royalties

Versamet NSR

Versamet Royalties Corporation ("Versamet") has a 1.5% net smelter return ("NSR") royalty. The Company was required to pay Versamet an advance royalty of US$250,000 on or before December 31, 2025, and a further advance royalty payment of US$250,000 on each one-year anniversary of this date thereafter until the property enters commercial production. These advance payments will be credited against future royalty payments due under the royalty agreement.

As of September 30, 2025, Versamet's interest was secured by a pledge over production and mineral rights and as primary security holder over certain fixed assets. Versamet has a right of first refusal on any future royalty or gold stream financing for the Cuiú Cuiú property. Subsequent to September 30, 2025, the Company made an advanced royalty payment of US$250,000 to Versamet, to be credited against future royalty payments due under the royalty agreement, and the security package was adjusted to accommodate the Gold Loan.

Osisko NSR

In July 2023, the Company entered into a royalty agreement with Osisko whereby Osisko purchased a 1% net smelter return ("NSR") royalty on the Cuiú Cuiú gold project for total cash consideration of US$5,000,000 (received in 2023). The Osisko NSR royalty applies to the area containing the existing resources at Cuiú Cuiú as well as the surrounding land package. Osisko retains certain additional rights regarding future royalty and stream financings.

The Company was required to pay Osisko an advance royalty of US$250,000 on or before December 31, 2025, and a further advance royalty payment of US$250,000 on each one-year anniversary of this date thereafter until the property enters commercial production. These advance payments will be credited against future royalty payments due under the royalty agreement. Subsequent to September 30, 2025, the Company made an advanced royalty payment of US$250,000 to Osisko, to be credited against future royalty payments due under the royalty agreement, and the security package with Osisko was adjusted to accommodate the Gold Loan.

Updated Prefeasibility Study on the Gold-in-Oxide Starter Operation at the Cuiú Cuiú Gold Project

On July 29, 2025[7] the Company released the results of an updated Prefeasibility Study ("Updated PFS") on the development of near-surface gold-in-oxide material at the Cuiú Cuiú gold district in Brazil (Phase 1). The Updated PFS, led by Ausenco do Brasil Engenharia Ltda. ("Ausenco"), resulted in significant improvements to the amount of gold produced, mine life, Net Present Value ("NPV") and Internal Rate of Return ("IRR") These results confirm the Cuiú Cuiú gold-in-oxide starter operation (Phase 1) provides a high return and a low capital entry point to mine gold, with production possible within 12 months from an investment decision. Development of this Phase 1 operation should allow the Company to be self-funding from Q4 2026 onwards and allow expansion of the exploration drilling program aimed at growing the global resource base within the project area.

Gold-in-oxide mineral resources have been updated for Central and Machichie based on drilling completed in late 2024 and 2025. At MG and PDM, resources remain the same as in 2024 since there was no new drilling or resource modeling. The project now contains total gold-in-oxide resources of 13.8 Mt averaging 0.50 g/t Au in Indicated Resources and 6.5 Mt averaging 0.34 g/t Au in Inferred Resources. These do not include the hard rock resource base which totals 12.3 Mt averaging 1.14 g/t Au in Indicated Resources and 11.1 Mt averaging 0.83 g/t Au in Inferred Resource within conceptual open pitable shells plus 2.6 Mt averaging 1.92 g/t Au Inferred Resources within conceptual underground minable designs.

Highlights

- Financial results from this larger project are a significant improvement on the October 2024 PFS ("PFS") with the Base Case after-tax $NPV_{5,}$ rising by almost 200% from US$25.2 million to US$73.9 million. The after-tax IRR has increased from 47% to 78% using a base case gold price of US$2,500/oz, with payback of the initial capital in under one year
- At Spot Gold[8] price - US$3,340/oz, the after-tax IRR increases to 139% and the after-tax NPV_5 to US$137 million
- Capital intensity has been reduced with initial capital cost essentially unchanged at US$37.7 million compared with US$37.4 million in the PFS study, including a 10% allowance on most quantities and 20% contingency
- The project has increased the annual processing capacity from 720,000 tonnes/yr to 1,000,000 tonnes/yr
- Mine life has increased from 4.4 to 6.2 years at the higher annual processing rate, with strong cash flows in the early years, resulting in the halving of investment payback from 18 months to 10 months[9]
- Probable Mineral Reserves have increased by 54% relative to the October 2024 PFS from a total 83,762oz to 128,908oz of gold from 6.2Mt @ 0.65 g/t gold
- Indicated Resources have increased by 26%% to 13.6Mt @ 0.50 g/t gold (216,182 ounces).

[7] See news release dated July 29, 2025.
[8] Spot Price based on 28th July, 2025 traded price
[9] Period from Production startup, 22 months from investment decision

- Life of mine gold production has increased by 56% from 72,478 ounces to 113,155 ounces at an all-in sustaining cost ("AISC[10]") of US$1,210 / oz of gold produced
- Strong evidence exists of the potential for near-term growth in the gold-in-oxide resources at Cuiú Cuiú, particularly at the PDM and Jerimum Cima targets

The Oxide Starter Operation at Cuiú Cuiú is driven by the Company's long-term goal, which is to develop the region's second major gold mine in the Tapajos district. This Project, in effect, would carry out pre-stripping for a larger hard rock development project, exposing the underlying primary gold mineralization, which reduces future waste mining costs. It would also create an initial operating platform that makes it easier to transition into primary ore production. It would further generate significant cash flow to accelerate an aggressive and ongoing drilling and evaluation program aimed at finding the best pathway toward the subsequent larger development of the hard rock resources at Cuiú Cuiú.

Economic Analysis

The gold-in-oxide project demonstrates very strong financial metrics across a variety of gold price scenarios as shown in Table 1, highlighting the potentially attractive returns and quick payback period. A comparison with the financial results of the initial PFS released in October 2024 is also included.

The after-tax NPV_5 increased by almost 200% from US$25.2 million to US$73.9 million in the Updated PFS. The after-tax IRR has also increased significantly from 47% to 78%. In addition, the higher annual processing rate results in strong cashflows in the early years almost halving of investment payback from 18 months to 10 months in the Updated PFS[11] (Figures 1 and 2).

US$M	PFS October 2024	Low	Base Case	Mid	Spot	High
Gold Price (US$/oz)	2,250	2,250	**2,500**	3,000	3,340	3,500
After Tax NPV_5	25.2	54.8	**73.9**	112.0	137.8	149.9
After Tax IRR	47%	59%	**78%**	114%	139%	151%
Payback (years)	1.5	1.1	**0.8**	0.7	0.6	0.5
Average annual EBITDA (First 24 months)	23.8	26.9	**32.1**	42.5	49.5	52.9
LOM EBITDA	79.5	127.4	**154.4**	208.4	245.2	262.5
LOM After Tax Cashflow	32.8	71.5	**94.4**	140.2	171.3	186.0

Table1. Key results of Updated PFS financial analysis and sensitivities to commodity prices

Detailed inputs and assumptions are provided in the news release dated July 29, 2025 on www.sedarplus.ca with the full report filed September 10, 2025.

Resources

Overlying the primary gold mineralization at Cuiú Cuiú is an oxide zone of weathered and oxidized intrusive saprolite material ("saprolite"). Above the saprolite, gold is present in an erosional blanket of colluvium and other poorly consolidated sediments ("blanket"). The Updated PFS focuses on the Indicated Resources within the saprolite and overlying blanket, where the relatively soft or poorly consolidated material is easily excavated, and gold is highly amenable to heap leaching.

[10] Includes all cash operating costs, product treatment and transport charges, private and government royalties, sustaining capex, deferred capex and closure costs.
[11] Period from Production startup, 22 months from investment decision

Cabral updated resource models within the oxide zone at the Central and Machichie targets based on additional drilling of 4,755 metres at Central completed in late 2024, and 2,823 metres at Machichie completed in 2025. Central and Machichie resources were calculated constrained within a pit shell using a gold price of $2,600 per ounce at a 0.1 g/t cut-off grade and are shown in Table 2. Resources in the Indicated category have increased by 26% to 13.6Mt @ 0.50 g/t gold compared with the October 2024 PFS study. Resources at MG and PDM were not updated or recalculated as there was no new drilling or model changes, and are stated as in the 2024 43-101 Technical Report and Prefeasibility Study (see note 4 of Table 2).

The resource estimates do not include resources in the underlying primary (hard rock) material, which account for approximately 80% of the total resources at the Cuiú Cuiú project.

Inferred Resources are not considered as part of the Updated PFS study. Indicated and Inferred Resources across four known deposits are shown in Table 2.

Cut-off Grade 0.1 g/t	Inferred Resources			Indicated Resources		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
MG	3,142,921	0.223	22,508	8,857,901	0.477	135,855
Central	941,636	0.448	13,558	3,364,519	0.520	56,204
Machichie	714,188	0.540	12,403	1,334,744	0.562	24,123
PDM	1,600,000	0.430	22,100			
Total	**6,398,745**	**0.343**	**70,569**	**13,557,164**	**0.500**	**216,182**

Table 2. Indicated and Inferred resources of oxide material only

Notes:
(1) All estimates of Mineral Resources have been prepared in accordance with National Instrument 43 - 101 – Standards of Disclosure for Mineral Projects ("NI 43-101").
(2) The effective date is July 23, 2025.
(3) The independent and qualified persons ("QPs") for the mineral resource estimates as defined by NI 43-101, Henrique da Silva, US Consultants LLC (for Central resources) and Walter Dzick (P.Geo) Principal Geological Consultant of Dzick Geosconsultants (for Machichie)
(4) MG and PDM resources are quoted from 2024 NI 43-101 Technical Report & Prefeasibility Study, effective date of October 9, 2024
(5) Central and Machichie resources were estimated within pit shells using $2600 gold price and a 0.1 g/t Au cut-off grade.
(6) These mineral resources are not mineral reserves.
(7) Numbers may not add due to rounding

Readers are encouraged to access the full news release with respect to the Updated PFS available at www.sedarplus.ca and the Company's website.

Activity for the six months ended March 31, 2026

Operations – Safety and environment

Over a twelve-month rolling average, the Company has a total reportable incident frequency rate ("TRIFR") of 3 (TRIFR measured as total reportable incidents over total manhours / 250,000) with 347,235 manhours worked.

The Company has not had any reportable environmental incidents year to date.

Operations - Exploration

The Company continued to operate one reverse circulation (RC) drill rig and two diamond drill rigs during calendar Q4-2025 and into Q1-2026. Diamond drilling during the periods has focused on the Jerimum Cima exploration target as well as exploration at Moreira Gomez and Mutum. RC drilling focused on infill drilling for resource development at Moreira Gomez.

For the Q4 2025 period (October to December), Cabral completed 42 drill holes for a total of 4,577 metres. During Q1 2026 (January to March) Cabral completed 86 drill holes totaling 6,643 metres.

	Q1-2026		Q4-2025	
Target	**#Holes**	**#Metres**	**#Holes**	**#Metres**
Moreira Gomez Exploration	7	1,211	5	1,410
Moreira Gomez Resource Devel	68	3,550	15	692
Jerimum Cima Exploration	6	1,415	6	1,382
Mutum Exploration	4	391	9	523
other	1	76	7	570
	86	**6,643**	**42**	**4,577**

Exploration operations for the six-month period focused on Moreira Gomez and Jerimum Cima. At Moreira Gomez exploration targeted potential gold zone extensions below the know resource (18.1 Mt @ 0.79 g/t gold (oxide and primary)). In total, 12 diamond drill holes were completed during the period and in all cases the holes penetrated the projected gold zone extensions. Mineralization is hosted in continuous zones of quartz-sulfide-sericite+/-k feldspar breccias which project for hundreds of metres along strike and have now been intersected as deep as 400 metres from surface. Modeling of these zones is on progress as the Company contemplates the next round of deep drilling on the target.

At Jerimum Cima, Cabral drilled six RC holes (1,415m) into the oxide zone along with six diamond drill holes (1,382m) into the primary zone below. The drilling, along with geophysics and surface geology – geochemistry, is in the early stages of outlining a gold discovery over 900 metres in length and between 250 and 400 metres across strike. As elsewhere in the district, the oxide zone is comprised of two distinct sub-zones: a semi-flat lying zone of colluvial (eroded and redeposited) sediments containing gold, and a saprolite zone of multiple sub-vertical quartz-Fe Oxide breccias containing enriched gold (enriched from the weathering / leaching process). Below the oxide, the drilling has defined a zone of primary gold mineralization similar to Moreira Gomez with multiple sub-vertical zones of gold mineralization contained in quartz-sulfide-sericite+/-k feldspar breccias. To date the drilling has defined at least three, possibly four of these gold zones at Jerimum Cima. Drilling is continuing and results are continuing to flow in as the Company progress towards an initial model of the discovery.

The Company initiated further exploration drilling on the Mutum target 1.3 kilometres northwest of and along trend of the Central deposit. Ongoing drilling is focused on testing geochemical anomalies coinciding with structural zones identified in magnetics geophysics as well as offsetting results of scout drilling in the area including 8m @ 1.32 grams per tonne (“g/t”) gold from 43m depth in RC0602, 13m @ 0.83 g/t gold from 11m depth in RC0604, and multiple mineralized intervals including 4m @ 0.76 g/t gold from 29m depth and 4m @ 1.06 g/t gold from 41m depth in RC0603. Results from this drilling are expected to come in during calendar Q2 2026.

At the Central deposit, the Company initiated another round of diamond drilling targeting extensions of the known resource (21.5 Mt @ 0.88 g/t gold (oxide and primary)) at depth and along the perimeter. This drilling program is in progress and is expected to continue through calendar Q2 2026.

The Company continued improving the geophysics database, flying a company-owned drone based magnetic instrument covering some twenty square kilometres of the prospective central district. The magnetic survey has yielded exceptional results clearly showing areas of magnetite-destructive alteration and helping delineate potentially productive structures (fault zones) to target further exploration drilling.

Complete reported results of exploration programs are available on www.cabralgold.com and www.sedarplus.ca.

Permitting process

On December 23, 2020, the EIA-RIMA (environmental background study) was submitted as part of the mining applications for 850.615/2004 and 850.047/2005 within the legally required timeframe. Analysis of the EIA-RIMA began in early 2025 upon registration of the results of the studies relating to dewatering, filter press and dry stacking of tails and providing an updated EIA-RIMA environmental report.

As the Cuiú Cuiú project lies with the APA Tapajos Reserve a request for consent from the Federal Chico Mendes Environmental agency (ICMBio) for both the published Preliminary (LP) and Installation (LI) Licenses associated with the Trial Mining License and the EIA-RIMA was made in late Q3 2023 and a notification received in Q1 2024. With much of the notification requiring information generated from the recent PFS and engineering studies of Ausenco the response to the notification was completed and registered with the ICMBio in late Q4 2024. The Consent approval for environmental licensing (ALA) was received on April 17, 2025. The ALA covers both the currently licensed Trial Mining (GU's) and future EIA-RIMA full mining environmental licenses to be issued in the future.

An updated EIA-RIMA reflecting changes in the project, inclusion of the heap leach starter operation and replacement of tailings dams with dry-stacking facilities, was submitted to the state environmental agency SEMAS/PA in January 2025 and is currently under analysis with a successful onsite visit of SEMAS/PA conducted in early May 2025. Public audiences were successfully conducted on the 12th (Cuiú Cuiú) and 13th (Itaituba) of August, 2025. The Company received formal written notice that the Licencia Previa (LP) for the Full Mining License has been issued (see press release dated March 10, 2026). The LP is an important environmental permitting step that precedes a request for the LI (Installation License) & LO (Operating License) which will be submitted in calendar Q2 2026. The updated PAE (ANM economic feasibility study) submitted in August 2018 is under review and expected to be approved in 2026.

An application for six trial-mining licenses ('*Guias de Utilizacao*') covering an area of approximately 250 hectares has been submitted for the Central, PDM, MG and Machichie areas of which two were granted by the ANM on February 3, 2021 (one for each tenement 850.615/2004 and 850.047/2005, on the MG and Machichie target areas).

Teams from the Pará State Environmental Authority ('*SEMA*' conducted a preliminary field visit in August 2021 and completed their field audit in early November 2021, both as part of the trial-mining licence process. The environmental licensing for these trial-mining licenses, with submission of a formal Environmental Management Report ('*Relatório de controle ambiental*' or RCA) / Environmental Management Plan ('*Plano de controle ambiental*' or PCA) report to the state SEMAS/PA in December 2020 and the Preliminary Licence (LP) and Installation Licence (LI) were approved and published on June 14, 2022. The LI for the two GU's was renewed on the 13th of June 2025 and published on the 23rd of June 2025 valid for two years. The request for the LO (Operating License) was made in mid-May upon receipt of all detailed engineering and evolution of the implantation of the project onsite.

An application for reconsideration of the trial-mining licences to increase total volume was submitted on April 15, 2022 and a positive technical analysis was approved on April 18, 2022. The request was voted on by the Directors of the ANM on May 25, 2022 and the increase in volume was approved and formally published on June 8, 2022. This increase expands the capacity of the two trial-mining licenses to up to 200,000 tonnes-per-year on the western 850.615/2004 tenement (which includes PDM, Central and the western portions of the Machichie and MG targets) and a further 100,000 tonnes-per-year capacity on the eastern tenement, 850.047/2005 (which includes the eastern portions of the Machichie and MG targets).

A request to apply the Covid Extensions to the current trial-mining licenses, as provided by applicable laws, will be made with a potential increase of nine months. Advance requests for a second three-year period were made prior to the Pre-Covid expiry dates as a precaution. This included a request to increase the eastern 850.047/2005 block from 100,000 tonnes per year to 300,000 tonnes per year. The request for an increase in the mining volume on the 850.047/2005 tenement, from the current 100,000t/year to 300,000t/year, was submitted on the 16th of November 2023 along with a request to renew the Trial Mining License for another 3 years. A request for renewal of the 850.615/2005 Trial Mining License for another 3 years was also submitted at this time. Both requests received a positive technical approval by the ANM regarding the increase in volume on the 850.047/2005 tenement submitted on the 13th of November 2024. Both requests received a positive vote by the ANM Directors in Brasilia on the 26th of May 2025 with formal publication of the renewal of 850.047/2005 and increase in volume to 300,000t/year published on the 30th May 2025. Renewal of the 850.615 Trial mining license for another 3 years, is expected in the second quarter of 2026. All recent ANM data requests for the ongoing PAE analysis and the renewal of the 850.615 Trial mining license were submitted on the May 19, 2026.

A suppression of vegetation license (ASV) was requested in November 2021 and published in April 2023, with validity until the 24/04/26. An updated ASV was requested in April 2024 reflecting the changes in the plant layout as part of the PFS. The new ASV for a total area of 244.61ha was received and published on the 25th of July 2025, valid for 12 months. At the same time the license for rescue of Fauna was also received on the 25th of July 2025. Notification of the start of suppression (within 30 days) was registered with SEMAS/PA on the 5th of August. Suppression has been materially completed across the Project.

A separate ASV license and license for rescue of fauna request has been prepared and submitted in May 2026 to rectify small areas of infrastructure which were not considered previously and the planned nearby airstrip which is approximately 1km from the plant area together with the camp infrastructure.

Corporate social responsibility

Corporate social responsibility activities within the surrounding community of Cuiú Cuiú continues including the following:

- Contribution to the construction of water tanks to better utilize the water bore previously supplied by the Company, along with drilling of an additional water bore in Q2 2024 and planned construction of a second water tank for water distribution in Q2 2025. High quality water distribution facilities were installed in Q2 2025 to attend to the entire Cuiú Cuiú community. Problems with the water bore drilling in late 2025 required a change in contractor. The new contractor arrived in January to drill the necessary bores and connect the new 60,000 litre water tank and water distribution facilities. Two successful water bores were drilled in April and May with a combined estimated 40,000 ltr/hour capacity and currently being licensed in anticipation of testing and delivery of the water distribution system in early June 2026.

- Request for inclusion of the Cuiú Cuiú community in the Light-For-All (*Luz Para Todos*) federal program of providing energy to regional/remote communities was made in April 2023. A further request for an upgrade to the proposed grid to attend to the future needs of the community and the Cuiú Cuiú project was also made. The request is still under consideration although considerable delays have been experienced in the execution of the project. With a new public source of power is due to arrive in Novo Progresso and Moraes Almeida by late 2026 a new request was made for the Cuiú Cuiú community's inclusion in the program in Q3 2025. A request to install a diesel-powered plant as part of the Light For All Project, within the Cuiú Cuiú community was also submitted in September with government officials. The process to include a local diesel energy source under the Light-for-All program is 3 years. The Company is studying other alternatives. A request to participate in the Pará State PIS program providing subsidized energy infrastructure was made via the Cuiú Cuiú Community in March 2026. The Company is awaiting the formal proposals from the state energy supplier to proceed with these discussions.

- Results from a LIDAR survey conducted by Cabral on the Cuiú Cuiú access road have been received, and an engineering study is now complete. An agreement with the local Itaituba Municipal Government was completed in Q1 2025 and licensing of the upgrades to the public community access road was received in December 2024. The first stage roadworks have been completed with corrections and improvements to the routes and construction of bridges where necessary. The construction of approximately 135m of bridges in 9 bridges was completed in late December 2025. Current road improvements have drastically reduced transit times from up to 6 hours over 61km to close to 1 hour of transit on the now reduced 54km access road.

  Reduction in the length of the road was achieved via removal of dangerous curves, diversion of problem areas and mitigation of excessive topography. Adequate signage and visibility has improved the safety of the road but will require road safety education within the local communities. A maintenance team is planned to be present during of the commissioning of the plant with further road upgrades to continue during the dry summer months. The access road is already having an enormous positive impact on the Cuiú Cuiú community.

Proposed transactions

As at March 31, 2026 and the date of this MD&A, there were no material proposed asset or business acquisitions or dispositions being contemplated.

Summary of quarterly results

Summary of Financial Information

A summary of results in respect of the eight quarters ended March 31, 2026 is as follows. This summary information has been derived from the audited consolidated financial statements and condensed interim consolidated financial statements (unaudited) of the Company.

The following table summarizes the quarterly results for each of the three-month periods ended:

In Canadian dollars	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Total assets	$ 74,264,857	$ 72,218,042	$ 15,105,894	$ 19,443,757
Long-term liabilities	64,406,007	66,585,927	-	-
Working capital (deficiency)	17,168,388	46,111,136	6,858,869	13,059,651
Net income (loss)	(8,162,906)	(15,611,554)	(4,984,015)	(3,583,572)
Basic and diluted income (loss) per share	(0.03)	(0.06)	(0.02)	(0.01)

In Canadian dollars		March 31, 2025		December 31, 2024		September 30, 2024		June 30, 2024
Total assets	$	8,184,613	$	6,082,064	$	5,957,112	$	7,413,813
Long-term liabilities		-		-		-		-
Working capital (deficiency)		2,662,713		1,600,853		951,486		2,538,190
Net income (loss)		(2,932,434)		(1,599,002)		(2,243,043)		(1,870,838)
Basic and diluted income (loss) per share		(0.01)		(0.01)		(0.01)		(0.01)

The Company, over the periods presented, has been working to advance its main project - Cuiú Cuiú. Advancement of the project, exploration and investment varies from quarter to quarter with financial capacity and related to the nature of work being undertaken. Expenditures between April and September 2024 were largely incurred in connection with the PFS substantively completed in calendar Q3 2024. This included all associated drilling, resource definition and economic study work.

In the periods ending December 31, 2024 and March 31, 2025, the Company was undertaking drilling programs. A new diamond drilling program was launched in June 2025. The Company completed a brokered financing in May 2025 for net proceeds of approximately $14 million. In the period ended September 30, 2025, the Company completed the Updated PFS and began early works and engineering on the Cuiú Cuiú Project. This was followed in the three months ended December 31, 2025 by the closing of the Gold Loan and decision to construct on the Cuiú Cuiú Project which have materially changed the financial context of the Company.

In the three months ended March 31, 2026, the Company continued the construction and development of the Cuiú Cuiú Project with significant increases to headcount and expenditures.

The Company, in the eight quarters presented, did not have defined seasonal trends. Total assets were predominantly impacted by financings less spend directed into exploration and development work. Investment into Cuiú Cuiú has therefore been conducted with specific projects and financial capacity in mind.

Results of Operations

Exploration and evaluation expenditures

In the six months ended March 31, 2026, the Company incurred exploration and evaluation expenditures of $9,866,062 (2025 - $3,031,589). Activity in this period reflects both the advancement of the Cuiú Cuiú. Project and ongoing exploration and drilling at the various targets on the property. The largest costs for the period relate to early works on the Project include road enhancements, vegetation suppression and earthworks. As of November 30, 2025, the Company entered the development phase with respect to the Cuiú Cuiú Project and costs related to the development and construction of the Project are capitalized from this date. The Company is continuing drilling and exploration work.

The offering completed in May 2025 allowed the Company to work forward on its strategic objectives before execution of the Gold Loan in November 2025.

In the six months ended March 31, 2025, the comparative period, the Company completed its “Gold-in-Oxide” prefeasibility study (“PFS”) in November 2024.

The details of the operational activities and investment are included in the business activity discussion above.

Six months ended March 31, 2026		**Cuiú Cuiú**
Assaying	$	192,804
Camp costs		660,382
Community relations		74,473
Development, early works		2,118,636
Drilling		1,739,537
Engineering, early works		422,565
Environment, health and safety		175,843
Equipment rental and maintenance		798,029
Field costs		674,974
Freight and travel and logistics		675,130
Fuel and electricity		530,466
Geology and geophysics		221,143
Payroll		1,159,103
Third party consultants		422,977
	$	9,866,062

Six months ended March 31, 2025		**Cuiú Cuiú**		**Other**		**Site costs and logistics**		**Total**
Assaying	$	87,917	$	-	$	-	$	87,917
Community relations		44,579		-		-		44,579
Drilling		457,101		-		-		457,101
Field costs		796,211		8,821		79,949		884,981
Freight and travel		206,707		-		17,229		223,936
Payroll		579,168		-		39,658		618,826
Third party consultants		714,249		-		-		714,249
	$	2,885,932	$	8,821	$	136,836	$	3,031,589

Results for the three months ended March 31, 2026 and March 31, 2025

The Company incurred a comprehensive loss of $8,817,492 for the three months ended March 31, 2026 compared to a comprehensive loss of $2,738,072 for the three months ended March 31, 2025.

Exploration and evaluation expenditures are discussed and disclosed in the tables above. This accounts for the material expenditures in the Company and reflect the evolution of the investment in the Cuiú Cuiú property.

Discussion with respect to other expenses is as follows:

- Management and consulting of $210,419 (2025 - $163,660) includes compensation to the Company's officers and supporting service providers. The increase to the prior period reflects year end compensation awards to senior officers.
- Marketing and shareholder communications of $176,892 (2025 - $177,984) is comparable and includes conference attendance, website and news release costs, and marketing support services.
- Professional fees of $112,240 (2025 - $72,516) includes audit, tax and legal support services.

- Transfer agent and filing fees of $71,258 (2025 - $39,038) increased with the listing to the OTCQB in July 2025 (with uplist to the OTCQX effective January 2026). Transfer agent costs have increased with warrant exercise activity and overall share capital activity.
- Travel costs of $46,209 (2025 - $31,597) have increased with the additional site visits and active operations.
- Share-based payments of $1,623,518 (2025 - $389,719) reflect non-cash expense for the grant and vesting of stock options and restricted share units.

Other income and expenses:

Gold Loan

The Gold Loan is carried at fair value on the statement of financial position. In the three months ended March 31, 2026, the Company recognized an unrealized adjustment loss of $4,487,211 and unrealized foreign exchange gain of $3,195,440 with respect to the valuation of the Gold Loan.

Additionally, the Company recognized a finance expense of $1,895,010 which included the value of interest recorded to the Gold Loan.

Gold deposits

Gold deposits (1,150oz XAU) are carried at fair value on the statement of financial position. In the three months ended March 31, 2026, the Company recognized an unrealized adjustment gain of $475,549 and unrealized foreign exchange loss of $362,684 with respect to the valuation of gold deposits.

Results for the six months ended March 31, 2026 and March 31, 2025

The Company incurred a comprehensive loss of $24,543,044 for the six months ended March 31, 2026 compared to a comprehensive loss of $4,547,566 for the six months ended March 31, 2025.

Exploration and evaluation expenditures are discussed and disclosed in the tables above. This accounts for the material expenditures in the Company and reflect the evolution of the investment in the Cuiú Cuiú property.

Discussion with respect to other expenses is as follows:

- Management and consulting of $491,452 (2025 - $345,408) includes compensation to the Company's officers and supporting service providers. The increase to the prior period reflects year end compensation awards to senior officers.
- Marketing and shareholder communications of $317,184 (2025 - $266,631) increased with the Company making efforts to provide additional information to shareholders regarding the Company's activities.
- Professional fees of $1,147,633 (2025 - $107,903) increased and materially relates to professional fees incurred by the Company and to the benefit of the lender with respect to the Gold Loan.
- Transfer agent and filing fees of $90,398 (2025 - $42,579) increased with the listing to the OTCQB in July 2025 (with uplist to the OTCQX effective January 2026). Transfer agent costs have increased with warrant exercise activity and overall share capital activity.
- Travel costs of $112,146 (2025 - $65,123) have increased with the additional site visits and active operations.
- Share-based payments of $1,828,520 (2025 - $457,691) reflect non-cash expense for the grant and vesting of stock options and restricted share units.

Other income and expenses:

Gold Loan

The Gold Loan is carried at fair value on the statement of financial position. In the six months ended March 31, 2026, the Company recognized an unrealized adjustment loss of $8,176,127 and unrealized foreign exchange gain of $2,118,216 with respect to the valuation of the Gold Loan.

Additionally, the Company recognized a finance expense of $5,406,048 which included the value of interest recorded to the Gold Loan of $2,569,671 and the valuation of the 10,000,000 warrants issued to the lender of $2,836,377. The warrants were valued using the Black-Scholes option-pricing model with the following assumptions: expected life of two years, risk-free interest rate of 2.4%, expected dividend yield of 0% and expected volatility of 77.39%.

Gold deposits

Gold deposits (1,150oz XAU) are carried at fair value on the statement of financial position. In the six months ended March 31, 2026, the Company recognized an unrealized adjustment gain of $426,127 and unrealized foreign exchange loss of $409,743 with respect to the valuation of gold deposits.

Liquidity and going concern

As at March 31, 2026, the Company had a cash balance of $31,890,924, and a net working capital balance of $17,168,388 (September 30, 2025 - cash balance of $8,054,491 and net working capital of $6,858,869). In the six months ended March 31, 2026, the Company executed and closed on the Gold Loan of US$45.1 million. From the proceeds of the Gold Loan, the Company purchased 1,150oz of XAU (gold deposits) for a value of US$4.9 million. Included in current liabilities is $10.9 million payable with respect to the Gold Loan within twelve months of March 31, 2026.

Going concern

The nature of the Company's operations results in significant expenditures for the acquisition, exploration and development of mineral properties. To date, the Company has not generated any revenue from mining or other operations. These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes the Company will be able to realise its assets and settle its liabilities in the normal course of business. For the six months ended March 31, 2026, the Company reported a net loss of $23,774,460 (2025 – $4,531,436) and as at that date had a net working capital balance of $17,168,388 (September 30, 2025 - $6,858,869). These events and conditions indicate that a material uncertainty exists that may cast substantial doubt on the Company's ability to continue as a going concern.

In the six months ended March 31, 2026, the Company's wholly owned subsidiary, Magellan Brazil entered into a gold loan agreement (the "Gold Loan") with Precious Metals Yield Fund (the "Lender") for gross proceeds of US$45.1 million to fund the Project. Subsequent to March 31, 2026, the Company completed the April 2026 Offering for gross proceeds of $20,002,250.

The Company anticipates that proceeds will be sufficient to fund its capital requirements up to the commencement of commercial production at the Project. In the event that the funds are insufficient to complete construction and commissioning of the mine, the Company will need to complete further financing. Further, the Company intends to continue exploring the Cuiú Cuiú property which has multiple exploration targets. The Company's ability to continue as a going concern is dependent on its ability to obtain funding until such time it is able to operate profitably. The timing and certainty of profitable operations is subject to risk.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

In the event the Company is unable to arrange appropriate financing, the carrying value of its assets and liabilities could be subject to material adjustment, and the Company could be unable to meet its obligations as they become due in the normal course of business.

Use of Proceeds

May 2025 brokered private placement

On May 6th, 2025, the Company closed a best-efforts public offering of units (the "Offering"). Pursuant to the Offering, the Company issued 39,291,146 units (the "Units") at a price of $0.38 per Unit for gross proceeds of $14,930,635, which included 5,079,146 Units issued pursuant to the exercise of the Agent's over-allotment option. Paradigm Capital Inc. acted as sole agent in the Offering (the "Agent").

Each Unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire one common share in the capital of the Company at a price of $0.56 until May 6, 2027.

In connection with the Offering, the Company paid the Agent a cash commission of $895,838, being 6.0% of the gross proceeds of the Offering, and issued the Agents 2,357,468 compensation warrants ("Compensation Warrants"), being 6.0% of the number of Units issued in the Offering. Each Compensation Warrant entitles the Agent to acquire one common share of the Company at C$0.38 until May 6, 2027.

The following table set out a comparison of how the Company used the proceeds following the closing dates to March 31, 2026, an explanation of the variances and the impact of the variance on the ability of the Company to achieve its business objectives and milestones.

Financing	Estimated Use of Proceeds as Disclosed in News Release	Actual Use of Proceeds
May 2025	$14,034,797 in net proceeds (after agent's cash commission) allocated to exploration and development of the Cuiú Cuiú project, and for general working capital and general corporate purposes.	The Company has used the funds as disclosed. No deviations from stated use indicated.

Operating activities

Cash used in operating activities in the six months ended March 31, 2026 amounted to $10,545,899 (2025 - $3,480,392) included a net loss for the period of $23,774,460 (2025 – $4,531,436). The net loss in the current period is adjusted by a number of non-cash adjustments such as foreign exchange and fair value fluctuations on the Gold Loan and gold in trust asset. The variation between the periods is materially impacted by the rate of investment at the Cuiú Cuiú project as discussed above.

Investing activities

Cash used in investing activities in the six months ended March 31, 2026, amounted to $29,599,288 (2025 - $237,668). The six months ended March 31, 2026 marked a transformation in the capital outlay of the Company. Facilitated by the closing of the Gold Loan, the investment in the development and construction at the Cuiú Cuiú Project began in earnest. The Company invested $16,632,818 into construction and advanced $5,318,131 to suppliers for purchases of equipment and services.

In the period, the Company purchased 1,150 of gold ounces at a purchase price of $6,876,512 (US$4.9 million). The gold may be used in the future as repayment against the Gold Loan.

Financing activities

Cash provided by financing activities in the six months ended March 31, 2026 amounted to net proceeds of $64,956,565 (2025 - $5,885,451). This included the funding of the Gold Loan in the amount of $63.6 million (US$45.1 million). The Gold Loan is intended to fund the development of the Cuiú Cuiú Project.

Dividends

The Company has neither declared nor paid any dividends on its common shares to date. The Company does not anticipate paying any dividends on its common shares in the foreseeable future.

Contractual commitments

The Company had no significant medium- or long-term contractual commitments in place as at March 31, 2026, beyond its stated liabilities, and agreements entered into with various third party consultants in connection with its exploration and development activities.

Contingent liabilities

Various legal, tax and regulatory matters are outstanding from time to time due to the nature of the Company's operations and the Company is therefore subject to litigation in the countries in which it operates.

The Company was a party to two sets of agreements with third parties pursuant to which mineral properties in the Poconé region of the state of Mato Grosso were to be identified, explored and developed. The first agreement was entered into between Magellan Minerals and ECI Exploration & Mining Inc. ("ECI") on October 17, 2011, effective December 2009 pursuant to which ECI and Magellan would share equally in the rights and responsibilities associated with the identification, exploration and development of mineral properties (the "ECI Venture"). The second set of agreements was between Magellan, ECI and Brasil Central Engenharia Ltda. ("Brasil Central") pursuant to which Magellan, ECI, and Brasil Central would seek to identify, explore and develop mineral properties through a newly incorporated entity, PGM. Magellan Brazil held a 35% interest in PGM through September 26, 2018.

Magellan's rights and responsibilities associated with both the ECI Venture and PGM were transferred to CGBC effective April 15, 2016.

Virtually no exploration activity was undertaken on any of the Poconé properties since 2012. The Company has historically incurred various claim maintenance and other charges and realised proceeds on the liquidation of certain assets relating to both the ECI Venture and PGM.

In August 2015, ECI received notification that a former optionor of one of the property interests acquired by ECI on behalf of the ECI Venture had filed a claim against ECI and PGM in connection with an option agreement that had been entered into with the ECI Venture in December 2009. No claim has been filed against the Company, however, the Company is responsible for 50% of costs of ECI pursuant to the ECI Venture agreement.

On September 26, 2018, an agreement was entered into pursuant to which the shares of PGM held by both Magellan Brazil and the Brazilian subsidiary of ECI were transferred to Brasil Central in exchange for Brasil Central taking over the debts of PGM and making nominal cash payments.

The disposal of PGM does not reduce the Company's exposure relating to the aforementioned legal claim against ECI and PGM. Furthermore, as part of the sale of PGM, Magellan Brazil and the Brazilian subsidiary of ECI provided an indemnification to PGM relating to any losses resulting from the legal claim.

Recent decisions of the applicable courts have gone against the defendants in this case. The plaintiff has started the execution phase against the defendants. The plaintiff has been awarded a claim of approximately BRL5,900,000. The Company's exposure under this award is limited to 50% of any damages suffered by ECI and Brasil Central under this execution phase which is limited by any assets available in those entities for settlement under the claim.

The significant uncertainty present in the execution phase and related issues regarding the case are such that at this time, management is unable to estimate the likelihood of a loss ultimately being realised by the Company or the quantum and timing of any such loss should it occur.

No provision has been made in the accounts for any amount associated with the claim.

Capital resources

The Company had no capital expenditure commitments as at March 31, 2026.

Transactions with related parties

A summary of management and director remuneration and related expenses is as follows:

For the six months ended March 31,	2026	2025
Management:		
Employment remuneration		
Alan Carter, CEO and President	$ 196,875	$ 125,000
Consulting fees		
Samantha Shorter, CFO		
Red Fern Consulting Ltd.	114,169	72,000
Brian Arkell, VP Exploration	122,168	105,546
John Sestan, VP Development		
Salamander Business Services Pty Ltd.	140,194	68,513
Payroll related costs (employer taxes, health benefits)		
Alan Carter	6,219	11,075
Brian Arkell	12,508	5,932
Share-based payments, stock options	296,388	184,940
Share-based payments, RSUs	206,446	3,625
	1,094,967	576,631
Non-executive directors:		
Cash compensation	28,125	-
Share-based payments, stock options	268,702	108,125
Share-based payments, RSUs	41,132	16,254
	337,959	124,379
	$ 1,432,926	$ 701,010

Management comprises the President and Chief Executive Officer, Chief Financial Officer, Vice President of Exploration and Vice President of Development. In addition, the Company paid $28,500 (2025 - $nil) to a company beneficially owned by the CFO for accounting services.

All transactions with related parties have occurred in the normal course of operations and have been measured at the exchange amount, which is the amount agreed to by the related parties.

Outstanding share data

The Company has authorized capital of an unlimited number of common shares with no par value.

As at March 31, 2026, the Company had 280,512,091 common shares outstanding. The Company has 305,415,616 common shares outstanding as of the date of this MD&A.

The Company had the following share purchase warrants, stock options and RSUs outstanding as at the date of MD&A:

Share purchase warrants	Expiry date	Exercise price	Number of warrants
Warrants (December 2024 private placement)	December 2, 2026	$ 0.36	3,073,460
Warrants (December 2024 private placement)	December 20, 2026	0.36	1,167,251
Warrants (May 2025 private placement)	May 6, 2027	0.56	18,969,770
Warrants (May 2025 compensation warrants)	May 6, 2027	0.38	2,357,468
Warrants (Gold Loan warrants)	November 26, 2027	0.71	10,000,000
		$ 0.57	35,567,949

Stock options (by expiry date)	Exercise price	Number of Options
August 30, 2026	$ 0.51	1,825,000
October 20, 2028	0.12	3,380,000
July 9, 2029	0.28	750,000
January 6, 2030	0.22	5,330,000
September 9, 2030	0.45	1,475,000
January 23, 2031	0.75	7,585,000
	$ 0.45	20,345,000

Vesting date	Number of RSUs
October 20, 2026	700,000
January 23, 2027	1,786,593

Risk Factors

The securities of the Company should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in the accompanying consolidated financial statements, in this MD&A and the Company's Annual Information Form ("AIF") for the nine months ended September 30, 2025 and the Company's profile on the SEDAR+ website at www.sedarplus.ca prior to making an investment in our securities. The Company's material risk factors are provided in the AIF.