

AVANTI GOLD CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

For The Years Ended April 30, 2026 and 2025

OVERVIEW

This management's discussion and analysis ("MD&A") provides an analysis of Avanti Gold Corp's ("Avanti", "we", "us" or the "Company") financial situation which will enable the reader to evaluate important variations in our financial situation for the years ended April 30, 2026 and 2025. This report prepared as at **August 13, 2026** intends to complement and supplement our audited consolidated financial statements (the "Financial Statements") as at April 30, 2026 and 2025, which have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards"), as issued by the International Accounting Standards Board ("IASB") and should be read in conjunction with the audited consolidated financial statements and the accompanying notes.

Our financial statements and the MD&A are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our financial statements have been prepared using accounting policies consistent with IFRS Accounting Standards. All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

FORWARD LOOKING STATEMENTS

Certain statements in this report may be forward-looking statements, which reflect management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about our current mineral property interests, the global economic environment, the market price and demand for commodities and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions from increased tariff risk and interest rates, (2) a decreased demand or price of minerals, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control.

Additional information relating to Avanti Gold Corp, is available by accessing the SEDAR PLUS website at <https://www.sedarplus.ca/>.

DESCRIPTION OF BUSINESS

Avanti Gold Corp. is a mineral exploration company working on a gold opportunity in the Democratic Republic of the Congo, located in the Fizi territory of South Kivu Province. The Company was incorporated on May 9, 2014, and on September 14, 2020, the Company changed its name from JDF Explorations Inc. to Valorem Resources Inc. and on April 21, 2023, the Company changed its name to Avanti Gold Corp.

The Company is a publicly listed company on the Canadian Stock Exchange ("CSE"), trading under the symbol "AGC" and on the Frankfurt Stock Exchange under the symbol "X370". The Company is currently working on the Misisi Gold Project which has an inferred mineral resource of 3.1 million ounces.

On December 8, 2025, the Company's common shares became eligible for trading on the OTCQB Venture Market in the United States under the ticker symbol AVTGF. The Company's shares continue to trade on the Canadian Securities Exchange under the symbol AGC and on the Frankfurt Stock Exchange under the symbol X370.

On February 3, 2026, the Company announced that its common shares became eligible for electronic clearing and settlement through The Depository Trust Company ("DTC") in the United States. DTC eligibility enables U.S.-based broker-dealers to hold and trade AVTGF shares electronically, broadening accessibility for U.S. retail and institutional investors.

The head office and principal address is Suite 1100-1111 Melville Street, Vancouver, British Columbia, V6E3V6. The registered and records office of the Company is located at Suite 1100-1111 Melville Street, Vancouver, British Columbia, V6E3V6.

SUMMARY OF BUSINESS ACTIVITIES

ACQUISITION OF MTM LTD.

Background:

On June 21, 2024, the Company entered into a share exchange agreement with MTM Ltd. ("MTM") to acquire 100% of MTM, a privately held arms-length company established under the laws of the Republic of Seychelles. MTM, with a local partner, holds rights to gold prospecting licenses in the Magisterial District of Molopo, South Africa. The license rights cover an area of approximately 90 hectares ("ha"), located in the highly prospective Kraaipan Granite-Greenstone Belt terrain, which extends 400 kilometers ("km") from southern Botswana into the Northwest Province of South Africa. As consideration, the Company issued 29,000,000 common shares at \$0.16 per share for a total consideration of \$4,640,000.

Accounting treatment:

In accordance with IFRS 3 Business Combinations, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs and processes. This acquisition does not meet the definition of a business combination as the primary assets are mineral claims. Consequently, the transaction has been recorded as an asset acquisition. The transaction price was negotiated and entered into at arm's length, therefore the consideration paid is presumed to be equal to the fair value of the net assets acquired unless there is evidence to the contrary. On the date of acquisition, there was no evidence to suggest that the fair value of the net assets acquired did not equal the consideration paid. The consideration's fair value was determined using level 1 (valuations based on quoted prices, unadjusted, in active markets for identical assets or liabilities) inputs.

The Company's accounting policy is to expense all exploration and evaluation acquisition cost and expenditures, unless commercial feasibility has been met. On the date of acquisition, commercial feasibility was not met based on the Company's accounting policy, rather, the Company expensed the difference between the consideration paid and the net assets acquired to the Consolidated Statement of Loss and Comprehensive Loss to exploration and evaluation expense.

The following table summarizes the consideration paid and the allocation to the assets and liabilities acquired as at the date of acquisition:

Purchase price	\$
29,000,000 common shares	4,640,000
Total consideration paid	4,640,000
Amounts receivable	865,000
Advances from related parties	(63,250)
Assets acquired	801,750
Net exploration and evaluation expenditures	3,838,250

ACQUISITION OF REGENCY MINING LTD.

Background:

On December 22, 2022, the Company entered into a share exchange agreement with Regency Mining Ltd. (“Regency”) to acquire 100% of Regency, a private corporation existing under the laws of Seychelles. Regency owns a 99.43% interest in Casa Mining Ltd. (“Casa”), and indirectly through its ownership of Casa, owns a 73.84% interest in Leda Mining Congo S.A. (“Leda”). Leda owns an interest in the Misisi Gold Project (“Gold Project”) located in the Fizi territory of South Kivu province, in the DRC. The Gold Project covers 133 square km on three contiguous mining licenses, valid until 2045.

Business rationale and judgements:

The Gold Project represents a significant opportunity for the Company. From the Amended and Restated Technical Report NI 43-101 filed on August 1st, 2023, the Company has noted the following highlights:

- Large contiguous licensed land position extending 133 square km valid through to 2045.
- Host to an Inferred Resource of 40.8 million tonnes at an average grade of 2.37 g/t Au (representing 3.1 million ounces of gold) at Akyanga.
- Significant upside exploration potential on a 55 km prospective gold belt, of which numerous targets have been identified from prior exploration activity (geophysics, sampling and prospecting) including the directly adjacent Akyanga East prospect.
- Extensive past exploration work with technical reports generated including three historical resource estimates using the JORC Code and a Scoping Study (SRK, 2014)

The amended and restated technical report NI 43-101 filed August 1st, 2023 on SEDAR PLUS was provided by John Arthur (Ph.D, CGeol FGS); Ephraim Masibhera (B.Sc. (Geol.), MSc (Cd), MGSSA, Pr. Sci Nat) and Dian Heinrich Page (B.Sc, MEng, Pr. Sci Nat). Dr. John Arthur is the principal Qualified Person as defined in National Instrument 43- 101 – Standards of Disclosure for Mineral Projects (“NI 43-101”).

Subject to accessing sufficient funding, the Company is looking to explore this opportunity and conduct further work to identify and commercialize potential gold deposits. There are no further commitments to acquire these claims.

Accounting treatment:

On the date of acquisition, commercial feasibility was not met and based on the Company’s accounting policy, rather, the Company expensed the difference between the consideration paid and the net liabilities acquired to the Consolidated Statement of Loss and Comprehensive Loss to exploration and evaluation expense.

Avanti Gold Corp.
Management discussion and analysis
For the year ended April 30, 2026

The following table summarizes the consideration paid and the allocation to the assets and liabilities acquired as at the date of acquisition:

Purchase price	\$
16,000,000 common shares	5,680,000
2,000,000 finder common shares	710,000
Cash payments	656,567
Transaction costs	3,600
Total consideration paid	7,050,167
Cash	815
Prepays	4,165
Accounts payable	(2,301,944)
Loans payable	(1,091,749)
Deferred consideration payable	(2,731,200)
Advances from related parties	(1,025,515)
Net liabilities acquired	(7,145,428)
Non-controlling interest	1,901,902
Liabilities acquired	(5,243,526)
Net exploration and evaluation expenditures	12,293,693

Corporate Highlights - Appointments

On April 1, 2026, the Company engaged Oakstrom Advisors to support investor relations and strategic communications initiatives. Oakstrom Advisors is a leading international consultancy focused on the delivery of investor relations, strategic communications, and capital markets outreach services. This engagement was subsequently terminated.

On December 18, 2025, shareholders elected Sir Samuel Jonah, Mata Botima, Jonathan Hill, Terry Holohan, Martin Pawlitschek and David Renner as the directors of the Company. Following the meeting, the Board appointed Sir Samuel Jonah as the Chairman.

On December 18, 2025, Mohammed Cisse was appointed as Acting Chief Executive Officer. Mr. Cisse is a seasoned African mining executive with extensive experience in the Democratic Republic of Congo.

On September 30, 2025, Mohammed Cisse was appointed as Chief Operating Officer.

On September 30, 2025, Natalie Davies stepped down as Chief Financial Officer, and Swapan Kakumanu was appointed as Chief Financial Officer.

On August 13, 2025, David Renner was appointed as a Non-Executive Director. Mr. Renner is a mining executive with over 30 years of international experience, particularly in large-scale mine development and production in Africa.

On July 29, 2025, Terry Holohan was appointed as a Non-Executive Independent Director. Ian Maclean stepped down as Chief Executive Officer and Director, and Swapan Kakumanu was appointed as an Interim CEO.

On July 29, 2024, Martin Pawlitschek was appointed as a Non-Executive Director of the Board. Colin Porter stepped down as a Director but will continue as Vice President, Exploration.

On May 7, 2024, Ian MacLean was appointed as the Company's Chief Executive Officer. Ian MacLean has over 25 years of experience in the mining industry, where he has played key roles in the formation and success of several mining ventures, demonstrating an aptitude for driving transformative growth and cultivating sustainable shareholder value. Mr. MacLean replaces Dr. Colin Porter, the Company's former CEO.

On May 3, 2024, Sir Samuel Jonah was appointed as a Director and Chairman of the Board. Sir Samuel Jonah, former President of AngloGold Ashanti and a distinguished leader renowned for his groundbreaking contributions to the mining sector in Africa, brings a wealth of experience that will help propel the growth of the Company.

EXPLORATION AND EVALUATION EXPENDITURES

All technical aspects of the Company for this MD&A report, have been reviewed and approved by Dr. Stewart A Jackson, P.Geo., a Qualified Person under NI 43-101 and independent of the Company.

Acquisition and exploration expenditures for the years ended April 30, 2026 and 2025 were as follows:

	Misisi Gold	Kraaipan Project	Total Costs
	\$	\$	\$
Exploration expenditures	31,846	-	31,846
Acquisition	1,742,523	3,838,250	5,580,773
Balance, April 30, 2025	1,774,369	3,838,250	5,612,619
Exploration expenditures	2,937,667	-	2,937,667
Balance, April 30, 2026	2,937,667	-	2,937,667

Management has determined that due to uncertainty on future recoverability of its mineral exploration and evaluation assets, acquisition and exploration costs are expensed as incurred.

Kraaipan Project

On June 21, 2024, the Company entered into a share exchange agreement with MTM Ltd. (“MTM”) to acquire 100% of MTM, a privately held arms-length company established under the laws of the Republic of Seychelles. MTM, with a local partner, holds rights to gold prospecting licenses in the Magisterial District of Molopo, South Africa. The license rights cover an area of approximately 90 hectares (“ha”), located in the highly prospective Kraaipan Granite-Greenstone Belt terrain, which extends 400 kilometers (“km”) from southern Botswana into the Northwest Province of South Africa.

Misisi Gold Project

The Misisi Gold Project has a contained Inferred Mineral Resource of 3.1 million ounces of gold as reported in the Company's National Instrument 43-101 technical report on the Misisi Gold Project.

Near term upside potential around the existing Akyanga deposit with additional drilling on strike and at depth. Additional near-term potential to increase resources with further drilling at the Akyanga East prospect. Scope to significantly increase the resource from multiple drill targets identified over a 50km strike length with positive indications and intersections from geophysical and soil anomalies, as well as historical drilling data.

Phase 1 drill planning on the Misisi Gold project.

On deployment of the team for the starting of the drill program for 2026, samples from a 2,100m drilling by the previous operator remain on site and have not been assayed. The integrity of the samples was assessed and overall condition is considered to be good. In January 2026 the Company exported this historic drill core to laboratories for assay analysis. These samples represent approximately 10% of historic diamond drilling completed by the previous operator and may provide additional geological data to support future resource expansion.

On April 23, 2026, the Company announced it commenced drilling at its flagship Misisi Gold Project.

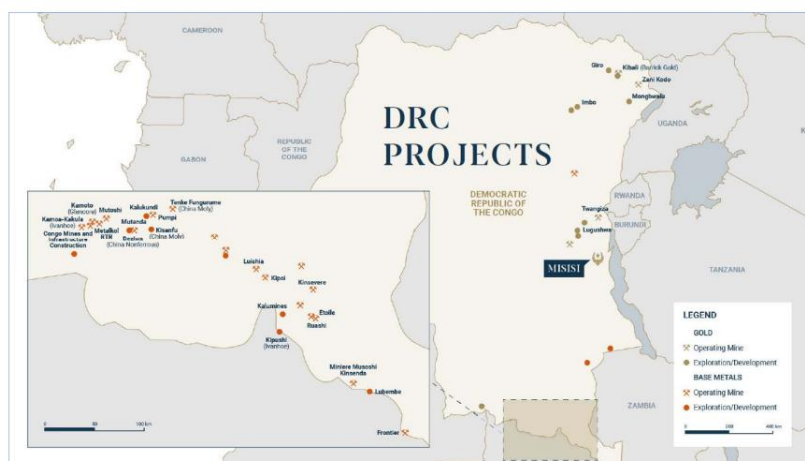
Phase 1 drill planning with 15,000m is ongoing with a view to further upgrading of the Akyanga inferred resource by infill drilling and exploration drilling on the Akyanga East target which lies 500m to the east of the main resource.

In Q4 of the 2026 fiscal year, the Company expanded the planned 2026 exploration program at the Misisi Project to approximately 42,000 meters of drilling, comprising a 15,000-meter Phase 1 programme and a 27,000-meter Phase 2 program targeting the Akyanga deposit and additional regional targets including Akyanga East, Ngulula, Tulongwe, Lubitchako and Kilombwe.

About the Misisi Gold Project:

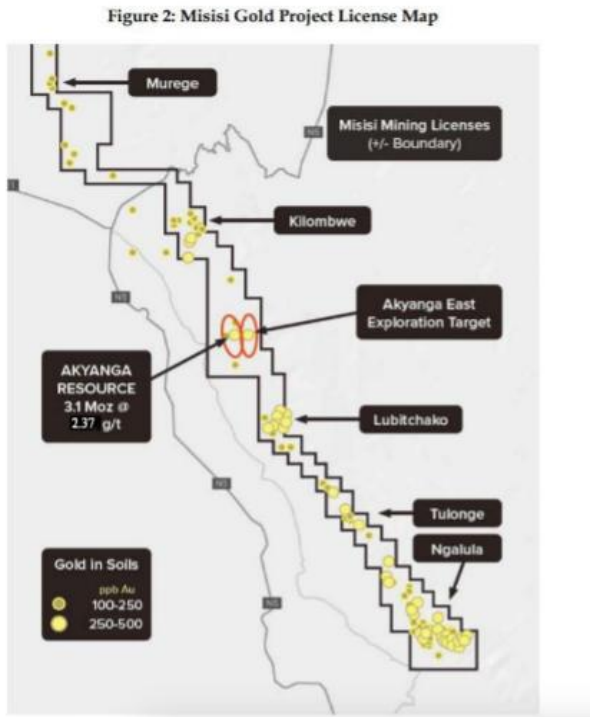
The initial mineral resource estimate was supported by data from 105 diamond drill holes and 6 RC drill holes totaling over 22,000m of drilling. All sample data was composited to the dominant sample length of 1 m prior to analysis and estimation. The sample database and the topographic survey were reviewed and validated by Arc Minerals Ltd. and African Mining Consultants prior to being supplied to Ivor Jones Pty Ltd, a specialized Australian based resource consultant. Such review and validation helped support the reliability of the estimate. Geological and Mineral Resource domain modelling, grade interpolation, Mineral Resource classification and reporting of the mineral resource statement, was performed by Mr. Ivor Jones. Mr. Jones is a “Qualified Person” within the meaning of National Instrument NI 43 - 101. Block modelling was carried out using cell dimensions of 25mE by 25mN by 25 mRL and was coded to reflect the surface topography and mineralized zones. Density values were estimated into blocks and had an average density of 2.63t/m³. The mineral resource estimate was classified based on data density, data quality, confidence in the geological interpretation and confidence in the robustness of the grade interpolation.

Figure 1: Misisi Gold Project



The Project is located 250 km south of Bukavu, the provincial capital of the South Kivu Province, in the DRC (Figure 1). The Project is comprised of three contiguous 30-year mining leases, valid until 2045, covering 133 square km of highly prospective exploration ground along the 55-kilometre-long Kibara Gold Belt. The Kibara Belt is a well-known metallogenic province and hosts a number of other deposits including the Twangiza (5.1 Moz oz Au, source: S&P Global) and Namoya (1.9 Moz, source: S&P Global) gold mines. Within the area of the 3 licenses, a significant number of prospects have been delineated including the Akyanga deposit and Akyanga East exploration target, along with other significant targets such as the Lubitchako, Tulogwe, Kilombwe and Mutshobwe (latter not shown on the map) prospects (Figure 2).

The Misisi Gold Project has been explored by a number of companies intermittently since the late 1920's. Recently, exploration was carried out by Anvil Mining (acquired by Minmetals Resources/MMG in 2011 for C\$1.3 billion) from 1998 through 2008, followed by Casa Mining from 2011 through 2018 that included 21,610 metres of diamond drilling in 133 holes, 2,810 metres of reverse circulation drilling in 23 holes, 2,011-line metres of trenching, in addition to geophysical surveying, sampling and prospecting.



The Misisi Gold Project contains the Akyanga deposit, which is the subject of the NI 43-101 Inferred Resource of 41 million tons at an average grade of 2.37grams per ton gold containing 3.1 million ounces. Mineralization at Akyanga is comprised of several sub-parallel mineralized zones, which have been delineated by historical exploration including diamond and reverse-circulation (RC) drilling. The deposit has been defined over a 1,200-metre strike length, and comprises six sub-parallel quartz veins ranging from one to eight meters thick that dip shallowly to the southeast, extending to a depth of 300 meters with mineralization remaining open at depth.

On September 26, 2024 Avanti announced the commencement of the 2024 exploration program at the Misisi Gold Project in the Democratic Republic of Congo (DRC). Avanti geologists are currently overseeing the preparation of diamond drill samples for transportation to Advanced Laboratory Solutions (ALS) assay lab located in Johannesburg, South Africa. These samples are from 2,100 meters (m) of diamond drilling that was completed by the previous owner but were not assayed and are not included in the current 3.1 million ounce Inferred Mineral Resource estimate for the Misisi Project. Assay results from 2,100-meter of historic diamond core that targeted both the northwest extension and the high-grade southern zones of the Akyanga deposit. The samples, representing approximately 10% of the total drilling conducted at Akyanga. These assays from 7 historic drill holes (1,629 m) confirm near-surface high-grade gold at the Akyanga deposit. Key intercepts include 3.5 m @ 6.12 g/t, 12.7 m @ 4.60 g/t, and 15.1 m @ 2.31 g/t Au. More results are pending from additional drill holes and 2,100 m of historic core. A 15,000 m drilling program starts March 2026 to expand resources at Akyanga and define Akyanga East.

On September 11, 2025 the Company announced progress at its Misisi Gold project in the DRC. The Company is finalizing permits to export and assay 2,100 m of historical diamond drill core from the Akyanga deposit that were never tested. Results could:

- Upgrade part of the 3.1 Moz Inferred Resource to Indicated;
- Confirm high-grade continuity in the southern zone;
- Support refined pit shell and mine planning.

Over \$30 million has been invested in exploration at the Misisi Project to date, including 20,000 m of diamond drilling and 500 m of trenching. Comprehensive geochemical and geophysical surveys have been conducted over the entire 55 km belt, identifying a parallel structure and several drill-ready exploration targets. The 2,100 m of diamond drilling targeted the northwest and high-

grade southern sections of the Akyanga mineralized zone. The infill samples being processed have the potential to convert a portion of the Inferred Mineral Resource into the indicated category.

On March 2, 2026 assay results of 1,496 samples from seven historical diamond drill holes, totalling 1,629 meters, have been successfully assayed demonstrating strong continuity of near-surface, high-grade gold mineralisation in the southern portions of Akyanga, and highlighting the potential for a significant resource expansion at the Misisi Project. Drill results from the historical programme include the following high-grade intercepts:

- MSDD136: 3.5m at 6.12 g/t Au from 106.6m
- MSDD138: 12.7m at 4.60 g/t Au from 89.5m
- MSDD139: 15.1m at 2.31 g/t Au from 44.6m

Samples from three diamond drill holes, totalling 471 meters, are currently undergoing assay with results expected to be published as they come available

QA/QC protocols will be applied to all samples to ensure compliance with NI 43-101 standards. Assay results will be announced in stages as they become available.

The Company entered a digital marketing services agreement with Machai Capital Inc.

On November 17, 2025, the Company engaged Atrium Research Corporation, a leading company-sponsored research firm that provides institutional-quality coverage on North American public equities with a long-term (3-5 years) investment outlook.

During the year ended April 30, 2026 and subsequently up to the date of this report the Company advanced key operational, logistical, and stakeholder engagement activities in preparation for the restart of exploration at the Misisi Gold Project:

- **Leadership Transition:** Avanti successfully completed the transition to a new management team following their appointment on September 30, 2025, enhancing in-country operational oversight and execution capability.
- **Post-Financing Mobilization:** Following the close of the upsized \$25 million private placement in October, 2025, field planning and pre-mobilisation activities accelerated with a targeted restart of exploration operations.
- **In-Country Pre-Drilling Mobilisation Trip:** Management completed a multi-region field visit, meeting with government officials, local authorities, community representatives, and service providers across Kinshasa, Kalemie, Lubumbashi, and the Misisi region.
- **Drilling & Prep Lab:** Drilling activities at the Misisi Project continue to advance in line with the Company's exploration strategy. Simba Drilling was successfully retained as the Company's primary drilling contractor, with the initial mobilization of two drill rigs now completed March 26 and actively supporting the Phase 1 drilling campaign. A further two rigs are scheduled to be mobilized during July, significantly increasing drilling capacity and accelerating the delivery of exploration targets. In parallel with the drilling expansion, the Company is progressing the establishment of an on-site sample preparation laboratory. The procurement process for the laboratory construction materials is in its final stages, with construction expected to commence shortly thereafter. Once completed, the facility will undergo certification in collaboration with SGS to ensure compliance with international quality assurance and quality control (QA/QC) standards, enabling efficient and reliable sample preparation prior to assay analysis.
- **Operational Base Secured – Kalemie:** Kalemie was confirmed as the logistical hub for mobilisation and support services, with established infrastructure:
 - **Kalemie Airport:** 2.5 km paved runway suitable for regular freight and charter flights to Lulimba Airstrip.
 - **Kalemie Port:** Cargo capacity exceeding 1,000 tonnes, receiving regular shipments from Tanzania and Zambia.
 - **N5 Highway Access:** 180 km laterite road providing direct access to site, currently undergoing refurbishment.
- **Site & Camp Assessment:** The Misisi camp was confirmed to be in operational condition, with the core storage facility functional and drill core catalogued. Avanti is engaging local contractors to refurbish camp facilities and upgrade priority sections along access roads between Misisi – Lulimba – Kalemie.
- **Geological Potential:** The Misisi Project hosts an NI 43-101 compliant Inferred Resource of 3.1 Moz at 2.37 g/t Au, with significant upside across the 133 km² licensed mining area, supported by prior soil sampling, aeromagnetic surveys, trenching, and drilling.
- **Upcoming Drill Program:** A first 15,000-meter drill program has been designed across at least six priority targets, focused on expanding and upgrading the current resource base.

- **Desktop Review with Minecon Firm:** The management team is undertaking a review of current geological interpretations, review and re-optimize pit shell at higher gold price. The review will aim to define a prioritized drilling strategy for the various targets (Akyanga East, Ngalula, Lubitchako, Tulonge, Kilombwe, Murege) of Misisi for resource expansion. A set of 2,100 of sample are in good conditions as Misisi core yard, the samples are awaiting permitting to be dispatched to Mwanza for lab testing.
- **Government Engagement:** After the field tour, management met with a delegation led by His Excellency Louis Watum Kabamba, Minister of Mines, to introduce the new management team and report on the field assessment and planned restart of exploration activities.
- **Misisi Exploration Update:** The Company is currently busy with phase 1 drilling program with 2 DD rigs mobilised, some samples from the phase 1 program have been sent out to SGS lab in Mwanza for assaying.
- **Drill Rig Mobilization and Exploration Launch:** Following the signing of a drilling service contract with Simba DRC Mining Services Ltd. (“Simba”) on February 17, 2026, two drill rigs (2 diamond drill rigs) were mobilized from Mwanza, Tanzania to the Misisi Project site. Minecon Resources and Services Ltd. (“Minecon”) has been appointed as Drill Programme Manager under an extended contract following the desktop geological review and 2026 exploration programme planning. The Phase 1 exploration programme (15,000m) targeting Akyanga and Akyanga East commenced in late March 2026, as part of the 42,000m 2026 exploration campaign. Phase 2 (27,000m, expected August 2026) will target Akyanga infill drilling plus regional prospects including Ngalula, Tulonge, Lubitchako and Kilombwe. Phase 1 is fully funded by the Company’s October 2025 private placement.

RESULTS OF OPERATIONS

For the year ended April 30, 2026:

During the year ended April 30, 2026, the Company recorded a net loss of \$15,544,455 (2025 - \$9,248,710) which is mainly attributed to:

- Share-based compensation of \$8,416,396 (2025 - \$1,146,207).
- Acquisition and exploration expenditures of \$2,937,667 (2025 - \$5,612,619) due to acquisition of MTM and road development to the Company’s properties in prior year.
- Corporate development expenses of \$141,806 (2025 - \$575,517), primarily due to lower promotional spending on investor awareness activities during the current year.
- Professional fees of \$437,030 (2025 - \$280,851) increased in 2026 due to recommencement of exploration activities and legal costs incurred for settlement of outstanding debts.
- Consulting fees of \$2,428,936 (2025 - \$447,928) increased in 2026 primarily due to consulting services related to expanded exploration activities during the current year.
- Gain on settlement of accounts payable \$1,665,464 (2025 - \$nil), as the Company settled its obligations in full through a payment of \$891,663 (USD\$625,000) in October 2025, and the remaining balance was written off, resulting in gain on settlement of debt of \$862,471 (USD\$625,000). In addition, the Company settled another obligation in full, resulting in a further gain on settlement of debt of \$725,968 (USD\$526,081), together with a further gain of \$77,025 from another debt settlement.
- Office and miscellaneous \$1,340,714 (2025 - \$350,317), mainly due to higher social development cost of \$160,700, bank charge \$145,248, and security expenses of \$320,091.

As at April 30, 2026, the Company had no continuing source of operating revenues. The Company has not paid any dividends on its common shares and has no present intention of paying dividends in the foreseeable future, as it anticipates that all available funds will be used to finance its business and exploration activities.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the audited consolidated financial statements:

Three months ended \$	April 30, 2026	January 31, 2026	October 31, 2025	July 31, 2025
Total assets	16,576,036	20,013,835	23,187,765	460,585
Total liabilities	5,064,908	6,247,086	8,352,726	9,615,194
Working capital (deficiency)	10,951,019	13,766,749	14,835,039	(9,154,609)
Shareholders' equity (deficiency)	11,511,128	13,766,749	14,835,039	(9,154,609)
Net loss and comprehensive loss	(7,602,473)	(4,175,457)	(2,884,491)	(985,169)
Loss per share	(0.01)	(0.02)	(0.02)	(0.01)

Three months ended \$	April 30, 2025	January 31, 2025	October 31, 2024	July 31, 2024
Total assets	85,305	81,864	116,064	62,202
Total liabilities	10,000,719	9,599,208	9,010,760	7,628,067
Working capital (deficiency)	(9,915,414)	(9,517,344)	(8,894,696)	(7,565,865)
Shareholders' equity (deficiency)	(9,915,414)	(9,517,344)	(8,894,696)	(7,565,865)
Net loss and comprehensive loss	(1,421,211)	(819,936)	(2,327,729)	(4,656,045)
Loss per share	(0.02)	(0.01)	(0.03)	(0.08)

There are no general trends regarding the Company's quarterly results and the Company's business is not seasonal, as it can develop and progress on a year-round basis, funding permitting. Quarterly results may vary significantly depending mainly on whether the Company has engaged in new activities or abandoned any projects and these factors which may account for material variations in the Company's quarterly losses are not predictable. See also the results of operations discussion above.

Net loss and comprehensive loss of \$15,647,590 was recorded during the year ended April 30, 2026 (2025 - \$9,224,921). The increased loss was primarily due to higher consulting fee related to expanded exploration activities and increased share-based compensation associated with fundraising activities involving the issuance of restricted share units (RSUs), options and warrants.

The most significant portion of liabilities as at April 30, 2026 were accounts payable and accrued liabilities \$2,327,396 (2025 - \$6,938,097) and \$2,724,800 (2025 - \$2,762,400) for deferred consideration payable, in which relates to the liabilities assumed on acquisition of Regency Mining Ltd.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes the Company's cash on hand, working capital and cash flow activities:

As at	April 30, 2026	April 30, 2025
	\$	\$
Cash	15,259,819	14,500
Working capital (deficiency)	10,951,019	(9,915,414)
For the years ended	April 30, 2026	April 30, 2025
	\$	\$
Cash used in operating activities	(12,711,573)	(901,814)
Cash used in investing activities	(560,109)	-
Cash provided by financing activities	28,657,736	637,184
Change in cash	15,386,054	(264,630)
Effect of foreign exchange on cash	(140,735)	36,989

The Company is dependent on the issuance of common shares to finance its exploration activities, property acquisition payments and general and administrative costs. The Company will have to raise additional funds in the future to continue its operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

The consolidated financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise programs depending on its working capital position.

The Company has financed its operations to date through the issuance of common shares. The Company may continue to seek capital through various means including the issuance of equity and/or debt.

Net cash used in operating activities was \$12,711,573 during the year ended April 30, 2026 (2025 - \$901,814). Cash used in operating activities was mainly attributed to items discussed in results of operations.

Net cash used in investing activities was \$560,109 during the year ended April 30, 2026 (2025 - \$nil), primarily comprising additions to camp structures of \$181,752, furniture and equipment of \$23,922, and vehicles of \$354,435.

Net cash provided by financing activities was \$28,657,736 during the year ended April 30, 2026 (2025 - \$637,184), resulting from the Company's two private placements totaling approximately \$25.0 million, with an additional \$3.6 million from exercises of options and warrants during the year.

Although the Company has successfully completed equity financings in the past, historical transactions are not necessarily indicative of future performance. The resulting increase in the Company's overall deficit may impact the Company's ability to finance in the future.

RELATED PARTY TRANSACTIONS

Key management personnel are the Directors and Officers of the Company. Certain key management personnel provide services through companies that they control. The following transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

The following are the transactions with related parties during the years ended April 30, 2026 and 2025:

	April 30, 2026	April 30, 2025
	\$	\$
Consulting fees to management personnel	727,386	258,833
Professional fees to a related party firm	98,000	-
Share-based compensation to management personnel	4,740,651	-
Total	5,566,037	258,833

The following amounts, which are unsecured and non-interest bearing, are reported under related party liabilities at April 30, 2026 and 2025:

	April 30, 2026	April 30, 2025
	\$	\$
Consulting fees due to management personnel	12,712	300,222

During the year ended April 30, 2026, The Company engaged a firm in which Chief Financial Officer is a partner, to provide office space, corporate secretarial, administration, accounting and financial reporting services. No amount was outstanding as at April 30, 2026 and 2025. These transactions were conducted in the normal course of operations and measured at the exchange amount, which represents the fair market value of the services rendered as agreed upon by the transacting parties.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances; however, actual outcomes can differ from these estimates.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these consolidated financial statements are discussed below:

Usage of the going concern assumption - The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and other receivables. The Company's cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by a bank there is a concentration of credit risk. This risk is managed by using major banks that are high-quality financial institutions as determined by rating agencies. Management believes that its credit risk is not significant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at April 30, 2026, the Company had a cash balance of \$15,259,819 (2025 - \$14,500) to settle current liabilities of \$5,064,908 (2025 - \$10,000,719). All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Currency risk

As at April 30, 2026, a portion of the Company's financial assets and liabilities held in Canadian dollars and United States dollar consist of cash and cash equivalents, accounts payable and accrued liabilities and deferred consideration. The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting, to the greatest extent possible, with third parties in the functional currency. The Company is exposed to currency rate risk in other comprehensive loss, relating to foreign subsidiaries which operate in a foreign currency.

As at April 30, 2026, the Company has determined that a 5% change in the Canadian Dollar against US dollar on financial assets and liabilities would result in an increase or decrease of approximately \$192,639 for the year ended April 30, 2026 (2025 - \$412,269) to net loss and comprehensive loss.

Commodity Price Risk

The Company is subject to price risk from fluctuations in the market prices of commodities as it relates to the possible underlying values of its commodity based mineral properties and the corresponding ability to raise funds for future operations. Management closely monitors commodity prices to determine the appropriate course of action to be taken in its investing and financing activities. As the Company has not yet developed commercial mineral interests, it is not exposed to significant commodity price risk.

Interest rate risk

The Company is not currently exposed to significant interest rate risk, as it does not have any interest-bearing loan outstanding. However, certain vendors may impose interest charges on overdue invoices, which could result in a limited exposure to interest rate risk in the event of payment delays.

Capital Management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of resource properties. The aforementioned exploration and evaluation work will require additional financial resources. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended April 30, 2026 or 2025.

ADDITIONAL INFORMATION

Off-Balance Sheet Arrangements

As at the date of this report, the Company had no off-balance sheet arrangements.

Subsequent events

- i. During the year ended April 30, 2026, \$458,657 (US\$336,654) (2025 - \$nil) was held in escrow in Company's bank in DRC pursuant to precautionary attachments orders issued in DRC in connection with claims brought by a creditor. Subsequent to April 30, 2026, the Company entered into a settlement agreement with the creditor to resolve outstanding claims, which had a carrying amount of \$882,491 (US\$647,748) as at April 30, 2026 and were included in accounts payable and accrued liabilities. Pursuant to the settlement agreement, the Company paid \$627,586 (US\$460,648) in full and final settlement of all claims, resulting in a gain of debt settlement of \$254,905 (US\$187,100), which will be recognized in the year ending April 30, 2027.
- ii. Subsequent to April 30, 2026, the moratorium relating to the implementation of Article 71(d) of the Mining Code of the DRC expired. Article 71(d) requires mining companies to provide for an additional 5% free carried equity participation in favour of the DRC in certain circumstances. As at April 30, 2026, the required additional participation in the Company's subsidiary, Leda, had not become legally effective. Management is currently in discussions with the DRC government regarding the timing of implementation and the legal effective date has not yet been determined.
- iii. Subsequent to April 30, 2026, the Company issued 18,678,570 common shares pursuant to the exercise of warrants for gross proceeds of \$1,173,930 as follows:

Date of issuance	Number of common shares issued	Gross proceeds \$
July 17, 2026	1,364,285	68,214
July 8, 2026	628,572	31,429
July 6, 2026	285,714	14,286
July 2, 2026	1,428,571	71,429
June 23, 2026	1,600,000	320,000
June 17, 2026	4,285,714	214,286
June 15, 2026	228,571	11,429
May 27, 2026	5,714,286	285,714
May 12, 2026	285,714	14,286
May 7, 2026	2,857,143	142,857
Total	18,678,570	1,173,930

- iv. Subsequent to April 30, 2026, the Company issued common shares pursuant to the exercise of RSUs as follows:

Date of issuance	Number of common shares issued	Fair value transferred from contributed surplus to share capital \$
July 27, 2026	1,500,001	435,000
July 10, 2026	666,667	293,333
June 15, 2026	166,667	73,333
June 1, 2026	325,917	143,403
May 19, 2026	83,334	36,667
May 14, 2026	850,000	374,000
Total	3,592,586	1,355,736

Outstanding Share Data

Share issuances during the year ended April 30, 2026

- i. In October 2025, the Company issued 50,000,000 units of the Company at a price of \$0.50 per unit for aggregate gross proceeds of \$25,000,000. Each unit consists of one common share and one half of one share purchase warrant,

Avanti Gold Corp.
Management discussion and analysis
For the year ended April 30, 2026

exercisable into one common share each at \$0.65 for a period of three years. In connection with this financing, 2,018,000 brokers' warrants were issued. Each broker special warrant is exercisable into one common share at a price of \$0.50 plus one half of one broker warrant for a period of 18 months. Each broker warrant is exercisable into one common share of the Company at a price of \$0.65 for three years. The Company incurred share issuance costs \$1,394,326 settled in cash.

- ii. In July 2025, the Company closed a non-brokered private placement of 40,000,073 units at \$0.035 per unit for gross proceeds of \$1,400,003. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.05 per share for twelve months. The warrants were valued at \$nil using the residual value method. The Company incurred share issuance costs \$6,275 settled in cash.
- iii. During the year ended April 30, 2026, the Company issued 3,177,657 common shares pursuant to exercise of stock options for gross proceeds of \$1,552,455 as follows:

Date of issuance	Common shares issued	Gross proceeds \$
September 24, 2025	500	255
October 7, 2025	235,000	51,700
March 9, 2026	300,000	153,000
March 13, 2026	100,000	51,000
March 16, 2026	220,000	112,200
March 17, 2026	580,000	295,800
March 19, 2026	1,242,157	633,500
March 20, 2026	500,000	255,000
Total	3,177,657	1,552,455

- iv. During the year ended April 30, 2026, the Company issued common shares pursuant to the exercise of RSUs as follows:

Date of issuance	Common shares issued	Fair value transferred from contributed surplus to share capital \$
April 29, 2026	790,750	387,467
March 30, 2026	333,334	146,667
March 16, 2026	420,834	185,167
March 12, 2026	187,500	95,625
March 11, 2026	83,333	36,667
March 1, 2026	1,350,000	424,000
February 24, 2026	450,000	198,000
February 20, 2026	725,917	319,403
February 2, 2026	2,650,000	666,333
December 4, 2025	83,334	36,667
October 28, 2025	250,000	25,000
October 16, 2025	108,334	47,667
October 2, 2025	1,333,334	133,333
October 1, 2025	100,000	44,000
September 29, 2025	125,000	27,500
September 24, 2025	83,334	8,334
September 18, 2025	375,000	82,500
August 20, 2025	2,666,666	266,666
July 31, 2025	1,000,000	100,000
July 19, 2025	250,000	25,000
July 18, 2025	125,000	27,500
July 7, 2025	450,000	99,000
Total	13,941,670	3,382,496

Avanti Gold Corp.
Management discussion and analysis
For the year ended April 30, 2026

- v. During the year April 30, 2026, the Company issued 25,036,025 common shares pursuant to exercise of warrants for gross proceeds of \$1,728,515 as follows:

Date of issuance	Common shares issued	Gross proceeds \$
August 7, 2025	369,500	73,900
August 11, 2025	590,500	118,100
August 12, 2025	800,000	160,000
November 18, 2025	143,000	7,150
January 15, 2026	285,716	14,286
January 28, 2026	2,142,857	107,143
February 19, 2026	428,500	21,425
February 20, 2026	54,600	35,490
February 24, 2026	142,857	7,143
March 5, 2026	8,602,488	448,759
March 10, 2026	252,250	163,963
March 17, 2026	7,142,857	357,143
April 13, 2026	1,000,000	50,000
April 17, 2026	587,929	39,296
April 21, 2026	350,000	17,500
April 27, 2026	2,142,971	107,217
Total	25,036,025	1,728,515

Avanti Gold Corp.
Management discussion and analysis
For the year ended April 30, 2026

- vi. During the year ended April 30, 2026, the Company issued 754,728 common shares pursuant to exercise of broker special warrants for gross proceeds of \$377,364 as follows:

Date of issuance	Common shares issued	Gross proceeds \$
March 10, 2026	504,500	252,250
March 17, 2026	250,000	125,000
April 2, 2026	228	114
Total	754,728	377,364

Share issuances during the year ended April 30, 2025

- i. On August 20, 2024, the Company closed the first tranche of its private placement and issued 4,099,000 units at a price of \$0.125 per unit for a gross proceeds of \$512,375. Each Unit was comprised of one common share in the share capital of the Company and one common share purchase warrant. Each warrant entitles its holder to purchase one additional common share at a price of \$0.20 for a period of twenty four months until August 20, 2026. All common shares and warrants issued pursuant to the offering are subject to a hold period of four months plus one day from the date of issuance of the offered securities. The Company allocated \$81,980 to the warrant reserve using the residual value. In connection with the closing of the first tranche of the placement, the Company incurred share issuance costs \$15,191 settled in cash.
- ii. On June 21, 2024, the Company entered into a share exchange agreement with MTM to acquire 100% of MTM, as consideration, the Company issued 29,000,000 common shares with a fair value of \$4,640,000.
- iii. During the year ended April 30, 2025, the Company issued common shares pursuant to the exercise of RSUs as follows:

Date of issuance	Common shares issued	Fair value transferred from contributed surplus to share capital \$
March 31, 2025	208,333	35,834
December 9, 2024	333,333	63,333
October 28, 2024	250,000	25,000
October 4, 2024	250,000	55,000
August 26, 2024	125,000	27,500
July 25, 2024	125,000	27,500
Total	1,291,666	234,167

As at the date of this report, the Company has the following securities outstanding:

Type of security	Number
Issued and outstanding common shares	236,251,286
RSUs	12,159,829
Stock options	6,645,450
Warrants	25,761,842
Broker special warrants	1,263,272
Total	282,081,679

Contingent liabilities

As at the current date, management was not aware of any outstanding contingent liabilities relating to the Company's activities.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The consolidated financial statements were prepared by management in accordance with IFRS Accounting Standards and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee.

This committee's role is to examine the consolidated financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

RISKS AND UNCERTAINTIES

Risk is inherent in all business activities and cannot be entirely eliminated. Our goal is to enable the Company's business processes and opportunities by ensuring that the risks arising from our business activities, the markets and political environments in which we operate are mitigated. The risks and uncertainties described in the Annual MD&A are considered by management to be the most important in the context of the Company's business and are substantially unchanged as of the effective date of this MD&A. Those risks and uncertainties are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

Early Stage – Need for Additional Funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable, especially in today's volatile and uncertain financial markets. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Exploration and Development

Exploration for minerals is a speculative venture involving substantial risk. There is no certainty that the expenditures made by the Company and/or its subsidiaries will result in discoveries of commercial metal reserves.

Mining and development risks always accompany anticipated rewards, and uncertainties always exist where mineral properties are concerned. Uncertainties include the size, grade and recovery of naturally occurring mineral deposits. Although exploration and development efforts can outline a mineral deposit with a degree of certainty, ultimate grade and tonnages are never fully known until mining has been completed. Metal prices are also a significant factor in the development decision for a mineral property, as a mine may not be economically feasible in a period of depressed prices. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Pricing is affected by numerous factors such as international economic and political trends, global or regional consumption and demand patterns, and increased production by current producers.

Operating Hazards and Risks

Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Title Risks

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases. The Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Price Volatility of Public Stock

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early-stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares on a stock exchange may be affected by such volatility.

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health and safety, waste disposal, and other matters.

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 would result in environmental pollution. A breach of such legislation may result in impositions of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards, and enforcement, and higher fines and penalties for non-responsibility for companies including its directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability for the Company and its directors, officers and employees. The Company intends to fully comply with all environmental regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial

actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or productions costs or reduction in levels of production at producing properties, or requires abandonment, or delays in development of new mining properties.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Directors

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.