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MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

Background

This Management Discussion and Analysis (MD&A) of AXO Copper Corp. ("AXO Copper" or "the Company") is dated October 24, 2025 and provides an analysis of the financial operating results for the year ended June 30, 2025. This MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes for the years ended June 30, 2025 and June 30, 2024, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). All amounts are in Canadian dollars unless otherwise specified. The financial statements and additional information, including news releases and technical reports referenced herein are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDARPlus) at **www.sedarplus.ca** under the Company's name.

The common shares of AXO Copper Corp. began trading on the TSX Venture Exchange on June 4, 2025 under the trading symbol **AXO**. Additional information can be found on the Company's website at **www.axocopper.com**.

Forward-Looking Information

Certain statements in this MD&A are forward-looking statements or information (collectively "forward-looking statements"). The Company (as defined herein) is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts, may be forward-looking, and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: limited operating history; exploration, development and operating risks; regulatory risks; substantial capital requirements and liquidity; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; fluctuating mineral and commodity prices and marketability of minerals; title to properties; local residential concerns; no mineral reserves or mineral resources; environmental risks; governmental regulations and processing licenses and permits; management inexperience in developing mines; conflicts of interest of management; uninsurable risks; exposure to potential litigation; no history of paying dividends and no intention of paying dividends in the near future; and other factors beyond the control of the Company.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "Risk Factors" section of this MD&A for additional details.

Company Overview and Initial Public Offering

AXO Copper was incorporated on April 15, 2021 under the Canada Business Corporations Act (CBCA). The registered and head office of the Company is located at 2446 Purcells Cove Road, Halifax, Nova Scotia B3V 1G3.

On June 4, 2025, the Company completed an initial public offering (the "IPO") pursuant to which the Company's common shares began trading on the TSX-V under the trading symbol AXO. In connection with the IPO, the Company completed an offering (the "IPO Offering") of units ("Unit" or "Units") pursuant to which the Company issued 20,909,300 Units at a price of $0.55 per Unit for total gross proceeds if $11,500,115. Each Unit consisted of one common share and one-half of one common share warrant ("IPO Warrant"), whereby each whole IPO Warrant entitles the holder to purchase one common share at a price of $0.70 at any time prior to the close of business on June 4, 2027 (2 years from the completion of the IPO), subject to certain potential adjustments. Pursuant to the closing of the IPO Offering, the Company was obligated to pay Underwriters' commissions of $490,116, which have been recorded as share issue costs. In addition to the Underwriters' commissions, the Company incurred professional and listing fees of $842,906 in connection with the IPO Offering. The estimated fair value of the IPO Warrants issued pursuant to the IPO was determined to be $891,000, or approximately $0.085 per IPO Warrant, estimated using the residual value method; accordingly, $891,000 of the gross proceeds of the IPO Offering have been allocated to the IPO Warrants. Immediately following the completion of the IPO Offering, 107,385,933 common shares (representing 82.4% of the issued and outstanding shares) were held in escrow pursuant to securities and listing regulations and are scheduled for release over a 36-month period following the Company's TSX-V listing on June 4, 2025. At June 30, 2025, 94,494,426 common shares (representing 72.5% of the issued and outstanding shares) remain in escrow. These common shares rank equally with other common shares but are subject to resale restrictions until released from escrow.

La Huerta Project

AXO Copper is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties with a focus on its La Huerta Project, located in the State of Jalisco, Mexico. The La Huerta Project consists of two distinct Mexican mining concessions with a total surface area of 11,331.1 hectares: Los Juanes (the "Los Juanes Concession") and La Gallina (the "La Gallina Concession"). The Company's principal objective is to explore and develop the La Huerta Project, and to identify other properties worthy of investment and exploration.

General Location Map, Jalisco

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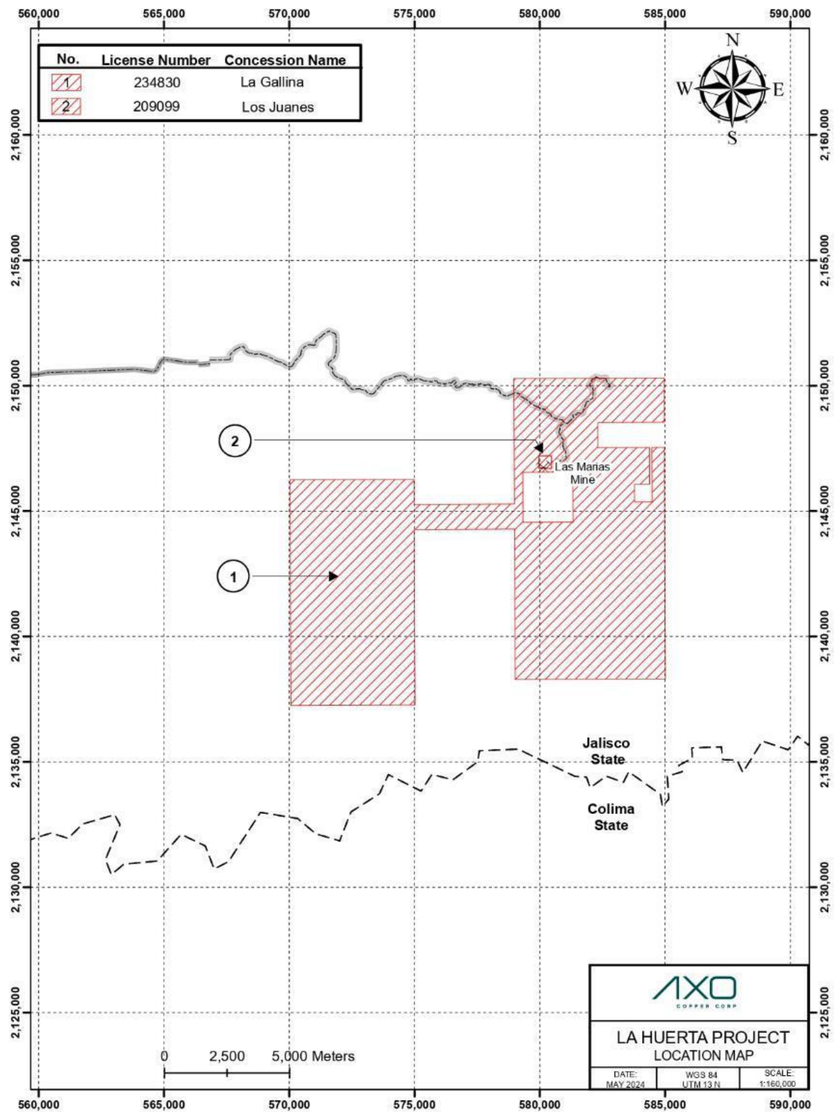
Concession Locations – La Huerta Project



Los Juanes Concession – Overview and Acquisition

The Los Juanes Concession, a copper and silver exploration property, is located in the municipality of Cuautitlán de García Barragán, Jalisco State in southwestern Mexico. The Los Juanes Concession consists of a Mexican mining concession with a surface area of 25.0 hectares. Small scale artisanal mining activities as well as step out drilling have taken place on the Los Juanes Concession. Prior concession owners completed a drilling campaign of 26 holes. Exploration by AXO Copper in 2023 and 2024 has included channel samples, chip/grab samples of surface mineralization, IP geophysics and diamond drilling (19 holes).

On May 4, 2023, the Company entered into an agreement (the "Rights Assignment Agreement") which provides for the assignment of 100% of the exclusive rights to the Los Juanes Concession of the La Huerta Project. The Rights Assignment Agreement required the Company to make a one-time payment of MxP350,000, which was paid on May 14, 2024.

Upon signing of the Rights Assignment Agreement on May 4, 2023, payments due pursuant to a commercial agency agreement (the "Commercial Agency Agreement") signed on January 15, 2022 became effective. Pursuant to the Commercial Agency Agreement, the Company agreed to make the following cash payments:

	Cash US$
At inception	600,000
During 1st year after signing, paid monthly	500,000
During 2nd year after signing, paid monthly	500,000
During 3rd year after signing, paid monthly	500,000
During 4th year after signing, paid monthly	500,000
During 5th year after signing, paid monthly	500,000
	3,100,000

In accordance with Commercial Agency Agreement, the annual amounts are being paid in equal monthly installments over each year. The Company can terminate the Commercial Agency Agreement at any time if it no longer wishes to acquire and maintain an interest in the Los Juanes Concession.

La Gallina Concession – Overview and Acquisition of Rights

The La Gallina Concession, a copper and silver exploration property, is located in the municipality of Cuautitlán de García Barragán, Jalisco State in southwestern Mexico. The La Gallina Concession consists of a Mexican mining concession with a surface area of 11,306.1 hectares. Prior concession owners completed a small drilling campaign of 17 holes. Exploration by AXO Copper in 2023 and 2024 has included channel samples, chip/grab samples of surface mineralization, IP geophysics and diamond drilling (7 holes).

On November 10, 2022, the Company entered into an agreement (the "Rights Option Agreement") which provides the exclusive option to acquire 100% of the rights to the La Gallina Concession of the La Huerta Project. As consideration, the Company agreed to make the following cash payments and common share issuances:

	Cash US$	Common Shares #
At inception	1,000,000	-
Due 1 year after signing, paid monthly	1,500,000	1,000,000
Due 2 years after signing, paid monthly	1,500,000	1,000,000
Due 3 years after signing, paid monthly	1,500,000	1,000,000
Due 4 years after signing, paid monthly	2,500,000	2,000,000
	8,000,000	5,000,000

The Company made a payment of US$1,000,000 at inception of the Rights Option Agreement. Pursuant to the Rights Option Agreement, the cash consideration owing subsequent to inception is payable in equal monthly installments which commenced in November 2023. As of June 30, 2025, 20 monthly payments of US$125,000 have been made pursuant to the Rights Option Agreement. During the year ended June 30, 2024, 1,000,000 common shares were issued pursuant to the Rights Option Agreement, and an additional 1,000,000 common shares were issued in November 2024 pursuant to the Rights Option Agreement. The Company can terminate the Rights Option Agreement at anytime by providing 60 days written notice.

La Huerta - 43-101 Technical Report

The Company commissioned an independent 43-101 Technical Report for the La Huerta Project (the "43-101 Technical Report"), which was dated February18, 2025 and has been filed on SEDARPlus at www.sedarplus.ca.

The Qualified Persons for the 43-101 Technical Report are William Stone, Ph.D., P.Geo., Brian Ray, P.Geo. and Eugene Puritch, P.Eng., FEC, CET, all of whom were contracted by P&E Mining Consultants Inc.

The 43-101 Technical Report for the La Huerta Project did not include either a Mineral Resource Estimate or a Mineral Reserve Estimate.

The following extracts from the 43-101 Technical Report have been included:

> *La Huerta Geology and Mineralization*
>
> The La Huerta Project, located at the Sierra Madre del Sur, occupies a parallel trend in the states of Jalisco, Colima, Michoacán and Guerrero, and is characterized by the presence of a volcano-sedimentary sequence of Cretaceous age (120 to 90 Ma), composed mainly of limestone, andesite and dacite volcanic flow sequences and intrusive rocks of Late Cretaceous-Early Tertiary age. The basic geologic framework for the Property is a volcano-sedimentary sequence (Tepalcatepac Fm) that has been later intruded by dioritic and granitic intrusions. These intrusions, during exsolution, propagated aplite dykes that host copper mineralization. Field observations in old of magnetite-chalcopyrite mineralization show to be related to these aplite dykes that cut favorable and more permeable rock of andesite composition.

Mineralization at the La Huerta Property is characterized by Cu-Fe sulphides (chalcopyrite and minor bornite), Cu oxides and abundant iron oxides (magnetite and/or specular hematite). Hydrothermal alteration is represented by sodic-calcic (albite, actinolite, epidote) and potassic (biotite, orthoclase) assemblages with minor chlorite, sericite and late calcite. These deposits occur closely associated with coeval Mesozoic intrusions as we observe in La Huerta (El Aguila Target and set of Aplite feeder´s dykes) and are structurally controlled by an arc-parallel structural system interpreted as a Thrust and Fault product of an active compressional and/or transpressional deformation.

The mineralization appears to be is indicative of an IOCG system (e.g., Los Juanes Concession – Las Marias and Punto 3 Zones); however, within the La Gallina Concession there are zones of apparent porphyry-style mineralization (e.g., Parejitas and Porphyry Zones).

Historical Drilling

The database of historical drilling completed by prior concession holders from 2020, compiled by the Company, contains collar locations, geological drill hole logs and down-hole assay information 61 diamond drill holes totaling 7,232m. None of the short fill-in drilling holes were downhole surveyed. All drill holes were inclined, between minus 30 and minus 90 degrees, and hole lengths varied from 37 m to 322 m. A summary of historically significant drill hole assay intervals is provided below:

Historical Drilling – Significant Intersections

HISTORICAL DRILLING - SIGNIFICANT INTERSECTIONS					
Hole ID	**Comment**	**From (m)**	**To (m)**	**Length (m)**	**Cu %**
G-007	LHT	48.25	60.00	11.75	1.89
	Including	52.00	54.00	2.00	6.54
G-008	LHT	60.25	69.75	9.50	6.63
	Including	60.25	62.95	2.70	15.62
	Including	61.65	62.95	1.30	19.92
G-009	LHT	88.75	92.70	3.95	0.95
	Including	90.35	91.70	1.35	2.05
G-011	LHT	81.90	88.70	6.80	1.72
	Including	82.65	83.40	0.75	7.12
G-022	LHT	120.00	141.00	21.00	1.34
	Including	129.00	132.80	3.80	3.47
G-023	LHT	139.30	145.70	6.40	2.96
	Including	140.15	141.80	1.65	5.08
P-006	LHT	27.15	32.50	5.35	1.88
	Including	28.00	30.50	2.50	2.69
P-007	LHT	26.35	34.50	8.15	1.54
	Including	32.35	33.80	1.45	3.17
P-008	LHT	29.00	33.00	4.00	3.22
	Including	29.00	30.85	1.85	6.07
	Including	30.00	30.85	0.85	8.11
P-010	LHT	28.65	31.00	2.35	4.08
	Including	29.5	31	1.5	4.82
P-011	LHT	30.20	33.00	2.80	3.53
	Including	32.00	33.00	1.00	4.32

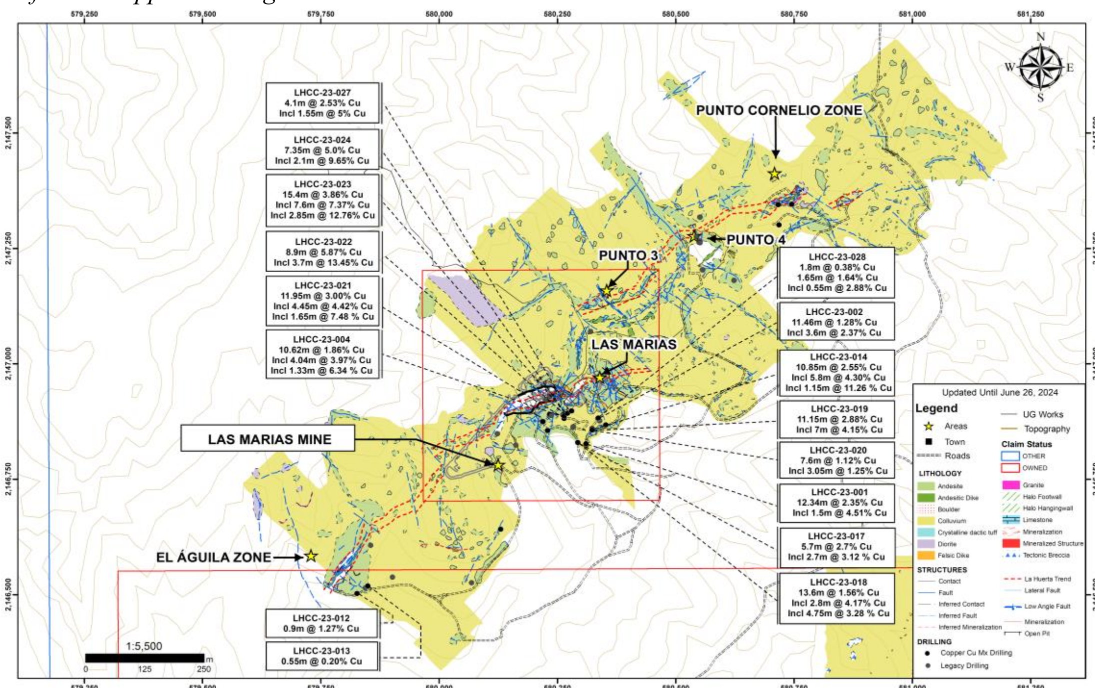
AXO Copper - Diamond Drilling Program 2023

The recent drilling database contains collar locations, geological, recovery, alteration, drill hole logs and down-hole assay information of 28 diamond drill holes totaling 4,209 metres. All holes were surveyed with down-the-hole Reflex EZ-Shot instrument surveys to determine the location of intercepts and other geologic features at depth. All drill holes were inclined, between minus 39 and minus 90 degrees, and hole lengths varied from 33 m to 259 m. A summary of the Company's significant drill hole assay intervals is provided below:

AXO Copper Drilling – Significant Intersections

LA HUERTA DRILLING - SIGNIFICANT INTERSECTIONS							
Hole ID	**Comment**	**From (m)**	**To (m)**	**Length (m)**	**Cu (%)**	**Ag (ppm)**	**Mo (ppm)**
LHCC-23-001	LHT	126.7	139.0	12.3	2.35	3.6	20.7
	Including	136.5	138.0	1.5	4.51	13.6	13.7
LHCC-23-002	LHT	117.6	129.1	11.5	1.28	4.8	3.9
	Including	125.5	129.1	3.6	2.37	8.3	4.6
LHCC-23-004	LHT	94.7	105.3	10.6	1.86	8.3	8.9
	Including	99.3	103.3	4.0	3.97	18.7	19.8
	Including	100.8	102.1	1.3	6.34	29.4	40.4
LHCC-23-014	LHT	130.0	139.9	10.9	2.55	10.8	3.6
	Including	134.1	139.9	5.8	4.30	19.7	4.6
	Including	138.2	139.4	1.2	11.26	86.3	6.0
LHCC-23-017	LHT	116.6	122.3	5.7	2.07	8.8	7.1
	Including	117.3	120.0	2.7	3.12	12.8	10.2

Plan View of AXO Copper Drilling



Source: Servicios Proyectos Mineros de Mexico, 2024

Recommendations

La Huerta Project contains significant copper-silver mineralization and the Author recommends that AXO proceed with a Maiden Mineral Resource Estimate which will require drill testing in two Phases. Phase 1 will be step out drilling and in-fill drilling proximal to the Las Marias Mine on the Los Juanes concession. Phase II will be comprised of exploration drilling targeting several drill targets that have been revealed from geophysics distal from previous historical mining activity, spread across the La Gallina concession.

It is also recommended that the Company proceed with metallurgical test work study.

A recommended program and budget of US $2.2 is presented in the table below.

RECOMMENDED PROGRAM AND BUDGET			
Program	**Units (m)**	**Unit Cost (US$/m)**	**Budget US$**
Phase 1 - Step out drilling on Los Juanes Concession	5,000	200	1,000,000
- Road and drill pad construction			50,000
- Metallurgical Study			100,000
- Consultants			200,000
- Structural mapping program			50,000
Phase 1 - Subtotal			**1,400,000**
Phase 2 - Exploration drilling on the La Gallina Concession	2,500	200	500,000
- Structural mapping program			50,000
Consultants			50,000
Phase 2 - Subtotal			**600,000**
Contingency (10%)			**200,000**
Total	**7,500**		**2,200,000**

Drilling Results Since the Release of the 43-101 Technical Report

On June 5, 2025, AXO Copper initiated a 15,000 metre Phase II drill program at its La Huerta Copper Project targeting the main La Huerta Trend around the Las Marias Zone. A second drill was added, initially targeting the La Huerta South regional target, located approximately 3km away from Las Marias,

On August 18, 2025, the Company announced the first of the drill results from the Phase II drill program, highlighted by LHCC-25-031 which returned an interval of 3.08% CuEq (2.90% Cu and 14.3gpt Ag) over 5.8 metres, within a broader and wider interval of 1.74% CuEq (1.64% Cu and 7.6gpt Ag) over 12.4 metres. The hole represents a down-dip extension of LHCC-23-021, which was previously reported as 3.16% CuEq (3.00% Cu and 12gpt Ag) over 12.0 metres.

On September 18, 2025, the Company announced additional drill results from the Phase II drill program, highlighted by hole LHCC-25-045 which intercepted 5.24% CuEq (4.86% Cu and 30.0gpt Ag) over 6.4 metres, within a wider interval of 3.08% CuEq (2.89% Cu and 15.0gpt Ag) over 13.2 metres. Copper mineralization in LHCC-25-045 was hosted in chalcopyrite and bornite, cut through an andesitic host rock, with stronger bornite patches present through the higher-grade section. The hole tested a down dip extension of the historical hole G-023 (3.05% CuEq over 6.4 metres), with LHCC-25-045 finding mineralization and the continuity of the La Huerta Trend on the other side of a minor fault.

Qualified Person

Unless noted otherwise herein, Charles Spath, P. Geo., a Qualified Person as defined by National Instrument 43-101, has reviewed and approved the information provided in this Management's Discussion and Analysis for the year ended June 30, 2025.

Selected Financial Information

The Company incurred a consolidated net loss for the year ended June 30, 2025 of $1,423,776 ($0.01 per share) compared to a net loss of $360,602 ($0.00 per share) for the year ended June 30, 2024 and a net loss of $90,185 ($0.00 per share) for the year ended June 30, 2023.

The following table contains selected financial information for the three most recent fiscal years.

	Year ended June 30, 2025 $	**Year ended June 30, 2024 $**	**Year ended June 30, 2023 $**
Revenue	-	-	-
Net loss and comprehensive loss	1,423,776	360,602	90,185
Total assets	25,479,513	14,787,369	13,060,045
Working capital	9,005,317	4,359,449	6,866,777
Shareholder equity	24,041,220	14,245,903	11,290,138
Loss per share – basic and diluted	0.01	0.00	0.00

Results of Operations – Year Ended June 30, 2025

For the year ended June 30, 2025, the Company incurred a consolidated net loss and comprehensive loss of $1,423,776 compared to a consolidated net loss and comprehensive loss of $360,602 for the year ended June 30, 2024.

The expenses and income incurred during the year ended June 30, 2025 and June 30, 2024 are detailed in the following table.

	Year ended June 30, 2025 $	**Year ended June 30, 2024 $**
Consulting fees	132,812	-
Dues and fees	645	-
Insurance	87,355	25,730
Office and other	28,201	6,118
Professional fees	242,401	146,245
Shareholder communication	102,175	15,000
Stock-based compensation	652,000	448,000
Travel	41,803	3,301
Wages and benefits	237,425	14,042
Total operating expenses	**1,524,817**	**658,436**
Interest income	(108,934)	(335,044)
Foreign exchange loss	7,893	37,210
Net loss and comprehensive loss	**1,423,776**	**360,602**

For the year ended June 30, 2025, the Company incurred consulting fees of $132,812. Consulting fees represent consulting fees paid for the services of the Chief Financial Officer. There were no such consulting fees paid during the prior year.

For the year ended June 30, 2025, the Company incurred dues and fees expenses $645. There were no such expenses incurred during the prior year.

For the year ended June 30, 2025, the Company recorded insurance expense of $87,355 as compared to $25,730 during the prior year. Insurance expense includes premiums for both the Company's directors and officers' insurance and commercial general liability insurance coverage, both of which were put in place during the year ended June 30, 2024. As part of the IPO process, the Company updated all of its insurance policies, further contributing to the increase in insurance expense during the year.

For the year ended June 30, 2025, the Company recorded office and other expenses of $28,201 as compared to $6,118 during the year ended June 30, 2024. Office expenses and other include office and administrative costs, as well as bank fees, website costs and other miscellaneous expenses. Office expenses will vary from period to period and are expected to increase post IPO.

For the year ended June 30, 2025, the Company incurred professional fees of $242,401 compared to $146,245 during the prior year, an increase of $96,156, a result of the timing of certain advisory, legal, and tax services.

For the year ended June 30, 2025, the Company incurred shareholder communication expense of $102,175 as compared to $15,000 during the prior year. Shareholder communication expenses for the year ended June 30, 2025 included naming and branding initiatives and costs associated with meeting with shareholders, as well as some investor relations costs incurred as part of and following the completion of the IPO. Shareholder communication and investor relations costs are expected to increase as the Company enters its first full fiscal year as a publicly traded company.

For the year ended June 30, 2025, the Company recorded non-cash stock-based compensation expense of $652,000 as compared to $448,000 for the year ended June 30, 2024. During the year ended June 30, 2025, the Company granted 300,000 stock options with an exercise price of $0.40 per common share and vesting over 18 months to officers and consultants of the Company. Stock-based compensation expense is driven by the timing, estimated value and vesting of stock option grants. The fair value of stock options granted is estimated using the Black-Scholes option pricing model.

Travel expenses for the year ended June 30, 2025 were $41,803 as compared to $3,301 during the year ended June 30, 2024. Travel expense is driven by the Company's overall level of operations and is expected to increase going forward as investor relations activities are expected to increase post IPO.

For the year ended June 30, 2025, the Company incurred wages and benefits expense of $237,425 as compared to $14,042 for the prior year. At June 30, 2025, the Company, in addition to a number of consultants, had one full-time employee. Jonathan Egilo joined the Company as President and CEO in June 2024.

For the year ended June 30, 2025, the Company earned interest income of $108,934 as compared to $335,044 for the year ended June 30, 2024. The decrease in interest income was a result of the Company holding lower average cash balances and earning lower rates of interest on that cash than during the prior year. The Company holds cash not required for day-to-day operations in either fully cashable guaranteed investment certificates or high interest savings accounts at a major Canadian bank.

A significant portion of the Company's exploration and operating expenses are denominated in foreign currencies and as a result, the Company realized a foreign exchange loss of $7,893 during the year ended June 30, 2025 as compared to a foreign exchange loss of $37,210 during the year ended June 30, 2024.

Results of Operations – Three-Month Period Ended June 30, 2025

For the year ended June 30, 2025, the Company incurred a consolidated net loss and comprehensive loss of $448,429 compared to consolidated net income and comprehensive income of $80,642 for the three-month period ended June 30, 2024.

The expenses and income incurred during the three-month periods ended June 30, 2025 and June 30, 2024 are detailed in the following table.

	Three-months ended June 30, 2025 $	**Three-months ended June 30, 2024 $**
Consulting fees	82,031	-
Dues and fees	284	-
Insurance	44,808	13,125
Office and other	3,268	1,826
Professional fees	98,352	32,359
Shareholder communication	69,045	15,000
Stock-based compensation	91,000	73,000
Travel	7,491	2,529
Wages and benefits	61,122	14,042
Total operating expenses	**457,401**	**151,881**
Interest income	(17,345)	(76,262)
Foreign exchange loss	8,373	5,023
Net loss and comprehensive loss	**448,429**	**80,642**

For the three-months ended June 30, 2025, the Company incurred consulting fees of $82,031. Consulting fees represent consulting fees paid for the services of the Chief Financial Officer. There were no such consulting fees paid during the comparable period in the period year.

For the three-months ended June 30, 2025, the Company incurred dues and fees expenses $284. There were no such expenses incurred during the prior year.

For the three-month period ended June 30, 2025, the Company recorded insurance expense of $44,808 as compared to $13,125 for the same period during the prior year. Insurance expense includes premiums for both the Company's directors and officers' insurance and commercial general liability insurance coverage. The increase in insurance expense during the three-month period ended June 30, 2025 was a result of the Company updating its insurance policies as part of the IPO process.

For the three-month period ended June 30, 2025, the Company recorded office and other expenses of $3,268 as compared to $1,826 during the three-month period ended June 30, 2024. Office expenses and other include office and administrative costs, as well as bank fees, website costs and other miscellaneous expenses.

For the three-month period ended June 30, 2025, the Company incurred professional fees of $98,352 compared to $32,359 during the same period in the prior year, an increase of $65,993, a result of the timing of certain advisory, legal, and tax service, which were overall higher as the Company prepared for and completed the IPO during the quarter.

For the three-month period ended June 30, 2025, the Company incurred shareholder communication expense of $69,045 as compared to $15,000 for the three-month period ended June 30, 2024. Shareholder communication expenses for the three-month period ended June 30, 2025 consisted mainly of costs associated meeting with shareholders and the commencement of some investor relations activities post IPO.

For the three-month period ended June 30, 2025, the Company recorded non-cash stock-based compensation expense of $91,000, as compared to $73,000 for the three-month period ended June 30, 2024. Stock-based compensation expense is driven by the timing, estimated fair value and vesting of stock option grants. The estimated fair value of stock options granted is estimated using the Black-Scholes option pricing model. There were no stock options granted during the three-month period ended June 30, 2025.

Travel expenses for the three-month period ended June 30, 2025 were $7,491 as compared to $2,529 for the three-month period ended June 30, 2024. Travel expense is driven by the Company's overall level of operations and by the level of investor relations activities, both of which are expected to increase as a result of the IPO.

For the three-month period ended June 30, 2025, the Company incurred wages and benefits expense of $61,122 as compared to $14,042 for the period ended June 30, 2024. Jonathan Egilo joined the Company as President and CEO in June 2024.

For the three-month period ended June 30, 2025, the Company earned interest income of $17,345 as compared to $76,262 for the three-month period ended June 30, 2024. The decrease in interest income was a result of the Company holding lower average cash balances and earning lower rates of interest on that cash than during the comparable period in the prior year.

A significant portion of the Company's exploration and operating expenses are denominated in foreign currencies and as a result, the Company realized a foreign exchange loss of $8,373 during the three-month period ended June 30, 2024 as compared to a foreign loss of $5,023 during the three-month period ended June 30, 2024.

Summary of Quarterly Results

The following table contains selected financial information for the Company for the past eight quarterly periods.

	Revenue $	Net income (loss) and comprehensive loss $	Total assets $	Working capital (deficiency) $	Shareholder equity $	Loss per Share – basic and diluted $
September 30, 2023	Nil	(5,284)	13,752,937	6,856,337	12,638,887	0.00
December 31, 2023	Nil	(306,379)	13,971,770	5,450,701	13,227,508	0.00
March 31, 2024	Nil	31,704	13,838,180	4,327,794	13,259,211	0.00
June 30, 2024	Nil	(80,642)	14,787,369	4,359,449	14,245,903	0.00
September 30, 2024	Nil	(361,512)	14,794,986	3,123,320	14,125,391	0.00
December 31, 2024	Nil	(334,818)	15,245,469	1,978,657	14,396,573	0.00
March 31, 2025	Nil	(279,017)	15,505,985	666,181	14,231,556	0.00
June 30, 2025	Nil	(448,429)	25,479,513	9,005,317	24,041,220	0.00

Liquidity, Capital Resources

Working Capital

At June 30, 2025, the Company reported current assets of $10,443,610 (June 30, 2024 - $4,900,915), current liabilities of $1,438,293 (June 30, 2024 – $541,466) and working capital of $9,005,317 (June 30, 2024 – $4,359,449).

The Company's liquidity position is a result of the IPO Offering and multiple private placement equity financings completed during the years ended June 30, 2024 and June 30, 2023, offset by the Company's exploration and property costs at the La Huerta Project.

Initial Public Offering

On June 4, 2025, the Company completed an IPO pursuant to which the Company's common shares began trading on the TSX-V under the trading symbol AXO. In connection with the IPO, the Company completed an IPO Offering of Units pursuant to which the Company issued 20,909,300 Units at a price of $0.55 per Unit for total gross proceeds if $11,500,115. Each Unit consisted of one common share and one-half of one IPO Warrant, whereby each whole IPO Warrant entitles the holder to purchase one common share at a price of$0.70 at any time prior to the close of business on June 4, 2027 (2 years from the completion of the IPO), subject to certain adjustments. Pursuant to the closing of the IPO Offering, the Company was obligated to pay Underwriters' commissions of $490,116, which have been recorded as share issue costs. In addition to the Underwriters' commissions, the Company incurred professional and listing fees of $842,906 in connection with the IPO Offering. The estimated fair value of the IPO Warrants issued pursuant to the IPO was determined to be $891,000, or approximately $0.085 per IPO Warrant, calculated using the residual value method; accordingly, $891,000 of the gross proceeds of the IPO Offering have been allocated to the IPO Warrants. Immediately following the completion of the IPO Offering, 107,385,933 common shares (representing 82.4% of the issued and outstanding shares) were held in escrow pursuant to securities and listing regulations and are scheduled for release over a 36-month period following the Company's TSX-V listing on June 4, 2025. At June 30, 2025, 94,494,426 common shares (representing 72.5% of the issued and outstanding shares) remain in escrow. These common shares rank equally with other common shares but are subject to resale restrictions until released from escrow.

Private Equity Financings

In November 2024, the Company issued 1,000,000 common shares pursuant to the Rights Option Agreement and recorded the issuance as a resource property cost at a value of $0.40 per common share.

During the year ended June 30, 2024, the Company completed the following equity financing for total gross proceeds of $2,598,000:

- The Company issued 2,870,000 common shares at a price of $0.40 per common share for gross proceeds of $1,148,000 and incurred a finder's fee and other share issue costs totaling $33,665 on a non-brokered private placement basis.

- On July 21, 2023, the Company completed a brokered private placement (the "2024 Brokered Private Placement") resulting in the issuance of 3,625,000 common shares at a price of $0.40 per common shares for gross proceeds of $1,450,000. Pursuant to the closing of the 2024 Brokered Private Placement, the Company was obligated to pay agents' commissions of $87,000, of which $49,750 was paid in cash and $37,250 was settled through the issuance of 93,127 common shares, both of which were recorded as share issue costs. In addition to the agents' commissions, the Company incurred professional fees and other share issue costs of $46,217 in connection with the 2024 Brokered Private Placement. Additionally and pursuant to the 2024 Brokered Private Placement, the Company issued 108,751 compensation warrants (the "Compensation Warrants"). Each Compensation Warrant entitles the holder to purchase one common share at a price of $0.40 per share for a period of 2 years following a public listing of the Company's common shares. The issue date fair value of the Compensation Warrants was estimated to be $31,000 using the Black-Scholes option pricing model and was recorded as a share issue cost.

- In addition to the above-noted equity financings, during the year ended June 30, 2024, the Company issued 1,000,000 common shares pursuant to the Rights Option Agreement and recorded the issuance as a resource property cost at a value of $0.40 per common share.

During the year ended June 30, 2023, the Company completed the following equity financings for total gross proceeds of $11,709,964:

- The Company issued 37,072,698 common shares at a price of $0.15 per common share for gross proceeds of $5,560,964 on a non-brokered private placement basis.

- On June 22, 2023, the Company completed a brokered private placement (the "2023 Brokered Private Placement") resulting in the issuance of 15,372,500 common shares at a price of $0.40 per common shares for gross proceeds of $6,149,000. Pursuant to the closing of the 2023 Brokered Private Placement, the Company was obligated to pay agents' commissions of $368,940, of which $227,897 was paid in cash and $141,043 was settled through the issuance of 352,608 common shares, both of which have been recorded as share issue costs. In addition to the agents' commissions, the Company incurred professional fees of $230,744 in connection with the 2023 Brokered Private Placement. Additionally and pursuant to the 2023 Brokered Private Placement, the Company issued 461,175 Compensation Warrants. Each Compensation Warrant entitles the holder to purchase one common share at a price of $0.40 per share for a period of 2 years following a public listing of the Company's common shares. The issue date fair value of the Compensation Warrants was estimated to be $134,000 using the Black-Scholes option pricing model and was recorded as a share issue cost.

Cash Flows and Other Liquidity Items

During the year ended June 30, 2025, the Company had negative cash flows from operations of $1,050,203 compared to modest positive cash flow from operations of $198,702 during the year ended June 30, 2024. The modest cash flows from operations during the year ended June 30, 2024 were a result of the Company earning interest on cash held during the period in excess of cash operating expenses during the period. As operations ramp, the Company anticipates it will have negative cash flow from operating activities in future periods.

During the year ended June 30, 2025, and as discussed elsewhere in this MD&A, the Company used cash of $4,453,735 (year ended June 30, 2024 - $6,393,045) to advance the La Huerta Project.

The Company finances its operations through the issuance of equity securities. The Company is dependent on raising additional funding through the issuance of equity securities in order to fund future exploration programs and to meet its ongoing general and administrative requirements, and while management has been successful in obtaining funding in the past, there can be no assurance that it will be able to do so in the future.

Recoverability of Mexican VAT

Management's assumptions regarding the recoverability of Value Added Tax ("VAT") receivable in Mexico, at the end of each reporting period, are made using all relevant facts available, including past collectability, the development of VAT policies and the general economic environment of the country to determine if a write-down of the VAT is required. Collection of the amount receivable depends on processing and payment of the claims by the government in Mexico. The Company has approximately $1.69 million of VAT receivable at June 30, 2025 (June 30, 2024 - $1.15 million). While the Company is pursuing collection, with expected delays in processing and collection, management has determined that it is appropriate to classify this amount to the resource property to which the VAT paid related. The timing and amount of the VAT ultimately collectible could be materially different from the amount recorded in the consolidated financial statements.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Board of Directors

As of the date of this MD&A, the Board of Directors of AXO Copper is comprised of the following individuals:

- Jonathan Egilo, President, CEO and Director
- Glenn Jessome, Executive Chair, Corporate Secretary and Director
- Douglas Reid, Independent Director
- Lila Maria Bensojo-Arras, Independent Director
- Karen Flores, Independent Director

Management Team

As of the date of this MD&A, the Management of AXO Copper is comprised as follows:

- Jonathan Egilo, President and CEO,
- Glenn Jessome, Executive Chair and Corporate Secretary
- Keith Abriel, Chief Financial Officer

Disclosure for Venture Issuers without Significant Revenue

During the years ended June 30, 2025 and June 30, 2024, the Company incurred expenses related to the following:

	Year ended June 30, 2025 $	**Year ended June 30, 2024 $**
Capitalized exploration and property costs, net	5,149,449	5,463,093
Operating expenses	1,524,817	658,436

Outstanding Share Data

At June 30, 2025 and as of the date of this MD&A, the Company has 130,295,233 common shares issued and outstanding.

The Company has 3,500,000 stock options outstanding as at June 30, 2025 and as of the date of this MD&A. As of June 30, 2025 and as of the date of this MD&A, 2,683,333 and 2,900,000 stock options are fully vested, respectively. The Company's outstanding stock options as of the date of the MD&A are summarized in the following table:

Number of Options	Exercise Price	Expiry date
350,000	$0.15	May 4, 2033
1,000,000	$0.40	October 24, 2033
350,000	$0.40	April 14, 2034
1,500,000	$0.40	June 9, 2034
300,000	$0.40	July 18, 2034

At June 30, 2025 and at the date of this MD&A, the Company has 11,024,576 warrants outstanding, all of which are fully vested. The Company's outstanding warrants as of the date of the MD&A are summarized in the following table:

Number of Options	Exercise Price	Expiry date
569,926	$0.40	June 4, 2027
10,454,650	$0.55	June 4, 2027

Subsequent to June 30, 2025, the Company granted 1,500,000 DSUs to an executive of the Company.

As of the date of this MD&A, if all stock options, warrants and DSUs were exercised, the number of common shares of the Company outstanding would be 146,319,809.

Risk Factors

The following are certain factors relating to the business of the Company. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. If any of the risks described below or described in the Company's final long form prospectus dated May 23, 2025 actually occur, the Company's business, financial condition and operating results could be adversely affected.

Exploration Stage Company

The Company is an exploration stage company and cannot give any assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Company currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Company fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

Negative Operating Cash Flow

The Company is an exploration stage company with limited financial resources and has not generated cash flow from operations. During the year ended June 30, 2025, the Company had negative cash flow from operating activities of $1,050,203. The Company anticipates it will have negative cash flow from operating activities in future periods until profitable commercial production is achieved. The Company is devoting significant resources to the development of the La Huerta Project; however, there can be no assurance that it will generate positive cash flow from operations in the future. To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. There can be no assurance that additional funding will be available to the Company for the exploration and development of its projects. Furthermore, significant additional financing, whether through the issue of additional securities and/or debt, will be required to continue the development of the La Huerta Project. There can be no assurance that the Company will be able to obtain adequate additional financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of the La Huerta Project.

No Mineral Reserves

Currently, there are no mineral reserves (within the meaning of NI 43-101) on the La Huerta Project and the Company cannot give assurance that any mineral reserves will be identified. If the Company fails to identify any mineral reserves on The La Huerta Project, its financial condition and results of operations could be materially adversely affected.

Capital Requirements, Liquidity and Risks to Shareholders

Additional funds for the establishment of the Company's current and planned exploration and development operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

The market price of the common shares may be volatile and is subject to wide fluctuations.

The market price of the common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control. This volatility may affect the ability of holders of common shares to sell their securities at an advantageous price. Market price fluctuations in the common shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by government and regulatory authorities, the Company, or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the common shares. Financial markets have at times historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the common shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Shares may be materially and adversely affected.

Reliability of Historical Information

The Company has relied on, and the disclosure in the La Huerta Technical Report based, in part, upon, historical data compiled by previous parties involved with the La Huerta Project. To the extent that any of such historical data is inaccurate or incomplete, the Company's exploration plans may be adversely affected.

Mineral Exploration, Development and Operating Risks

The business of mineral exploration and development is highly speculative in nature, generally involves a high degree of risk and is frequently non-productive. The La Huerta Project is in the exploration stage, and there is no assurance that exploration efforts will be successful or that expenditures to be made by the Company will result in discoveries of commercial quantities of minerals or profitable commercial mining operations. Resource acquisition, exploration, development, and operation involves significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience, and knowledge may not eliminate. Significant expenses are required to locate and establish economically viable mineral deposits, to acquire equipment, and to fund construction, exploration and related operations, and few mining properties that are explored are ultimately developed into producing mines. Success in establishing an economically viable project is the result of a number of factors, including the quantity and quality of minerals discovered, proximity to infrastructure, metal and mineral prices, which are highly cyclical, costs and efficiencies of the recovery methods that can be employed, the quality of management, available technical expertise, taxes, royalties, environmental matters, government regulation (including land tenure, land use and import/export regulations) and other factors. Even in the event that mineralization is discovered on a given property, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change as a result of such factors. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on its invested capital, and no assurance can be given that any exploration program of the Company will result in the establishment or expansion of resources or reserves. The Company’s operations are subject to all the hazards and risks normally encountered in the exploration and development of mineral resource properties, including hazards relating to the discharge of pollutants or hazardous chemicals, unusual or unexpected adverse geological or geotechnical formations, unusual or unexpected adverse operating conditions, seismic activity, fire, explosions and natural phenomena and 'acts of God' such as inclement weather conditions, floods, earthquakes or other conditions, any of which could result in damage to, or destruction of, mineral properties, personal injury or death, damage to property, environmental damage, unexpected delays, monetary payments and possible legal liability, which could have a material adverse impact upon the Company. In addition, any future mining operations will be subject to the risks inherent in mining, including adverse fluctuations in fuel prices, commodity prices, exchange rates and metal prices, increases in the costs of constructing and operating mining and processing facilities, availability of energy and water supplies, access and transportation costs, delays and repair costs resulting from equipment failure, changes in the regulatory environment, and industrial accidents and labour actions or unrest. The occurrence of any of these risks could materially and adversely affect the development of a project or the operations of a facility, which could have a material adverse impact upon the Company.

Shareholders may experience significant dilution.

The Company’s Articles and by-laws allow it to issue an unlimited number of common shares for such consideration and on such terms and conditions as established by the Board, in many cases, without the approval of the Company’s Shareholders. The Company may issue additional common shares in subsequent offerings (including through the sale of securities convertible into or exchangeable for common shares) and on the exercise of stock options or other securities exercisable for common shares. The Company cannot predict the size of future issuances of common shares or the effect that future issuances and sales of common shares will have on the market price of the common shares. Issuances of a substantial number of additional common shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the common shares. With any additional issuance of common shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

The common shares do not pay dividends.

No dividends on the common shares have been declared or paid to date. The Company anticipates that, for the foreseeable future, it will retain its cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including earnings, operating results, financial condition, current and anticipated cash needs and any restrictions in financing agreements, and the Company may never pay dividends.

Forward-looking statements may prove to be inaccurate.

Investors should not place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give any assurance that title to its exploration properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that AXO Copper does not have title to its exploration properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

Limited Operating History

The Company has no history of an operating business or mining operations, revenue generation or production history. The Company was incorporated on April 15, 2021 and has yet to generate a profit from its activities. The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it will take several years to achieve any cash flow from operations.

Global Financial Volatility

Global financial conditions are volatile from time to time. Global economic volatility may impact domestic markets and the ability of the Company to obtain equity or debt financing to continue its operations and, if obtained, on terms favourable to the Company. Market volatility and turmoil could adversely impact the Company's operations and the value and the trading price of the Company's common shares.

Commodity Prices

Factors beyond the control of the Company may affect the marketability and price of minerals discovered, if any. Commodity and metal prices have fluctuated widely in recent years and months and are affected by numerous factors beyond the control of the Company, including international, economic and political trends, market intervention by state actors, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors cannot be accurately predicted. Periods of depressed metal prices may negatively affect the ability of the Company to obtain required financing and have a material adverse effect on the Company.

Foreign Operations

The Company's principal asset is located in Mexico and the Company's operations are therefore subject to Mexican federal and state laws and regulations. The risks normally associated with the conduct of business in foreign countries include various levels of political, regulatory, economic, social and other risks and uncertainties. Such risks may include, but are not limited to: local economic instability, high rates of inflation, emerging resource nationalism, restrictions on foreign ownership and activities, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits and contracts, limitations on repatriation of earnings or other currency controls, limitations on commodity exports, labor unrest, invalidation of governmental orders and permits, corruption, sovereign risk, war (including neighboring states), military repression, civil disturbances, terrorist activity, hostage taking, unanticipated changes in laws or policies, the failure of foreign parties to honor contractual relations, foreign taxation, delays or inability to obtain necessary governmental permits, and opposition to mining from environmental or other non-governmental organizations.

The Company believes the attitude of the current Mexican government toward mineral resource development activities and foreign investment to be favorable, however, any deterioration in economic conditions or other factors could result in a change in government policies at either the national or state level. In addition, no assurance can be given that new rules and regulations will not be enacted or that existing laws, rules and regulations will not be applied in a manner which could limit or curtail the Company's activities.

Mexico's legal and regulatory requirements in connection with companies conducting mineral exploration and mining activities, banking system and controls as well as local business culture and practices are, in particular, different from those in Canada. While the Company believes its exploration and development activities are currently carried out in material compliance with all applicable rules and regulations, the officers and directors of the Company must rely, to a great extent, on the Company's Mexican legal counsel and local consultants retained by the Company in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Company's operations. The Company also relies, to some extent, on those members of management and directors of the Company who have previous experience working and conducting business in Mexico in order to enhance its understanding of and appreciation for the local business culture and practices in Mexico. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices in Mexico are beyond the control of the Company and may adversely affect its business.

Limited Market for Securities

The common shares are listed on the TSXV, however there can be no assurance that an active and liquid market for the common shares will be maintained, and an investor may find it difficult to resell securities of the Company.

Conflicts of Interest

Certain directors and officers of the Company are or may become associated with other mineral resource exploration companies which may give rise to conflicts of interest. In accordance with applicable Canadian corporate law, directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. Certain of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and, accordingly, the Company will not be the only business enterprise of these directors and officers.

Competition

The Company will compete with many exploration companies that may have substantially greater financial and technical resources than the Company, as well as, for the recruitment and retention of qualified personnel.

Reliance on Key Individuals

The Company's success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in its growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Company.

Infrastructure

Mineral resource development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Unusual or infrequent weather, phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could have a material adverse impact on the Company and its operations.

Litigation

Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. At any time, the Company is subject to the threat of litigation and may be involved in disputes with other parties in the future which may result in litigation or other proceedings. The results of litigation or any other proceedings cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it could have a material adverse effect on the Company and its financial position, operations or development.

Dependence on Projects

The Company is currently allocating substantially all of its financial resources and efforts to the La Huerta Project. While the Company may acquire additional mining and exploration projects in the future, the La Huerta Project is currently the Company's only mineral projects. Therefore, any adverse conditions or events affecting the La Huerta Project could materially and adversely affect the Company's potential profitability, financial performance and operational results.

Substantial Environmental and Reclamation Costs

The Company's activities are subject to laws and regulations controlling not only the mining of and exploration for mineral properties, but also the possible effects of such activities upon the environment. Environmental legislation may change and make mining operations uneconomic, or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases, or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas which could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties or the suspension or closure of mining operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities. Environmental legislation is evolving in a manner which may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Permits from a variety of regulatory authorities are required for many aspects of mine development, operation and reclamation. Future legislation and regulations could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of reclamation plans, the Company must comply with standards and laws and regulations which may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

Sales by Existing Shareholders

Sales of a substantial number of Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Shares intend to sell Shares, could reduce the market price of the Shares. If this occurs and continues, it could impair the Company's ability to raise additional capital through the sale of securities.

Safety and Security

The Company's property interests are located in the State of Jalisco, Mexico. Criminal activities in the region, or the perception that activities are likely, may disrupt the Company's operations, hamper the Company's ability to hire and keep qualified personnel and impair the Company's access to sources of capital. Risks associated with conducting business in the region include risks related to personnel safety and asset security. Risks may include, but are not limited to: kidnappings of employees and contractors, exposure of employees and contractors to local crime related activity and disturbances, exposure of employees and contractors to drug trade activity, and damage or theft of the Company's or personal assets. These risks may result in serious adverse consequences including personal injuries or death, property damage or theft, limiting or disrupting operations, restricting the movement of funds, impairing contractual rights and causing the Company to shut down operations, all of which may expose the Company to costs as well as potential liability. Such events could have a material adverse impact on the Company and make it more difficult for the Company to obtain required financing. Although the Company actively attempts to mitigate such risks, there is no assurance that the Company's efforts will be effective in safeguarding personnel and the Company's property effectively.

Enforcement of Judgements

The majority of the Company's assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Company or its subsidiaries, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Company or its subsidiaries under Canadian securities laws. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims in original actions instituted in other jurisdictions. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure may also be governed by foreign law.

Insurance and Uninsurable Risks

While the Company has obtained insurance to address certain risks in such amounts as it considers being reasonable, such insurance has limitations on liability and the insurance may not continue to be available. Moreover, such risks may not be insurable in all instances or, in certain instances, the Company may elect not to insure against certain risks because of high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company and the occurrence of an event in which the Company is not fully insured against, could have a material adverse effect upon its business, operating results and financial condition.

Currency

Our financials are reported in Canadian dollars. However due to our operations in foreign jurisdictions, expenditures may be incurred in foreign currencies. Thus the Company may be exposed to financial risk arising from fluctuations in exchange rates between the Canadian dollar and foreign currencies, which may, from time to time, impact our financial position and results.

Social and Environmental Activism

There is an increasing level of public concern relating to the effects of mining on the nature landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("**NGOs**") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the

Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operations, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Acquisition of Additional Mineral Properties

If the Company loses or abandons its interests in its mineral properties, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the TSXV. There is also no guarantee that the TSXV will approve the acquisition of any additional properties by the Company, whether by way of an option or otherwise, should the Company wish to acquire any additional properties.

Government or Regulatory Approvals

Exploration and development activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a mining licence will be granted with respect to exploration territory. There can also be no assurance that any exploration licence will be renewed or if so, on what terms. These licences place a range of past, current and future obligations on the Company. In some cases, there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant licence or related contract.

Permits and Government Regulation

The future operations of the Company may require permits from various federal, state, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. Possible future government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before development and production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance, with changes in governmental regulations, has the potential to reduce the profitability of operations. The Company is currently in compliance with all material regulations applicable to its exploration activities.

Uncertainty of Use of Available Funds

Although the Company has set out its intended use of available funds in its public filings, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such funds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of copper on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, pandemics, epidemics or quarantine restrictions.

Reporting Issuer Status

As noted elsewhere herein, on June 4, 2025, the common shares of the Company began trading on the TSXV and the Company is now a reporting issuer, the Company will be subject to reporting requirements under applicable securities law, the listing requirements of the TSXV and other applicable securities rules and regulations. Compliance with these requirements will likely result in increased legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Company is now required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

Management of the Company expects that being a reporting issuer will make it more expensive to obtain and maintain director and officer liability insurance, and the Company may in the future be required to accept reduced coverage or incur substantially higher costs to obtain or maintain adequate coverage. This factor could also make it more difficult for the Company to retain qualified directors and executive officers.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Company may acquire mineral claims, material interests in other mineral claims, and companies that the Company believes are strategic. The Company currently has no understandings, commitments or agreements with respect to any material acquisition, other than as described in its public filings, and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired Company or mineral claims into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

Climate Change Risks

The Company acknowledges climate change as an international and community concern and it supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. However, in addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Company expects that this could result in increased costs at some of its operations in the future.

The Company and the mining industry are facing continued geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, floods, seismic activity, droughts and pit wall failures, may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's business results of operations and financial position.

Internal controls cannot provide absolute assurance with respect to the reliability of financial reporting and financial statement preparation

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

No Established Market for Securities

As noted elsewhere herein, on June 4, 2025, the common shares of the Company began trading on the TSXV; however, there can be no assurance that an active and liquid market for the common shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company. If a market does not develop or is not sustained, it may be difficult for investors to sell the common shares at an attractive price or at all. The Company cannot predict the prices at which the common shares will trade.

Speculative Nature of Investment Risk

An investment in the Company's securities carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. An investment in the Company's securities may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

Price may not Represent the Company's Performance or Intrinsic Fair Value

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the common shares on the TSXV in the future cannot be predicted.

Securities or Industry Analysts

The trading market for the common shares could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or its competitors. The Company does not have any control over these analysts and cannot assure that such analysts will cover the Company or provide favourable coverage. If any of the analysts who may cover the Company's business change their recommendation regarding the Company's stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Company's business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

Price Volatility of Publicly Traded Securities

As noted elsewhere herein, on June 4, 2025, the common shares of the Company began trading on the TSXV. Securities of mineral exploration and development companies, have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries.

The price of the common shares is also likely to be significantly affected by short-term changes in copper or other mineral prices or in our financial condition or results of operations. Other factors unrelated to our performance that may affect the price of the common shares include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the common shares may affect an investor's ability to trade significant numbers of Shares; the size of our public float may limit the ability of some institutions to invest in the common shares; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the common shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The market price of the common shares is affected by many other variables which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the market for all resource sector securities, the breadth of the public market for our common shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the common shares is expected to make the price of the common shares volatile in the future, which may result in losses to investors.

Dilution

Future sales or issuances of equity securities could decrease the value of the common shares, dilute shareholders' voting power and reduce future potential earnings per common share. We may sell additional equity securities in subsequent offerings (including through the sale of securities convertible into common shares) and may issue additional equity securities to finance our operations, development, exploration, acquisitions or other projects. We cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the common shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the common shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per common Share.

Dividends

To date, the Company has not paid any dividends on its outstanding common shares. Any decision to pay dividends on the common shares of the Company will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions.

TSXV Listing

In the future, the Company may fail to meet the continued listing requirements for the common shares to be listed on the TSXV. If the TSXV delists the common shares from trading on its exchange, the Company could face significant material adverse consequences, including: a limited availability of market quotations for the common shares; a determination the common shares are a "penny stock" which will require brokers trading in the common shares to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary market for the common shares; a limited amount of news and analysts coverage for the Company; and a decreased ability to issue additional securities or obtain additional financing in the future.

Significant Accounting Estimates and Judgements

The preparation of the consolidated financial statements requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses during the reporting year. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results may differ from these estimates. The more significant areas requiring the use of management estimates and judgements are discussed below.

Going concern

The Company's assessment of whether material uncertainties exist in relation to the Company's ability to continue as a going concern requires significant judgment. Management prepares detailed cash flow projections, considering expected spending on its resource properties and general and administrative expenses and assesses whether it has the ability to meet its obligations as they come due, for a minimum of a twelve-month period from the consolidated statements of financial position date.

Recoverability of resource properties

At the end of each reporting period, the management assesses whether there are any indicators of impairment related to resource properties. Management applies judgment is required in determining whether indicators of impairment exist, including factors such as the period for which the Company has the right to explore, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and whether results of exploration and evaluation activities on the resource properties indicate that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale.

Where an indicator of impairment exists, an estimate of the recoverable amount is calculated by management, which is considered to be the higher of fair value less cost of disposal and value in use. The value in use of resource properties is generally determined as the present value of future cash flows arising from the continued use of the assets. The determination of discounted cash flows is dependent on a number of factors, including future metal prices, the amount of reserves, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, and site closure, restoration and environmental rehabilitation costs. These factors may change due to changing economic conditions or the accuracy of certain assumptions and, hence, affect the recoverable amount. The fair value of resource properties is estimated by management through the use of, where available, comparison to similar assets and industry benchmarks. Actual results may differ materially from these estimates.

Recoverability of sales tax

Management's assumptions regarding the recoverability of VAT receivable in Mexico, at the end of each reporting period, are made using all relevant facts available, including past collectability, the development of VAT policies and the general economic environment of the country to determine if a write-down of the VAT is required. Collection of the amount receivable depends on processing and payment of the claims by the government in Mexico. The Company has approximately $1.69 million of VAT receivable at June 30, 2025 (June 30, 2024 - $1.15 million). While the Company is pursuing collection, with expected delays in processing and collection, management has determined that it is appropriate to classify this amount to the resource property to which the VAT paid is related. The timing and amount of the VAT ultimately collectible could be materially different from the amount recorded in the consolidated financial statements.

Share-based payments

The Company issues equity-settled share-based payments to certain employees and third parties outside the Company. Equity-settled share-based payments are measured at estimated fair value, except warrants issued as part of units for which the residual method is used, excluding the effect of non-market based vesting conditions, at the date of grant. Fair value is estimated using the Black-Scholes option pricing model and requires the exercise of judgment in relation to variables such as the expected life and expected volatilities, which are based on information available at the time the fair value is measured.

Other Information

Additional information regarding the Company will be available on SEDARPlus at www.sedarplus.ca following the completion of the Initial Public Offering process.