



**SANDFIRE RESOURCES AMERICA INC.**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2025**

**SANDFIRE RESOURCES AMERICA INC.**  
**Management Discussion and Analysis**  
**For the three and six months ended December 31, 2025**

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***Introduction***

This Management Discussion and Analysis ("MD&A") of Sandfire Resources America Inc. (the "Company") has been prepared by management as of January 28, 2026 and should be read in conjunction with the accompanying condensed consolidated interim financial statements and related notes thereto of the Company for the three and six months ended December 31, 2025, which were prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar figures are expressed in Canadian dollars unless otherwise stated. These documents and additional information on the Company are available on the Company's website at [www.sandfireamerica.com](http://www.sandfireamerica.com) or on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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**1. Executive Summary and Business Operations**

Sandfire Resources America Inc. (TSX.V SFR.V) (the “Company”) was incorporated on July 30, 1998 under the laws of British Columbia and is a mining exploration and development company. The Company is an 86.9% subsidiary of Sandfire Resources Ltd., a public company in Australia. The address of the Company’s corporate and head office is 1111 W Hastings St. 15th Floor Vancouver, BC V6E 2J3, Canada. The Company’s stock symbol is “SFR.V” on the TSX Venture Exchange and “SRAFF” on the U.S. OTC Market.

The Company is focused on the exploration, development, and mining of its 100% owned flagship property, the Black Butte Copper Project in central Montana, USA. The Company plans to uphold the permit, continue construction, and operate an underground copper mining operation using modern environmentally responsible technologies to generate significant economic benefits for Montana and the Company’s stakeholders.

On August 14, 2020, the Montana Department of Environmental Quality (the “DEQ”) approved the Phase I Bonding for the underground Black Butte Copper project (the “Project”) and issued a Final Mine Operating Permit allowing the Company the right to commence Phase I Development surface construction at the mine site.

Beginning in September 2021 and through December 31, 2025, TMI and the Company as guarantor, entered into various Bridge Loan Agreements, denominated in USD with Sandfire Resources Ltd for funding of day-to-day operations.

**2. Highlights**

The following are a list of highlights for the three and six months ended December 31, 2025 and as up to the date of this MD&A:

- On January 2, 2025, the Company announced a positive ruling for the Company by the Montana Supreme Court upholding a 2023 District Court decision regarding the water rights related to Tintina Montana Inc.’s Mine Operating Permit, of the Black Butte Copper Project.
- On July 17, 2025, the Company announced the completion of the 2024-2025 drill program.
- On December 16, 2025, the Company announced the results of its Updated Pre-Feasibility Study for the Johnny Lee Deposit and an Updated Mineral Resource for the Lowry Deposit at the Black Butte Copper Project

**3. Black Butte Copper Project Overview**

The Black Butte Copper Project consists of 7,684 hectares of fee simple lands held under mineral lease by the Company and owns 1,040 unpatented mining claims on U.S. Forest Service Lands (USFS), totaling 8,078 hectares. The Black Butte Copper Project is located in southcentral Montana in Meagher County, 27 km north of White Sulphur Springs.

Johnny Lee Deposit

The Johnny Lee Deposit was discovered by a joint venture between Cominco American Inc. and Utah International in 1985. The Johnny Lee Deposit is comprised of two zones of mineralization: an upper copper zone (“JL UCZ”) situated at depths of 40m – 210m below surface and an underlying lower copper zone (“JL LCZ”) at depths of 340m – 520m below surface. A mine operating plan (“MOP”) application for the extraction of mineralized rock from both zones of the Johnny Lee Deposit was submitted to the Montana Department of Environmental Quality (“MT

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DEQ”) in December 2015. The application was deemed to be complete and compliant, and a draft MOP permit was issued by the MT DEQ on September 18, 2017. After a full Environmental Impact Statement (“EIS”) process, a MT DEQ positive record of decision was received on April 9, 2020, allowing for the development and underground mining of the Johnny Lee Deposit to proceed. On August 14, 2020, the MT DEQ approved the bond posting and issued a Final Mine Operating Permit allowing the Company the right to commence Phase I Development surface construction at the mine site. Following a 2020 legal challenge to the Mine Operating Permit, on February 26, 2024, the Company received a positive ruling by the Montana Supreme Court reversing a 2021 district court decision and instructed the district judge to have the MT DEQ completely reinstate Tintina Montana Inc.’s Mine Operating Permit of the Black Butte Copper Project. The Montana Supreme Court granted the Company’s request for summary judgement allowing the Company to move forward with construction of its highly engineered, underground copper mine. The Company won on all counts in the Montana Supreme Court with a 5-2 decision upholding the 2020 decision of the MT DEQ to allow responsible copper mining at the Black Butte Copper Project. The MOP proposes underground mining of the Johnny Lee Deposit using a drift and fill mining method and production of a copper concentrate by milling and froth flotation. Mill tailings will be used for underground paste-fill support and the surplus deposited in a double-lined cemented tailings storage facility.

Lowry Deposit

The Lowry Deposit, a similar style copper deposit to the Johnny Lee Deposit, is located approximately 3km to the south-east of the Johnny Lee Deposit. Copper mineralization is primarily hosted in the Lowry Middle Copper Zone (“LMCZ”) and Lowry Lower Copper Zone (“LLCZ”), surrounded by a lower grade “halo” of copper mineralization.

The updated Mineral Resource statement for the Lowry Deposit is summarized in the table below.

Mineral Resource Category	Quantity (Mt)	Cu (%)	Total Metal (Kt)
<b>Measured + Indicated (M+I) Mineral Resources</b>			
<b>Lowry MCZ</b>			
Measured	1.2	2.6	30
Indicated	3.6	2.4	86
<b>Sub-Total M+I</b>	<b>4.8</b>	<b>2.4</b>	<b>116</b>
<b>Lowry LCZ</b>			
Measured	0.1	1.8	1
Indicated	1.7	2.2	37
<b>Sub-Total M+I</b>	<b>1.8</b>	<b>2.1</b>	<b>38</b>
<b>Combined Lowry UCZ + MCZ + LCZ</b>			
Measured	1.2	2.5	31
Indicated	5.3	2.3	123
<b>Sub-Total M+I</b>	<b>6.6</b>	<b>2.4</b>	<b>154</b>
<b>Inferred Mineral Resources</b>			
Lowry UCZ	1.3	2.3	30
Lowry MCZ	0.9	2.1	18
Lowry LCZ	0.6	1.7	10
<b>Total Inferred</b>	<b>2.8</b>	<b>2.1</b>	<b>58</b>

*Notes:*

- 1. The effective date of this Mineral Resource is November 5, 2025.*
- 2. The Mineral Resources in this estimate were prepared in accordance with the CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines (CIM, 2014) prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.*
- 3. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. Inferred Mineral Resources have a high degree of uncertainty as to their economic and technical feasibility. There is no certainty that all or any part of an Inferred Mineral Resources will be converted to Measured or Indicated Mineral Resources in the future.*
- 4. To demonstrate reasonable prospects for eventual economic extraction, Mineral Resources are reported using an*

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*economic NSR cut-off value of US\$110/t, which is approximately equivalent to 1.28% recoverable Cu, based on long-term Cu price assumptions of US\$4.70/lb and variable recovery and mill processing cost assumptions.*

*5. Metallurgical recovery for Cu has been assigned to the Lowry deposits: 91% for both LUCZ and LMCZ and 94% for LLCZ.*

*6. There are no known legal, political, environmental, or other risks that could materially affect the potential future development of the Mineral Resources. All Mineral Resources are located within land currently under control or lease to Sandfire Resources America, Inc.*

*7. All quantities are rounded to the appropriate number of significant figures to reflect the relative accuracy of the estimate; consequently, sums may not add up due to rounding. Cu assay values were capped where appropriate.*

*8. The Mineral Resources for the LUCZ, LMCZ, and LLCZ were reviewed and approved by Berkley Tracy, P.Geo (PGO#3024) of SRK Consulting (U.S.), Inc., a Qualified Person as defined by NI 43101.*

The Mineral Resource statement is supported by recent updates to the geological modeling, resource estimation, and mineralogy with recovery assumptions in addition to historic drilling, analyses, and studies. The Lowry Deposit contains no Mineral Reserves and therefore is not included in the Study Update. The Lowry Deposit has a much lower density of drilling than the Johnny Lee Deposit. Mineralization is hosted in two distinct zones of > 1.2% Cu mineralization. These zones are termed the LMCZ and the LLCZ.

A total of 73 drillholes have been used for the Study Update for the Lowry Deposit Mineral Resource. No drilling has been completed in the Lowry area since 2023. Drillhole intersection spacing in the LMCZ ranges from 10m – 100m.

The LMCZ is hosted by broad zones of dolomitic breccia in interbedded pyrite layers, conglomerate, carbonaceous shale, dolomitic shale and dolomite. Many of the drillholes that intersected the LMCZ were stopped-short of the LLCZ; consequently, drillhole spacing in the LLCZ is larger than that of the LMCZ, ranging from 50m – 200m. The LLCZ occurs below the Volcano Valley Hanging Wall with the mineralized base following the Volcano Valley Footwall Zone. The LLCZ is hosted by interbedded shale, conglomerate, and pyrite beds.

Lowry mineralized intercepts from seven drillholes of the 2021–2022 drilling campaign were used to generate a composite metallurgical sample within the LMCZ and a separate composite within the LLCZ. Selected samples were sent to the Base Metal Labs in Kamloops Canada for rock characterization and recovery testing. The LMCZ composite sample generated a 91% copper recovery with the LLCZ yielding a 94% recovery. For the Lowry Deposit, metallurgical recovery was previously assigned using the mean copper recovery of 86% from prior test work across the deposit. Based on the new test work, the increased recovery values of 91% for the LMCZ and 94% for the LLCZ were used in the current calculation of NSR cut-off values. Mineral Resource classification was assigned to the Lowry Deposit block model by the QP based upon: geological knowledge, continuity of Cu grade within mineralized zones, thickness of the mineralized zones, confidence in the underlying data (logging, assay, and physical testing), spatial continuity as determined through variography for Cu, recovery data, kriging quality variables (kriging efficiency, slope or regression, average distance to samples, and estimation run pass). Blocks within the Lowry Upper Copper Zone (“LUCZ”), LMCZ and LLCZ have been categorized consistent with NI 43-101 and the CIM definitions and guidelines. A combination of block scripting and manual smoothing with polylines was used to apply the appropriate block classification of Mineral Resource categories.

Mineral Resources for the Lowry Deposit have been calculated and reported using an economic CoV, as estimated in the resource block model. The Mineral Resource statements are supported by drilling, analyses, geological modelling, and metallurgical studies that determined updated recoveries. The deposits have been classified into Measured, Indicated, and Inferred Mineral resources, as per CIM definitions.

The table below shows the tabulated grade-tonnage curve data to assess the sensitivity of Mineral Resources to changes in NSR CoV at the Lowry Deposit.

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Lowry Middle Copper Zone			Lowry Lower Copper Zone		
NSR Cutoff (US\$/t)	Cu (%)	Tonnage (kt)	NSR Cutoff (US\$/t)	Cu (%)	Tonnage (kt)
15	1.2	15.6	15	0.8	12.3
45	1.5	11.1	45	1.1	6.7
60	1.8	8.5	60	1.5	4.0
75	2.1	6.6	75	1.8	2.9
90	2.3	5.6	90	1.9	2.3
105	2.4	5.0	105	2.1	1.9
120	2.5	4.4	120	2.3	1.5
135	2.7	3.7	135	2.4	1.2
150	2.8	3.2	150	2.5	1.1
165	3.0	2.7	165	2.6	0.9
180	3.2	2.2	180	2.8	0.7
195	3.4	1.7	195	2.9	0.6
210	3.5	1.5	210	3.1	0.4
210	3.7	1.2	210	3.2	0.3

As at the date of this MD&A, the Company has successfully defended both the mining and water permit legal challenges. The Company currently does not face any further legal challenges in regards to its awarded permits.

#### **4. Black Butte Copper Feasibility Study**

The Company completed the Black Butte Copper Project Feasibility Study and updated the Mineral Resource for Lowry Deposit on October 27, 2020. The Company filed the Black Butte Copper Project Technical Report on December 10, 2020.

In May 2025, the Company completed a 28,000-meter drill program started in December 2023. Geological and geochemical results from the drilling program and from metallurgical and geotechnical testing provided information for an updated mineral resource estimate for the Johnny Lee deposit, which will be incorporated into an updated technical report (in accordance with requirements pursuant to National Instrument 43-101 – Standards of Disclosure for Mineral Projects.), at the Prefeasibility study level, for the Johnny Lee deposit. On December 16, 2025, the Company announced that the Prefeasibility study would be filed on Sedar within 45 days of the news release with an effective date of November 5, 2025.

The current study is an underground Pre-Feasibility Study for the Johnny Lee Deposit, building on the prior Preliminary Economic Assessment (PEA, 2013) and the subsequent Feasibility Study completed in 2020, which defined an initial Mineral Reserve for the Johnny Lee Deposit. The Study Update incorporates updated geological and structural models for the JL UCZ and JL LCZ, revised Mineral Resource and Mineral Reserve estimates, updated metallurgical test work and recovery models, integrated with systematic mineralogy and geometallurgical modelling, and updated capital and operating cost estimates and refining charges, using long-term copper price assumptions of US\$4.70/lb.

The Study Update mine plan and economic analysis are based only on the Johnny Lee Deposit Mineral Reserves. The Lowry Deposit is covered by a separate Inferred Mineral Resource estimate and is not included in the current mine plan, production schedule, or economic analysis. Development of the Lowry Deposit would require additional technical studies, environmental review, and permitting.

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Economic Analysis

The Study Update economic analysis is based on the Johnny Lee Deposit Mineral Reserves. The Study Update does NOT include the Lowry Deposit.

The copper price assumption adopted for the base case is US\$4.70/lb. from the start of production.

The Project's post-tax NPV at an 8% discount rate is estimated to be US\$99M with an IRR of 11.3%. Pre-tax NPV at an 8% discount rate is estimated to be US\$143M with an IRR of 13.6%. Initial capital costs are estimated to be US\$474M, and sustaining capital is estimated to be US\$82M. Cash Costs (C1) are estimated to be US\$2.56/lb. of copper. The life-of-mine all-in sustaining cost is estimated to be US\$2.83/lb. of copper. Payback of start-up capital is achieved approximately 4 years from commissioning.

Johnny Lee Deposit - Mineral Reserves

The Mineral Reserve was prepared in accordance with Canadian Institute of Mining and Metallurgy and Petroleum ("CIM") Definition Standards and will be supported by the Study Update pursuant to the NI 43-101 "Standards for Disclosure for Mineral Project", to be published and filed on the Company's website and SEDAR+ profile within 45 days. A net smelter return (NSR) value was calculated for each block in a geological block model based on metallurgical recovery, grade, price and payability factors. Mine design shapes were generated based on an NSR cut-off value of US\$110/t (operating cost). An NSR cut-off value of US\$45/t (incremental operating cost) was used to determine whether material should be sent to waste or processed. Detailed mine designs were created with dilution and recovery factors applied, mineral resource classification considered plus other modifying factors and economic viability tested. The Mineral Reserve for the Johnny Lee Deposit is shown in the table below.

Class	Diluted Tonnes	Cu Grade	Contained Cu Metal (t)
Proven	-	-	-
Probable	9,500,000	2.9%	270,000
<b>Total</b>	<b>9,500,000</b>	<b>2.9%</b>	<b>270,000</b>

*Notes:*

- 1. The Qualified Person for the Mineral Reserve estimate is Shane McLeay FAusIMM.*
- 2. Effective date: November 14, 2025. All Mineral Reserves have been estimated in accordance with CIM definitions, as required under NI 43-101.*
- 3. Mineral Reserves were estimated using a US\$4.70 /lb. Cu price and NSR cut-off values of US\$110/t (operating cost) and US\$45/t (incremental operating cost).*
- 4. Tonnages are rounded to the nearest 100 kt, metal grades are rounded to one decimal place, and metal tonnes are rounded the nearest 10kt. All units are metric.*
- 5. Rounding as required by reporting guidelines may result in summation differences.*
- 6. Average LOM Metallurgical Recovery is 95% for JL LCZ, 78% for JL UCZ, and 86% combined.*
- 7. Mineral Reserves are based on the Mineral Resource estimate effective November 5, 2025.*
- 8. Mineral Reserves are a subset of Mineral Resources.*

The Mineral Reserves identified in the above table comply with CIM definitions and standards for a NI 43- 101 technical report. Detailed information on mining, processing, metallurgical, and other relevant factors demonstrate, at the time of the Study Update, that economic extraction is feasible. The Study Update did not identify any mining, metallurgical, infrastructure or other relevant factors that may materially affect the estimates of the Mineral Reserves or potential production. The table below shows the Mineral Reserves broken out by zone.



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Zone	Class	Diluted Tonnes	Cu Grade	Contained Cu Metal (t)
JL UCZ Total	Proven	-	-	-
	Probable	6,700,000	2.2%	140,000
	Total	6,700,000	2.2%	140,000
JL LCZ Total	Proven	-	-	-
	Probable	2,800,000	4.6%	130,000
	Total	2,800,000	4.6%	130,000
<b>Project Total</b>	<b>Total</b>	<b>9,500,000</b>	<b>2.9%</b>	<b>270,000</b>

Notes:

1. Tonnages are rounded to the nearest 100kt, metal grades are rounded to one decimal place, and metal tonnes are rounded the nearest 10kt. All units are metric.
2. Rounding as required by reporting guidelines may result in summation differences.
3. Mineral Reserves were estimated using a US\$4.70/lb. Cu price and NSR cut-off values of US\$110/t (operating cost) and US\$45/t (incremental operating cost).

Johnny Lee Deposit - Mineral Resource Estimate

The updated Mineral Resource estimate for the Johnny Lee Deposit has been prepared under the supervision of Berkley Tracy, P. Geo (PGO#3024) of SRK Consulting (U.S.), Inc., an independent Qualified Person (QP) under NI 43-101.

A total of 305 drillholes were used to inform the 2025 Johnny Lee Deposit geology model and Mineral Resource estimate including historical and recent drilling between 2010 and present. The Mineral Resource statement is supported by recent updates to the geological modeling, resource estimation, and mineralogy with recovery assumptions in addition to historic drilling, analyses, and studies. Mineralization is hosted in two distinct zones of > 1.2% Cu mineralization, JL UCZ and JL LCZ.

Drillhole intersection spacing in the JL UCZ ranges from 10m – 100m. The JL UCZ is hosted by dolomitic shale with abundant massive pyrite beds and some dolomite layers.

Many of the drillholes that intersected the JL UCZ were stopped-short of the JL LCZ; consequently, drillhole spacing in the JL LCZ is larger than that of the JL UCZ, ranging from 50m – 200m. The JL LCZ occurs below the Volcano Valley fault. The JL LCZ is hosted by interbedded shale, conglomerate, and pyrite beds at the base of the Newland Formation.

Variable metallurgical recoveries for the JL UCZ required modeling on a block-by-block basis. The JL LCZ has an overall average of 95% recovery. Based on the new test work, the increased recovery values were used in the current calculation of NSR. Mineral Resource classification was assigned to the Johnny Lee Deposit block model by the QP based upon: geological knowledge, continuity of Cu grade within mineralized zones, thickness of the mineralized zones, confidence in the underlying data (logging, assay, and physical testing), spatial continuity as determined through variography for Cu, recovery data, and kriging quality variables (kriging efficiency, slope or regression, average distance to samples, and estimation run pass). Blocks within the JL UCZ and JL LCZ have been categorized consistent with NI 43-101 and the CIM definitions and guidelines. A combination of block scripting and manual smoothing with polylines was used to apply the appropriate block classification of Mineral Resource categories.

Mineral Resources for the Johnny Lee Deposit have been calculated and reported using an economic cut-off value (CoV), as estimated in the resource block model. The Mineral Resource statements are supported by drilling, analyses, geological modelling, and metallurgical studies that determined updated recoveries. The deposits have been classified into Measured, Indicated, and Inferred Mineral resources, as per CIM definitions and are summarized in the table below.

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Johnny Lee Deposit Mineral Resource at US\$45.00/t NSR, effective November 5, 2025 – SRK Consulting (U.S.), Inc.

Mineral Resource Category	Quantity (Mt)	Cu (%)	Total Metal (Kt)
<b>Measured + Indicated (M+I) Mineral Resources</b>			
<b>JL UCZ</b>			
Measured	2.3	2.0	46
Indicated	13.8	1.9	261
<b>Sub-Total M+I</b>	<b>16.1</b>	<b>1.9</b>	<b>307</b>
<b>JL LCZ</b>			
Measured	0.5	6.5	34
Indicated	2.3	5.1	121
<b>Sub-Total M+I</b>	<b>2.9</b>	<b>5.4</b>	<b>154</b>
<b>Combined JL UCZ + JL LCZ</b>			
Measured	2.8	2.8	80
Indicated	16.1	2.4	382
<b>Sub-Total M+I</b>	<b>18.9</b>	<b>2.4</b>	<b>462</b>
<b>Inferred Mineral Resources</b>			
JL UCZ	2.6	1.5	38
JL LCZ	0.8	3.2	26
<b>Total Inferred</b>	<b>3.4</b>	<b>1.9</b>	<b>64</b>

Notes:

1. The effective date of this Mineral Resource is November 5, 2025.
2. The Mineral Resources in this estimate were prepared in accordance with the CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines (CIM, 2014) prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
3. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. Inferred Mineral Resources have a high degree of uncertainty as to their economic and technical feasibility. There is no certainty that all or any part of an Inferred Mineral Resources will be converted to Measured or Indicated Mineral Resources in the future.
4. To demonstrate reasonable prospects for eventual economic extraction, Mineral Resources are reported using an economic NSR cut-off value of US\$45/t, which is approximately equivalent to 0.52% recoverable Cu, based on long-term Cu price assumptions of US\$4.70/lb. and variable recovery and mill processing cost assumptions.
5. Variable metallurgical recovery has been estimated in the JL UCZ on a block basis with a consistent 95% Cu recovery applied to the JL LCZ.
6. There are no known legal, political, environmental, or other risks that could materially affect the potential future development of the Mineral Resources. All Mineral Resources are located within land currently under control or lease to Sandfire Resources America, Inc.
7. All quantities are rounded to the appropriate number of significant figures to reflect the relative accuracy of the estimate; consequently, sums may not add up due to rounding. Cu assay values were capped where appropriate.
8. The Mineral Resources for the JL UCZ and JL LCZ were reviewed and approved by Berkley Tracy, P. Geo (PGO#3024) of SRK Consulting (U.S.), Inc., a Qualified Person as defined by NI 43-101.

## **Mining, Processing and Infrastructure**

### Mining Methods

The Black Butte Copper Project Johnny Lee deposit contains two zones – the JL UCZ and the JL LCZ. Both zones are characterized as being high-grade, laying at low angles and with relatively narrow widths. All deposits have anomalous silver and cobalt mineralization; however, copper is the only economic product considered in the Study Update.

Geotechnical data used for the Study Update includes information previously collected by Sandfire America, MD Engineering, and Mining Plus. This data includes drill core logging, QA/QC reviews, structural measurements, and laboratory rock-property testing. As part of the current study update, Entech completed a geotechnical assessment involving reviewing drill core from the JL UCZ, JL LCZ, and planned decline areas, and incorporating both historical logging and new detailed photologging undertaken by Entech. Structural data were validated during an Entech site visit and

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used to characterize the rock mass and assess conditions relevant to the mine design. A 3D geotechnical model was developed combining the logging data and geological models and was utilized for visualization of geotechnical databases, and to determine spatial trends within the data sets. This model was used as a basis to assess the underground mine design and extraction sequence.

The Johnny Lee Deposit will be accessed by a single main ramp driven from surface. The ramp dimensions will be 5.50m wide by 5.85m high and excavated with an arched back. The ramp will be excavated at a maximum gradient of -14.3% from the surface and pass to the east of the JL UCZ and then spirals down to the JL LCZ. Ventilation and secondary egress will be through three main ventilation raises.

All material handling will be by trackless underground equipment with 60-tonne haul trucks hauling ore directly from mining areas to either a surface ore pad or the surface crusher.

Mining methods used include a combination of mechanized drift-and-fill, mainly in the JL UCZ, and mechanized cut-and-fill, mainly in the JL LCZ. All openings will be backfilled with paste backfill to allow for complete extraction of the orebody.

Mineral Processing and Metallurgical Test Work

Recent metallurgical test work programs undertaken indicated copper concentrate from the JL LCZ by froth flotation recovered 94% to 98% (averaging 96.2%) of the copper resulting in a concentrate grading 23% to 28% copper. A discounted copper recovery of 95% (accounting for ideal laboratory conditions) was applied to mining blocks in the JL LCZ.

Previous test work on the JL UCZ composites showed a wide range of copper recoveries (62% to 91%) at concentrate grades of 19% to 24% copper. Mineralogical investigation of the JL UCZ metallurgical composites indicated that copper sulfide liberation was the primary metric that defined metallurgical performance. A variable recovery model was applied to the JL UCZ mining blocks based on the distribution of 113 mineralogy samples results and predicted metallurgical recovery.

Metallurgical test work has demonstrated that there are no reductions in copper recovery to concentrate from the JL UCZ or JL LCZ ore by blending and processing the blend using the flowsheet optimized for JL UCZ ore.

Analyses of the copper concentrates from variability testing of the JL UCZ composites have reported potentially deleterious levels of arsenic. Various arsenic containing minerals have been identified through mineralogical analysis, with only some associated with copper reporting to concentrate. All samples tested from the JL LCZ showed low arsenic in copper concentrate. Arsenic is forecast to range between 1,900 to 7,520 ppm in copper concentrate over the life of the project.

Recovery Methods

The metallurgical test work results were used as the basis for the process plant design criteria and flowsheet development. The test work indicates that the copper in the JL UCZ and JL LCZ can be recovered to a concentrate by crushing, grinding, and froth flotation processes. The JL UCZ ore requires a fine primary grind (38  $\mu$ m P80) and a very fine regrind (10-15  $\mu$ m P80) of the rougher concentrate to achieve optimized concentrate grade and copper recoveries. The JL LCZ ore does not require such fine grinds to achieve optimized recoveries. However, as it will be blended with JL UCZ, the blended ore will be treated using the process as optimized for JL UCZ ore. Metallurgical test work has demonstrated that there are no reductions in copper recovery to concentrate from JL UCZ or JL LCZ ore by blending and processing the blend using the flowsheet optimized for JL UCZ ore. The key process parameters are given in the table below.

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Key Criteria	Process Value
Annual Throughput (t/a)	1,200,000
Operating Hours	8,059
Primary Grind Size (P80 micron)	38
Concentrate Regrind Size (P80 micron)	10-15
Copper Concentrate Grade Target (%)	22.5
LOM Copper Recovery (%)	86
LOM Concentrate Produced (t/a)	130,000

Infrastructure

The layout and surface footprint of all above ground infrastructure for the Project has been designed as part of the MOP application submitted to the MT DEQ. The ground infrastructure in the MOP includes access roads, site roads, mine portal, ventilation raises, processing plant, reclamation stockpiles, temporary waste rock storage, cemented tailings facility, process water pond, contact water pond, non-contact water reservoir, sub-surface infiltration gallery, power lines, pipelines, workshops, store, offices and parking.

**Capital and Operating Costs**

Capital Cost Estimates

The Project capital cost estimate developed for the Study Update is based upon an Engineer, Procure and Construction Management (“EPCM”) approach for the construction and commissioning of the Project facilities. This includes mine, plant and infrastructure, the process plant and infrastructure, general mine infrastructure and roads.

A capital cost of US\$474 million, including contingency, has been developed for the Project and includes all costs before the commencement of production. The capital costs have been estimated to a  $\pm 25\%$  accuracy. The breakdown of the Project capital is given in the table below.

Area	Capital Cost US\$M
Mining	US\$155
Process and Infrastructure	US\$293
Owner Costs	US\$26
<b>Total Project</b>	<b>US\$474</b>

Mining Operating Costs

Operating costs were estimated based on applying fixed and variable estimates to the mine plan schedule physicals. Specifically, the costs were based on contractor request for quotation responses for pre-production activities in the first 36 months of the mine plan, and owner-operator cost estimates in the subsequent production phase, built up from first principle estimates and supplier quotations. Annual operating costs and costs per tonne mined have been estimated. The average underground mining operating costs, excluding capitalized pre-production costs, is US\$79M per annum (during the production phase), or US\$66/t ore mined.

Process Plant Operating Costs

Operating costs have been developed using the parameters specified in the process design criteria. Annual operating costs and costs per tonne milled have been developed. Operating costs for the treatment plant have been estimated to an accuracy of  $\pm 25\%$ .

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The processing operating cost estimate has been developed on the basis of a process plant feed tonnage of 1.2 million tonnes per annum. The processing operating cost estimate is US\$46 million per annum or US\$38 per tonne milled.

**5. *Environmental, Legal and Socioeconomic Considerations***

Environmental

The Company conducted exploration under Exploration License #00710 issued by the MT DEQ. Regulations include the bonding of exploration disturbances to ensure reclamation is completed. The Company currently has an obligated bond of US\$442,147 and a surety bond of US\$607,419, totaling US\$1,049,566 in bonds, for the reclamation of the 2024/2025 JL LCZ and earlier drill programs. These obligations will be released when the reclamation is completed by the Company and inspected and approved by the MT DEQ. In addition, there are approximately 53 ground water wells (37 monitoring wells/test wells, 1 water well, and 15 piezometers) currently in place that will ultimately need to be removed during closure and reclamation.

Potential short- and long-term impacts caused by mining activities were evaluated from several perspectives: impacts to the environment during operation and closure, issues or impacts that could materially affect the mine's ability to extract the Mineral Reserves, and socio-economic impacts.

Potential impacts to the environment were addressed in detail in the Environmental Impact Statement (MT DEQ, 2019 and 2020).

Including the approved MOP, 28 permits and plans require approval from federal, Montana State, or Meagher County authorities. These permits and plans cover water quality, water rights, potable water supply, wetlands and streambed preservation, aquatics monitoring, dam safety, sewerage disposal, air quality, invasive vegetation, tribal communications, cultural resources, community impact, mining infrastructure, mining operations and emergency response. To date, 23 permits and plans have been approved, including the MOP, and work has been initiated on one of the five outstanding permits/plans, that being plans for a transmission line to site. The outstanding permits/plans involve potable water, sewage disposal, explosives permit, and hazardous waste identification.

Black Butte Copper Permitting

The MOP was designed to meet the requirements of the Montana Metal Mine Reclamation Act and the rules and regulations governing the act. Additional permits, including a Montana Pollutant Discharge Elimination System ("MPDES"), were obtained through the MT DEQ.

Compliance with the applicable legal requirements is demonstrated by the MT DEQ's approval of the following: MOP, Air Quality Permit, MPDES and construction storm water permit. A draft Environmental Impact Statement was published by the MT DEQ on March 11, 2019, as required under the Montana Environmental Policy Act, and finalized on March 13, 2020. Subsequently, the MT DEQ issued a Record of Decision for the mine on April 9, 2020, identifying MT DEQ's decision, the reasons for the decision and special conditions surrounding the decision and its implementation.

As previously reported, following the 2020 legal challenge to the MOP, on February 26, 2024, the Company received a positive ruling by the Montana Supreme Court reversing a 2021 district court decision and instructed the district judge to have the MT DEQ completely reinstate Tintina Montana Inc.'s Mine Operating Permit for the Black Butte Copper Project. The Montana Supreme Court granted the Company's request for summary judgement allowing the Company to move forward with construction of its highly engineered, underground copper mine. The Company won on all

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counts in the Montana Supreme Court with a 5-2 decision upholding the 2020 decision of the MT DEQ to allow copper mining at the Black Butte Copper Project.

Given the nature and stage of the Company's operations, the company is not yet in production and consequently has not generated revenue and has only incurred significant expenditures resulting in negative cash flows from operations.

Water permits

The Black Butte Copper Project, is located in the Smith River Watershed which is a closed basin regarding water rights. This means that any additional water right appropriations such as the additional water needed for mining activity is available once existing water use is retired. In September 2018, water rights owners, who lease water to the Black Butte Copper Project, submitted nine change applications to the Montana Department of Resources and Conservation ("DNRC") requesting modifications of their water rights to allow them to use the water for mitigation and leasing as well as irrigation. Along with these, TMI jointly applied for a ground water right, contingent on the success of the change applications and mitigation plan, and a high water right which would allow TMI to capture and pond excess spring flows for mitigation use throughout the year.

Regarding required water rights, on March 13, 2020, the DNRC issued Preliminary Determinations ("PDGs") granting the requested water right changes. During the following appeal period, six parties filed objections to the PDGs – these were the Newlan Creek Water Users Association, the Montana Fish Wildlife and Parks, and four conservation groups (collectively, the "Objectors") who filed a joint objection. The Objectors raised issues of legal availability, adverse effects, and adequacy of proposed diversions. Additionally, the objectors challenged current Montana law and requested that mine water discharged from the mine would be classified as beneficial use and so would require additional mitigation.

On January 2, 2025, the Montana Supreme Court in a 5-2 decision ruled in favor of Tintina Montana and the DNRC affirming the district court's determination that mine dewatering is not a beneficial use of water.

As of the date of this MD&A there are no remaining legal challenges related to the project with both Montana Supreme Court decisions being in favor of the Company.

Socioeconomic

The Project is expected to provide significant direct and indirect employment and economic benefits to Meagher County and the State of Montana, while operating under stringent environmental and social standards.

**6. *Black Butte Copper Exploration and project advancement***

Project advancements

Following the successful completion of the drilling program, the company has completed a Pre-Feasibility Study level updated technical report on the Johnny Lee deposit including new resource estimates for both the Johnny Lee and Lowry deposits. The company notes that since the last technical report dated October 19, 2020, several key factors which could impact the project needed re-evaluation, including:

- an update of capital and operating cost estimates noting the global mining industry has been subjected to material cost escalation over the last five years;

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- an updated mineral resource estimate incorporating the latest drilling information at Johnny Lee and Lowry;
- an updated mine reserve for Johnny Lee
- an updated mining plan built around the revised mine reserve for Johnny Lee.

Next steps for the project could include commencement of Johnny Lee mine construction; completion of hydrologic investigations and geotechnical and metallurgical studies of the Lowry resource; expanding and refining the Lowry resource; and exploration of the many other drill targets on the property.

**Qualified Persons**

Jerry Zieg, Sr. Vice President of Exploration and Technical Services for the Company is a Qualified Person for the purposes of National Instrument 43-101 ("NI 43-101") and has reviewed and approved the information of a scientific or technical nature contained in this MD&A. Mr. Zieg managed the drill project geological team and reviewed all aspects of sample collection, core logging, and analytical procedures chosen for the project on a near daily basis as well as monitoring QA/QC practices and outcomes.

**7. Selected Annual Information**

	Year Ended June 30,		2023
	2025	2024	
	\$	\$	\$
Total revenues	-	-	-
Loss for the year	(29,607,989)	(17,519,472)	(13,958,599)
Comprehensive loss for the year	(28,679,714)	(18,068,046)	(13,297,708)
Loss per share	(0.03)	(0.02)	(0.01)
Total assets	26,952,471	25,827,399	22,603,468
Total liabilities	72,443,214	47,720,552	30,739,325

**8. Results of Operations**

Exploration and evaluation expenditures

The following table presents the total expenditures incurred on the Black Butte property to date:

<b>Black Butte</b>	<b>June 30, 2025</b>	<b>Additions</b>	<b>December 31, 2025</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Resource Properties, net of currency translation	11,921,442	470,259	12,391,701
Accumulated Exploration and Project Support Costs	117,027,198	2,414,957	119,442,155
Accumulated Engineering & Environment Costs	11,371,629	294,659	11,666,288
Accumulated Mining Study Costs	4,700,776	2,002,926	6,703,702
<b>Total expenditure</b>	<b>145,021,045</b>	<b>5,182,801</b>	<b>150,203,846</b>

The following table is a break-down of the exploration and evaluation expenditures, including project support costs, engineering & environmental costs, as well as mining study costs incurred during the six months ended December 31, 2025 and the year ended June 30, 2025.

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	December 31, 2025	June 30, 2025
<b>Exploration and evaluation expenditures</b>	<b>(\$)</b>	<b>(\$)</b>
Labor and short term benefits	2,030,723	4,725,800
Contractors and consultants	(38,472)	1,048,557
Professional development, seminars and conferences	22,976	26,205
Permitting	294,659	937,528
Drilling	(151,898)	8,736,931
Metallurgy/Assays	44,450	2,188,634
Public relations	229,772	487,085
Supplies	24,362	124,028
Project travel	18,472	18,666
Rents and storage	94,928	210,890
Repairs and maintenance	58,199	151,896
Feasibility and mine optimization	2,002,962	1,283,594
Logistics and administration	81,409	250,170
<b>Total</b>	<b>4,712,542</b>	<b>20,189,984</b>

During the three and six months ended December 31, 2025, the actual road repair restorations and drill hole closure costs were lower than those accrued at the end of the FY2025. The lower costs resulted in a recovery of drilling and contractor costs exploration and evaluation expense in FY26.

**Expenditure Summary**

The following is a discussion of the significant variance in operations for the three months ended December 31, 2025 ("Q2 2026") compared to December 31, 2024 ("Q2 2025"):

- The Company is reporting a net loss of \$5,275,516 or \$0.01 per share during Q2 2026 as compared to a net loss of \$6,376,794 or \$0.01 per share during Q2 2025, representing a decrease in net loss of \$1,101,278. The decrease in net loss for the three months ended December 31, 2025 compared to the same period in fiscal 2024 is essentially all related to the decreased drilling activity in FY25 compared to FY24.
- During Q2 2026, exploration and evaluation costs decreased by \$1,779,377 compared to Q2 2025. The reason for the decrease is due the fact that there was no active drilling program in Q2 2026. The FY2025 drill program ended in May 2025 and management is in the process of updating a feasibility study. Management is assessing the timing of further drilling to best align with potentially releasing a further technical report at the prefeasibility level. As a result, exploration expenditures in one period are not reflective of expected expenditures in the next or comparative period.
- During Q2 2026, related party interest expense, which includes accretion of interest on loan payable, increased by \$640,502 compared to Q2 2025. The increase is due to the higher total amount borrowed under the bridge loan agreement with Sandfire Resources between January 1, 2025 and December 31, 2025. The interest rate has, during this period, remained unchanged.
- The majority of foreign currency reserve ("FCR") represents the differences arising from the translation of its sole subsidiary from the functional currency in United States dollars to the reporting currency of the Company in Canadian dollars. Such differences accumulate in FCR until the disposal of a subsidiary. A disposal or partial disposal will result in a realized foreign



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exchange gain or loss which will be recorded within the statement of loss and comprehensive loss.

The following is a discussion of the significant variance in operations for the six months ended December 31, 2025 ("YTD 2026") compared to December 31, 2024 ("YTD 2025"):

- The Company incurred a net loss of \$10,767,813 or \$0.01 per share during YTD 2026 as compared to a net loss of \$12,328,700 or \$0.01 per share during YTD 2025, representing a decrease in net loss of \$1,560,887. The decrease in net loss for the six months ended December 31, 2025 compared to 2024 is essentially all related to the reduced drilling activity in FY25 compared to FY24 slightly offset by the increase in the value of share-based payments in Q2 2025 compared to Q2 2024.
- During YTD 2026, exploration and evaluation costs decreased by \$3,164,031 compared to YTD 2025. The reason for the decrease is due the fact that there was no active drilling program in YTD 2026. The FY2025 drill program ended in May 2025 and management is in the process of updating a feasibility study. Management is assessing the timing of further drilling to best align with potentially releasing a further technical report at the prefeasibility level. As a result, exploration expenditures in one period are not reflective of expected expenditures in the next or comparative period.
- During YTD 2026, related party interest expense, which includes accretion of interest on loan payable, increased by \$1,222,956 compared to YTD 2025. The increase is due to a higher total amount borrowed under the bridge loan agreement with Sandfire Resources between January 1, 2025 and December 31, 2025. The interest rate has, during this period, remained unchanged.
- The majority of foreign currency reserve ("FCR") represents the differences arising from the translation of its sole subsidiary from the functional currency in United States dollars to the reporting currency of the Company in Canadian dollars. Such differences accumulate in FCR until the disposal of a subsidiary. A disposal or partial disposal will result in a realized foreign exchange gain or loss which will be recorded within the statement of loss and comprehensive loss.

During FY2025 and through Q2 2026, the Company entered into bridge loan agreements with a wholly owned subsidiary of Sandfire Resources Ltd. As of December 31, 2025, the balance of the loans, net of discount, is \$71,697,086.

As of December 31, 2025, the maximum amount available to be borrowed under the Bridge Loan is US\$59.5 million through one or more advances, and repayment of the loans is initially the earlier of (i) June 30, 2026 or (ii) 7 days after Sandfire Resources America Inc. completes either a debt or equity financing with gross proceeds of at least US\$69.5 million. As at December 31, 2025, the Company has borrowed US\$54.2 million and has US\$5.3 million available under the bridge loan agreement.

The Company's cash and cash equivalents at December 31, 2025 totalled \$387,299 compared to \$825,204 at June 30, 2025. Up to the current period, the Company's primary funding has been through bridge loan agreements with Sandfire Resources Ltd., and as such the Company ensures that it only draws on the loans as required and does not maintain significant excess cash in the accounts. Accounts payable and accrued liabilities at December 31, 2025 decreased by \$1,203,205 compared to June 30, 2025, due primarily to drilling and drill related expenditures incurred in May 2025. As a result of not having a drill program in YTD 2026, there were no such payables as at December 31, 2025.

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The Company had an accumulated deficit at December 31, 2025, of \$211,521,043 compared to \$200,753,230 at June 30, 2025, which has been funded primarily by borrowings under the bridge loan. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing sufficient to cover its operating costs beyond December 31, 2025.

**9. Summary of Quarterly Results**

The following is a summary of the Company's results for the eight most recently completed quarters ended December 31, 2025. These results are taken from the interim and annual consolidated financial statements, which are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to interim financial statements.

<b>Quarter Ended</b>	<b>Total Revenues</b>	<b>Loss for the Period</b>	<b>Basic and Diluted Loss Per share</b>
March 31, 2024	\$ Nil	\$ (5,278,436)	\$ (0.01)
June 30, 2024	\$ Nil	\$ (6,162,384)	\$ (0.01)
September 30, 2024	\$ Nil	\$ (5,951,906)	\$ (0.01)
December 31, 2024	\$ Nil	\$ (6,376,794)	\$ (0.01)
March 31, 2025	\$ Nil	\$ (8,440,049)	\$ (0.01)
June 30, 2025	\$ Nil	\$ (8,839,240)	\$ (0.01)
September 30, 2025	\$ Nil	\$ (5,492,297)	\$ (0.01)
December 31, 2025	\$ Nil	\$ (5,275,516)	\$ (0.01)

**10. Liquidity and Capital Resources**

At December 31, 2025, the Company reported negative working capital of \$80,266,295 of which \$79,064,765 related to loan and loan interest payable to Sandfire Resources Ltd. Net decrease in cash and cash equivalents for the six months ended December 31, 2025, including the impact of exchange rate on cash, was \$437,905, resulting in a cash and cash equivalents balance of \$387,299. The decrease in cash and cash equivalents is due to the timing and amount of borrowings from Sandfire Resources Ltd. as well as the timing of monthly payments.

Current assets excluding cash at December 31, 2025, consist of prepaid expenses and other assets of \$351,895. Current liabilities, excluding loan and interest due to Sandfire Resources, at December 31, 2025, consist of accounts payable and accrued liabilities of \$1,394,656 and other liabilities of \$546,068.

During the six months ended December 31, 2025, the Company made mineral lease, mining lease, water lease and land management payments of \$369,013. The lease payments are capitalized as additions to the resource properties on the condensed consolidated interim statement of financial position.

During the six months ended December 31, 2025, the Company had property and equipment additions of \$190,311, which related primarily to the development of its core shed #4.

As of December 31, 2025, the balance of the loans, net of discount, is \$71,697,086. As of December 31, 2025, the maximum amount available to be borrowed under the Bridge Loan is US\$59.5 million through one or more advances. Repayment of the loans is the earlier of (i) June 30, 2026, or (ii) 7 days after Sandfire Resources America Inc. completes either a debt or equity financing with gross proceeds of at least US\$69.5 million. As at December 31, 2025, the Company had borrowed US\$54.2 million under the bridge loan agreement.

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Interest on the loans is set at 5% per annum and interest is payable on the last day of each calendar month. The stated interest rate of the Bridge Loan was below the market rate for similar loan instruments. Consequently, for accounting purposes, at the date of each advance, we discount the expected payments using a risk-adjusted discount rate and an estimated repayment date. Rates of 11.46% to 12.76% were used for the loans received during the six months ended December 31, 2025 (11.19% to 14.88% for the year ended June 30, 2025). Amounts received in excess of fair value on the date of the advances were applied to contributed surplus representing an increase/(decrease) in equity contribution by Sandfire Resources Ltd.

The conditions described above indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company plans to address this uncertainty by drawing down on its amended Bridge loan agreement (as discussed above) in fiscal year 2026. Many factors influence the Company's ability to raise funds, and there is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital. These financial statements do not contain any adjustments to the amounts that may be required should the Company be unable to continue as a going concern. Such adjustments could be material.

**11. Off-Balance Sheet Arrangements and Commitments**

At the date of this MD&A, the Company had no off-balance sheet arrangements. The Company has commitments associated with future resource properties payments as disclosed in Note 14 of the Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2025.

Refer to section 5 of this MD&A regarding the successful defense of the legal challenge surrounding DEQ's Record of Decision and TMI.

**12. Transactions with Related Parties**

The following key management personnel compensation and related party transactions took place during the three and six months ended December 31, 2025, and 2024.

	For the three months ended December 31,		For the six months ended December 31,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Directors and executive officers' short-term benefits	290,753	312,944	875,686	769,936
Exploration and evaluation costs (1)	108,484	115,690	314,037	264,360
Share-based compensation	132,038	95,715	316,105	111,083
<b>Total remuneration</b>	<b>531,275</b>	<b>524,349</b>	<b>1,505,828</b>	<b>1,145,379</b>

(1) Exploration and evaluation costs relates to short-term benefits paid to key management personnel whose primary function is exploration and evaluation, or whose function has been substantially allocated to exploration and evaluation activities.

The remuneration of directors and other members of key management, which includes director and management fees as well as salary and wages, is included in short-term benefits and share-based payments.

During the three and six months ended December 31, 2025, a total of \$100,500 (December 31, 2024 - \$100,500) and \$201,000 (December 31, 2024 - \$201,000), respectively, of the directors and

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executive officers short-term benefits were allocated to non-exploration executive management fees on the statement of loss and comprehensive loss. As at December 31, 2025, the Company had accounts payable and salary accruals of \$184,455 (June 30, 2025 - \$356,521) to officers of the Company.

These amounts owed by the Company are unsecured, non-interest bearing with no fixed terms of repayment.

During the year ended June 30, 2025, the Company purchased a vehicle amounting to \$49,669 from an officer of the Company. The transaction was conducted at the estimated market value based on a review of listed prices for similar vehicles. There are no outstanding balances as of June 30, 2025, related to this transaction. There were no similar transactions during the three and six months ended December 31, 2025.

During the three and six months ended December 31, 2025, the Company incurred \$431,967 (December 31, 2024 - \$nil) and \$797,318 (December 31, 2024 - \$nil) respectively, in technical advisory fees from its Parent Company.

**13. Changes in Accounting Policies**

The preparation of financial statements in conformity with IFRS requires the Company to establish accounting policies and to make estimates that affect both the amount and timing of the recording of assets, liabilities, revenues, and expenses.

A detailed summary of the Company's significant accounting policies is included in Note 2 and 3 of the Consolidated Financial Statements for years ended June 30, 2025 and 2024.

**14. Financial Instruments and Other Instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy has three levels to classify the inputs to valuation techniques used to measure fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (interest rate, yield curves), or inputs that are derived principally from or corroborated observable market data or other means.

Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Cash settled share-based payments carried at fair value are classified as Level 1 in the fair value hierarchy. As at December 31, 2025, and June 30, 2025, the carrying value of the Company's financial instruments approximates their fair value due to their short terms to maturity.

***Liquidity risk***

The Company manages liquidity risk by maintaining an adequate cash balance. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the

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maturity profile of financial assets and liabilities. The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

*Interest rate risk*

The Company's cash and cash equivalents are subject to interest rate price risk. The Company's interest rate risk management policy for cash and cash equivalents is to purchase highly liquid investments with a term to maturity of three months or less on the date of purchase. The Company does not engage in any hedging activity. The Company earned insignificant interest income during the three and six months ended December 31, 2025. The Company's loan payable bears interest at a fixed rate.

*Credit risk*

The Company maintains substantially all of its cash with major financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits.

*Foreign currency risk*

As the Company operates on an international basis, currency risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign exchange risk arises primarily with respect to the U.S. dollar. A significant portion of the Company's cash and cash equivalents, accounts payable, and expenses are denominated in U.S. dollars. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations. The Company does not engage in any hedging activity.

There have been no changes in the Company's objectives and policies for managing the above-mentioned risks and there has been no significant change in the Company's exposure to each risk during the three and six months ended December 31, 2025. As at December 31, 2025, a 10% change in U.S. dollar against Canadian dollar would result in a \$1.0 million (December 31, 2024 - \$1.2 million) decrease or increase in the Company's net comprehensive loss.

**15. Outstanding Share Data**

Summary of Outstanding Share Data at the date of this report:

- a. Authorized: Unlimited common shares without par value.  
Issued and outstanding: 1,023,352,794 common shares
- b. Stock options and awards outstanding:  
Stock Options: nil  
Restricted Share Units: 1,182,871  
Performance Share Units: 1,774,306
- c. Warrants outstanding: nil

**16. Disclosure Controls**

Management has designed disclosure controls and procedures or has caused them to be designed under its supervision to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiary, is made known to management, particularly during the period in which the annual filings are being prepared.

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Management has also designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of the condensed consolidated interim financial statements for the three and six months ended December 31, 2025 and 2024, in accordance with IFRS. There has been no change in the Company's disclosure controls and procedures or in the Company's internal control over financial reporting that occurred during the most recently completed period that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures or internal control over financial reporting.

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of the Company's disclosure controls and procedures in place at December 31, 2025. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer of the Company concluded that the design and operations of these controls and procedures were effective.

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca). The shareholders will be kept informed of any material changes.

**17. Forward-looking Statements**

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking information"). In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations or the negative of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Forward-looking information includes, but is not limited to, statements regarding:

- analyses and other information based on expectations of future performance and planned work programs;
- the independent technical report prepared under National Instrument 43-101 entitled "*Sandfire Resources America Inc., Black Butte Copper Project, Feasibility Study (Johnny Lee Deposit) and Mineral Resource Estimate Update (Lowry Deposit) – Technical Report NI 43-101*" (the "2020 Technical Report") dated December 8, 2020, including estimates of capital, sustaining and operating costs, anticipated internal rates of return, mine production, estimated recoveries, mine life, estimated payback period and net present values;
- permitting timelines and requirements;
- requirements for additional capital, and the potential effect of any notices of environmental conditions relating to mineral claims;
- planned exploration and development of properties and the results thereof, including profitability of the Black Butte Copper Project, its anticipated environmental impact and the anticipated effect of mine design;
- the sufficiency of the Company's current capital resources to carry out its planned exploration, evaluation activities, and operations through fiscal year 2026;
- completion of any new technical reports, including a feasibility study on the Black Butte Copper Project;

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- evaluation of the potential impact of future accounting changes; and
- estimates concerning the carrying value of properties.

Statements concerning mineral resource estimates may also constitute forward-looking information to the extent that such statements involve estimates of the mineralization that may be encountered if a property is developed. Any forward-looking information is stated as of the date of this document or as of the date of the effective date of information described in this MD&A, as applicable, and the Company does not intend, and does not assume any obligation, to update such forward-looking information to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events unless required to do so by law or regulation.

With respect to forward-looking information contained herein, the Company has applied several material factors or assumptions that the Company believes are reasonable. Such material factors and assumptions include, but are not limited to, in addition to other assumptions set out in the Updated PEA or 2020 Technical Report, that any additional financing needed will be available on reasonable terms; that the exchange rates for the U.S. and Canadian currencies will be consistent with the Company's expectations; that the current exploration and other objectives concerning the Black Butte Copper Project can be achieved and that the Company's other corporate activities will proceed as expected; that the assumptions underlying mineral resource estimates are valid and that no unforeseen accident, fire, ground instability, flooding, labor disruption, equipment failure, metallurgical, environmental or other events that could delay or increase the cost of development will occur; that capital, sustaining and operating costs will be as estimated; that the proposed mine plan and recoveries will be achieved; that the current price and demand for copper and other metals will be sustained or will improve; that general business and economic conditions will not change in a materially adverse manner and that all necessary governmental approvals for the planned exploration and development of the Black Butte Copper Project, and the continuity of economic and political conditions and operations of the Company. The forward-looking information contained herein is subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ materially from those expressed or implied by such forward-looking information. In addition to those discussed in the Company's public disclosure record, such risks and other factors include, among others, those related to:

- fluctuations in capital markets and share prices;
- the Company's ability to obtain necessary financing to fund the completion of further exploration programs or the development of its mineral properties and the expected use of proceeds;
- the Company's dependence on a single mineral project;
- the Company's dependence on key personnel;
- the Company's operations and contractual obligations;
- results of exploration activities not being consistent with management's expectations;
- changes in estimated mineral resources, grade or recovery rates;
- future prices of metals;
- availability of third-party contractors, supplies and equipment;
- failure of equipment to operate as anticipated;
- accidents, effects of weather and other natural phenomena and other risks associated with the mineral exploration industry;
- interference with the Company's exploration or development activities by environmental activists or other special interest groups;
- the Company's principal property being located in the USA, including political, economic and regulatory uncertainty;
- environmental risks, including environmental matters under, or changes to, U.S. federal and Montana rules and regulations;
- impact of environmental remediation requirements;

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- the Company's mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title;
- community relations;
- the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;
- delays in obtaining, or inability to obtain governmental approvals, licenses, or permits, including final approval of the Company's application for the MOP for the Black Butte Copper Project;
- the Company's lack of operating revenues;
- costs of compliance, or failure to comply, with governmental regulations;
- currency fluctuations (particularly the Canadian dollar and United States dollar); and
- estimates used in the Company's financial statements proving to be incorrect.

This is not an exhaustive list of the factors that may affect the Company's forward-looking information. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in the forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on such forward-looking information.

**18. Risk Factors**

The securities of the Company are highly speculative and subject to the risks typically associated with the mining industry. A prospective investor should not consider an investment in the Company unless the investor is capable of sustaining an economic loss of their entire investment. The risks associated with the Company's business include:

*Inability to Permit or maintain a Permit for a Mine at the Black Butte Copper Project*

The Company may ultimately be unable to secure and maintain the necessary permits under United States Federal and Montana State laws to build and operate a mine at the Black Butte Copper Project. In the ordinary course, the Company's permitting process will require the receipt and maintenance of, among other things, a 404 permit from the USACE (which has been received) and an operating permit from the DEQ (which has been received for the Johnny Lee Deposit). The Company must maintain compliance with the permit conditions in order for the permits to remain in good standing. There is no assurance that the Company will be able to obtain or maintain permits. If the Company is not able to obtain or maintain any permits, the Company's operations would be materially adversely affected, including that the development timeline of the Black Butte Copper Project could be negatively impacted and construction of a mine at the Black Butte Copper Project could be precluded.

It is possible that the costs and delays associated with the compliance with such standards and regulations could become such that the Company would not proceed with the development or operation of a mine at the Black Butte Copper Project.

*Litigation*

The Company has in the past been (as described below and in the Company's other disclosure), and may in the future be, subject to legal proceedings seeking to prevent or impair the Company's pursuit of its Black Butte Copper Project. Such litigation will increase costs and may cause delays in the Company's plans. Given the uncertain nature of these actions, the Company cannot



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reasonably predict the outcome thereof. If the Company is unable to resolve these matters favorably and without excess cost, it will likely have a material adverse effect of the Company. Refer to Section 5 of this MD&A in regards to the Company's legal challenges.

*The Black Butte Copper Project is Subject to Organized Opposition*

The Black Butte Copper Project faces organized opposition from certain individuals and organizations who are motivated to preclude any possible mining in the Smith River watershed. Accordingly, one of the greatest risks to the Black Butte Copper Project is seen to be political/litigation risk which may ultimately preclude construction of a mine at the Black Butte Copper Project. Opposition may include legal challenges to exploration and development permits, which may delay or halt development. Other tactics may also be employed by opposition groups to delay or frustrate development at Black Butte, including political and public advocacy, electoral strategies, media and public outreach campaigns and protest activity.

*Compliance with environmental requirements will take considerable resources and changes to these requirements could significantly increase the costs of developing the Black Butte Copper Project and could delay these developing activities*

Although the Company has designed the Black Butte Copper Project to meet or exceed all applicable environmental laws, environmental legislation could evolve in a manner that will require 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. Changes in environmental legislation could increase the cost to the Company of carrying out exploration and development of the Black Butte Copper Project. Further, compliance with new or additional environmental legislation may result in delays to exploration and development activities.

*The Company is unable to secure and maintain sufficient and appropriate water rights to facilitate economic operations*

The Company currently has a lease arrangement with two local ranches to lease sufficient water rights to allow mining and processing operations to proceed.

The Black Butte Copper Project, operated by TMI proposed underground copper mine is located in the Smith River watershed which is 'closed' to filing of any additional water rights appropriations. For use of water from the mine, other water use must be retired to make the needed water volumes available for the mine. Refer to Section 5 of this MD&A for additional details.

*Risk of Secure Title or Property Interest*

There can be no certainty that title to any property interest acquired or leased by the Company or any of its subsidiaries is without defects. Although the Company has taken reasonable precautions to ensure that legal title to its properties is properly documented, there can be no assurance that its property interests may not be challenged or impugned. Such property interests may be subject to prior unregistered agreements or transfers or other land claims, and title may be affected by undetected defects and adverse laws and regulations.

*The Black Butte Project Does Not Contain Any Ore Reserves or Any Known Body of Economic Mineralization beyond the Johnny Lee Deposit*

Although there are known bodies of mineralization on the Black Butte Copper Project, and the Company has completed core drilling programs within, and adjacent to, the deposits to determine

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measured and indicated resources, there are currently no known reserves or body of commercially viable ore beyond the Johnny Lee Deposit. The Black Butte Copper Project must be considered an exploration and feasibility evaluation project except for the Johnny Lee Deposit development potential. A Feasibility Study into the Black Butte Copper Project was commenced in October 2018. The Company released the Feasibility Study on October 27, 2020 and a Technical Report was filed in December 2020.

*Mineral Resources Disclosed by the Company for the Black Butte Copper Project are Estimates Only*

The Company has included mineral resource estimates that have been made in accordance with NI 43-101. These resource estimates are classified as "measured resources", "indicated resources" and "inferred resources". The Company advises investors that while these terms are mandated by Canadian securities administrators, the SEC does not recognize these terms. Investors are cautioned not to assume that any part or all of mineral deposits classified as "measured resources" or "indicated resources" will ever be converted into ore reserves. Further, "inferred resources" have a great amount of uncertainty as to their existence, and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or prefeasibility studies. Investors are cautioned not to assume that part or all of an inferred resource is economically or legally mineable.

All amounts of mineral resources are estimates only, and the Company cannot be certain that any specified level of recovery of metals from the mineralized material will in fact be realized or that the Black Butte Copper Project will ever qualify as a commercially mineable (or viable) ore body that can be economically exploited. Mineralized material which is not mineral reserves does not have demonstrated economic viability. In addition, the quantity of mineral reserves and mineral resources may vary depending on, among other things, metal prices and actual results of mining.

There can be no assurance that any future economic or technical assessments undertaken by the Company with respect to the Black Butte Copper Project will demonstrate positive economics or feasibility.

*The Company's consolidated financial statements have been prepared assuming the Company will continue on a going concern basis*

The Company's Consolidated financial statements have been prepared on the basis that the Company will continue as a going concern. The Company prioritized the allocation of available financial resources to meet key corporate and Black Butte Copper Project expenditure requirements throughout the fiscal year 2025. The Company continues to maintain the same prioritization in the fiscal year 2026. Additional financing will be required for continued corporate expenditures and expenditures at the Black Butte Copper Project. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interest are entirely dependent upon the existence of economically recoverable mineral reserves at the Black Butte Copper Project, the ability of the Company to finance its operating costs, the completion of the development of the Black Butte Copper Project, obtaining and maintaining the necessary permits to mine, and on future profitable production at the Black Butte Copper Project. Furthermore, failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis, which would likely differ significantly from their going concern assumption carrying values.

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*Negative Operating Cash Flow*

The Company currently has a negative operating cash flow and will continue to have that for the foreseeable future. Accordingly, the Company will require substantial additional capital to fund its future exploration, evaluation and development activities. There is no assurance that such funding will be achieved when required. Any failure to obtain additional financing or failure to achieve profitability and positive operating cash flows will have a material adverse effect on its financial condition and results of operations.

*The Company will require additional funding to meet the development objectives of the Black Butte Copper Project*

The Company will need to raise additional financing (share issuances, debt or asset level partnering) to develop the Black Butte Copper Project. In addition, the positive production decision at the Black Butte Copper Project will require significant capital for project engineering and construction. Accordingly, the continuing development of the Black Butte Copper Project will depend upon the Company's ability to obtain financing through debt financing, equity financing, the joint venturing of the project, or other means. There can be no assurance that the Company will be successful in obtaining the required financing, or that it will be able to raise the funds on terms that do not result in high levels of dilution to shareholders.

*The Black Butte Copper Project is the Company's main mineral property interest*

The Black Butte Copper Project is not the Company's only mineral project. However, the Company's principal business objective is to advance the Black Butte Copper Project. If the Company is not successful in its plans, the Company may have to seek a new mineral property to explore or acquire an interest in a new mineral property or project. The Company anticipates that such an outcome would adversely impact the price of the Company's common shares. Furthermore, the Company anticipates that its ability to raise additional financing to fund exploration of a new property or the acquisition of a new property or project would be impaired as a result of the failure to establish commercial viability of the Black Butte Copper Project.

*If prices for copper decline, the Company may not be able to raise the additional financing required to fund expenditures for the Black Butte Copper Project*

The ability of the Company to raise financing to fund the Black Butte Copper Project will be significantly affected by changes in the market price of copper. The price of copper is volatile and is affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, the world supplies of and demands for copper and the stability of exchange rates can all cause fluctuations in copper prices. Such external economic factors are influenced by changes in international investment patterns and monetary systems and political developments. The price of copper has fluctuated in recent years, and future significant price declines could cause investors to be unprepared to finance exploration and development of copper projects with the result that the Company may not have sufficient financing with which to fund its activities.

*Mining is inherently hazardous and subject to conditions or events beyond the Company's control, which could have a material adverse effect on the Company's business*

Hazards such as fire, explosion, floods, structural collapses, industrial accidents, unusual or unexpected geological conditions, ground control problems, power outages, inclement weather, seismic activity, cave-ins and mechanical equipment failure are inherent risks in exploration, development and mining operations. As is generally the case in the mining industry, these and other hazards may cause, among other things, injuries or death to employees, contractors or other

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persons at the Company's mineral properties, destruction of the Company's property, plant and equipment and mineral properties, and other adverse consequences, and may result in the suspension of the Company's exploration and development activities and any future production activities. Safety measures implemented by the Company may not be successful in preventing or mitigating future accidents.

*The Company competes with larger, better capitalized competitors in the mining industry*

The mining industry is competitive in all of its phases, including financing, technical resources, personnel and property acquisition. It requires significant capital, technical resources, personnel and operational experience to effectively compete in the mining industry. Because of the high costs associated with exploration, the expertise required to analyze a project's potential and the capital required to develop a mine, larger companies with significant resources may have a competitive advantage over the Company. The Company faces strong competition from other mining companies, some with greater financial resources, operational experience and technical capabilities than The Company possesses. As a result of this competition, the Company may be unable to maintain or acquire financing, personnel, technical resources or attractive mining properties on terms the Company considers acceptable or at all.

*The Company is subject to many risks that are not insurable and, as a result, the Company will not be able to recover losses through insurance should such certain events occur*

Hazards such as unusual or unexpected geological formations and other conditions are involved in mineral exploration and development. The Company may become subject to liability for damages, cave-ins or other hazards against which it cannot insure. The payment of such liabilities could increase the Company's operating expenses which could, in turn, have a material adverse effect on the Company's financial position and its results of operations. Although the Company currently maintains liability insurance, the nature of these risks is such that the liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant liabilities and costs that could materially increase the Company's operating expenses.

*Our activities may be adversely affected by natural disasters, terrorist acts, health crises, and other disruptions and dislocations whether those effects are local, nationwide, or global.*

Upon the occurrence of a natural disaster, pandemic, or upon an incident of war, riot, or civil unrest, the impacted country, and the overall global economy, may not efficiently and quickly recover from such an event, which could have a material adverse effect on the Company. Terrorist attacks, public health crises, including epidemics, pandemics, outbreaks of new infectious diseases or viruses, and related events can result in volatility and disruption to global supply chains or operations, mobility of people, patterns of consumption and service, and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation business, financial conditions, results of operation and other factors relevant to the Company.

*Vulnerability of our business to cyber-attacks*

There can be no assurance that our computer systems, internet sites, emails and other telecommunications, financial and geological data and banking, including bank accounts or funds transfers, will not be compromised by cyber-attacks or cyber theft, especially because cyber-attack and cyber theft techniques change frequently or are not recognized until successful. If our systems are compromised, do not operate properly, or are disabled, or we are subject to successful cyber theft, we could suffer, among other things, financial loss, disruption of business, loss of geology

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data which could affect our ability to conduct effective mine planning and accurate mineral resources estimates, and loss of financial data which could affect our ability to provide accurate and timely financial reporting. The Company's insurance may not provide coverage for cyber security events or may be inadequate. The occurrence of such an event, especially one that is not covered or not fully covered by insurance, could have a material adverse effect on the Company.