CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of United States Dollars)

Independent auditor's report

To the Shareholders of Gunnison Copper Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Gunnison Copper Corp. and its subsidiaries (together, the Company) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of (income) loss and comprehensive (income) loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Material uncertainty related to going concern

We draw attention to note 1 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Fair value of stream obligation *Refer to note 2 – Basis of presentation and summary of material accounting policies, note 9 – Derivative liabilities and note 20 – Financial instruments to the consolidated financial statements.* The Company has a copper metal stream, which the Company records at fair value at each consolidated statement of financial position date because the Company has determined that the stream obligation is a derivative liability carried at fair value through profit or loss. As at December 31, 2024, the stream obligation was valued at $59.4 million. This fair value of the stream obligation was valued using a Monte Carlo simulation model. The significant assumptions developed by management used in the Monte Carlo simulation model included the copper forward price curve; the long-term copper price volatility; the discount rate, which factors in the Company's credit spread; and the Johnson Camp Mine and Gunnison open-pit life of mine production schedules and expectations including expansion plans and weighted probability of successfully achieving the production schedules.	Our approach to addressing the matter included the following procedures, among others: • Developed an independent point estimate of the fair value of the stream obligation based on data and assumptions applied by management, which included the following: – Professionals with specialized skill and knowledge in the field of valuation assisted us in performing an independent valuation using a Monte Carlo simulation model and evaluating the reasonableness of the significant assumptions used by management, which included (i) the copper forward price curve; (ii) long-term copper price volatility; and (iii) the discount rate, which factors in the Company's credit spread by considering external market data. – The work of management's experts was used in performing procedures to evaluate the reasonableness of the life of mine production schedules and expectations including expansion plans. As a basis for using this work, the competence,

Key audit matter	How our audit addressed the key audit matter
The Monte Carlo simulation model was prepared by an independent valuation specialist and the life of mine production schedules and expectations including expansion plans are based on the information compiled by qualified persons (management's experts). We considered this a key audit matter due to (i) the significant judgment made by management, including the use of management's experts, when developing the key assumptions used in determining the fair value of the stream obligation; (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures relating to the significant assumptions, which included the copper forward price curve, the long-term copper price volatility, the discount rate which factors in the Company's credit spread, the life of mine production schedules and expectations including expansion plans and weighted probability of successfully achieving the production schedules; and (iii) the audit effort that involved the use of professionals with specialized skill and knowledge in the field of valuation.	capabilities and objectivity of management's experts were evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's experts, tests of the data used by management's experts and an evaluation of their findings. – Evaluated the reasonableness of the weighted probability of successfully achieving the production schedules. • Compared the independent point estimate to management's estimate to evaluate the reasonableness of management's estimate.
Accounting treatment of the Nuton LLC (Nuton) Stage 2 funding arrangement *Refer to note 2 – Basis of presentation and summary of material accounting policies and note 8 – Nuton stage 2 project to the consolidated financial statements.* During the year, the Company and Nuton proceeded to Stage 2 of the existing option agreement i.e., the development towards mining of copper at the Company's Johnson Camp Mine (JCM) and testing of Nuton's copper heap leaching technologies (the Stage 2 work program). Under the terms of the agreement, Nuton is responsible for funding all of the Company's costs	Our approach to addressing the matter included the following procedures, among others: • Evaluated the judgment exercised by management in determining the accounting treatment that the Stage 2 proceeds received from Nuton should be accounted as an allocation between a borrowing component and a mine processing service component. Our procedures included the following: – Read the relevant agreements and supporting documents for the Stage 2 work program and determined whether all key facts and circumstances were properly incorporated into management's assessment.

Key audit matter	How our audit addressed the key audit matter
associated with the Stage 2 work program. Nuton shall receive 100% of the revenue generated from commercial quantities of copper products produced from JCM until recoupment of the Stage 2 work program funding. Once and if the Stage 2 work program funding is repaid, the Company retains any additional copper revenue. During the year, the Company received Stage 2 work program proceeds of $34.7 million. Management applies judgment in assessing the appropriate accounting treatment for the Stage 2 work program proceeds by considering the specific terms and nature of the agreement with Nuton. In assessing the Stage 2 work program proceeds, management identified both a borrowing component from Nuton and a mine processing services to Nuton. On initial recognition the borrowing is recognized at fair value for the proceeds received, with the residual representing deferred mine processing service revenue. The borrowing is subsequently accounted for at fair value through profit and loss. The deferred mine processing service revenue is amortized over the expected payback schedule. We considered this a key audit matter due to the significant judgment made by management in determining the appropriateness of the accounting treatment. This in turn resulted in significant audit effort and subjectivity in performing audit procedures to assess management's accounting treatment.	– Read management's accounting analysis for the Stage 2 work program. – Understood the nature of Stage 2 work program and evaluated the accounting treatment by analyzing various aspects of IFRS accounting standards and guidance • Tested the adequacy of disclosure in the December 31, 2024, consolidated financial statements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Melanie Matthews.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 31, 2025

GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31
(Expressed in thousands of United States dollars)

	Note	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents		$ 8,249	$ 6,113
Marketable securities		91	76
Amounts receivable		117	126
Due from Nuton	8	4,747	-
Prepaid expenses		377	776
Inventory	3	2,108	1,341
		15,689	8,432
Property, plant and equipment	4	111,910	104,902
Restricted cash	5	10,333	3,074
Total Assets		$ 137,932	$ 116,408
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	6	$ 3,735	$ 1,743
JCM project payables	6	11,595	-
Amounts due to related parties	15	145	136
Nuton stage 1 payable	7	-	432
Nuton stage 2 payable	8	14,975	-
Nuton deferred income and revenue	8	1,661	-
Insurance liabilities		138	493
Derivative liabilities	9	2,609	235
Interest on debentures	12	600	-
Debt	11	3,090	1,442
		38,549	4,481
Accounts payable and accrued liabilities	6	124	222
Debentures	12	4,708	4,330
Debt	11	11,357	14,178
Nuton stage 2 payable	8	23,448	-
Nuton deferred income and revenue	8	9,959	-
Derivative liabilities	9	56,774	115,823
Asset retirement obligation	10	14,916	8,097
Total liabilities		159,835	147,131
Equity			
Capital Stock	13	112,828	112,828
Other equity reserves	13	14,532	14,205
Deficit		(148,433)	(156,927)
Accumulated other comprehensive loss		(829)	(829)
Total Equity		(21,902)	(30,723)
Total Liabilities and equity		$ 137,932	$ 116,408

See note 1 - Nature of Operations and Going Concern

Approved on March 31, 2024 on behalf of the Board of Directors:

/signed/	/signed/
Colin Kinley	**Fred DuVal**
Director	Director

The accompanying notes are an integral part of these consolidated financial statements.

GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)
CONSOLIDATED STATEMENTS OF (INCOME) LOSS AND COMPREHENSIVE (INCOME) LOSS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of United States dollars)

	Note	2024	2023
Revenue			
Copper Revenue		$ (952)	$ (2,919)
Cost of sales	14	2,780	8,363
Loss from mine operations		$ 1,828	$ 5,444
Operating Expenses			
Gunnison holding and maintenance cost		$ 479	$ -
Evaluation and permitting		561	294
Office and administration		493	689
Professional fees		433	645
Directors and officers fees		1,133	1,603
Investor relations		240	451
Share-based compensation	13	320	510
Regulatory fees		29	166
Mining cost		12	-
Impairment of property, plant and equipment	4	38,828	-
Depreciation		132	182
Total Operating Expenses		$ 42,660	$ 4,540
Other Items			
Loss (gain) on derivative at fair value	9	(56,675)	14,763
Financing expense	17	4,190	3,494
Interest income		(232)	(113)
Unrealized gain on foreign exchange		(2)	(7)
Loss on modification of financial liabilities	11&12	-	1,375
Fair value loss on Nuton Stage 2 payable		690	-
Other income		(953)	(537)
Total Other Items		$ (52,982)	$ 18,975
(Income) Loss and comprehensive (income) loss for the year		$ (8,494)	$ 28,959
(Income)/Loss per common share:			
Basic and Diluted		$ (0.03)	$ 0.10
Weighted average number of common shares outstanding:			
Basic and Diluted	13	315,415,858	278,652,578

The accompanying notes are an integral part of these consolidated financial statements.

GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of United States dollars)

	Note	2024	2023
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
Income (loss) for the year		$ 8,494	$ (28,959)
Items not affecting cash:			
Loss (gain) on derivative at fair value	9	(56,675)	14,763
Depreciation		163	273
Accretion of asset retirement obligation		531	158
Share-based compensation	13	326	537
Financing expense	11&12	1,247	407
Nebari extension bonus	11	-	1,500
Gain on marketable securities		(15)	(54)
Impairment of property, plant and equipment	4	38,828	-
Unrealized gain on foreign exchange		(2)	(7)
Deferred income		(514)	-
Fair value movement on Nuton Stage 2 payable		690	-
Non-cash working capital item changes:			
Receivables		9	15
Prepaid expenses		399	(300)
Inventory		(767)	400
Accounts payable and accrued liabilities		(16)	286
Amounts due to related parties		9	12
Insurance liabilities		(355)	312
Net cash used by operating activities		(7,648)	(10,657)
CASH FLOWS RELATED TO INVESTING ACTIVITIES			
Land purchase options		(1,000)	-
Restricted cash		(7,259)	237
Nuton stage 1 funds received	7	1,030	5,000
Nuton stage 1 project expenditure	7	(1,462)	(2,568)
Nuton stage 2 project expenditure	8	(21,693)	-
Net cash provided (used) by investing activities		(30,384)	2,669
CASH FLOWS RELATED TO FINANCING ACTIVITIES			
Proceeds from issuance of debentures	12	-	3,000
Proceeds from sale of royalty		-	5,500
Financing costs		-	(10)
Nuton stage 2 funds received	8	34,697	-
Nuton Access payment	8	5,000	-
Nebari principal payments		(1,442)	-
Nuton collateral funding		1,910	-
Net cash (used) provided by financing activities		40,165	8,490
Net change in cash and cash equivalents		2,133	502
Effect of foreign exchange on cash and cash equivalents		3	7
Cash and cash equivalents, beginning of year		6,113	5,604
Cash and cash equivalents, end of year		$ 8,249	$ 6,113
Supplemental cash flow disclosures:			
Interest paid		$ 2,392	$ 2,785

The accompanying notes are an integral part of these consolidated financial statements.

GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of United States dollars)

	Capital Stock						
	Number of Common shares	Amount	Other Equity Reserves	Deficit	Accumulated Other Comprehensive Loss	Total
Balance, December 31, 2022	274,835,944	$ 108,045	$ 12,453	$ (127,968)	$ (829)	$ (8,299)
Stock issuance	38,756,514	4,600	-	-	-	4,600
Restricted share units	1,823,400	193	-	-	-	193
Share issuance costs	-	(10)	-	-	-	(10)
Debenutures	-	-	1,262	-	-	1,262
Share-based compensation	-	-	490	-	-	490
Loss for the year	-	-	-	(28,959)	-	(28,959)
Balance, December 31, 2023	315,415,858	$ 112,828	$ 14,205	$ (156,927)	$ (829)	$ (30,723)
Balance, December 31, 2023	315,415,858	$ 112,828	$ 14,205	$ (156,927)	$ (829)	$ (30,723)
Share-based compensation	-	-	327	-	-	327
Gain for the year	-	-	-	8,494	-	8,494
Balance, December 31, 2024	315,415,858	$ 112,828	$ 14,532	$ (148,433)	$ (829)	$ (21,902)

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Gunnison Copper Corp. (formerly Excelsior Mining Corp.) ("Gunnison" or the "Company") was incorporated under the laws of the Province of British Columbia, Canada on June 9, 2005 and trades on the Toronto Stock Exchange under the symbol "GCU". The address of the Company's registered office is Suite 2400, 1055 West Georgia Street, Vancouver, BC, Canada V6E 3P3.

The principal business of Gunnison is the acquisition, exploration and development of copper mineral properties and the construction and operation of copper mines in Arizona, USA. The Company is focused on the development of the Gunnison Copper Project which is designed to be a large-scale open pit operation producing finished copper cathodes. In addition, Gunnison is also undertaking leachpad construction to allow for the expansion and restart of the Johnson Camp Mine ("JCM") in partnership with Nuton LLC ("Nuton"), a Rio Tinto Venture, to demonstrate the use of its sulfide copper heap leaching technology. Cash flow generated from the Johnson Camp Mine, after payback of construction and start up costs, will be used to support the development of the Gunnison project.

Going concern

These consolidated financial statements have been prepared on the going-concern basis, which assumes that the Company will be able to realize its assets and liabilities in the normal course of business as they come due in the foreseeable future.

During the year ended December 31, 2024, the Company incurred a net gain of $8,494 that included a gain on the Triple Flag stream derivative of $56,675 and non-cash loss on Gunnison related asset impairments of $38,828. As at December 31, 2024 the Company had negative working capital (current assets less current liabilities) of ($22,860), including a cash balance of $8,249. The working capital includes $28,231 in current liabilities and $4,747 in accounts receivable that are funded by Nuton and $3,433 in debt and interest payments deferred to 2026 subsequent to Dec 31, 2024 (Note 22). The amount funded by Nuton is only repayable from the sale of copper produced at the Johnson Camp Mine. If no copper was produced at the Johnson Camp Mine, the amount funded by Nuton would not be re-payable by the Company to Nuton. As a result, these amounts do not impact the Company's ability to continue as a going concern. The Company continues to be required to maintain a $2,500 minimum cash balance, as a covenant condition to the Nebari Natural Resources Credit Fund I LLP ("Nebari") outstanding debt (Note 11).

On May 21, 2024, the Company received a $5,000 payment from Nuton as a result of its election to proceed with the Stage 2 Work Program (Note 8). Since May 15, 2024, the Company has received an additional $34,697 from Nuton for costs associated with the Stage 2 Work Program, the goal of which is to resume mining at JCM using the Nuton copper heap leaching technologies. Progress on Nuton Stage 2 construction is continuing with further funding from Nuton for the Stage 2 Work Program expected through 2030.

Excluding further funding from Nuton for the Stage 2 work program, the Company's cash flow projections indicate that the minimum balance requirement will be breached during the third quarter of 2025 unless additional financing is obtained. If there is a breach of the minimum balance requirement, the amendment to the loan agreement allows a 60-day cure period. As a result, there remain conditions that represent a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Refer to Note 10: Debt for further details. Subsequent to December 31, 2024, the Company entered into agreements that provide for $3 million in additional funding from Nuton and restructure the outstanding loan agreement with Nebari, including reducing the minimum cash balance requirement to $1,000, suspension of principal payments from Feb 2025 to Dec 2025, and deferral of $600 in convertible debenture interest to Sep 2026. See "Subsequent Events" (Note 22).

The Company has been successful in obtaining significant equity and other financings since inception and intends to continue financing its future requirements through future mining of the existing JCM pits and a combination of

equity, debt, or other arrangements, including the funding provided by Nuton. However, there can be no assurance that the Company will be able to obtain the necessary financing. The Consolidated Financial Statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

2. BASIS OF PRESENTATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

a. Basis of Preparation and Consolidation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The consolidated financial statements have been prepared on a historical cost basis, except for any financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

All dollar figures are expressed in United States dollars unless otherwise indicated. Canadian dollars are expressed as "CAD$".

b. Principles of Consolidation

These consolidated financial statements include the financial statements of the Company and its subsidiaries. A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has the rights to, variable returns from the Company's involvement with the entity and has the ability to affect those returns through the Company's power over the entity.

The results of the Company's subsidiaries are included in the consolidated financial statements from the date that control commences until the date the control ceases. All intercompany transactions and balances have been eliminated.

Details of the Company's subsidiaries are as follows:

Name	Place of Incorporation	Interest %	Principal activity
Excelsior Mining Arizona, Inc. ("Excelsior Arizona")	Arizona, United States	100%	Exploration, evaluation, development and production of mineral property interests
Excelsior Mining Holdings, Inc. ("EM HOLDINGS")	Arizona, United States	100%	Exploration and evaluation of mineral property interests

c. Estimation uncertainty and judgments in applying the Company's accounting policies

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the periods reported.

Accounting policy judgements

Characterization of the Stream arrangement

As set out in Note 10, the Company applied judgment in determining the characterization of the Stream arrangement for both accounting and tax purposes including the Company's assessment that the partially prepaid

sale of copper is currently a derivative liability for accounting purposes. This judgment will be monitored as facts and circumstances change such as the exercise or expiry of the expansion option and the relationship of the metal deliverable under the arrangement to the Company's actual production.

Accounting treatment of Nuton Stage 2 project funding

As set out in note 9, the Company applied significant judgment in assessing the appropriate accounting treatment for the Stage 2 work program proceeds by considering the specific terms and nature of the agreement with Nuton. In assessing the Stage 2 work program proceeds, management identified both a borrowing component from Nuton and a mine processing service that will be provided to Nuton during the Stage 2 work program. The borrowing is conditionally repayable from revenue generated from commercial quantities of copper products produced from the related mining operations. Changes in spot prices of copper will impact the timing of repayment of the borrowing from any future revenues generated. As a result of the repayment provisions, including indexing of payment timing to copper prices, the borrowing has been accounted for in its entirety at fair value through profit or loss with a residual amount allocated to deferred revenue for the mine processing services that will be provided to produce copper. Further details on the overall Nuton Stage 2 arrangement are disclosed in Note 8.

Evaluation of indicators of impairment

The evaluation of asset carrying values for indicators of impairment requires that management makes significant judgments in assessing whether changes to certain factors would be considered an indicator of impairment which includes both internal and external factors such as: a reduction in quantity of the recoverable reserves and resources; a reduction in metals prices; increases to forecasted capital and operating costs; and delays to the timing of achieving commercial production. If impairment indicators are identified, impairment testing is required. The recoverable amount of the cash-generating unit to which the assets belong that is used in the impairment testing is determined as the higher of its fair value less costs of disposal and its value in use. During the year ended December 31, 2024, management of the Company determined that there were indications of impairment of the wellfield assets at the Gunnison Copper Project (note 5).

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the consolidated financial statements include:

Valuation of Nuton Stage 2 project funding

For the proceeds received, on initial recognition a borrowing is recognized at fair value, with the residual representing deferred mine processing revenue. The borrowing is subsequently accounted for at fair value through profit and loss. The deferred mine processing service revenue is amortized over the expected payback schedule. The key assumptions used to measure the fair value of the borrowing are the Johnson Camp Mine life of mine production schedule and expectations including expansion plans and the discount rate.

Stream Obligation

The carrying value of the stream obligation represents management's best estimate of the fair value of the arrangement. The fair value incorporates the Company's estimates of the copper forward price curve, the long-term copper price volatility, the discount rate, which factors in the Company's credit spread and the Johnson Camp

Mine and Gunnison open-pit life of mine production schedules and expectations including expansion plans and a weighted probability of successfully achieving the production schedules. (See Note 10)

Asset Retirement Obligation

The Company's provision for reclamation and closure cost obligations represents management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs directly attributable to remediating the liability, inflation, assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting future cash outflows. Changes in the factors above can result in a change to the provision recognized by the Company. To the extent the carrying value of the related mining property is not increased above its recoverable amount, changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amount of related mining properties. (See Note 11)

d. Financial Instruments and Measurement

Financial assets – Classification

Financial assets are classified at initial recognition based on the applicable measurement model: amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (loss) ("OCI").

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not subsequently measured at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial liabilities

Financial liabilities are designated as either FVTPL or other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the balance sheet subsequent to inception and how changes in value are recorded. Accounts payable are classified as other financial liabilities and carried on the balance sheet at amortized cost.

Debt is recognized initially at fair value, net of any directly attributable transaction costs. Subsequent to initial recognition the debt is measured at amortized cost, calculated using the effective interest rate method.

Derivative instruments, including embedded derivatives in financial liabilities or non-financial contracts are recorded at FVTPL and, accordingly, are recorded on the consolidated statement of financial position at fair value. Fair values for derivative instruments are determined using valuation techniques, with assumptions based on market conditions existing at the statement of financial position date or settlement date of the derivative. The Company's stream obligation and foreign currency warrants to purchase common shares are classified as derivative liabilities.

b. Revenue Recognition

The Company's revenue mainly consists of the sales of copper cathode. The Company follows IFRS 15 - *Revenue from Contracts with Customers ("IFRS 15")* to recognize revenue. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a

contract with a customer. IFRS 15 requires entities to recognize revenue when 'control' of goods or services transfers to the customer.

Copper cathode revenue is recognized when control is transferred to the customer. The transfer of control occurs when the copper cathode has been assayed, readied for shipment and then loaded onto the means of transport arranged by the customer.

The provisional sales price of Grade 1 copper cathode is determined based on the last known 1st position HG Copper COMEX settlement price at the time of transfer of control. The final sales price of copper cathode is the average HG Copper COMEX settlement price for the month of sale.

c. Financial assets

Management determines the appropriate classification of financial instruments at the time of the purchase and evaluates its portfolio on a regular basis to ensure that all financial assets are appropriately classified. The Company's investments are categorized as:

- *Financial instruments at fair value through profit or loss* – These include financial instruments designated at fair value through profit or loss at inception and those designated as held for trading. A financial instrument is classified in this category if acquired principally for the purpose of selling or repurchasing it in the short term or if so designated by management.

a. Cash and cash equivalents

Cash and cash equivalents include demand deposits (2024 & 2023 - $45) held at financial institutions in the United States. Short-term investments consist of redeemable short-term investment certificates with maturities greater than 90 days and less than one year, and readily convertible into a known amount of cash. Cash and cash equivalents exclude cash subject to restrictions and are measured as a financial asset at amortized cost.

b. Inventory

Inventories are recorded at the lower of cost and net realizable value (NRV). The average COMEX price for Grade A copper cathode for the reporting month is used to determine the NRV of copper cathode in inventory. The copper cathode held as finished goods at month end is shipped and sold the following month.

Stockpiled ore represents unprocessed ore that has been mined and is available for future processing. Stockpiled ore is measured by estimating the number of tons through physical surveys and contained copper through grade reconciliation via the ore control process.

In-process copper inventory represents copper in solution that is contained within the processing ponds and plant at period end and is currently being converted to copper cathode, the final saleable product. Finished goods inventory is copper cathode that has not yet been sold to the offtaker.

Materials and supplies inventories are valued at the lower of weighted average cost and net realizable value, less any allowances for obsolescence. Replacement costs of materials and spare parts are generally used as the best estimate of net realizable value.

c. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset is comprised of its purchase price or construction cost and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the reclamation of the asset. The purchase price or construction cost is the fair value of consideration given to acquire the asset.

Depreciation of property, plant and equipment commences when the asset has been fully commissioned and is available for its intended use.

Wellfield, site infrastructure and other tangible assets, including the solvent extraction-electrowinning plant, roads, pipelines and transmission lines are depreciated using a unit-of-production method, which is determined each period based on copper pounds produced over the estimated proven and probable copper reserves of the orebody unless the useful life of the asset is less than the life of the mine.

Depreciation of other site assets, including vehicles, mobile equipment, and buildings are calculated using the straight-line method to allocate the initial cost over their estimated useful lives, as follows:

Asset Class	Estimated useful life
Vehicles	2-5 years
Mobile equipment	2-5 years
Buildings	10-25 years

Depreciation of office equipment and software is based on the declining balance method at various depreciation rates ranging from 20% to 45% over their estimated useful lives.

Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss. Where an item of equipment comprises major
components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

e. Construction in progress

Construction in progress costs recorded for assets under construction are capitalized as construction in progress. On completion, the cost of construction is transferred to the other appropriate category of mineral properties, plant and equipment.

f. Exploration and evaluation assets

Costs related to the acquisition of exploration and evaluation assets are capitalized. Costs incurred for the exploration and evaluation of mineral properties, prior to the establishment of commercial viability and technical feasibility, are recognized in profit or loss as incurred. Exploration and evaluation assets are assessed for impairment indicators at the end of each reporting period.

Once the technical feasibility and commercial viability of the extraction of mineral reserves or resources from a mineral property has been determined, subsequent expenditures are classified as mineral property development costs within mineral properties, plant and equipment and are carried at cost until the properties to which the expenditures are related to are sold, abandoned or determined by management to be impaired in value.

The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, including:

- The extent to which mineral reserves or mineral resources as defined in National Instrument 43-101 ("NI 43-101") have been identified through a feasibility study or similar document;
- The results of optimization studies and further technical evaluation carried out to mitigate project risks identified in the feasibility study;
- The status of environmental permits; and
- The status of mining leases or permits.

g. Impairment of long-lived assets

At the end of each reporting period, management reviews the PP&E to determine whether there are any indications that those assets may be impaired. If such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of an asset's fair value less costs of disposal, and its value in use. Fair value is the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date in an arm's length transaction between knowledgeable and willing parties.

In assessing the recoverable amount, the estimated future pretax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the
recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amounts that would have been determined, net of depreciation, if no impairment loss had been recognized.

h. Asset retirement obligation ("ARO")

The Company recognizes an estimate of the liability associated with an ARO in the financial statements at the time the liability is incurred. The estimated net present value of the ARO is recorded as a liability, with a corresponding increase in the carrying amount of the related assets. The capitalized amount is amortized over the estimated life of the assets. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is recognized in profit or loss for the period. The ARO can also increase or decrease due to changes in the original estimated undiscounted costs, or changes in the timing of these expenditures. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

i. Income taxes

Income tax expense or benefit for the reporting period includes current and deferred income taxes. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous years.

Deferred income tax is recognized using the liability method on temporary differences arising between the carrying amounts of assets and liabilities in the consolidated financial statements and the tax basis of assets and liabilities. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they

will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the year that includes the date of enactment or substantive enactment of change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions.

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

j. Share-based compensation transactions

The Company grants stock options to buy common shares of the Company to directors, officers, employees, and consultants. The Company recognizes share-based compensation expense based on the estimated fair value of the options at the grant date. A fair value measurement for each grant is determined using an option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as share-based compensation expense with offset to Other equity reserves. This includes a forfeiture estimate, which is revised as necessary based on actual forfeiture rates.

The Other equity reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

Restricted Share Units (each an "RSU") issued to directors, officers and employees require the Company to withhold applicable income tax on exercised and settled amounts with the tax authorities. The fair value of the RSU is recognized over the vesting period of the RSU granted as share-based compensation expenses with offset to RSU liabilities. The Company's RSU policy allows for a net settlement arrangement, and RSU are classified in their entirety as cash-settled share-based payment transactions.

k. Warrants

The Company recognizes the fair value of all warrants issued, recording the amount as an expense, an addition to a related asset, or a cost of issue of shares, as appropriate. Warrants are measured at the time of issue using an option-pricing model to determine their fair value. Warrants that are equity instruments are not remeasured subsequent to the grant date unless the terms and conditions of the warrants are modified. Warrants that are not share-based payments and are denominated in a currency other than the functional currency of the Company are considered to be a derivative and are recorded at fair value through profit and loss.

l. Foreign currency translation

Items included in the financial statements of the Company and its wholly-owned subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company and its subsidiaries is the United States Dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and

from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statement of loss and comprehensive loss.

m. Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the loss attributable to common shareholders, and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, except when the adjustment is anti-dilutive.

n. Leases

Right-of-use assets and lease liabilities are recognized at the commencement date of a lease. Lease liabilities are initially measured at the present value of lease payments to be paid after the lease's commencement date, discounted using the interest rate implicit in the lease, or if not readily determinable, the Company's incremental borrowing rate.

The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made on or before the lease's commencement date, plus any initial direct costs incurred and an estimate of decommissioning and restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated, on a straight-line basis, from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability. If a purchase option is expected to be exercised, the asset is amortized over its useful life.

Subsequently, the lease liability is measured at amortized cost using the effective interest rate method. It is remeasured if and when there is a change in future lease payments arising from a change in an index or rate, or if and when there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option.

Lease payments for short-term leases, which have a lease term of 12 months or less, leases of low-value assets, which have an underlying asset value, when new, of $5 or less, as well as leases with variable lease payments are recognized as an expense over the term of such leases.

o. Recent accounting pronouncements

New standards and interpretations adopted January 1, 2024

Amendments to IAS 1 – Classification of liabilities as current or non-current
The Company adopted the IASB published amendments to IAS 1 - Presentation of Financial Statements - Classification of debt with covenants as current or non-current on January 1, 2023. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A company classifies a liability as non-current if it has a right to defer settlement for at least 12-months after the reporting period. The amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognized as either equity or a liability separately from the liability component under IAS 32 - Financial Instruments Presentation.

Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current. The IASB has now clarified that when classifying liabilities as current or non-current, a company can ignore only those conversion options that are recognized as equity. The Company has concluded that the adoption of the amendments had no significant impact on its consolidated financial statements.

New standards and interpretations not yet adopted

IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued targeted amendments to the classification and measurement of financial instruments to respond to recent questions arising in practice, and to include new requirements not only for financial institutions, but also for corporate entities. The amendments to IFRS 9 and IFRS 7 comprise of the following:

- Clarify the recognition and derecognition dates for certain financial assets and liabilities, including a new exception for financial liabilities settled through an electronic cash transfer system;
- Provide additional guidance on assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Introduce new disclosure requirements for instruments with contractual terms that can alter cash flows, such as financial instruments linked to the achievement of environmental, social and governance (ESG) targets;
- Update the disclosure requirements for equity instruments designated at fair value through other comprehensive income (FVOCI).

These amendments will apply prospectively for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements, aiming to enhance the transparency and compatibility of financial reporting across entities. This standard will replace IAS 1 and introduces potentially significant changes to the presentation of financial statements, particularly the statement of profit or loss. IFRS 18 introduces a specified structure by requiring income and expenses to be presented into three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided ("management-defined performance measures"), IFRS 18 requires disclosure of the explanations around those measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and notes.

The standard is effective for reporting periods beginning on or after January 1, 2027. Retrospective application is required, and early application is permitted.

The Company continues to assess the potential impacts of these new reporting standards on its consolidated financial statements.

3. INVENTORY

At the end of December 31, 2024 the Company recorded a write-down of $723 (2023- $734) to adjust the copper inventory value to NRV.

The summary for inventory as at December 31, 2024 and December 31, 2023 are summarized below.

	December 31, 2024		December 31, 2023	
Materials & Supplies	**$**	**1,530**	$	933
Copper in solution		**105**		287
Finished goods		**473**		121
Inventory	**$**	**2,108**	$	1,341

4. PROPERTY, PLANT AND EQUIPMENT

	Land & Mineral Properties	Plant	Vehicles & Mobile Equipment	Office Equipment & Capitalized Leases	Gunnison Construction in Progress	Johnson Camp Mine Construction in Progress	Total
Cost							
At January 1, 2023	14,309	12,242	584	1,009	44,933	36,536	109,613
Additions	-	-	-	26	-	-	26
Option Payment	-	-	-	-	-	(2,000)	(2,000)
Change in Asset Retirement Obligation Estimate	(306)	-	-	-	-	-	(306)
Termination of Lease	-	-	-	(42)	-	-	(42)
At December 31, 2023	14,003	12,242	584	993	44,933	34,536	107,291
Accumulated Depreciation							
At January 1, 2023	(824)	(103)	(481)	(645)	-	(101)	(2,154)
Depreciation	-	(11)	(82)	(104)	-	(76)	(273)
Termination of Lease	-	-	-	38	-	-	38
At December 31, 2023	(824)	(114)	(563)	(711)	-	(177)	(2,389)
Net carrying amount	**13,179**	**12,128**	**21**	**282**	**44,933**	**34,359**	**104,902**
Cost							
At January 1, 2024	14,003	12,242	584	993	44,933	34,536	107,291
Transfers	-	-	-	-	(848)	848	-
Additions	-	-	-	25	-	38,329	38,354
Mining	-	-	-	358	-	-	358
Change in Asset Retirement Obligation Estimate	6,288	-	-	-	-	-	6,288
Land Options	1,000	-	-	-	-	-	1,000
Impairment	(11,316)	-	-	-	(27,641)	-	(38,957)
Disposals	-	-	-	(10)	-	-	(10)
At December 31, 2024	9,975	12,242	584	1,366	16,444	73,713	114,324
Accumulated Depreciation							
At January 1, 2024	(824)	(114)	(563)	(711)	-	(177)	(2,389)
Depreciation	-	-	(21)	(113)	-	(29)	(163)
Impairment	129						129
Disposals	-	-	-	9	-	-	9
At December 31, 2024	(695)	(114)	(584)	(815)	-	(206)	(2,414)
Net carrying amount	**9,280**	**12,128**	**-**	**551**	**16,444**	**73,507**	**111,910**

Impairment of the Gunnison Copper Project

During the fourth quarter of 2024, the Company determined it would advance the development of the Gunnison Copper Project using a conventional open pit and heap leach operation. The Gunnison Project was previously designed as a copper in-situ recovery mine but incurred operational challenges related to flow rates, which led to the Company evaluating alternatives for development. The change in planned mining method was determined to be an indicator of

impairment as the carrying value of the Gunnison Copper Project assets specific to the historical in-situ mining method, would not be recovered. As a result, an impairment charge of $38,828 was recognized, representing the write off of the wellfield assets, related infrastructure and development, and the closure cost asset. Total capitalized costs of $17,292 relating to equipment and other costs that will benefit the Gunnison open pit or Johnson Camp Mine were not written off.

5. RESTRICTED CASH

As of December 31, 2024, the Company has restricted cash deposits of $10,333 (December 31, 2022 - $3,074) as collateral to secure the issuance of reclamation bonds. An additional $4,944 was needed for the new leach pad at JCM, along with $2,262 in additional collateral for all other bonds for the Gunnison Copper Project and JCM.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2024	December 31, 2023
Accounts payable and accrued liabilities	$ 14,900	$ 1,446
Lease liabilities	243	325
Employee-related accruals	311	194
	$ 15,454	$ 1,965

Accounts payable and accrued liabilities include the Company's current and non-current obligations to suppliers of goods or services acquired on trade credit for goods received or services provided that have been invoiced but not yet paid (including JCM project payables of $11,595). Lease liabilities include capitalized lease obligations and employee-related accruals include estimated amounts for goods or services received but not yet invoiced by the supplier, as well as obligations that increase throughout the year and are settled at points in time.

7. NUTON STAGE 1 PROJECT

On July 31, 2023, the Company entered into an Option Agreement (the "Option Agreement") with Nuton to further evaluate the use of its Nuton™ copper heap leaching technologies at Gunnison's Johnson Camp mine in Cochise County, Arizona. Under the Option Agreement, Gunnison remains the operator and Nuton funds Gunnison's costs associated with a two-stage work program at JCM. Nuton provided $3,000 to Excelsior for Stage 1 costs and a payment of $2,000 for an exclusive option to form a joint venture with Excelsior over the Johnson Camp Mine after the completion of Stage 2. The $2,000 has been applied against the capitalized costs related to JCM as the benefit of the payment will be recognized over the life of the mine.

During the year ended 2024, the Company received an additional $1,030 for continued Stage 1 work and were added to the Nuton Stage 1 Project liability. The Company incurred Stage 1 costs of $1,462 in 2024 (2023 - $2,568), which were applied against the Nuton Stage 1 Project payable.

Under the terms of the Option Agreement, the Stage 1 work program involved Gunnison completing diamond drilling, engineering, permitting activities, and project execution planning. Nuton completed mineralogy, predictive modeling, engineering, and other test work. The Stage 1 work program was completed during the year and on May 15, 2024, Nuton elected to proceed to Stage 2 (see note 9).

The summary of the Nuton Stage 1 Project expenditures as of December 31, 2024 and December 31, 2023 are summarized below:

	Stage 1 activity December 31,	
	2024	**2023**
Beginning balance	$ 432	$ -
Funding	1,030	3,000
Drilling	(365)	(1,543)
Engineering	(776)	(164)
Permitting	(54)	(73)
Project execution planning	(292)	(788)
Receivable	25	-
Ending balance	$ 0	$ 432

8. NUTON STAGE 2 PROJECT

On May 15, 2024, Nuton elected to proceed to Stage 2 of the existing option agreement. Nuton made a non-refundable $5,000 payment to the Company for the non-exclusive access to existing infrastructure at the Johnson Camp mine for the Stage 2 work program. Nuton is also responsible for funding all of Gunnison's costs associated with Stage 2. The full Stage 2 work program is anticipated to take up to 73 months, and, if successful, will demonstrate key elements of the Nuton technologies at industrial scale. Stage 2 includes construction of the leachpad and related infrastructure, mining and heap leach processing, refurbishment of the SX/EW plant, and production of finished copper cathode. Nuton, in its sole and absolute discretion may elect to terminate the Option Agreement by providing appropriate notice to the Company in accordance with the terms of the Option Agreement.

The Company has accounted for the $5,000 as deferred income and will amortize the amount over the 73 months anticipated for the Stage 2 program on a straight-line basis. The Company is proceeding based on milestones related to engineering and mobilization, infrastructure and construction, mining, leaching, copper production and post-leach rinsing. During the year, the Company recognized income of $514, relating to the amortization of the $5,000 infrastructure access payment received.

The Company also receives from Nuton quarterly pre-payments based on the approved work program budget for Stage 2. Each time Stage 2 proceeds are received as advances or additional attributable costs are incurred by Nuton directly (Nuton managed costs), a Stage 2 project payable is recognized at fair value, with a residual amount allocable to deferred mine processing service revenue. The borrowing is subsequently accounted for at fair value through profit and loss. The deferred mine processing service revenue is amortized over the expected payback schedule, based on units of production. Stage 2 construction costs are capitalized to construction in progress and subsequently transferred to the relevant property, plant and equipment category once assets are ready for their intended use. Nuton shall receive 100% of the net revenue generated from commercial quantities of copper products produced from JCM as a result of the Stage 2 work program, until recoupment of the Stage 2 work program funding (subject only to payments by the Company owing under any existing royalty or streaming obligations). Once and if the Stage 2 work program funding is repaid, the Company retains any additional copper revenue. The assumptions used in the measurement of the liability are the Johnson Camp Mine life of mine production schedule and expectations including expansion plans and the discount rate.

During the period of May 15, 2024 through December 31, 2024, $36,607 in cash was received, of which $34,697 was for Stage 2 funding and $1,910 was for surety bond collateral required by Gunnison that is recorded in trade accounts payable. In addition, $5,423 in Stage 2 costs were incurred directly by Nuton and $4,747 in costs were incurred and accrued with funding due from Nuton to Gunnison at Dec 31, 2024. The net amount of Stage 2 costs, which are repayable to Nuton from the sales proceeds of Johnson Camp Mine copper sales, was $44,867. Management determined the fair value of the Stage 2 project payable at each cash flow inception using a discount rate of 16.25% to be $37,735, with the residual amount of $7,134 being recognized as deferred revenue liability. A

fair value through profit and loss of $690 was recognized based on the revaluation of the Nuton Stage 2 Payable to fair value at December 31, 2024.

The following is a summary of the Stage 2 payables through year ended December 31, 2024:

Nuton Stage 2 Payable		**December 31, 2024**
Balance, beginning of period	$	-
Recognized on inception		37,733
Fair value loss on Nuton Stage 2 payable		690
Balance, end of period	**$**	**38,423**
Current		*14,975*
Non current		*23,448*

The following is a summary of the deferred income and revenue activity through year ended December 31, 2024:

Deferred Income		**December 31, 2024**
Balance, beginning of period	$	-
Nuton access rights		5,000
Deferred income		(514)
Balance, end of period	**$**	**4,486**
Current		*822*
Non current		*3,664*

Deferred revenue		**December 31, 2024**
Balance, beginning of period	$	-
Recognized on inception		7,134
Balance, end of period	**$**	**7,134**
Current		*839*
Non current		*6,295*

9. DERIVATIVE LIABILITIES

On October 30, 2018 the Company entered into an agreement for a $75,000 project financing package (collectively, the "Financing") with Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag") for the purposes of developing the Gunnison Copper Project. The Financing consisted of a $65,000 copper metal stream (the "Stream") and a concurrent $10,000 private placement of common shares of Excelsior (the "Equity Placement").

Under the terms of the metals purchase and sale agreement (the "Stream Agreement") between Triple Flag and Gunnison and its subsidiaries, Excelsior Arizona and Excelsior JCM, Triple Flag paid $65,000 against the future sale and delivery by Excelsior Arizona of a percentage of the refined copper production generated from the mining of oxide mineralization from Gunnison's Projects owned at the time of executing the Stream Agreement. Gunnison will sell to Triple Flag a percentage of refined copper at a price equal to 25% of the copper spot price. The exact percentages of copper production to be sold to Triple Flag varies according to the total production capacity, based on a sliding scale.

The percentages applicable at certain production levels are detailed in the table below.

Scenario Description	Stage 1 (25M lbs/yr)	Stage 2 (75M lbs/yr)	Stage 3 (125M lbs/yr)
Stage 1 Upfront Deposit	16.50%	5.75%	3.50%

The stream obligation is recorded at fair value at each statement of financial position date as the Company has determined that the stream obligation is a derivative liability carried at fair value through profit or loss (FVTPL).

As at December 31, 2024 the fair value of the stream obligation was valued using a Monte Carlo simulation model. The significant assumptions developed by management used in the Monte Carlo simulation model included: the copper forward price curve, the long-term copper price volatility of 20.86% (December 31, 2023 – 21.01%), a discount rate which factors in the Company's credit spread of 7.17% (December 31, 2023 – 7.43%) and the Johnson Camp Mine and Gunnison open-pit life of mine production schedules and expectations including expansion plans and weighted probability of successfully achieving the production schedules.

The Monte Carlo simulation model was prepared by an independent valuation specialist and the life of mine production schedules and expectations including expansion plans are based on the information compiled by qualified persons. The mine production assumptions used are as follows: (a) Gunnison Copper Project stream deliveries based on the open pit PEA published in Q4 2024 beginning in 2031 for an 18 year mine life with a probability weighting; (b) Johnson Camp Mine Stage 2 mine production beginning in 2025 for a five year mine life with a probability weighting, and (c) Johnson Camp Mine post-stage 2 production for a 13 year mine life with a probability weighting.

The following table summarizes the fair value of the derivative liabilities during the year ended December 31, 2024 and 2023:

	Stream	Warrants	Total
Fair value at December 31, 2022	**$ 101,294**	**$ 8**	**$ 101,302**
Loss (gain) during the year	14,764	(8)	14,756
Fair value at December 31, 2023	**$ 116,058**	**$ -**	**$ 116,058**
Gain for the year	(56,675)	-	(56,675)
Fair value at December 31, 2024	**$ 59,383**	**$ -**	**$ 59,383**
Current	*2,609*		
Non current	*56,774*		

At December 31, 2024, the current portion of the derivative liabilities is $2,609 based upon the production schedules and other inputs used in the valuation.

10. ASSET RETIREMENT OBLIGATION

The Company's ARO represents management's best estimate of the present value of costs that are expected to be incurred for mine closure and reclamation and rehabilitation costs for the Gunnison Copper Project and JCM. The primary assumptions that affect the present value calculation are the inflation rate and the discount rate. For the update prepared as of December 31, 2024, the Company used a long term inflation rate of 2.0% (2023 – 2.0%) and a discount rate of 4.86% (2023 – 4.03%) in calculating the present value of the obligation. The current inflation rate used is based on target inflation rates set by the Federal Reserve. The discount rate is based on the 20-year treasury bond index.

As of December 31, 2024 the Company reviewed the assumptions used in the present value calculation for the projects and adjusted the obligation to $14,916. The update resulted in a net increase of $6,819, primarily due to changes in rates and estimates of $6,288 and also accretion of $531..

For Gunnison Copper Project, the estimated undiscounted reclamation obligation related to the wellfield is $3,566 (2023 - $2,903). The costs and activities are expected to begin in four years. As of December 31, 2024, the discounted reclamation obligation is $3,252.

For Johnson Camp Mine, the estimated undiscounted reclamation obligation is $18,634 (2023 - $12,119). The costs and activities related to the leach pads are expected to begin the year after the final year of mine life and the other activities are expected to begin three years after the final year of mine life. The mine is expected to commence production in 2025 and is assumed to have a 15-year mine life. As of December 31, 2024, the discounted reclamation obligation is $11,664.

Changes in the ARO for the year ended December 31, 2024 and the year ended December 31, 2023 are summarized below.

Asset Retirement Obligation	**December 31, 2024**		**December 31, 2023**	
Balance, beginning of year	**$**	**8,097**	**$**	**8,245**
Change in estimate		6,288		(306)
Accretion expense		531		158
Balance, end of year	**$**	**14,916**	**$**	**8,097**

11. DEBT

Nebari Credit Facility

On October 31, 2019, the Company entered into an agreement with Nebari for a $15,000 credit facility (the "Credit Facility"). The Credit Facility was fully drawn by May 31, 2020.

On December 22, 2021, the Company entered into an Amended and Restated Credit Agreement ("ARCA") with Nebari to extend the maturity of the Credit Facility to September 29, 2023. The interest rate charged on the outstanding balance continued at 14.2%. The ARCA included an upward interest rate supplement that was calculated as the excess of the 3 month LIBOR rate over 1.5% and was determined on the first day of each month through January 30, 2023. The amendment included a repayment bonus to Nebari of 3% ($450) of the amount drawn on the credit facility which is payable at maturity. The amendment to the loan agreement required the Company to maintain a $5,000 minimum cash balance allowing a 60 day cure period in the event of a breach of this condition.

In support of the Company's plan for JCM sulfide leaching and Gunnison wellfield stimulation trials, on January 30, 2023 the Company and Nebari executed a Second Amendment to the ARCA ("Second ARCA") which extended the due date of the $15,000 loan advanced by Nebari to March 31, 2025 and lowered the required $5,000 minimum cash balance for the Company to a $2,500 minimum cash balance; however, starting January 31, 2024, the Company was to start paying back the principal on the first $5,000 tranche at $333/month. The interest rate was set at 14.2% plus a supplement based on the amount (if any) by which (i) the sum of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months plus 0.26161% exceeds (ii) 1.5%. The rate supplement cannot be negative.

In addition to the repayment bonus on ARCA, the Second ARCA required an upfront $450 extension bonus that was paid to Nebari with common shares of the Company. The loss on modification of the existing credit facility agreement of $894 was expensed in 2023.

On November 30, 2023, the Company and Nebari executed a Third Amendment to the Second ARCA ("Third ARCA") which extends the due date of the $15,000 loan advanced by Nebari to June 30, 2026. The interest rate is reduced to 10.5% plus a supplement equal to the greater of the sum of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months or 1.5%.

In consideration for The Third ARCA, the Company issued $1,050 in common shares of the Company to Nebari. The Company adjusted the fair value of the debt to include the Third Amendment to the ARCA, and increased the liability component $677, and recognized a loss on modification of $677 in 2023.

Changes in the debt for year ended December 31, 2024, and year ended December 31, 2023, are summarized below.

Debt		**December 31, 2024**		**December 31, 2023**
Balance, beginning of year	**$**	**15,620**	**$**	**15,405**
Principal repayment		(1,442)		-
Financing Expense		269		215
Balance, end of year	**$**	**14,447**	**$**	**15,620**
Current		***3,090***		*1,442*
Non current		***11,357***		*14,178*

In addition, the earlier amortization of the $5,000 principal payback from the Second ARCA has been modified and began monthly in June 2024 as follows:

- June 2024 through December 2024 - $206 ($200 principal, $6 repayment bonus),
- January 2025 through December 2025 - $257.5 ($250 principal, $7.5 repayment bonus),
- January 2026 through June 2026 - $309 ($300 principal, $9 repayment bonus)

Refer to Subsequent Events (Note 21) for details of amendments to the Nebari debt agreement effective March 3, 2025.

12. DEBENTURES

On February 9, 2023, the Company closed a Debenture Offering ("First Debenture Offering") and issued $3,000 principal amount of debentures. The terms of the debentures include:

- a maturity date of three years from the date of closing (the "First Debenture Maturity Date"), with the principal amount, together with any accrued and unpaid interest, payable on the First Debenture Maturity Date, unless earlier converted in accordance with the terms;
- the debentures bear interest at the rate of 10% per annum, which interest will be payable on April 1, 2025 and on the Maturity Date, unless earlier converted into common shares of the Company ("Common Shares");
- the principal amount of the debentures is convertible into Common Shares at the option of the holder at a conversion price of USD$0.19 per Common Share;
- the accrued and unpaid interest is convertible into Common Shares at a conversion price equal to the volume weighted average price of the Common Shares on the Toronto Stock Exchange for the five trading days prior to the date of conversion at the option of the holder; and
- the debentures are unsecured.

The First Debenture Offering was accounted for as a compound financial instrument with a debt host and equity conversion feature. On initial recognition, the fair value of the liability component was determined to be $2,128 with an effective interest rate of 21.2%, and the equity component was measured as the residual amount of $872.

On December 14, 2023, the Company amended the First Debenture Offering maturity date to September 30, 2026. The impact of the amendment decreased the carrying value of the liability component, resulting in a gain on modification of $263. The effective interest rate is 21.2%.

On December 14, 2023, the Company closed a Second Debenture Offering (the "Second Debenture Offering") and issued $2,400 principal amount of debentures. The terms of the debentures include:

- a maturity date of September 30, 2026 (the "Second Debenture Maturity Date") and the principal amount, together with any accrued and unpaid interest, will be payable on the Second Debenture Maturity Date, unless earlier converted in accordance with their terms;
- the debentures bear interest at the rate of 10.5% per annum plus the Rate Supplement, which interest will be payable on the Second Debenture Maturity Date, unless earlier converted into Common Shares;
- subject to the receipt of disinterested shareholder approval from the holders of the Common Shares at a duly and validly called meeting (the "Shareholder Approval"), the principal amount of the debenture is convertible into Common Shares at the option of the holder (or at the option of the Company on 30 days prior notice) at a conversion price of USD$0.11405 per Common Share;

- subject to receipt of the Shareholder Approval, the accrued and unpaid interest is convertible into Common Shares at a conversion price equal to the volume weighted average trading price on the Toronto Stock Exchange for the five trading days prior to the date of conversion; and
- the debentures are unsecured.

The Second Debenture Offering was accounted for as a compound financial instrument with a debt host and equity conversion feature. On initial recognition, the fair value of the liability component was determined to be $2,011 with an effective interest rate of 19.6%, and the equity component was measured as the residual amount of $389.

Changes in the debentures for the year ended December 31, 2024, and year ended December 31, 2023, are summarized below.

Debentures		**December 31, 2024**		**December 31, 2023**
Balance, beginning of year	**$**	**4,330**	**$**	**-**
Proceeds		-		5,400
Revaluation		-		(1,262)
Financing Expense		978		192
Balance, end of year	**$**	**5,308**	**$**	**4,330**

Refer to Subsequent Events (Note 21) for details of deferral of $600 debenture interest payment to September 2026.

13. CAPITAL STOCK AND OTHER EQUITY RESERVES

Common Shares

The authorized share capital of the Company consists of an unlimited number of common shares with no par value and an unlimited number of non-voting common shares with no par value. As of December 31, 2024, there were 315,415,858 common shares outstanding and nil non-voting common shares outstanding.

There were no dilutive shares for the period ended December 31, 2024 (2023 – nil).

Stock Options

The Company's stock option plan (the "Plan") provides for the grant of incentive stock options to employees, consultants, officers, and directors of the Company. The Plan reserves for issuance, along with the Company's other Security-Based Compensation Plans, a maximum of 10% of the issued and outstanding Common Shares at the time of a grant of options.

Options granted under the Plan have a maximum term of ten years. The exercise price of the options is determined by the Board of Directors and is not less than the closing price of the common shares on the last trading day prior to the date the options are granted. The vesting terms are at the Board of Directors' discretion.

The Plan is an evergreen plan which provides that if any option has been exercised, then the number of common shares into which such option was exercised shall become available to be issued upon the exercise of options subsequently granted under the Plan. The Plan will operate in conjunction with the Restricted Share Unit Plan (the "RSU Plan") and the Performance Share Unit Plan (the "PSU Plan"). The Stock Option Plan, RSU Plan and PSU Plan are collectively referred to as the "Security-Based Compensation Plans".

The following is a summary of stock option activity for the year ended December 31, 2024 and the year ended December 31, 2023:

	Number of Options	Weighted Average Exercise Price (CAD$)
Outstanding, December 31, 2022	**17,497,500**	$ 0.78
Granted	7,215,000	$ 0.26
Expired	(4,580,000)	$ 1.01
Forfeited	(1,312,500)	$ 0.70
Outstanding, December 31, 2023	**18,820,000**	$ 0.53
Granted	3,500,000	$ 0.15
Expired	(3,245,000)	$ 1.02
Outstanding, December 31, 2024	**19,075,000**	$ 0.38
Exercisable, December 31, 2024	**12,971,250**	$ 0.43

During the year ended December 31, 2024, no stock options were exercised.

As at December 31, 2024, the following stock options were outstanding and exercisable:

Outstanding	Exercisable		Exercise Price CAD$	Remaining life (years)	Expiry Date
*210,000	*210,000	CAD$	1.12	0.08	January 28, 2025
*1,480,000	*1,480,000	CAD$	0.48	0.23	March 24, 2025
50,000	50,000	CAD$	0.27	0.25	March 31, 2025
600,000	600,000	CAD$	0.60	0.25	March 31, 2025
3,250,000	3,250,000	CAD$	0.60	0.29	April 15, 2025
800,000	-	CAD$	0.73	0.61	August 12, 2025
100,000	100,000	CAD$	0.80	0.63	August 19, 2025
235,000	235,000	CAD$	0.82	1.18	March 8, 2026
300,000	300,000	CAD$	0.74	1.25	March 31, 2026
635,000	635,000	CAD$	0.41	2.00	December 31, 2026
700,000	700,000	CAD$	0.27	2.33	December 31, 2026
500,000	375,000	CAD$	0.27	3.09	December 31, 2026
200,000	150,000	CAD$	0.23	3.15	February 22, 2028
6,515,000	4,886,250	CAD$	0.26	3.33	May 1, 2028
3,500,000	-	CAD$	0.15	4.68	September 3, 2029
19,075,000	12,971,250				

*1,690,000 shares expired in 2025 prior to submitting the financial statements

The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for the risk-free interest rate, dividend yield, expected volatility , forfeiture rate, and expected life of the options. The Company recognized share-based compensation costs of $327 for the year ended December 31, 2024 (December 31, 2023 - $490) of which $7 (December 31, 2023 – $27) was included in cost of sales.

14. EXPENSES BY NATURE

The summary for cost of sales for the year ended December 31, 2024 and 2023 are summarized below.

	Year ended December 31,			
		2024		2023
Direct mining costs	**$**	**1,258**	$	5,101
Royalties and selling costs		**180**		555
Employee compensation and benefit		**1,304**		2,589
Share-based compensation		**7**		27
Depreciation		**31**		91
Cost of Sales	**$**	**2,780**	$	8,363

15. RELATED PARTY TRANSACTIONS

Related parties and related party transactions are summarized below.

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consists of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and

President, SVP Business Development, SVP/Chief Financial Officer, previous Interim Chief Financial Officer through September 05, 2024, SVP/GM, and Corporate Secretary.

Remuneration attributed to key management personnel is summarized as follows:

	Year ended December 31,	
	2024	2023
Salaries, fees and benefits	$ 1,133	$ 1,603
Share-based compensation	274	491
Total	$ 1,407	$ 2,094

Salaries, fees and benefits to key management includes all salaries, bonuses, fees, and other employment benefits, pursuant to contractual employment agreements, consultancy or management services arrangements.

As of December 31, 2024, amounts accrued and due to key management personnel and other related parties include the following:

- Directors and Officers - $145 (December 31, 2023 - $136)

16. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	December 31, 2024	December 31, 2023
Gain (Loss) for the year	$ 8,494	($28,959)
Combined federal and state income tax rates	24.87%	24.87%
Income tax recovery based on the above rate	$ 2,113	($7,202)
Increase due to:		
Non-deductible costs	1	2
Income tax benefits not recognized	(2,114)	7,200
Income tax benefits applied in consolidation	-	-
Income tax benefits recognized		-
Income tax expense (recovery)	$ -	$0

The significant components of the Company's unrecognized deferred tax assets (liabilities) are as follows:

	December 31, 2024	December 31, 2023
Non-capital losses - US	$ 2,815	6,257
Property, plant and equipment	(1,361)	(4,797)
Non-capital losses - Canada	187	170
Financing fees - Canada	99	196
Convertible debentures - Canada	(286)	(366)
Other	(1,454)	(1,460)
Net deferred tax assets	$ -	-

The significant components of the Company's unrecorded net deferred tax assets (liabilities) are as follows:

		December 31, 2024	December 31, 2023
Non-capital losses - US	$	22,216	20,434
Non-capital losses - Canada		6,530	6,079
Deferred Revenue		2,743	
Exploration and evaluation assets		1,688	4,848
Asset retirement obligation		2,399	1,324
Stock Based Compensation		1,836	
Stream obligation		14,769	28,865
Other -US		856	705
Other - Canada		48	48
Net deferred tax assets	$	53,085	62,303

Deductible (taxable) temporary differences for which deferred taxes have not been recognized:

		December 31, 2024	December 31, 2023	Expiry Date
Non-capital losses - US	$	184,681	$180,123	Unlimited
Non-capital losses - Canada		24,186	22,516	2026 to 2044
Exploration and evaluation assets		6,786	19,492	2039 to Unimited
Deferred Revenue		11,030	0	Unlimited
Asset retirement obligation		9,646	5,323	Unlimited
Stock based compensation		7,380	-	Unlimited
Stream obligation		59,383	116,059	Unlimited
Other - Canada		179	177	Unlimited
Other		11,702	2,834	Unlimited
Net deferred tax assets	$	314,973	346,524	

Tax attributes are subject to review, and potential adjustment, by tax authorities.

Deferred tax assets are recognized for tax loss carryforwards and other temporary differences to the extent that it is more-likely-than-not that the Company would realize the related tax benefit through future taxable profits. The Company has determined that it is not more-likely-than-not that the Company would have sufficient future taxable profits to realize the benefit of the net deferred tax assets.

17. FINANCING EXPENSES

Financing expenses for the year ended December 31, 2024 and 2023 are summarized below.

	Year ended December 31,			
Financing Expenses		**2024**		2023
Nebari debt interest	**$**	**2,347**	$	2,726
ARO accetion		**531**		158
Debenture accretion		**978**		192
Nebari debt accretion		**269**		215
Debt modifications		**-**		132
Insurance financing interest		**45**		45
Captial lease interest		**20**		26
Total	**$**	**4,190**	$	3,494

18. SEGMENTED INFORMATION

The Company operates in two reportable operating segments in the United States: (a) Gunnison and (b) Johnson Camp Mine cash generating units. Corporate and other activities include the Company's exploration activities. Corporate activities are not considered a segment and are included as a reconciliation to total consolidated results. Accounting policies for each reported segment are the same as those of the Company. Results from operating activities represents the profit earned by each segment without allocation of corporate costs. This is the measure reported to the chief operating decision-maker, Gunnison's President and Chief Executive Officer, for the purposes of resource allocation and the assessment of segment performance. Total assets and liabilities do not reflect intercompany balances, which have been eliminated on consolidation.

19. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments based on the funds available to the Company, in order to support the acquisition, exploration and evaluation, and development of mineral properties. 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.

In the management of capital, the Company considers components of equity and debt.

The properties in which the Company currently has an interest are in the development and production ramp up stage. The Company has previously obtained financing for the development and construction and ramp up activities of the Gunnison Project in the form of the Stream, Equity Placements, and Debentures discussed in notes 10, 12 and 13. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

In accordance with the Amended and Restated Credit Agreement ("ARCA") signed with Nebari on December 22, 2021 the Company is required to maintain a minimum cash balance of $5,000 (lowered to $2,500 in 2023). The minimum cash balance is defined in the ARCA to include cash and cash equivalents, plus accounts receivable from the sale of copper cathode and copper cathode inventory as reported on the Company's balance sheet. In the event that the minimum cash balance is less than $5,000 (lowered to $2,500 in 2023) at any monthly reporting date then there is a 60-day cure period allowed.

Refer to Subsequent Events (Note 21) for details of amendments to the Nebari debt agreement effective March 3, 2025.

20. FINANCIAL INSTRUMENTS

The Company has exposure to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk from its use of financial instruments.

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Risk management is the responsibility of management and is carried out under policies approved by the Board of Directors. Material risks are monitored and are regularly discussed with the Audit Committee and Board of Directors.

Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates and interest rates will affect the Company's cash flows or value of its financial instruments.

Currency risk

The Company is subject to currency risk on financial instruments which are denominated in currencies that are not the same as the functional currency of the entity that holds them. Exchange gains and losses relating to these financial instruments would impact earnings (loss).

The Company is exposed to currency risk through cash and cash equivalents, accounts payable and accrued liabilities which are denominated in CAD$. The balances in these accounts are not significant, therefore, the Company's

exposure to currency risk is considered minimal. The Company has not hedged its exposure to currency fluctuations at this time.

Interest rate risk

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents and the stream obligation. The Company's current policy is to invest excess cash in guaranteed investment certificates issued by its Canadian banking institution. The Company periodically monitors the investment it makes and is satisfied with the credit ratings of its banks.

The Company's outstanding debt obligations are at fixed interest rates (except the Nebari loan and Second Debenture Offering - see below) and accounted for on the basis of amortized cost. Therefore, the carrying value of the Company's debt is not exposed to changes in market interest rates. The Nebari loan and Second Debenture Offering are fixed at 10.5% per annum plus the greater of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months or 1.5%.

A 1% increase in the rate supplement for the Nebari loan would increase interest payments $11.2/mo, whereas a 1% decrease in the rate supplement would decrease the Nebari interest payments $11.2/mo.

A 1% increase in the rate supplement for the Second Debenture Offering would increase interest payments $2/mo, whereas a 1% decrease in the rate supplement would decrease the Second Debenture Offering interest payments $2/mo.

Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices for copper. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of metal substitutes, inflation, and political and economic conditions. The financial instrument impacted by commodity prices is the Stream obligation.

A 10% increase in the market price of copper would increase derivative liabilities by $7,229, whereas a 10% decrease in the market price of copper would decrease derivative liabilities by $6,790.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents, and restricted cash.

The Company limits its exposure to credit risk on financial assets through investing its cash and cash equivalents with North American financial institutions with investment grade credit ratings.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of its financial assets and liabilities. Cash flow forecasting is performed regularly. The Company also holds surety bonds to support future environmental obligations (see note 1 – Nature of Operations and Going Concern).

The Company has the following guaranteed commitments and contractual obligations as of December 31, 2024:

Contractual Obligations	Total	year	1-3 years	4-5 years	After 5 years
Accounts Payable and Accrued Liabilities	$ 15,211	$ 15,211	$ -	$ -	$ -
Nuton Stage 2 payable	38,463	14,975	23,488	-	-
Lease Liabilities	243	119	124	-	-
Insurance Liabilities	138	138	-	-	-
Debentures	4,708	-	4,708	-	-
Debt	14,447	3,090	11,357	-	-
Total Contractual Obligations	$ 73,210	$ 33,533	$ 39,677	$ -	$ -

As of December 31, 2024, the Company has cash and cash equivalents of $8,249 to settle current liabilities of $38,549, which includes $14,975in Nuton payables based off the current copper production forecast and $11,595 in Accounts Payables related to Nuton project costs.

Fair value estimation

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the Company is able to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

The carrying values of cash and cash equivalents, receivables, restricted cash, accounts payable and accrued liabilities, debt and amounts due to related parties approximate their fair values due to the short-term maturity of these financial instruments. Derivative liabilities are Level 3.

As of December 31, 2024	Carrying value	Fair Value		
	FVTPL	Level 1	Level 2	Level 3
Financial Liabilities				
Derivative liabilities	$ 59,383	$ -	$ -	$ 59,383
Nuton Stage 2 payable	38,423	-	-	38,423
	$ 97,806	$ -	$ -	$ 97,806

21. LEGAL

On November 3, 2021 the Company became aware of a civil claim filed against the Company and certain of its officers and directors in the Supreme Court of British Columbia by MM Fund (the "BC Action"). The plaintiff seeks certification of the BC Action as a class proceeding on behalf of a class of all persons and entities, wherever they may reside or may be domiciled, who purchased the securities of the Company offered by the Company's Prospectus Supplement dated and filed on February 12, 2021 (the "Prospectus").

The plaintiff alleges that the Prospectus contained misrepresentations related to the Company's anticipated timeline to achieve a production rate of 25 million pounds per annum. The plaintiff alleges that as a result of the misrepresentations in the Prospectus, the securities of the Company were sold to the public at an artificially inflated price. The plaintiff seeks an order certifying the BC Action as a class proceeding, a declaration the Prospectus contained a misrepresentation, unspecified damages, pre- and post-judgment interest and costs.

On September 1, 2022, the British Columbia Supreme Court granted the application by the Company to strike MM Fund's certification application and further ordered MM Fund to remove all pleadings relating to advancing a class proceeding against the Company. The Company was awarded its costs of the application in any event of the cause.

MM Fund's action may continue as an individual claim; however, subject to appeal, MM Fund has been found to be incapable of advancing the action as a class proceeding. Subsequently on September 26, 2022, MM Fund appealed this ruling to the British Columbia Court of Appeal. The appeal hearing occurred on April 6, 2023 and on April 30, 2024, the British Columbia Court of Appeal dismissed the appeal. MM Fund also filed an application to transfer the BC Action to Ontario which was rejected by the British Columbia Supreme Court in a judgment dated July 2, 2024. On May 2, 2024 the plaintiff commenced a new civil claim in the Ontario Superior Court of Justice (the "Ontario Action") on the same terms as the BC Action seeking to certify a class proceeding in Ontario.

The BC Action was dismissed during the fourth quarter of 2024. The Ontario Action was dismissed on October 28, 2024. As result there are no further civil claims outstanding against the Company.

22. SUBSEQUENT EVENTS

48C Tax Credits

On January 16, 2025, the Company and Nuton were selected to receive US$13.9 million in tax credits (the "**48C tax credit**") under the Qualifying Advanced Energy Project Credit Program (the "**48C program**") to expand production of Made in America copper, which is designated a Critical Material for Energy, from its Johnson Camp.

The actual allocation of the 48C tax credits as between the Company and Nuton is determined in a tax partnership agreement entered into between the parties which is discussed further below.

Comprehensive Financial Transaction

On March 3, 2025 the Company agreed to a non-dilutive funding transaction (the "**2025 Nuton Transaction**") with Nuton for $3 million in proceeds to Gunnison to be used toward its costs related to a Nuton testing program at the Gunnison Copper Project, as well as the execution of a Tax Partnership Agreement between Gunnison and Nuton (the "**Tax Partnership Agreement**") with an agreed-upon allocation of the potential future proceeds from Gunnison and Nuton's award of 48C tax credits from the U.S. government.

Gunnison, Gunnison Arizona and Nuton have entered into a Collaboration Agreement dated February 28, 2025 (the "**Gunnison Collaboration Agreement**") that provides for, among other things:

- Nuton's exclusivity over novel heap leach processing technologies for sulfide mineralization at the Gunnison Open Pit, and
- Agreed milestones to examine the potential for an extension to the Stage 2 Work Program at the Johnson Camp Mine.

In exchange for the above:

- Nuton will provide $3 million to Gunnison to be used toward its expenses for the Nuton Stage 1 Viability study on the Gunnison Open Pit and other agreed purposes; and
- The parties will work within the parameters of the Tax Partnership Agreement to allow for a portion of the realized cash proceeds from the potential sale of 48C tax credits to be distributed to Gunnison to benefit the Stage 2 project, including paying down a significant portion, or all of, the Nebari debt. Gunnison estimates that its share of the potential proceeds could be up to $8 million after Nuton's allocation and reimbursement of costs, with the actual amount depending on the 48C tax credit certification process and how much can be realized from the sale of the certified credits.

In addition to this, Gunnison and Nebari have entered a binding term sheet (details below) that provides for the following:

- Deferral of all principal payments for the remainder of 2025, reducing carrying costs by $2.8 million.
- The right to convert up to $6.25 million of the principal into equity at a set conversion price based on a premium to market price or financing price.
- A trigger to initiate a process by Nebari to refinance the remaining principal maturity, if any, to December 31, 2029. The trigger occurs when the principal, currently $13.75 million (including the Repayment Bonus) is reduced to $7.5M or less (the "**Refinance Trigger**").

Gunnison, Gunnison Arizona and Nebari have also agreed to further amend certain terms of the Nebari Credit Agreement. The amendments provide for, amongst other matters, a suspension of principal amortization from February 1, 2025 until January 1, 2026, provide for potential partial conversion to equity, and provide for a mechanism to repay a portion of the principal amount of the Nebari Credit Agreement with proceeds to be received from sale of the previously announced 48C tax credits and through a potential refinancing process provide for an extension of the maturity date.

The amendments to the Nebari Credit Agreement include (collectively, the "**Amendments**"):

1. **Deferral of Principal Amortization:** The requirement to begin repaying the principal balance of the Nebari Credit Agreement in monthly installments shall be suspended from February 1, 2025 until January 1, 2026. As of January 1, 2026, the remaining principal shall be amortized on a straight-line basis in equal monthly amounts or a monthly amount of $300,000, whichever is smaller.

2. **Equity Conversion:** To provide for a potential alternative repayment mechanism, up to $6.25 million of the principal amount of the Nebari Credit Agreement will be convertible, at Nebari's option, into common shares

of Gunnison, at a price (the "Conversion Price") equal to the lower of (i) Cdn$0.30 provided that the 2025 Offering (defined below) is closed on or before April 14, 2025 (subject to minimum pricing rules of the Toronto Stock Exchange); and (ii) the lowest exercise price of any warrants issued as part of any such equity financing, provided that if is the 2025 Offering is not completed on or before April 14, 2025 the Conversion Price shall be US$0.1622 (Cdn$0.2339), which is a 30% premium to the volume weighted average trading price ("VWAP") of the common shares of Parent on the Toronto Stock Exchange for the five trading days prior to the execution of a term sheet regarding the Amendments.

3. **Principal Reduction through 48C Tax Credit:** If Gunnison receives a portion of the cash received from the sale of Johnson Camp 48C tax credit it shall use the lower of $6.25 million or the full amount of the proceeds so received to pay down the non-convertible principal amount of the Nebari Credit Agreement.

4. **Maturity Date Extension**: In the event that the principal amount of the Nebari Credit Agreement is reduced to $7.5 million or less (whether through conversion or repayment in cash (including cash from the 48C tax credit)), Nebari agrees to seek sale and assignment of the Nebari Credit Agreement to another party (the **"Loan Buyer**"). The assigned Nebari Credit Agreement shall have its maturity date amended to December 31, 2029, or such earlier date as agreed between the Loan Buyer and Gunnison, and no amortization shall be due on the convertible portion of the Nebari Credit Agreement until the amended maturity date.

5. **Minimum Cash Balance**: The existing financial covenants related to a minimum cash balance and accounts payable aging shall be adjusted so that they only apply to cash and accounts payable that are not related to the Stage 2 Work Program with Nuton. Furthermore, the required minimum cash balance shall be $1 million.

6. **Security**: Gunnison's subsidiary Excelsior Mining Holdings, Inc. shall become part of Nebari's collateral package.

The Amendments are subject to certain conditions including approval of the Toronto Stock Exchange, approval from Greenstone and Triple Flag, deferral of interest payments due under convertible debentures due to Greenstone and Triple Flag, certain agreements between Nebari and Triple Flag, and commencement of a work program by Gunnison to optimize certain opportunities identified in the PEA for the Gunnison Project.

Nebari is at arm's length to the Company. There are no commissions or finders' fees payable in connection with the transactions. While the Nebari Term Sheet is binding, the parties intend to conclude a second amended and restated credit agreement reflecting the terms in the Nebari Term Sheet. There is no assurance that the conditions to the Amendments will be satisfied.

Listed Issuer Financing Exemption (LIFE) Private Placement of Units

On March 26, 2025, the Company announced a non-brokered private placement (the "2025 Offering") consisting of a minimum of 6,666,700 and up to a maximum of 22,940,000 units (the "2025 Units"), with each Unit consisting of one common share and one-half of one common share purchase warrant (each full common share purchase warrant, a "2025 Warrant") at a price of C$0.30 per Unit for aggregate gross proceeds of a minimum of C$2,000,010 and up to a maximum of C$6,882,000. Each full 2025 Warrant shall entitle the holder thereof to acquire one additional common share at a price of C$0.45 for a period of twenty-four (24) months from the closing date of the 2025 Offering.

The net proceeds will be used to define high value opportunities (the "High Value Work Program") and commencement of drilling and metallurgical testing activities that will be incorporated in a pre-feasibility study for the Gunnison Copper Project. The Company intends to close the 2025 Offering during the week of March 31, 2025. Closing of the 2025 Offering is subject to approval of the Toronto Stock Exchange ("TSX").

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2024

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") relating to the results of operations and financial position of Gunnison Copper Corp. (formerly Excelsior Mining Corp.) and its subsidiaries ("Gunnison" or the "Company") is prepared as of March 24, 2025. The MD&A supplements and complements Gunnison's audited Consolidated Financial Statements for the years ended December 31, 2024 and 2023 (the "Consolidated Financial Statements"). Comparison of the financial results in this MD&A is provided to the financial results for the three months and year ended December 31, 2024. Other relevant documents to be read with this MD&A include the most recent Annual Information Form ("AIF"). The AIF is not incorporated by reference. These documents are available on the Company's website at *www.gunnisoncopper.com*, and on the SEDAR+ website at www.sedarplus.ca.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). All dollar amounts in this MD&A are expressed and presented in thousands of United States dollars (except per share amounts and unless otherwise noted). Canadian dollars are expressed as "CAD".

Readers are cautioned that this MD&A contains forward-looking statements and that actual events may vary from Management's expectations. Readers are encouraged to read the "Cautionary Statements" section presented later in this MD&A including the factors described in "Risk Factors" and "Forward-Looking Information".

The Board of Directors of Gunnison Corp. has approved the disclosure contained in this MD&A as of March 31, 2025.

OUR PURPOSE

Gunnison exists to develop and operate copper mines in Southern Arizona to produce fully Made in America finished copper cathode to directly supply American energy, defense, and manufacturing supply chains. Gunnison proudly hires locally, purchases locally, and sells its products locally. Gunnison invests in its employees, their families, and the communities around it. Gunnison operates safely and responsibly with a focus on technology and positive societal impact, while also emphasizing long-term value creation for stakeholders.

OUR BUSINESS

Gunnison was incorporated under the laws of the Province of British Columbia, Canada on June 9, 2005 and trades on the Toronto Stock Exchange denominated in CAD under the symbol "GCU" and in over-the-counter markets denominated in USD under the symbol "GCUMF". The address of the Company's registered office is Suite 2400, 1055 West Georgia Street, Vancouver, BC, Canada V6E 3P3.

Gunnison is a multi-asset pure-play copper developer and expected producer that has the largest land position in the Cochise Mining District (the district), containing 12 known deposits within an 8 km economic radius, in the Southern Arizona Copper Belt.

Gunnison's flagship asset, the Gunnison Copper Project has a measured and indicated mineral resource containing over 831 million tons with a total copper grade ("TCu") of 0.31% (measured mineral resource of 191.3 million tons at 0.37% TCu and indicated mineral resource of 640.2 million tons at 0.29% TCu), and a preliminary economic assessment ("PEA") yielding positive economics including an NPV8% of $1.3 billion, Internal Rate of Return ("IRR") of 20.9%, and payback period of 4.1 years. It is being advanced as a conventional operation with open pit mining, heap leach, and SX/EW refinery to produce finished copper cathode on-site with direct rail link. The Gunnison Copper Project was previously configured to use In-Situ Leaching.

In Q4 2024, the Company changed its future mining plan for the project from In-Situ leaching to Open Pit. As a result, an impairment charge of $38.8 million was recognized, representing write off of wellfield assets, related infrastructure and development, and the closure cost asset. Total capitalized costs of $17.3 million relating to equipment and other costs that will benefit the Gunnison Open Pit or Johnson Camp Mine were not written off.

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the conclusions reached in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

In addition, Gunnison's Johnson Camp Mine, which is under construction for the expansion and restart of operations, with first copper production expected in mid-2025, is fully funded by Nuton LLC ("Nuton"), a Rio Tinto Venture, with a production capacity of up to 25 million lbs of finished copper cathode annually.

Other deposits controlled by Gunnison in the district, with potential to be economic satellite feeder deposits for Gunnison Copper Project infrastructure, include Strong and Harris, South Star, and eight other deposits.

OVERALL PERFORMANCE

HIGHLIGHTS

The past year was transformative for Gunnison as it pivoted the flagship Gunnison Copper Project to an open pit development plan and commenced construction for the expansion and restart of the Johnson Camp Mine in partnership with Nuton LLC

- Acquired option agreement on final land package required to advance Gunnison Project as an open pit
- Published Gunnison Open Pit PEA demonstrating robust economics including an NPV8% of $1.3Billion, IRR of 20.9%, and payback period of 4.1 years
- Rebranded company to reflect material change in strategy and launched marketing campaign
- Received $5M in non-dilutive cash funding from Nuton LLC for infrastructure access rights related to the construction and operation of the Johnson Camp Mine to demonstrate their proprietary sulfide leach technology
- Received all required permits, sanctioned project, and significantly progressed construction of the Johnson Camp Mine; mobilized mining fleet in December 2024 to commence pre-stripping activities
- Received the backing and support of US Government for Johnson Camp Mine in January 2025 to produce Made in America copper for American supply chains via $13.9M allocation of 48C tax credits under the Inflation Reduction Act, as disclosed below, a portion of the cash proceeds realized from the potential sale of 48C tax credits will be allocated to Gunnison
- Entered into a Collaboration Agreement with Nuton LLC in February 2025 to assess the viability of their technology to potentially process the Gunnison Copper Project sulfide resources and examine a potential extension to Stage 2 in exchange for $3M in non-dilutive cash funding
- Entered into a binding term sheet with Nebari Natural Resources Credit Fund I LP (Nebari) in February 2025 to defer all principal payments from February to December 2025, reducing 2025 corporate costs by $2.8M, and provide a pathway to repay up to $8M of the outstanding principal through realized cash proceeds from the potential sale of 48C tax credits during 2025 and refinance the remaining principal to 2029

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the conclusions reached in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

2025 to 2026 OUTLOOK

Gunnison High Value Work Program

In January 2025, Gunnison announced its intention to proceed with the High Value Work Program at the Gunnison Copper Project that will advance several of the important opportunities identified in the Preliminary Economic Assessment. This work program, consisting of limited drilling and studies, is expected to cost up to $3.0 million and be completed within six months, with results to be published in H2 2025.

The program includes studies to examine the saleable potential of the gravel and limestone overburden that is currently treated as waste in the PEA economics but are products with active markets within an economic radius of the mine site. The sale of these potential by-products could add a significant amount of revenue over the mine life.

Another planned study relates to examining the potential for optical mineralized material sorting, which can significantly reduce the quantity of acid consumed by sorting and rejecting waste material from the process prior to heap leaching. Given the specific nature of the mineralized material body, with the contained copper existing along fractures in the rock rather than disseminated throughout, the Gunnison deposit has a high potential for successful use of optical mineralized material sorting.

Gunnison Copper Project Pre-Feasibility Study & Permit Amendments

In H2 2025, Gunnison plans to commence work on a Pre-Feasibility Study ("PFS") for the Gunnison Copper Project with the objective of converting the resources included in the mine plan to the Measured and Indicated level and into mineral reserves, in addition to advancements in the detail level of mine and plant engineering. The work program will include infill drilling, geotechnical drilling, hydrology work, engineering, and other studies. It is expected to cost $13.5M and take approximately 16 months to complete (see "Liquidity" and "Capital Resources" below for a summary of the funding required by, and available to, Gunnison). Results of the PFS are expected to be published in Q4 2026.

Concurrently with the PFS work program, Gunnison intends to file permit amendments with Arizona Department of Environmental Quality and the Arizona State Mine Inspector with respect to the existing Air, Aquifer Protection, and Mine Land Plan of Reclamation permits. These amendments will permit the open pit approach. Currently, the Gunnison Project is fully permitted for In-Situ leaching which is the approach previously pursued. All required permits for the Gunnison open pit fall under the state permitting regime (i.e. no federal nexus). The permit amendments are expected to cost $1.4 million and take between nine and sixteen months to receive. All permit amendments are expected to be received by the end of 2026.

Johnson Camp Mine Production

The Johnson Camp Mine construction required for the Stage 2 work program with Nuton is expected to be substantially complete by mid-2025 with commissioning and first production of copper cathode in Q3 2025. Ramp up to nameplate capacity is expected to occur over the second half of 2025 and reach full production by early 2026. The Johnson Camp Mine SX/EW plant has an installed production capacity of 25 million lbs of finished copper cathode per year, with future sales of the copper cathode to US domestic supply chains only. The construction and restart of the Johnson Camp Mine is fully funded by Nuton LLC for the purpose of demonstrating their proprietary sulfide leaching technology.

Mining of mineralized material commenced in January 2025 and will be stockpiled until the start of stacking and irrigation on the Leach Pad expected in Q2 2025.

48C Tax Credits Monetization and Debt Reduction

The $13.9M allocation of tax credits was granted to the Gunnison-Nuton Tax Partnership in January 2025 under the Qualifying Advanced Energy Project Credit Program of the Inflation Reduction Act. Under the IRA, a qualifying advanced energy project credit can either be monetized through its sale for cash or by using it to offset income tax liabilities. These credits are expected to be monetized by the end of 2025 through the sale of these credits in a free-market transaction following the completion of the certification process. Gunnison expects to receive up to $8M in cash after Nuton's allocation and reimbursement of costs, with the actual amount depending on the 48C tax credit certification process and how much can be realized from the sale of the certified credits.

In accordance with the binding term sheet with Nebari, the proceeds received from the sale of 48C tax credits will be used to retire a significant portion of the Nebari debt. Following the partial debt retirement, Nebari will initiate a process seeking to refinance the remainder of the debt with a revised maturity date of December 31, 2029.

This section contains forward-looking information. Please refer to "Forward-Looking Information" for details on the risks and assumptions associated with such forward-looking information.

GUNNISON COPPER PROJECT

PROJECT DESCRIPTION

The Gunnison Copper Project is located about 62 miles east of Tucson, Arizona on the southeastern flank of the Little Dragoon Mountains in the Cochise Mining District. The property is within the copper porphyry belt of Arizona. It hosts a deposit that contains copper oxide and sulfide mineralization with associated molybdenum in potentially economic concentrations. Oxidized, mineralized bedrock lies 300 to 800 feet beneath of alluvial basin.

RECENT DEVELOPMENTS

In Q4 2024, Gunnison secured the final land required to pivot the Gunnison Project to an open pit approach (previously in-situ leaching) and published a PEA.

PEA HIGHLIGHTS

- The Gunnison Copper Project, a fully vertically integrated operation producing finished copper cathode on-site in Arizona for domestic U.S. supply chains, has an after-tax net present value (8%) of $1.3 billion and an internal rate of return (IRR) of 20.9% at a long-term copper price of $4.10/lb
- One of the largest open pit copper projects in the U.S. with total Measured and Indicated ("M&I") Mineral Resources containing over 831 million tons with a total copper grade of 0.31% (measured mineral resource of 191.3 million tons at 0.37% and indicated mineral resource of 640.2 million tons at 0.29%), capable of supplying 8% of recent annual U.S. domestic copper production[1]
- Simplified and lower risk path to permitting; the Gunnison Copper Project requires only State permits and has current operating permits which will only require permit amendments to open pit mining

[1] *Hard rock waste includes 85 million short tons of pure limestone, a highly marketable material.*

- Significant benefits for the community and local economy through the payment of over $840 million in U.S. federal, state, and local taxes, partnerships with local institutions such as Cochise College, and the creation of over 650 local jobs
- Average annual copper cathode production of 83,700 tons (167 million lbs) over the first 16 years and total production of 1,355,900 tons (2,712 million lbs) over the entire 18-year mine life at an average Cash Cost (C1) of $1.42/lb and Sustaining Cash Cost[2] of $1.94/lb of copper produced
- Total initial capital cost of $1.3 billion and after-tax payback period for initial capital of 4.1 years
- Environmental advantages include lower water usage per pound of copper produced versus copper concentrate producers, up to 10% reduced energy consumption due to on-site clean energy production, and zero risk of environmental impacts from tailings dam failures as there are no tailings produced

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the conclusions reached in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

PEA PHYSICALS

Total life of mine production is projected at approximately 2,712 million pounds of copper over 18 years. There are 831.6 million short tons of measured and indicated oxide, transitional, and sulfide mineral resources at an average grade of 0.31% TCu and inferred oxide, transitional, and sulfide mineral resources of 79.6 million short tons at an average grade of 0.20% TCu; using a cut-off grade of $0.05/ton.

The tonnage of material in the Gunnison conceptual mine plan used for the PEA is 550.6 million tons having an average grade of 0.355% TCu. The anticipated heap leach recovery is estimated to be 90% of the AsCu and CNCu copper grade. 60% recovery for copper sulfide (CuS) material but only within the sulfide mineral domain (no CuS recovery in the Oxide or Transition mineral domains).

PEA OPERATING AND CAPITAL COSTS

The average direct, life-of-mine operating cost is estimated to be $7.01 per ton of mineralized material mined, which is equivalent to $1.42/lb Cu. The average all-in operating cost including royalties and taxes is $8.22 per ton of mineralized material mined which is equivalent to $1.69/lb Cu. The estimated initial capital cost is $1,342.6 million, including capitalized pre-production costs and acid plant. Sustaining capital costs are estimated to be $529.9 million. Another $346.2 million is attributable to deferred stripping sustaining capital. The Sustaining Cash Cost is $1.94/lb Cu. The total cost for reclamation and closure is estimated to be $93.0 million and averages $0.034 per pound of copper recovered.

JOHNSON CAMP MINE

PROJECT DESCRIPTION

The Johnson Camp Mine is located about 65 miles east of Tucson, Arizona, on the southeastern flank of the Little Dragoon Mountains in the Cochise Mining District. The property is within the copper porphyry belt of Arizona. The Johnson Camp Mine contains two open pit mines, the Burro pit and the Copper Chief pit, that contain copper oxide,

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[2] *Excludes recovery of sulfides from conventional leaching. Some sulfides are expected to leach and provide up-side to recoveries and copper production.*

transition, and sulfide mineralization with associated molybdenum (not recovered by heap leaching), in potentially economic concentrations. Mining by a former owner, Nord Resources Corporation (Nord), ceased in 2012.

The Project mine plan includes mining of oxide, transition material and sulfide to produce copper cathode based on an SX/EW plant capacity of up to 25 million pounds per annum. Heap leaching of sulfide copper will use Nuton's proprietary technology.

NUTON OPTION AGREEMENT

Overview

On July 31, 2023, Gunnison announced that it had entered into an option agreement (the "Nuton Option Agreement"). The purpose of the Nuton Option Agreement is for Nuton to evaluate and demonstrate the use of the Nuton™ copper heap leaching technologies (the "Nuton™ Technologies") for sulfide copper heap leaching at Johnson Camp Mine ("JCM"). Under the Agreement, Gunnison remains the owner and operator of JCM and Nuton funds Gunnison's costs associated with a two-stage work program.

Stage 1

The Stage 1 work program began in August 2023 including mineralogy, predictive modelling, engineering and other test work to determine the suitability of JCM mineralized material for the technology. Further work included infill drilling, detailed engineering, permitting activities, and project execution planning for the restart of JCM. Total Stage 1 costs incurred were $4,055. On May 15, 2024, Nuton elected to proceed with Stage 2, the construction and restart of JCM and technology demonstration.

Stage 2

The Stage 2 work program began in July 2024 and included a non-refundable cash payment of $5M to Gunnison for the use of existing JCM infrastructure during Stage 2. Nuton will be responsible for funding all of Gunnison's costs associated with Stage 2. The full Stage 2 work program, inclusive of production, is anticipated to take up to five years, and, if successful, will demonstrate key elements of the Nuton Technologies on an industrial scale.

The Stage 2 work program is proceeding based on milestones related to engineering and mobilization, infrastructure and construction, mining, leaching, copper production and post-leach rinsing. The completion of all milestones would result in full-scale commercial production of Nuton copper over several years at Johnson Camp. Revenue from operations will first be used to pay back Stage 2 costs to Nuton and will then be credited to Gunnison's account after fulfillment of Gunnison's applicable royalty and stream obligations.

After the completion of Stage 2, Nuton will have the right to form a joint venture on JCM per mutually agreeable terms whereby Nuton will hold an initial 49% and Gunnison an initial 51% interest. The purpose of the joint venture is to continue the development of JCM using Nuton technologies. Should Nuton not exercise its joint venture rights, Nuton and Gunnison will discuss in good faith Gunnison's continued use of the Nuton Technologies at the Johnson Camp mine subject to certain licensing terms and conditions.

MINE CONSTRUCTION AND OPERATION

To restart the Johnson Camp Mine, construction of a new heap leach pad, Pad 5, which is fully permitted has been initiated. The new leach pad construction commenced in H2 2024 with a timeline of approximately nine months to complete before irrigation of the new leach pad can commence. Installation of piping of pregnant leach solution and raffinate lines from Pad 5 to the JCM ponds also fits within this time frame. Construction costs incurred to December 31, 2024 total $37,164

Gunnison is using a contract miner for all mine activities related to mining, crushing and agglomerating, and placement of material on the leach pads. Gunnison staff will perform heap leach management, SX-EW operation, and general site management.

The Company has decided to commence construction and move into production at JCM based on the funding being provided by Nuton. The Company did not base this production decision on any feasibility study of Mineral Reserves demonstrating economic and technical viability of the mines at JCM. As a result, there may be increased uncertainty and risks of achieving any level of recovery of minerals from the mines at JCM or the costs of such recovery. As JCM does not have established Mineral Reserves, the Company faces higher risks that anticipated rates of production and production costs will not be achieved, each of which risks could have a material adverse impact on the Company's ability to continue to generate anticipated revenues and cash flows to fund operations from JCM and ultimately the profitability of the operation.

SELECTED ANNUAL INFORMATION

A summary of the Company's consolidated financial results for the years ended 2024, 2023, and 2022 are presented:

	2024	2023	2022
Revenue	$ 952	$ 2,919	$ 4,178
Total assets	137,932	116,408	118,761
Total liabilities	159,834	147,131	109,458
Shareholders' equity	(21,902)	(30,723)	(8,299)
Net (gain) loss for the year	(8,494)	28,959	(34,879)
Basic and diluted (gain) loss per share	(0.03)	0.10	(0.13)

REVENUE

Revenue for the year ended December 31, 2024 was $952 compared to revenue of $2,919 and $4,178 for the years ended December 31, 2023 and December 31, 2022 respectively. The revenue is generated primarily from the production and sale of copper cathode produced from residual leach from legacy heaps at the Johnson Camp Mine. The decrease over the three years is due to decreasing residual leach and, in 2024, the processing plant being shut down mid-year for refurbishments to prepare for the full mine restart in 2025.

TOTAL ASSETS

Total assets at December 31, 2024 were $137,932 compared to total assets of $116,408 and $118,761 at December 31, 2023 and December 31, 2022 respectively. The increase of $21,524 from 2023 to 2024 is due primarily to $37,164 in capitalized JCM construction costs, an increase in restricted cash of $7,259 due to additional collateral requirements for bonding JCM and Gunnison, an increase in cash and other current assets of $7,257 required for the Johnson Camp Mine construction, an increase in asset retirement obligation of $6,288 due to additional reclamation requirements for JCM and sooner for Gunnison wellfield, and $1,000 land option payment for the Gunnison land option required for the open pit project, offset partially by an impairment charge on Gunnison wellfield and closure cost assets of $38,828 due to the change in strategy for Gunnison Copper Project from in-situ leaching to open pit approach.

TOTAL LIABILITIES

Total liabilities at December 31, 2024 were $159,834 compared to total liabilities of $147,131 and $109,458 at December 31, 2023 and December 31, 2022 respectively. The increase of $12,703 from 2023 to 2024 is due primarily to a $38,423 increase in Nuton Stage 2 payable which reflects the discounted cash funding received by Gunnison during 2024 for Johnson Camp Mine construction and restart that will be repaid from the sale of copper. In addition, $11,620 increase in Nuton Deferred Income, which represents the benefit received by Gunnison from the zero-cost financing of the Johnson Camp Mine provided by Nuton. It is calculated as the difference between the undiscounted cash funding received from Nuton and the discounted Nuton Stage 2 Payable at recognition and will be amortized to income over Stage 2 based on units of copper production. Nuton deferred income also includes the $5,000 infrastructure access payment received from Nuton in 2024 less straight-line amortization recognized over the remaining months of Stage 2. Further increases include $11,595 in Nuton accounts payable and accrued liabilities for Johnson Camp Mine construction and restart costs accrued as at December 31, 2024 and $6,819 in asset retirement obligation due primarily to additional retirement obligations for the Stage 2 mine life. Partially offsetting these increases is a decrease of $56,675 due to mark-to-market of the copper stream derivative liability described in more detail in the Capital Resources section below.

SHAREHOLDER'S EQUITY

The Company's authorized capital consists of an unlimited number of common shares without par value ("Common Shares") and an unlimited number of non-voting common shares without par value. The Company has securities outstanding as follows:

Security Description	December 31, 2024	Date of Report
Common Shares	315,415,858	315,415,858
Stock options	19,075,000	18,865,000
Convertible debt	36,832,874	409,646,407[1]

(1) $3,000,000 principal amount convertible at $0.19, $2,400,000 principal amount convertible at $0.11405 and $6,250,000 principal amount convertible at $0.1622.

There were 3,500,000 stock options granted and 3,245,000 stock options that expired in the year ended December 31, 2024. There were no stock options exercised in the year ended December 31, 2024. There were no distributions or cash dividends declared in the years ended 2024, 2023 and 2022.

NET (GAIN) LOSS FOR THE YEAR

Net gain for the year ended December 31, 2024 was $8,494 compared to net loss of $28,959 and net gain of $34,879 for the years ended December 31, 2023 and December 31, 2022. The increase of $37,453 is due primarily to the non-cash $56,675 gain recorded on mark to market of the stream liability resulting from the change in production profiles of the Gunnison Copper Project open pit and Johnson Camp Mines and the application of a probability weighting to the deliveries to account for uncertainty. Partially offsetting the gain is a non-cash $38,828 impairment of property, plant, and equipment due to the write-off of Gunnison Copper Project wellfield capitalized costs that are not recoverable under the open pit plan.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial information for the Company for each of the past eight quarters ending December 31, 2024:

	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024
Net (income)/loss for the period	$ (49,704)	$ 14,948	$ 15,121	$ 11,140
Revenue	-	-	613	339
Loss (gain) on derivative at fair value	(90,671)	13,171	12,789	8,036
(Income)/loss per share (basic and diluted)	(0.18)	0.05	0.05	0.04

	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Net (income)/loss for the period	$ 24,760	$ (2,757)	$ (18,318)	$ 25,274
Revenue	500	494	829	1,096
Loss (gain) on derivative at fair value	20,476	(5,726)	(21,496)	21,509
(Income)/loss per share (basic and diluted)	0.09	(0.01)	(0.07)	0.09

The net (income)/loss for the last eight quarters is due primarily to non-cash gains and losses on revaluation of the copper stream derivative liability each quarter. The copper stream derivative liability valuation changes are due to changes in the projected timing of copper metal deliveries to Triple Flag and changes in market factors such as the risk free interest rate and credit spreads. Refer to Capital Resources section below for further information on the copper stream derivative liability. The quarterly results presented above do not necessarily reflect any recurring expenditure patterns or predictable future trends. For 2025 the Company expects that due to the construction for the expansion and restart of the Johnson Camp Mine, including production and sales of copper cathode in H2 2025, there will be increasing quarter over quarter variations in the quarterly results.

For the three-months ended December 31, 2024 the Company's net gain was $49,704 ($0.18 per share) compared to a net loss of $24,760 ($0.09 per share) for the three-months ended December 31, 2023. The net gain for the three-month period ended December 31, 2024 was due primarily to a non-cash gain of ($90,671) due to revaluation of the copper stream derivative liability, offset partially by a non-cash loss of $38,828 on the impairment of Gunnison wellfield capitalized costs the value of which are not expected to be recoverable under the open pit plan.

LIQUIDITY

CASH POSITION

The Company had cash and cash equivalents of $8,249 as of December 31, 2024 (December 31, 2023 - $6,113). Cash and cash equivalents increased $2,136 during the year ended December 31, 2024. The increase in 2024 is primarily due to the Stage 2 work program on JCM that is being funded by Nuton.

CASH FLOWS

Net cash used in operating activities for the year ended December 31, 2024 was $7,648 compared to net cash used of $10,657 in 2023. The decrease in operating cash outflows for 2024 compared to 2023 was mainly due to a $3,616 reduced loss from mine operations as the SX/EW was put on care and maintenance for the Stage 2 refurbishment and holding costs were capitalized to the Stage 2 Project starting on May 15, 2024.

Net cash used by investing activities for the year ended December 31, 2024 was $30,384 compared to net cash provided of $2,669 for the same period of 2023. The net cash used in 2024 included $21,693 in cash spent on Stage 2 construction and $7,259 increase in cash collateral requirements for reclamation bonding.

Net cash provided by financing activities for the year ended December 31, 2024 was $40,165 including $41,607 in cash financing received from Nuton less $1,442 in Nebari principal payments; compared to the $8,490 provided in 2023 primarily from the two February 2023 debenture issuance and proceeds from the 1.5% JCM royalty sale.

WORKING CAPITAL

The Company had a negative working capital of $22,860 at December 31, 2024 (December 31, 2023 – $3,951). The working capital includes $28,231 in current liabilities and $4,747 in accounts receivable that are funded by Nuton and $3,433 in debt and interest payments deferred to 2026 subsequent to Dec 31, 2024 (refer to Capital Resources section below for details). The net amount funded by Nuton is only repayable from the sale of copper produced at the Johnson Camp Mine. If no copper was produced at the Johnson Camp Mine, the net amount funded by Nuton would not be re-payable by the Company to Nuton. As a result, these amounts do not impact the Company's ability to continue as a going concern. Working capital is a non-IFRS measure that is a common measure of liquidity but does not have any standardized meaning. See "Non-IFRS Financial Measures".

	2024	2023	2022
Current assets	$ 15,689	$ 8,432	$ 7,929
Current liabilities	38,548	4,481	17,602
Working capital	(22,860)	3,951	(9,673)
Nuton funded amounts included in working capital:			
Amount due from Nuton	(4,747)	-	-
Nuton accounts payable and accrued liabi	11,595	-	-
Nuton stage 2 payable	14,975	-	-
Nuton deferred income and revenue	1,661	-	-
Debt payments deferred subsequent to Dec 31, 2024:			
Deferred Nebari principal payments	2,833	-	-
Deferred convertible debenture interest	600	-	-
Amounts not impacting Company's ability to continue as a going concern	26,917	-	-

CAPITAL RESOURCES

NEBARI DEBT AND NUTON FUNDING

On November 30, 2023, the Company and Nebari executed a Third Amendment to the Second ARCA (the "Nebari Credit Agreement") which extended the due date of the $15.0 million loan advanced by Nebari to June 30, 2026. The amended terms of the Nebari Debt include:

- Maturity date June 30, 2026
- The Interest rate is 10.5% plus a rate supplement equal to the greater of the sum of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a tenor of 3 months or 1.5%. The rate supplement cannot be negative.
- Principal Payments:
    - June 2024 through December 2024 - $206 ($200 principal, $6 repayment bonus),

  - January 2025 - $257.5 ($250 principal, $7.5 repayment bonus),
  - February 2025 through December 2025 - $0
  - January 2026 through June 2026 – the remaining principal shall be amortized on a straight-line basis in equal monthly amounts or a monthly amount of $300, whichever is smaller.

As disclosed above, the Nuton Option Agreement provides for Nuton to provide 100% of the funding for the Stage 2 Work Program at JCM. However, Nuton has the election to terminate the Nuton Option Agreement at any time if it decides it no longer wants to continue with the Stage 2 Work Program. In such event, Nuton would not have further funding obligations other than the payment of costs that were committed to prior to the date of termination and certain reclamation expenditures for work associated with the Stage 2 Work Program.

On March 3, 2025 the Company announced that it has agreed to a non-dilutive funding transaction (the "**2025 Nuton Transaction**") with Nuton for $3 million in proceeds to Gunnison to be used toward its costs related to a Nuton testing program at the Gunnison Project, as well as the execution of a Tax Partnership Agreement between Gunnison and Nuton (the "**Tax Partnership Agreement**") with an agreed-upon allocation of the potential future proceeds from Gunnison and Nuton's award of 48C tax credits from the U.S. government.

Gunnison, Gunnison Arizona and Nuton have entered into a Collaboration Agreement dated February 28, 2025 (the "**Gunnison Collaboration Agreement**") that provides for, among other things:

- Nuton's exclusivity over novel heap leach processing technologies for sulfide mineralization at the Gunnison Open Pit, and
- Agreed milestones to examine the potential for an extension to the Stage 2 Work Program at the Johnson Camp Mine.

In exchange for the above:

- Nuton will provide $3 million to Gunnison to be used toward its expenses for the Nuton Stage 1 Viability study on the Gunnison Open Pit and other agreed purposes; and
- The parties will work within the parameters of the Tax Partnership Agreement to allow for a portion of the realized cash proceeds from the potential sale of 48C tax credits to be distributed to Gunnison to benefit the Stage 2 project, including paying down a significant portion, or all of, the Nebari debt. Gunnison estimates that its share of the potential proceeds could be up to $8 million after Nuton's allocation and reimbursement of costs, with the actual amount depending on the 48C tax credit certification process and how much can be realized from the sale of the certified credits.

In addition to this, Gunnison and Nebari have entered a binding term sheet on February 28, 2025 (details below) that provides for the following:

- Deferral of all principal payments for the remainder of 2025, reducing carrying costs by $2.8 million.
- The right to convert up to $6.25 million of the principal into equity at a set conversion price of $0.30 provided that Gunnison closes the 2025 Offering (defined below) on or before April 14, 2025..
- A trigger to initiate a process by Nebari to refinance the remaining principal maturity, if any, to December 31, 2029. The trigger occurs when the principal, currently $13.75 million (including the Repayment Bonus) is reduced to $7.5M or less (the "**Refinance Trigger**").

The above provides two pathways to trigger the refinancing process, either through Nebari's conversion of principal to equity, or through funds received under the distribution of money from the potential sale of the 48C tax credits.

The parties have agreed to conduct a Stage 1 viability testing program of Nuton Technologies on sulfide mineralization at the Gunnison Open Pit (the "**Stage 1 Gunnison Program**"). The Stage 1 Gunnison Program will involve the collection and testing of samples from drill core from the Gunnison Project. The samples will be analyzed by Nuton for the purposes of determining the suitability of the Gunnison Project with Nuton Technologies.

Gunnison and Nuton have also agreed to work together to evaluate the possible extension of the Stage 2 Work Program at Johnson Camp. Nuton shall also receive a right of first offer over the use of any excess capacity from the SX/EW plant and related infrastructure and mining assets located at the Johnson Camp Mine.

Gunnison and Nuton (or its affiliates) have also agreed to negotiate in good faith an exclusive exploration agreement over all of Gunnison's property for a 3-to-5-year term (or such term as agreed between the parties), on commercial terms that includes a specified work program, costs and timelines.

Nuton and Gunnison will work within the parameters of the Tax Partnership Agreement to potentially allow for a portion of realized cash proceeds from the sale of 48C tax credits to be distributed to Gunnison to retire a significant portion, or all of, the Nebari debt, which will benefit the Stage 2 Work Program by reducing Gunnison's debt service obligations. The receipt of the 48C tax credit is subject to Certification as outlined in IRS Notice 2023-44. There is no certainty that the conditions to the completion of the 2025 Nuton Transaction or receipt of the 48C tax credit will be satisfied.

Gunnison, Gunnison Arizona and Nebari have also agreed to further amend certain terms of the Nebari Credit Agreement. The amendments provide for, amongst other matters, a suspension of principal amortization from February 1, 2025 until January 1, 2026, provide for potential partial conversion to equity, and provide for a mechanism to repay a portion of the principal amount of the Nebari Credit Agreement with proceeds to be received from sale of the previously announced 48C tax credits and through a potential refinancing process provide for an extension of the maturity date.

The amendments to the Nebari Credit Agreement include (collectively, the "**Amendments**"):

1. **Deferral of Principal Amortization:** The requirement to begin repaying the principal balance of the Nebari Credit Agreement in monthly installments shall be suspended from February 1, 2025 until January 1, 2026. As of January 1, 2026, the remaining principal shall be amortized on a straight-line basis in equal monthly amounts or a monthly amount of $300,000, whichever is smaller.

2. **Equity Conversion:** To provide for a potential alternative repayment mechanism, up to $6.25 million of the principal amount of the Nebari Credit Agreement will be convertible, at Nebari's option, into Common Shares of Gunnison, at a price (the "**Conversion Price**") equal to the lower of (i) Cdn$0.30 provided that the 2025 Offering (defined below) is closed on or before April 14, 2025 ; and (ii) the lowest exercise price of any warrants issued as part of any such equity financing, provided that if the 2025 Offering is not completed on or before April 14, 2025 the Conversion Price shall be US$0.1622 (Cdn$0.2339), which is a 30% premium to the volume weighted average trading price ("**VWAP**") of the Common Shares of Parent on the Toronto Stock Exchange for the five trading days prior to the execution of a term sheet regarding the Amendments.

3. **Principal Reduction through 48C Tax Credit:** If Gunnison receives a portion of the cash received from the sale of Johnson Camp 48C tax credit it shall use the lower of $6.25 million or the full amount of the proceeds so received to pay down the non-convertible principal amount of the Nebari Credit Agreement.

4. **Maturity Date Extension**: In the event that the principal amount of the Nebari Credit Agreement is reduced to $7.5 million or less (whether through conversion or repayment in cash (including cash from the 48C tax credit)), Nebari agrees to seek sale and assignment of the Nebari Credit Agreement to another party (the **"Loan Buyer**"). The assigned Nebari Credit Agreement shall have its maturity date amended to December 31, 2029,

or such earlier date as agreed between the Loan Buyer and Gunnison, and no amortization shall be due on the convertible portion of the Nebari Credit Agreement until the amended maturity date.

5. **Minimum Cash Balance**: The existing financial covenants related to a minimum cash balance and accounts payable aging shall be adjusted so that they only apply to cash and accounts payable that are not related to the Stage 2 Work Program with Nuton. Furthermore, the required minimum cash balance shall be $1 million.

6. **Security**: Gunnison's subsidiary Excelsior Mining Holdings, Inc. shall become part of Nebari's collateral package.

The Amendments are subject to certain conditions including approval of the Toronto Stock Exchange, approval from Greenstone and Triple Flag, deferral of interest payments due under convertible debentures due to Greenstone and Triple Flag, certain agreements between Nebari and Triple Flag, certain agreements between Nebari and Triple Flag agreement and commencement of a work program by Gunnison to optimize certain opportunities identified in the PEA for the Gunnison Project.

Nebari is an arm's length to the Company. There are no commissions or finders' fees payable in connection with the transactions discussed in this MD&A. While the Nebari Term Sheet is binding, the parties intend to conclude a second amended and restated credit agreement reflecting the terms in the Nebari Term Sheet. There is no assurance that the conditions to the Amendments will be satisfied.

CONVERTIBLE DEBENTURES

On February 9, 2023 the Company closed a Debenture Offering and issued $3.0 million principal amount of Debentures and on December 14, 2023 the Company amended the Debenture Offering. The amended terms of the Debentures include:

- Maturity date of September 30, 2026
- The Debentures bear interest at the rate of 10% per annum, which interest will be payable on the maturity date, unless earlier converted into Common Shares;
- The principal amount of the Debenture is convertible into Common Shares at the option of the holder at a conversion price of USD$0.19 per Common Share;
- The accrued and unpaid Interest is convertible into Common Shares at a conversion price equal to the volume weighted average price of the Common Shares on the Toronto Stock Exchange for the five trading days prior to the date of conversion; and
- The Debentures are unsecured.

On December 14, 2023 the Company closed a Second Debenture Offering and issued $2.4 million principal amount of debentures and on February 28, 2024 the Company amended the Debenture Offering. The amended terms of the Debentures include:

- Maturity date of September 30, 2026 and the principal amount, together with any accrued and unpaid interest, will be payable on this maturity date, unless earlier converted in accordance with their terms;
- The debentures bear interest at the rate of 10.5% per annum plus the Rate Supplement, which interest will be payable on the maturity date, unless earlier converted into Common Shares;

- Subject to the receipt of disinterested shareholder approval from the holders of the Common Shares at a duly and validly call meeting (the "Shareholder Approval"), the principal amount of the debenture is convertible into Common Shares at the option of the holder (or at the option of the Company on 30 days prior notice) at a conversion price of USD$0.11405 per Common Share;
- Subject to receipt of the Shareholder Approval, the accrued and unpaid interest is convertible into Common Shares at a conversion price equal to the volume weighted average trading price on the Toronto Stock Exchange for the five trading days prior to the date of conversion; and
- The debentures are unsecured.
- The Shareholder Approval was received at the Company's 2024 Annual General and Special Meeting.

On March 3, 2025, the Company received consent from the debenture holders to defer all interest payments to maturity in September 2026, subject to the execution of definitive amendment documentation.

2025 OFFERING

On March 26, 2025, the Company announced a non-brokered private placement (the "2025 Offering") consisting of a minimum of 6,666,700 and up to a maximum of 22,940,000 units (the "2025 Units"), with each Unit consisting of one common share and one-half of one common share purchase warrant (each full common share purchase warrant, a "2025 Warrant") at a price of C$0.30 per Unit for aggregate gross proceeds of a minimum of C$2,000,010 and up to a maximum of C$6,882,000. Each full 2025 Warrant shall entitle the holder thereof to acquire one additional common share at a price of C$0.45 for a period of twenty-four (24) months from the closing date of the 2025 Offering.

The net proceeds will be used to define high value opportunities and commencement of drilling and metallurgical testing activities that will be incorporated in a pre-feasibility study for the Gunnison Copper Project. The Company intends to close the 2025 Offering during the week of March 31, 2025. Closing of the 2025 Offering is subject to approval of the Toronto Stock Exchange.

DEBT COVENANTS

Pursuant to the Stream Agreement, the Company is required to maintain a leverage ratio of 3.5:1.0. The leverage ratio is calculated as the ratio of indebtedness of the Company to net income (adjusted for certain items). On November 30, 2023, the Company and Triple Flag executed an amendment to the Stream Agreement which suspends the applicability of the leverage until June 30, 2026 (the "Leverage Ratio Grace Period") to accommodate the extension of the Nebari loan due date.

Pursuant to the Amendments to the Nebari Credit Agreement, the Company must comply with the following financial covenants:

- The Company shall maintain cash and cash equivalents (excluding cash related to the Stage 2 Work Program with Nuton) in a minimum aggregate amount of $1 million, to be tested at the end of each calendar month.
- The Company shall not permit more than (i) 30% (by dollar amount) of accounts payable to be outstanding for more than 30 days after the applicable due date of such accounts or (ii) 10% (by dollar amount) of accounts payable to be outstanding for more than 60 days after the applicable due date for such accounts, in each case, as at the end of each calendar month (excluding accounts payable related to the Stage 2 Work Program with Nuton).

Although the Company has taken steps to extend the maturity of the Nebari loan and to eliminate or mitigate the risk of certain covenant breaches, unless the Company raises financing it will breach the $1.0 million minimum cash covenant under the Nebari loan in Quarter 3, 2025. The Company has been successful in obtaining significant equity

and other financings since inception and intends to continue financing its future requirements through the Nuton Stage 2 Work Program funding arrangement for JCM and through a combination of equity, debt or other arrangements. However, there can be no assurance that the Company will be able to obtain the necessary financing. The Consolidated Financial Statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and liquidate its liabilities and commitments in other than the normal course of business. These adjustments could be material. As a result, there remain conditions that represent a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Copper Stream Derivative Liability

On November 30, 2018 the Company finalized an agreement for a $75,000 project financing package ("Project Financing", or "copper stream" or "copper stream derivative liability") with Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag") for the purpose of developing the Gunnison Project. The Project Financing included a Copper Purchase and Sale Agreement with Triple Flag (the "Stream Agreement"). While the Stream Agreement provided funding for Gunnison, the copper stream extends to production from JCM as well.

Pursuant to the terms of the Stream Agreement, the percentages applicable at certain production levels from Gunnison and JCM are detailed in the table below.

Scenario Description	Stage 1 (25M lbs/yr)	Stage 2 (75M lbs/yr)	Stage 3 (125M lbs/yr)
Stage 1 Upfront Deposit	16.50%	5.75%	3.50%

Following a decision by Gunnison to expand the production capacity, Triple Flag will have the option to invest a further $65,000 in exchange for an increase in its entitlement to copper under the Stream ("Expansion Option").

The table below shows the range of percentage of production to be purchased by Triple Flag based on specified production levels and that includes Triple Flag's Expansion Option. Actual amounts will be calculated within the range, based on the proven production history.

Scenario Description	Stage 1 (25M lbs/yr)	Stage 2 (75M lbs/yr)	Stage 3 (125M lbs/yr)
Stage 1 Upfront Deposit + Expansion Option	16.50%	11.00%	6.60%

The stream obligation is recorded at fair value at each statement of financial position date as the Company has determined that the stream obligation and the share purchase warrants are derivative liabilities carried at fair value through profit or loss (FVTPL). The Gunnison Copper Project stream deliveries are modeled based on the production profile in the open pit Preliminary Economic Assessment, published in December 2024, with construction assumed from 2029 to 2030 and commercial production assumed from 2031 onwards. The Johnson Camp Mine stream deliveries are modeled based on the production profile of the Stage 2 mine plan plus the life of mine plan assumed to continue after the completion of Stage 2. The Gunnison Copper Project and Johnson Camp Mine life of mine after Stage 2 production plans are probability weighted to account for uncertainty.

CONTRACTUAL OBLIGATIONS

The Company has the following contractual obligations as of December 31, 2024:

Contractual Obligations	Total	year	1-3 years	4-5 years	After 5 years
Accounts Payable and Accrued Liabilities	$ 15,211	$ 15,211	$ -	$ -	$ -
Nuton Stage 2 payable	38,463	14,975	23,488	-	-
Lease Liabilities	243	119	124	-	-
Insurance Liabilities	138	138	-	-	-
Debentures	4,708	-	4,708	-	-
Debt	14,447	3,090	11,357	-	-
Total Contractual Obligations	$ 73,210	$ 33,533	$ 39,677	$ -	$ -

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements

TRANSACTIONS BETWEEN RELATED PARTIES

KEY MANAGEMENT PERSONNEL

Key management personnel include those people who have authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and President, SVP Business Development, SVP/Chief Financial Officer, previous Interim Chief Financial Officer, SVP/GM, and Corporate Secretary.

Remuneration attributed to key management personnel is summarized as follows:

	Year ended December 31,	
	2024	2023
Salaries, fees and benefits	$ 1,133	$ 1,603
Share-based compensation	274	491
Total	$ 1,407	$ 2,094

Salaries, fees and benefits to key management includes all salaries, bonuses, fees, and other employment benefits, pursuant to contractual employment agreements, consultancy or management services arrangements.

OTHER RELATED PARTIES

As of December 31, 2024, amounts accrued and due to key management personnel and other related parties include the following:

Directors and Officers - $145 (December 31, 2023 - $136)

Transactions with related parties were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and judgments. These estimates, judgments and assumptions affect the reported amounts of assets,

liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the periods reported. A summary of the Company's critical estimates and judgments is provided in Note 2, Basis of Presentation, of the audited consolidated financial statements for the year ended December 31, 2024 and 2023.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The accounting policies applied in the preparation of the audited consolidated financial statements for the year ended December 31, 2024 are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2023 except for the following:

The Company adopted the IASB published amendments to IAS 1 - Presentation of Financial Statements - Classification of debt with covenants as current or non-current on January 1, 2023. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A company classifies a liability as non-current if it has a right to defer settlement for at least 12-months after the reporting period. The amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognized as either equity or a liability separately from the liability component under IAS 32 - Financial Instruments Presentation. Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current. The IASB has now clarified that when classifying liabilities as current or non-current, a company can ignore only those conversion options that are recognized as equity. The Company has concluded that the adoption of the amendments had no significant impact on its consolidated financial statements.

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. We are currently assessing the effect of this new standard on our financial statements.

FINANCIAL INSTRUMENTS

As of December 31, 2024, the Company's risk exposures and the impact on the Company's financial instruments are summarized below.

MARKET RISK

Market risk is the risk that changes in market price, such as foreign exchange rates and interest rates will affect the Company's cash flows or value of its financial instruments.

CURRENCY RISK

The Company is subject to currency risk on financial instruments which are denominated in currencies that are not the same as the functional currency of the entity that holds them. Exchange gains and losses relating to these financial instruments would impact earnings (loss).

The Company is exposed to currency risk through cash and cash equivalents, accounts payable and accrued liabilities which are denominated in CAD$. The balances in these accounts are not significant, therefore, the Company's

exposure to currency risk is considered minimal. The Company has not hedged its exposure to currency fluctuations at this time.

INTEREST RATE RISK

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents and the stream obligation. The Company's current policy is to invest excess cash in guaranteed investment certificates issued by its Canadian banking institution. The Company periodically monitors the investment it makes and is satisfied with the credit ratings of its banks.

The Company's outstanding debt obligations are at fixed interest rates (except the Nebari loan and Second Debenture Offering - see below) and accounted for on the basis of amortized cost. Therefore, the carrying value of the Company's debt is not exposed to changes in market interest rates. The Nebari loan and Second Debenture Offering are fixed at 10.5% per annum plus the greater of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months or 1.5%.

A 1% increase in the interest rate would decrease the value of the stream obligation by $5,403, whereas a 1% decrease in the interest rate would increase the value of the stream liability by $6,620.

A 1% increase in the rate supplement for the Nebari loan would increase interest payments $11.2/mo, whereas a 1% decrease in the rate supplement would decrease the Nebari interest payments $11.2/mo.

A 1% increase in the rate supplement for the Second Debenture Offering would increase interest payments $2/mo, whereas a 1% decrease in the rate supplement would decrease the Second Debenture Offering interest payments $2/mo.

A 1% increase in the interest rate would decrease the fair value of the Nuton stage 2 payable by $1.

COMMODITY PRICE RISK

The Company is subject to commodity price risk from fluctuations in the market prices for copper. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of metal substitutes, inflation, and political and economic conditions. The financial instrument impacted by commodity prices is the Stream obligation.

A 10% increase in the market price of copper would increase derivative liabilities by $7,229, whereas a 10% decrease in the market price of copper would decrease derivative liabilities by $6,790.

CREDIT RISK

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents, and restricted cash.

The Company limits its exposure to credit risk on financial assets through investing its cash and cash equivalents with high-quality North American financial institutions.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of its financial assets and liabilities. Cash flow forecasting is performed regularly. The Company also holds surety bonds to support future environmental obligations. Refer to working capital analysis above in Capital Resources section.

FAIR VALUE ESTIMATION

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities that the Company is able to access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The carrying values of cash and cash equivalents, receivables, restricted cash, accounts payable and accrued liabilities, debt and amounts due to related parties approximate their fair values due to the short-term maturity of these financial instruments. Derivative liabilities are Level 3.

As of December 31, 2024	**Carrying value**	**Fair Value**		
	FVTPL	**Level 1**	**Level 2**	**Level 3**
Financial Liabilities				
Derivative liabilities	$ 59,383	$ -	$ -	$ 59,383
Nuton Stage 2 payable	38,423	-	-	38,423
	$ 97,806	$ -	$ -	$ 97,806

LEGAL

On November 3, 2021 the Company became aware of a civil claim filed against the Company and certain of its officers and directors in the Supreme Court of British Columbia by MM Fund (the "BC Action"). The plaintiff was seeking certification of the BC Action as a class proceeding on behalf of a class of all persons and entities, wherever they may

reside or may be domiciled, who purchased the securities of the Company offered by the Company's Prospectus Supplement dated and filed on February 12, 2021 (the "Prospectus").

The plaintiff alleged that the Prospectus contained misrepresentations related to the Company's anticipated timeline to achieve a production rate of 25 million pounds per annum. The plaintiff alleged that as a result of misrepresentations in the Prospectus, the securities of the Company were sold to the public at an artificially inflated price. The plaintiff sought an order certifying the BC Action as a class proceeding, a declaration the Prospectus contained a misrepresentation, unspecified damages, pre- and post-judgment interest and costs.

On May 2, 2024 the plaintiff commenced a new civil claim in the Ontario Superior Court of Justice on the same terms as the BC Action seeking to certify a class proceeding in Ontario.

On October 29, 2024, the Company announced that the proceedings brought by MM Fund (as plaintiff) in British Columbia and Ontario have been dismissed with prejudice. The Company and the plaintiff agreed to dismiss the proceedings on a no cost basis.

NON-IFRS FINANCIAL MEASURES

The Company has disclosed certain non-IFRS financial measures in this MD&A, as discussed below. These non-IFRS financial measures are widely reported in the mining industry as benchmarks for performance and are used by management to monitor and evaluate the Company's operating performance and ability to generate cash. The Company believes that, in addition to financial measures and ratios prepared in accordance with IFRS, certain investors use these non-IFRS financial measures to evaluate the Company's performance. However, the measures do not have a standardized meaning under IFRS and may not be comparable to similar financial measures disclosed by other companies. Accordingly, non-IFRS financial measures and non-IFRS ratios should not be considered in isolation or as a substitute for measures and ratios of the Company's performance prepared in accordance with IFRS.

Non-IFRS financial measures are defined in National Instrument 52-112 – *Non-GAAP and Other Financial Measures Disclosure* ("NI 52-122") as a financial measure disclosed that (a) depicts the historical or expected future financial performance, financial position or cash flow of an entity, (b) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity, (c) is not disclosed in the financial statements of the entity, and (d) is not a ration, fraction, percentage or similar representation.

A non-IFRS ratio is defined by NI 52-112 as a financial measure disclosed that (a) is in the form of a ratio, fraction, percentage, or similar representation, (b) has a non-IFRS financial measure as one or more of its components, and (c) is not disclosed in the financial statements.

Working Capital

Working capital is a non-IFRS measure that is a common measure of liquidity but does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is current assets net of current liabilities. Working capital is calculated by deducting current liabilities from current assets. Working capital should not be considered in isolation or as a substitute from measures prepared in accordance with IFRS. The measure is intended to assist readers in evaluating the Company's liquidity.

OTHER INFORMATION

DISCLOSURE CONTROLS AND PROCEDURES

Management, including the Chief Executive Officer and the Chief Financial Officer, are responsible for the design of the Company's disclosure controls and procedures in order to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation.

The CEO and CFO have certified that they have designed disclosure controls and procedures (or caused them to be designed under their supervision) and they are operating effectively to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries is made known to them by others within those entities as of December 31, 2024.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company maintains a system of internal controls over financial reporting, as defined by National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings in order to provide reasonable assurance that assets are safe-guarded and financial information is accurate and reliable and in accordance with IFRS.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024, based on the criteria set forth in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management believes that, as of December 31, 2023, the Company's internal control over financial reporting is effective. During the year ended December 31, 2024, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

LIMITATION OF CONTROLS AND PROCEDURES

Our management, including the CEO and CFO, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well-designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of the effectiveness of controls to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

ADDITIONAL INFORMATION

Additional disclosure concerning the Company, including the AIF for the year ended December 31, 2024, is available on the SEDAR+ website, www.sedarplus.ca.

TECHNICAL INFORMATION

Gunnison's technical work on the Gunnison Copper Project is supervised by Stephen Twyerould, Fellow of AUSIMM, President & CEO of Gunnison and a Qualified Person as defined by NI 43-101. Mr. Twyerould has reviewed and approved the technical information contained in this MD&A.

Additional information about the Gunnison Copper Project can be found in the technical report filed on SEDAR+ at *www.sedarplus.ca* entitled: "Gunnison Copper Project NI 43-101 Technical Report Open Pit Preliminary Economic Assessment", with the effective date of November 1, 2024.

CAUTIONARY STATEMENTS

RISK FACTORS

The exploration for and development of mineral deposits involves significant risks and uncertainties, which even a combination of careful evaluation, experience and knowledge may not eliminate. The more prominent risk factors that may materially affect the Company's future performance, in addition to those referred to herein, are discussed in the AIF for the year ended December 31, 2024.

FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws concerning anticipated developments and events that may occur in the future. Forward-looking information contained in this MD&A includes, but is not limited to, statements with respect to: (i) the market and future price of copper and related products; (ii) requirements for additional capital; (iii) development, construction and production timelines and estimates; (iv) statements relating to the economic viability of the Gunnison Project, including mine life, total tonnes mined and processed and mining operations; (v) the future effects of environmental compliance requirements on the business of the Company; (vi) the intention to mine Johnson Camp and future production therefrom; (vii) the intention to deploy the Nuton® technology at the Johnson Camp mine and future production therefrom; (viii) the continued funding of the stage 2 work program by Nuton; (ix) the details and expected results of the stage two work program; (x) the satisfaction of final conditions and receipt of 48C tax credits; (xi) the terms of the Nuton Transaction; (xii) the terms of the Amendments; (xiii) the satisfaction of the conditions to the Nuton Transaction and the Amendments; and (xiv) the statements under the heading "Outlook" in this MD&A, including statements about the production of copper.

In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information contained in this MD&A is based on certain factors and assumptions regarding, among other things, Nuton will continue to fund the stage 2 work program, Nuton and Gunnison will execute definitive agreements for the Nuton Transaction, Gunnison and Nebari will execute definitive agreements for the Amendments, the availability of financing to continue as a going concern and implement the Company's operational plans, the allocation of the 48C tax credits between the Company and Nuton, the satisfaction of the requirements set forth in Section 48C of the Internal Revenue Code, the estimation of mineral resources, the realization of mineral resource estimates, copper and other metal prices, the timing and amount of future exploration and development expenditures, the estimation of expansion and sustaining capital requirements, the estimation of labor and operating costs, the availability of necessary financing and materials to continue to develop, operate and expand the Gunnison Project in the short and long-term, the progress of development activities, the receipt of and compliance with necessary regulatory approvals and permits, the estimation of insurance coverage, and assumptions with respect to currency fluctuations, environmental risks, title or surface rights disputes or claims, and other similar matters. While the

Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. 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 the forward-looking information including, without limitation, the following risks and uncertainties referred to under the heading "Risk Factors" in the Company's AIF for the year ended December 31, 2024:

- risks relating to the fact that the Company depends on a single mineral project;
- Nuton and Gunnison failing to conclude definitive agreements for the Nuton Transaction;
- Nebari and Gunnison failing to conclude definitive agreements for the Amendments;
- Nuton failing to continue to fund the stage 2 work program;
- the failure to satisfy the requirements set forth in Section 48C of the Internal Revenue Code, 100% of the 48C tax credits may be allocated to repay capital expenditures for the Johnson Camp mine;
- the breach of debt covenants;
- operational risks inherent in the conduct of mining activities, including the risk of accidents, labour disputes, availability of reagents and power, increases in capital and operating costs and the risk of delays or increased costs that might be encountered during the development process;
- risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined including the possibility that mining operations may not commence at the Gunnison Project;
- assumptions regarding expected capital and operating costs and expenditures, production schedules, economic returns and other projections;
- our production estimates, including accuracy thereof;
- risks related to general economic conditions and in particular the potential impact of any future global pandemic on the Company or its operations and the mining industry;
- the fact that we have no mineral properties in commercial production and no history of production or revenue;
- risks relating to variations in mineral resources and reserves, grade or recovery rates resulting from current exploration and development activities;
- risks related to fluctuations in the price of copper as the Company's future revenues, if any, are expected to be derived from the sale of copper;
- risks related to a reduction in the demand for copper in the Chinese market which could result in an extended period of lower prices and demand for copper;
- financing, capitalization and liquidity risks, including the risk that the financing necessary to fund the development and construction activities at the Gunnison Project may not be available on satisfactory terms, or at all;
- the Company has no material history of mining operations and no revenues from operations and expects to incur losses for the foreseeable future;
- risks associated with secured debt and the copper stream agreement;
- risks related to the Company obtaining and maintaining various permits required to conduct its current and anticipated future operations;
- risks related to disputes concerning property titles and interest;
- risks relating to the ability to access infrastructure;
- risks related to the significant governmental regulation to which the Company is subject;
- environmental risks;
- climate change risks;
- risks related to the adequacy of financial assurance arrangements with State and Federal Governments;
- reliance on key personnel;
- risks related to increased competition in the market for copper and related products and in the mining industry generally;

- cybersecurity risks;
- risks related to potential conflicts of interests among the Company's directors and officers;
- exchange rate fluctuations between the Canadian and United States dollar;
- uncertainties inherent in the estimation of inferred mineral resources;
- land reclamation requirements may be burdensome;
- risks associated with the acquisition of any new properties;
- risks related to legal proceedings to which the Company may become subject;
- potential liabilities associated with the acquisition of Johnson Camp;
- our ability to comply with foreign corrupt practices regulations and anti-bribery laws;
- changes to relevant legislation, accounting practices or increasing insurance costs;
- significant growth could place a strain on our management systems;
- share ownership by our significant shareholders and their ability to influence our governance; and
- risks relating to the Company's Common Shares, including that future sales or issuances of our debt or equity securities may decrease the price of our securities.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in 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 information. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking information is made as of the date of this MD&A.

RISK FACTORS

Readers are cautioned that the risk factors discussed above are not exhaustive. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking information and readers should also carefully consider the matters discussed under the heading, "Forward Looking Information", in this MD&A and under the heading, "Risk Factors", in the AIF.

CAUTIONARY NOTE TO U.S. INVESTORS – INFORMATION CONCERNING PREPARATION OF RESOURCE AND RESERVE ESTIMATES

Technical disclosure regarding the Company's properties included in this MD&A and in the documents incorporated herein by reference has been prepared in accordance with the requirements of Canadian securities laws. Without limiting the foregoing, such technical disclosure uses terms that comply with reporting standards in Canada and certain estimates are made in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all mineral reserve and mineral resource estimates contained in the technical disclosure have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards on Mineral Resources and Reserves ("CIM Definition Standards").

Canadian standards, including NI 43-101, differ significantly from the historical requirements of the Securities and Exchange Commission (the "SEC"), and mineral reserve and resource information contained or incorporated by reference in this Prospectus Supplement may not be comparable to similar information disclosed by U.S. companies.

Mining disclosure under U.S. securities law was previously required to comply with item 102 of Regulation S-K under the U.S. Securities Act and the Securities Exchange Act of 1934, as amended and SEC Industry Guide 7 ("SEC Industry

Guide 7"). The SEC has adopted rules to replace SEC Industry Guide 7 with new mining disclosure rules under sub-part 1300 of Regulation S-K of the U.S. Securities Act (the "SEC Modernization Rules") which became mandatory for U.S. reporting companies beginning with the first fiscal year commencing on or after January 1, 2021. Under the SEC Modernization Rules, the definitions of "proven mineral reserves" and "probable mineral reserves" have been amended to be substantially similar to the corresponding CIM Definition Standards and the SEC has added definitions to recognize "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" which are also substantially similar to the corresponding CIM Definition Standards; however, there are still differences in the definitions and standards under the SEC Modernization Rules and the CIM Definition Standards. As a foreign private issuer, the Company is permitted to continue to comply with NI 43-101 disclosure rules. Therefore, the Company's mineral resources and reserves as determined in accordance with NI 43-101 may be significantly different than if they had been determined in accordance with the SEC Modernization Rules.