



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(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, 2025 and 2024, 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, 2025 and 2024;
- 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.

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

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.

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, 2025. 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.

Key audit matter	How our audit addressed the key audit matter
<p>Fair value of stream obligation</p> <p>Refer to note 2 – Basis of presentation and summary of material accounting policies, note 11 – Derivative liabilities and note 21 – Financial instruments to the consolidated financial statements.</p> <p>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, 2025, the stream obligation was valued at \$78.1 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; the Gunnison Copper Project stream deliveries based on the open pit PEA published in Q1 2026, beginning in 2032 for a 21-year mine life with a probability weighting, the Johnson Camp Mine Nuton Stage 2 with a remaining four-year mine life with a probability weighting, and the Johnson Camp Mine post-stage 2 production for a 13-year mine life with a probability weighting (the</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <p>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:</p> <ul style="list-style-type: none">• 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, 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

Key audit matter	How our audit addressed the key audit matter
<p>production schedules); and the probability of the exercise of the expansion option of the stream delivery amount. 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).</p> <p>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, and 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.</p>	<p>experts, tests of the data used by management's experts and an evaluation of their findings.</p> <ul style="list-style-type: none"> • 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.
<p>Valuation of Nuton LLC (Nuton) Stage 2 payable</p> <p><i>Refer to note 2 – Basis of presentation and summary of material accounting policies, note 10 – Nuton Stage 2 arrangement and note 21 – Financial instruments to the consolidated financial statements.</i></p> <p>The expansion and restart of the Johnson Camp Mine (JCM) is fully funded by Nuton for the purpose of demonstrating their proprietary sulfide leaching technology. Nuton is funding 100% of the agreed direct and indirect costs for the Stage 2 Program. In assessing the Stage 2 work program funding received, management identified both a borrowing component from Nuton and mining and</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <p>Evaluated how management determined the fair values of Nuton Stage 2 payable as of September 30 and December 31, 2025, which included the following:</p> <ul style="list-style-type: none"> • Read the relevant agreements and supporting documents for the Nuton Stage 2 work program and determined whether all key facts and circumstances were properly incorporated into the valuation. • Tested the appropriateness and mathematical accuracy of the discounted cash flow models.

Key audit matter	How our audit addressed the key audit matter
<p>processing demonstration services that will be provided to Nuton during the Stage 2 work program. The funding proceeds were recorded as a borrowing and recognized at fair value based on the present value of future cashflows, with the residual of the proceeds received representing deferred mining and processing demonstration services revenue.</p> <p>Effective September 30, 2025 the Company and Nuton signed an amendment to the Operating Agreement, which changed the timing of Stage 2 Work Program funding from a gross to net basis. Management of the Company evaluated the terms of the amendment and determined it to be a substantial modification of the existing Operating Agreement and therefore accounted for the change in terms as an extinguishment of the original liabilities and recognition of new financial liabilities. As a result of the amendment, the Nuton Stage 2 payable was recorded at its fair value of \$33.1 million on September 30, 2025. The Company subsequently accounts for the Nuton Stage 2 payable at fair value through profit and loss, as the arrangement is exposed to changes in operational and market assumptions. As at December 31, 2025, the fair value of the Nuton stage 2 payable was \$46.4 million. The fair values as of September 30 and December 31, 2025 were based on the present value of future cashflows. The key assumptions used to measure the fair values of the Nuton Stage 2 payable are the future copper prices, the JCM stage 2 production profiles, expected operating costs for Stage 2 and the discount rates. The production profiles are based on the information compiled by qualified persons (management's experts).</p> <p>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 values of the Nuton Stage 2 payable; (ii) a high degree of auditor</p>	<ul style="list-style-type: none"> • Tested the underlying data used in the discounted cash flow models. • Evaluated the reasonableness of significant assumptions by (i) comparing the future copper prices with external market and industry data, (ii) comparing expected operating costs to recent actual operating costs incurred, as well as with market and industry data and (iii) by considering other third party information for the JCM Stage 2 production profiles. • The work of management's experts was used in performing the procedures to evaluate the reasonableness of the production profiles. As a basis for using this work, the competence, 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. • Professionals with specialized skill and knowledge in the field of valuation assisted us in the evaluation of the reasonableness of the discount rates.

Key audit matter	How our audit addressed the key audit matter
judgment, subjectivity and effort in performing procedures relating to the key assumptions; and (iii) the audit effort that involved the use of professionals with specialized skill and knowledge in the field of valuation.	

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, 2026

GUNNISON COPPER CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31

(Expressed in thousands of United States dollars)

	Note	December 31, 2025	December 31, 2024
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 20,613	\$ 8,249
Marketable securities		140	91
Amounts receivable		1,301	117
Due from Nuton	10	12,652	4,747
Prepaid expenses		1,289	377
Inventory	5	19,923	2,108
		<u>55,918</u>	<u>15,689</u>
Inventory	5	2,099	-
Property, plant and equipment	6	245,777	111,910
Restricted cash	7	10,698	10,333
Total Assets		<u>\$ 314,492</u>	<u>\$ 137,932</u>
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	8	\$ 2,130	\$ 3,873
Accounts payable and accrued liabilities - Nuton	9	27,612	11,595
Amounts due to related parties	16	172	145
Nuton stage 2 payable	10	-	14,975
Nuton deferred income and revenue	10	46,737	1,661
Derivative liabilities	11, 15	13,187	2,609
Debentures	14	6,503	600
Debt	13	3,958	3,090
		<u>100,299</u>	<u>38,548</u>
Accounts payable and accrued liabilities	8	2,208	124
Debentures	14	-	4,708
Debt	13	-	11,357
Nuton stage 2 payable	10	46,423	23,448
Nuton deferred income and revenue	10	141,625	9,959
Derivative liabilities	11	72,530	56,774
Decommissioning and restoration obligation	12	12,953	14,916
Total liabilities		<u>376,038</u>	<u>159,834</u>
Equity			
Capital Stock	15	128,479	112,828
Other equity reserves	15	15,662	14,532
Deficit		(204,858)	(148,433)
Accumulated other comprehensive loss		(829)	(829)
Total Equity		<u>(61,546)</u>	<u>(21,902)</u>
Total Liabilities and equity		<u>\$ 314,492</u>	<u>\$ 137,932</u>
Subsequent Events	22		

Approved on March 31, 2026 on behalf of the Board of Directors:

/signed/

Jason Howe

Director

/signed/

Fred DuVal

Director

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

GUNNISON COPPER CORP.
CONSOLIDATED STATEMENTS OF (INCOME) LOSS AND COMPREHENSIVE (INCOME) LOSS
FOR THE YEAR ENDED DECEMBER 31

(Expressed in thousands of United States dollars)

		For the year ended December 31,	
	Note	2025	2024
Revenue			
Revenue	3	10,893	\$ 1,389
Cost of sales	4	(10,360)	(2,780)
Income (Loss) from mine operations		533	(1,391)
Operating Expenses			
Selling & Administration - Gunnison		\$ 3,802	\$ 878
Selling & Administration - Johnson Camp		3,839	1,462
Evaluation and permitting		3,291	1,040
Share based compensation	15	1,119	320
Impairment of property, plant and equipment		-	38,828
Depreciation	6	296	132
Total Operating Expenses		12,347	42,660
Other Items			
Loss (gain) on derivative at fair value	11,15	21,169	(56,675)
Financing expense	18	4,308	4,190
Interest income		(846)	(232)
Gain on foreign exchange		(118)	(2)
Fair value loss on Nuton Stage 2 payable	8	23,255	690
Gain on extinguishment of debt	13	(1,126)	-
Other Income		(2,031)	(516)
Total Other Items		44,611	(52,545)
(Income) Loss and comprehensive loss for the period		\$ 56,425	\$ (8,494)
(Income)/Loss per common share:			
Basic and Diluted		\$ 0.16	\$ (0.03)
Weighted average number of common shares outstanding:			
Basic and Diluted	15	347,833,318	315,415,858

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

GUNNISON COPPER CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31

(Expressed in thousands of United States dollars)

	Note	Year Ended	
		Ended December 31,	
		2025	2024
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
Income (loss) and comprehensive loss for the period		\$ (56,425)	\$ 8,494
Items not affecting cash:			
Loss on derivative at fair value	11,15	21,169	(56,675)
Depreciation	6	296	163
Accretion of decommissioning and restoration obligation	12	755	531
Share-based compensation	15	1,130	326
Financing expense	13,14	1,297	1,247
Gain on marketable securities		(49)	(15)
Impairment of property, plant and equipment		-	38,828
Gain on foreign exchange		-	(2)
Deferred income	10	(2,163)	(514)
Deferred revenue	10	(4,473)	-
Gain on extinguishment of debt	13	(1,126)	-
Fair value movement on Nuton Stage 2 payable	10	23,255	690
Fair Value movement on conversion option	13	341	-
Non-cash working capital item changes:			
Receivables		(1,184)	9
Prepaid expenses		(912)	399
Inventory	5	(19,914)	(767)
Accounts payable and accrued liabilities	8,9	195	(16)
Amounts due to related parties	16	27	9
Insurance liabilities		(138)	(355)
Net cash used by operating activities		(37,919)	(7,648)
CASH FLOWS RELATED TO INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(605)	(1,000)
Restricted cash	5	(365)	(7,259)
Nuton stage 1 funds received		-	1,030
Nuton stage 1 project expenditure		-	(1,462)
Nuton stage 2 project expenditure	10	(104,712)	(21,693)
Net cash used by investing activities		(105,682)	(30,384)
CASH FLOWS RELATED TO FINANCING ACTIVITIES			
Proceeds from unit offerings	13	19,302	-
Unit offering costs	13	(1,105)	-
Nuton stage 2 funds received	10	141,672	34,697
Nuton Access payment	10	-	5,000
Nuton Gunnison Sulfide Viability stage 1 funds received	10	3,000	-
Nebari principal payments	13	(7,306)	(1,442)
Nuton collateral funding		284	1,910
Net cash provided by financing activities		155,847	40,165
Net change in cash and cash equivalents		12,246	2,133
Effect of foreign exchange on cash and cash equivalents		118	3
Cash and cash equivalents, beginning of year		8,249	6,113
Cash and cash equivalents, end of year		\$ 20,613	\$ 8,249
Supplemental cash flow disclosures:			
Interest paid		\$ 2,028	\$ 2,392

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

GUNNISON COPPER CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of United States dollars, except for shares and per share amounts)

	Capital Stock		Other Equity Reserves	Deficit	Accumulated Other Comprehensive Loss	Total
	Number of Common shares	Amount				
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)
Balance, December 31, 2024	315,415,858	\$ 112,828	\$ 14,532	\$ (148,433)	\$ (829)	\$ (21,902)
Share issuance (note 10,13)	87,438,518	16,756	-	-	-	16,756
Share issuance costs (note 13)	-	(1,105)	-	-	-	(1,105)
Share-based compensation	-	-	1,130	-	-	1,130
Loss for the year	-	-	-	(56,425)	-	(56,425)
Balance, December 31, 2025	402,854,376	\$ 128,479	\$ 15,662	\$ (204,858)	\$ (829)	\$ (61,546)

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

GUNNISON COPPER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

(Expressed in thousands of United States dollars)

1. NATURE OF OPERATIONS

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 has expanded and restarted 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.

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%	Explorations, 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

GUNNISON COPPER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

(Expressed in thousands of United States dollars)

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 11, 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.

Accounting treatment of the Nuton Stage 2 arrangement

As set out in Note 10, the Company applied significant judgment in assessing the appropriate accounting treatment for the Stage 2 work program by considering the specific terms and nature of the agreement with Nuton. In assessing the Stage 2 work program proceeds received, management identified both a borrowing component from Nuton and a mining and processing demonstration services that will be provided to Nuton during the Stage 2 work program. The borrowing is conditionally repayable from revenues generated from commercial quantities of copper products produced from the related mining operations net of agreed upon direct and indirect costs. 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 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 mining and processing demonstration services that will be provided to produce copper. Further details on the overall Nuton Stage 2 arrangement are disclosed in Note 10.

Commercial Production

Commercial production is the level of activities intended by management for a mine, or a mine and processing complex, to be capable of operating in the manner intended by management. The Company considers a range of factors when determining the level of activity that represents commercial production for a particular project, including a predetermined percentage of design capacity for the mine and SX/EW plant; achievement of continuous production, ramp-ups, or other output; or specific factors such as recoveries, grades, or inventory build-ups. Management considers average actual metrics including, but not limited to: (i) throughput levels reaching approximately 60% or more of design capacity, (ii) product quality consistent with design specifications, and (iii) the ability to operate in a continuous and reliable manner over a sustained period. Management assesses the operation's ability to sustain production over a period of approximately one to three months, depending on the complexity related to the stability of continuous operation. Commercial production is considered to have commenced, and depreciation expense is recognized, at the beginning of the month after criteria have been met. As at December 31, 2025 commercial production has not been met.

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 metal 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

GUNNISON COPPER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

(Expressed in thousands of United States dollars)

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, 2025, no indicators of impairment were identified on the Company's property, plant and equipment.

Revenue

The determination that mining and processing demonstration services in relation to the Nuton Stage 2 arrangement are an output of the Company's ordinary activities was based on management's judgement. This determination was made as these services are currently a significant component of the Company's operation. As a result, management has included this in revenues. (See Note 3).

The Company has applied judgement that it is the principal in the Option Agreement as it controls and operates the assets of JCM throughout Stage 2 and has control of the copper cathode before it is sold to the offtaker. As a result, the company recognizes revenues and associated expenses on a gross basis.

Liquidity

The assessment of the Company's ability to continue as a going concern involves judgment as it relies on the Company's estimation of future cash flows for at least the next 12 months from the financial statement date, and the availability of funds to meet those cash flow requirements. Management evaluated the effect of the overall working capital amounts related to Nuton and the JCM Stage 2 arrangement, the convertible portion of the Nebari debt (converted subsequent to year-end), as well as the Triple Flag stream obligations and determined they do not immediately impact the Company's liquidity. Additionally, management expects the Company's outstanding convertible debentures will be converted into common shares of the Company prior to maturity, as well as to monetize its 48C tax credits in the near term. Management believes that the Company's current financial resources are sufficient to fund ongoing corporate and Nuton Stage 2 arrangement activities for at least the next 12 months. Should the Company's expectations not be realized, it may be required to curtail spending and advancements on its Gunnison Project.

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 arrangement funding

For the Nuton Stage 2 funding received, the borrowing is initially recognized at fair value based on the present value of future cashflows, with the residual representing deferred mining and processing demonstration services revenue. The key assumptions used to measure the fair value of the borrowing are future copper prices, the Johnson Camp Mine production profile for Stage 2 work program, expected operating costs for the Stage 2 work program and the discount rate. The borrowing is subsequently accounted for at fair value through profit and loss as the arrangement is exposed to changes in operational and market assumptions. The deferred mining and processing demonstration services revenue is amortized on a units of production basis over the course of Stage 2. The production profile for the Stage 2 work program is based on a mineral resource model only, and therefore there is increased risk and uncertainty in achieving anticipated mineral recoveries.

Stream Obligation

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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 significant assumption of weighted probability of successfully achieving the production schedules (See Note 10). The underlying production profiles used for the basis of the stream obligation are based on mineral resource models only and therefore there is increased risk and uncertainty in achieving mineral recoveries.

Decommissioning and Restoration Obligation ("DRO")

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 timing of 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)

Valuation of Inventory

Inventory is carried at the lower of cost and net realizable value (NRV). The determination of NRV for stockpiled ore and heap leach inventory includes management's best estimate of significant assumptions including recoverable pounds of copper, costs of completion and future copper prices.

The determination of the long-term inventory for heap leach inventory represents management's best estimate of the timing of copper recoveries based on the recovery curve, ore properties and heap leach conditions.

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.

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.

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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 measured. 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.

Nuton Stage 2 Payables are recognized initially at fair value and subsequently accounted for at FVTPL, as elected by the Company. Fair values for the Nuton Stage 2 payables are determined using the present value of future cashflows required to settle the liabilities.

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.

e. Revenue Recognition

The Company's revenue consists of the sales of copper cathode as well as mining and processing demonstration services revenue to Nuton. 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 the company satisfies its performance obligations in accordance with the contract 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 in accordance with. Revenue from copper cathode sales is recorded based on the Comex First Position Copper Settlement Price per pound averaged over the month designated for shipment.

The deferred mining and processing demonstration services revenue arises from the residual value of the proceeds received (Note 10). Revenue is based on the amortization of the deferred revenue over the expected payback period of the course of Stage 2 on a units of production basis.

Limestone revenue is recognized when the Company satisfies its performance obligations in accordance with specified contract, generally when control is transferred to the customer.

f. Cash and cash equivalents

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Cash and cash equivalents include cash on account and demand deposits held at financial institutions in the United States with maturities from the date of acquisition of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant changes in value. 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 classified as a financial asset that is subsequently measured at amortized cost.

g. Inventory

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. Stockpiled ore is recorded at the average production cost. Production costs include, labour and materials directly related to mining and rehandling activities, including directly attributable overhead costs.

Heap leach ore inventory represents estimated copper contained in ore that has been placed on the heap leach pad for acid irrigation. When ore is placed on the heap leach pad, an estimate of recoverable pounds is made based on tonnage, grade and estimated recoveries of the ore that was placed on the heap leach pad. The estimated recoverable pounds on the heap leach pad are used to determine inventory cost. The cost of heap leach inventory is derived from current mining and leaching costs, including directly attributable overhead costs, and is removed at the weighted average cost per recoverable pound ("lb") of copper on the heap leach pads as lbs of copper are recovered. The estimated recoverable pounds carried on the heap leach pad are adjusted based on actual recoveries being experienced. Actual and estimated recoveries are measured to the extent possible, using various indicators including but not limited to, leach curve recoveries, assay tests and current trends in the level of pounds carried on the pad.

In-process copper inventory represents copper in solution that is contained within the processing ponds and plant at period end and is currently in the process of being converted to copper cathode, the final saleable product. Production costs include labour and materials directly related to the solvent and extraction and electrowinning process, including directly attributable overhead costs.

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.

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 less any costs to complete and applicable selling costs. If the carrying value of the inventory exceeds the NRV a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused the write down no longer exist.

h. 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.

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Waste stripping costs represent the costs incurred to remove overburden and other waste materials to access ore in an open pit mine. Stripping costs incurred prior to the production phase of the mine are capitalized and included as part of the carrying value of the mineral property under development. During the production phase, stripping costs which provide probable future economic benefits, identifiable improved access to the ore body and which can be measured reliably are capitalized to property, plant and equipment. Capitalized stripping costs are amortized using a unit-of-production basis over the measured and indicated resource to which they relate.

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

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:

<u>Asset Class</u>	<u>Estimated useful life</u>
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.

i. Construction in progress

Construction in progress costs recorded for assets under construction are capitalized as construction in progress. Construction in progress is not depreciated. Once the asset is complete and available for use as intended, the cost of construction is transferred to the other appropriate category of mineral properties, plant and equipment and depreciated.

j. 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.

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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.

k. 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 (“FVLCTD”), 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. The value in use is the estimated future pretax cash flows 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.

l. Decommissioning and Restoration Obligation (“DRO”)

The Company recognizes an estimate of the liability associated with an DRO in the financial statements at the time the liability is incurred. The estimated net present value of the DRO 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 DRO 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 DRO are charged against the DRO to the extent of the liability recorded.

m. 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

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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. 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.

n. 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.

o. 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 issued in \$CAD and the company's functional Currency is \$USD resulting in a derivative liability. 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.

p. 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.

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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.

q. 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.

r. 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.

s. Recent accounting pronouncements

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;

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- 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 2025, 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. REVENUES

The summary for revenues for the year ended December 31, 2025 and 2024 are summarized below:

	Year ended December 31,	
	2025	2024
Copper Cathode	\$ 5,920	\$ 952
Deferred mining and processing demonstration service revenue	4,473	-
Limestone and rock products	500	437
Revenues	\$ 10,893	\$ 1,389

Limestone and rock products in the comparative period have been reclassified to the revenues to align with the current year’s presentation.

4. COST OF SALES

The summary for cost of sales for the year ended December 31, 2025 and 2024 are summarized below.

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	Year Ended	
	2025	2024
Production costs	\$ 4,499	\$ 1,877
Royalties and selling costs	1,145	180
Inventory valuation adjustment	4,716	723
Cost of Sales	\$ 10,360	\$ 2,780

5. INVENTORY

At the end of December 31, 2025 the Company recorded a write-down of \$4,716 (2024- \$723) to adjust the stockpile ore inventory value to NRV.

The summary for inventory as at December 31, 2025 and December 31, 2024 are summarized below.

	December 31, 2025	December 31, 2024
Materials & supplies	\$ 3,070	\$ 1,530
Stockpile ore	3,473	-
Heap leach	11,598	-
Copper in solution	967	105
Finished goods	815	473
	\$ 19,923	\$ 2,108
Disclosed as non-current		
Heap leach	2,099	-
	\$ 2,099	\$ -

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6. PROPERTY, PLANT AND EQUIPMENT

	Land & Mineral Properties	Plant	Vehicles & Mobile Equipment	Office Equipment & Capitalized Leases	Gunnison Construction	Johnson Camp Mine Construction in Progress	Total
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 Decommissioning and Restoration Obligation	6,288	-	-	-	-	-	6,288
Land Options	1,000	-	-	-	-	-	1,000
Impairment	(11,316)	-	-	-	(27,641)	-	(38,957)
Disposals	-	-	-	(10)	-	-	(10)
At December 31, 2024	<u>9,975</u>	<u>12,242</u>	<u>584</u>	<u>1,366</u>	<u>16,444</u>	<u>73,713</u>	<u>114,324</u>
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	<u>(695)</u>	<u>(114)</u>	<u>(584)</u>	<u>(815)</u>	<u>-</u>	<u>(206)</u>	<u>(2,414)</u>
Net carrying amount	<u>9,280</u>	<u>12,128</u>	<u>-</u>	<u>551</u>	<u>16,444</u>	<u>73,507</u>	<u>111,910</u>
Cost							
At January 1, 2025	9,975	12,242	584	1,366	16,444	73,713	114,324
Additions	-	45	546	14	-	136,276	136,881
Change in Decommissioning and Restoration Obligation	(2,718)	-	-	-	-	-	(2,718)
At December 31, 2025	<u>7,257</u>	<u>12,287</u>	<u>1,130</u>	<u>1,380</u>	<u>16,444</u>	<u>209,989</u>	<u>248,487</u>
Accumulated Depreciation							
At January 1, 2025	(695)	(114)	(584)	(815)	-	(206)	(2,414)
Depreciation	-	-	(67)	(229)	-	-	(296)
Disposals	-	-	-	-	-	-	-
At December 31, 2025	<u>(695)</u>	<u>(114)</u>	<u>(651)</u>	<u>(1,044)</u>	<u>-</u>	<u>(206)</u>	<u>(2,710)</u>
Net carrying amount	<u>6,562</u>	<u>12,173</u>	<u>479</u>	<u>336</u>	<u>16,444</u>	<u>209,783</u>	<u>245,777</u>

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7. RESTRICTED CASH

As of December 31, 2025, the Company has restricted cash deposits of \$10,698 (December 31, 2024 - \$10,333) as collateral to secure the issuance of reclamation bonds totaling \$18,303 (December 31, 2024 - \$18,303).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>December 31, 2025</u>	<u>December 31, 2024 *</u>
Accounts payable and accrued liabilities	\$ 2,006	\$ 1,844
Lease liabilities	124	119
Due to Nuton	-	1,910
	<u>\$ 2,130</u>	<u>\$ 3,873</u>
Disclosed as non-current		
Lease liabilities	\$ 11	\$ 124
Due to Nuton	2,197	-
	<u>\$ 2,208</u>	<u>\$ 124</u>

* Corporate payables reimbursable by Nuton in 2024 of \$3,572 were previously disclosed under Accounts payable and accrued liabilities (Note 9). These have been reclassified to align with the current year presentation.

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, not relating to the JCM Mine and Nuton Stage 2 work program. Due to Nuton of \$2,197 (December 31, 2024 - \$1,910) is for cash and interest earned on collateral paid by Nuton for Gunnison Copper Project environmental bonding.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - NUTON

Accounts payable and accrued liabilities - Nuton 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, which relate to the JCM Mine operations and Nuton Stage 2 work program as well as certain corporate payables which are reimbursable by Nuton.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable - Nuton	\$ 11,483	\$ 2,912
Accrued liabilities - Nuton	16,129	8,683
	<u>\$ 27,612</u>	<u>\$ 11,595</u>

10. NUTON STAGE 2 ARRANGEMENT

Johnson Camp Mine – Stage 2

Infrastructure Payment

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 JCM Mine. Under the Option Agreement, Gunnison remains the operator and Nuton funds Gunnison's costs associated with a two-stage work

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program at JCM. Stage 1 was completed in 2024 and on May 15, 2024, Nuton elected to proceed to Stage 2 of the existing option agreement. After the completion of Stage 2, Nuton, in its sole and absolute discretion may elect to form a joint venture on JCM per mutually agreeable terms whereby Nuton will hold an initial 49% and Gunnison an initial 51%, or terminate the Option Agreement by providing notice to the Company in accordance with the terms of the 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 a leachpad and related infrastructure, mining and heap leach processing, refurbishment of the SX/EW plant, and production of finished copper cathode.

The Company has accounted for the \$5,000 non-refundable payment as deferred income and will amortize the amount over the 73 months anticipated for the Stage 2 program on a straight-line basis. During the year ended December 31, 2025, the Company recognized income of \$822, relating to the amortization of the \$5,000 infrastructure access payment received.

Nuton Stage 2 - Deferred Income (Infrastructure Payment)	December 31, 2025	December 31, 2024
Balance, beginning of period	\$ 4,486	\$ -
Nuton access rights	-	5,000
Deferred income	(822)	(514)
Balance, end of period	\$ 3,664	\$ 4,486
<i>Current</i>	822	822
<i>Non current</i>	2,842	3,664

Stage 2 Funding

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 that are incurred by Nuton directly and relate to Stage 2 (Nuton managed costs), a Stage 2 project payable is recognized at fair value, with a residual amount allocable to deferred mining and processing demonstration services revenue (representing the estimated selling price, including margin for mine processing services relating to the demonstration of Nuton's technology). The borrowing is subsequently accounted for at fair value through profit and loss. The deferred mining and processing demonstration services 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. Prior to the amendment effective September 30, 2025 discussed below, Nuton was to 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 production profile for Stage 2 which is based on the information compiled by qualified persons, expected operating costs, future copper prices and the discount rate.

Management and Nuton have agreed that Nuton will fund agreed upon direct and indirect costs of the Company for the Stage 2 Work Program pursuant to an approved by Nuton budget from May 15, 2024 for the duration of the Stage 2 Work Program. This has resulted in a decrease in the general and administrative costs of the Company when compared to prior periods.

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Effective September 30, 2025 the Company and Nuton signed an amendment to the Operating Agreement which changed the timing of Stage 2 Work Program funding from a gross to net basis.

While Nuton continues to fund 100% of the agreed direct and indirect costs for the Stage 2 Work Program (subject to their election to continue the program), under the revised net funding mechanism, the Company holds and uses 100% of the copper revenue generated (subject only to payments by the Company owing under any existing third party royalty or streaming obligations (Note 11)) to reduce the agreed upon expenditures on a quarterly basis. In the event expenditures are less than the net copper revenues, the Company is required to repay those amounts on quarterly basis. The timing of these estimated repayments form the basis of measurement of the Nuton Stage 2 Payable subsequent to the contract amendment on September 30, 2025. The assumptions used in the measurement of the liability continue to be the Johnson Camp Mine production profile for Stage 2 which is based on the information compiled by qualified persons, expected operating costs, future copper prices and the discount rate.

Management of the Company evaluated the terms of the amendment and determined it to be a substantial modification of the existing Operating Agreement and therefore accounted for the change in terms as an extinguishment of the original liabilities and recognition of new financial liabilities. Subsequent to the amendment, the Nuton Stage 2 payable was recorded at its fair value of \$33.1 million on September 30, 2025, which resulted in a reduction of the fair value of the Nuton Stage 2 payable of \$110,237, due to the change in timing of cashflows which are now measured based on the net profitability of the Stage 2 Work Program, rather than based on expected total net revenues. The gain on of the amendment has been allocated to deferred revenue, on the basis of the Company providing ongoing mining and processing demonstration services to Nuton.

During the year ended December 31, 2025, \$165,123 (December 31, 2024 – \$36,607) in Stage 2 funding was received or receivable. Of the amounts received or receivable, \$94,982 million was recognized to the Nuton Stage 2 Payable and the residual balance of \$70,141 million was allocated to deferred revenue. Management determined the fair value of the Nuton Stage 2 payable at the time of receipt using a discount rate of 15.75%. Included in the Stage 2 funding recognized to the Nuton Stage 2 Payable are Nuton managed costs of \$15,669 which were incurred by Nuton for offsite development and assembly of specialized equipment that will be installed at Johnson Camp Mine. The Nuton managed costs are also recoverable under the terms of the Stage 2 Work Program.

As of December 31, 2025, \$4,473 has been recognized on a units of production basis in revenue, representing the value of the mining and processing demonstration services provided by the Company to Nuton. For the year ended December 31, 2025, a fair value loss was recognized through profit and loss of \$23,255 based on the revaluation of the Nuton Stage 2 Payable to fair value at December 31, 2025.

Nuton Stage 2 Payable	December 31, 2025	December 31, 2024
Balance, beginning of period	\$ 38,423	\$ -
Recognized during the period	94,982	37,733
Modified due to amendment	(110,237)	
Fair value loss on Nuton Stage 2 payable	23,255	690
Balance, end of period	\$ 46,423	\$ 38,423
<i>Current</i>	-	14,975
<i>Non current</i>	46,423	23,448

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Nuton Stage 2 - Deferred revenue	December 31, 2025	December 31, 2024
Balance, beginning of period	\$ 7,134	\$ -
Recognized at time of receipt	70,141	7,134
Modified due to amendment	110,237	
Recognized to revenue	(4,473)	
Balance, end of period	\$ 183,039	\$ 7,134
<i>Current</i>	44,306	839
<i>Non current</i>	138,733	6,295

Gunnison Sulfide Viability – Stage 1

On March 13, 2025, the Company received \$3,000 from Nuton for a Stage 1 viability testing program of Nuton Technologies on sulfide mineralization at the Stage 1 Gunnison Program. The Stage 1 Gunnison Program will involve the collection and testing of samples from drill core from the Gunnison Copper Project. The samples will be analyzed by Nuton for the purpose of determining the suitability of the Gunnison Copper Project with Nuton Technologies.

The Company has accounted for the \$3,000 as deferred income and will amortize the amount over the 22 months anticipated for the Stage 1 program on a straight-line basis. During the period, the Company recognized income of \$1,341, relating to the amortization of the \$3,000 payment received.

Gunnison Sulfide Viability - Stage 1 - Deferred Income	December 31, 2025	December 31, 2024
Balance, beginning of period	\$ -	\$ -
Recognized on inception	3,000	-
Deferred income	(1,341)	-
Balance, end of period	\$ 1,659	\$ -
<i>Current</i>	1,609	-
<i>Non current</i>	50	-

11. 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 .

Under the terms of the metals purchase and sale agreement (the “Stream Agreement”) between Triple Flag and Gunnison and its subsidiary Excelsior Arizona, 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. Under the terms of the stream agreement, Triple Flag has the option to increase the delivery amount of the Stream (the “expansion option). To exercise the expansion option Triple Flag must pay the company an additional \$65,000.

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

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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, 2025 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 24.55% (December 31, 2024 – 20.86%), a discount rate which factors in the Company’s credit spread of 6.77% (December 31, 2024 – 7.17%) 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 Q1 2026 beginning in 2032 for a 21 year mine life with a probability weighting; (b) Johnson Camp Mine Nuton Stage 2 with a remaining four 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 (d) the probability of the exercise of the expansion option of the stream delivery amount.

The following table summarizes the fair value of the derivative liabilities during the year ended December 31, 2025 and 2024:

Derivative liabilities - Stream

Fair value at December 31, 2023	\$ 116,058
Deliveries	(381)
Gain during the period	(56,294)
Fair value at December 31, 2024	\$ 59,383
Deliveries	(793)
Loss during the period	19,473
Fair value at December 31, 2025	\$ 78,063
<i>Current</i>	5,533
<i>Non current</i>	72,530

As at December 31, 2025, the current portion of the derivative liabilities is \$5,533.

During the year ended December 31, 2025 the company delivered \$793 (2024 - \$381) in refined copper under the agreement.

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 September 30, 2026 (the “Leverage Ratio Grace Period”) to accommodate the extension of the Nebari loan due date.

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12. DECOMMISSIONING AND RESTORATION OBLIGATION

The Company's DRO 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, 2025, the Company used a long term inflation rate of 2.0% (2024 – 2.0%) and a discount rate of 3.55% (2024 – 4.38%) and 4.79% (2024 – 4.86%) 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 3-year and 20-year treasury bond index.

As of December 31, 2025 the Company reviewed the assumptions used in the present value calculation for the projects and adjusted the obligation to \$12,953. The update resulted in a net decrease of \$1,963, primarily due to changes in rates and estimates of \$(2,718) offset by accretion of \$755.

For Gunnison Copper Project, the estimated undiscounted reclamation obligation related to the wellfield is \$3,566 (2024 - \$3,566). The costs and activities are expected to begin in three years. As of December 31, 2025, the discounted reclamation obligation is \$3,408

For Johnson Camp Mine, the estimated undiscounted reclamation obligation is \$14,729 (2024 - \$18,634). 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 assumed to have a 15-year mine life. As of December 31, 2025, the discounted reclamation obligation is \$9,545.

Changes in the DRO for the year ended December 31, 2025 and the year ended December 31, 2024 are summarized below.

Decommissioning and restoration obligation	December 31, 2025	December 31, 2024
Balance, beginning of period	\$ 14,916	\$ 8,097
Change in Estimate	(2,718)	6,288
Accretion Expense	755	531
Balance, end of period	\$ 12,953	\$ 14,916

13. 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") with subsequent amendments in 2021 and 2023. On February 28, 2025, the Company and Nebari entered into a binding term sheet outlining additional amendments to the Amended and Restated Credit Agreement ("ARCA"). On March 27, 2025, the Company signed a side letter agreement with Nebari fixing the Conversion Price at CAD\$0.30 per share. On execution of the Second Amended and Restated Credit Agreement date April 23, 2025 (the "Second ARCA"), the conversion price became US\$0.2097. This resulted in the conversion option being fixed on April 23, 2025. The Company treated this as an extinguishment of the liability as at April 23, 2025. The fair value at that time was \$621 which has been recognized as a gain on extinguishment of debt.

The amendments set out in the Second ARCA provide for, amongst other matters, a suspension of principal amortization from February 1, 2025 until January 1, 2026, potential partial conversion to equity of up to US\$6.25 million of the principal amount at a price equal to US\$0.2097 (changed from CAD\$0.30) (the "Conversion Price"), and a mechanism to repay a portion of the principal amount of the Second ARCA with proceeds to be received from

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sale of the previously announced 48C tax credits and through a potential refinancing process to provide for an extension of the maturity date to June 30, 2026.

Management of the Company evaluated the terms of the Second ARCA with Nebari and determined it to be a substantial modification of the terms of the existing debt facility, and therefore accounted for the change in terms as an extinguishment of the original liability and the recognition of a new financial liability. A gain on extinguishment of the original debt of \$505 was recognized in the statement of loss.

The Second ARCA is comprised of a host loan and an embedded derivative liability related to the conversion option. The conversion option was determined to be an embedded derivative as the value of the conversion option changes in response to the Company's share price and foreign exchange movements and therefore is not convertible into shares of the company on a fixed for fixed basis. The fair value of the Second ARCA in total was determined to be \$13,750 at February 28, 2025, and the fair value of the conversion option was determined to be \$280. The fair value of the conversion option was deducted from the aggregate fair value of the Second ARCA in arriving at the fair value of the host debt. The debt host liability is subsequently measured at amortized cost.

Pursuant to the second ARCA, the company is required to 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. (b)
- 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).

During the year, the company repaid \$9,806 in principle. This consisted of \$7,306 repaid in cash and the conversion of \$2,500 in principal into 11,921,790 shares.

Subsequent to year end the Company settled all outstanding principal and interest owed to Nebari (Note 22).

Changes in the debt for the year ended December 31 2025, and the year ended December 31, 2024, are summarized below.

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Debt	Debt	Conversion Option	Total
Balance, beginning of period	\$ 14,447	\$ -	\$ 14,447
Accretion Expense	14	-	14
Principal Repayment	(206)	-	(206)
Extinguishment of Debt	(14,255)	-	(14,255)
Issuance of new debt	13,470	280	13,750
Balance at February 28, 2025	\$ 13,470	\$ 280	\$ 13,750
Change in fair value of conversion option	-	328	328
Accretion expense	20	-	20
Balance at March 31, 2025	\$ 13,490	\$ 608	\$ 14,098
Change in fair value of conversion option	-	13	13
Accretion expense	-	-	-
Balance at April 23, 2025	\$ 13,490	\$ 621	\$ 14,111
Change in fair value of conversion option	-	(621)	(621)
Accretion expense	68	-	68
Principal Repayment	(7,100)	-	(7,100)
Conversion of debt to equity	(2,500)	-	(2,500)
Balance at December 31, 2025	\$ 3,958	\$ -	\$ 3,958
<i>Current</i>	3,958	\$ -	3,958
<i>Non current</i>	-	-	-

14. DEBENTURES

The Company has issued two debenture offerings. The First Debenture Offering was issued for \$3,000 in principal. The terms of the debentures include:

- a maturity date of September 30, 2026 (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 the Maturity Date, unless earlier converted into 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. 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.

The Second Debenture Offering issued \$2,400 principal amount of debentures. The terms of the debenture 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;

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- 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 Shareholder Approval was received at the Company’s Annual General Meeting held on June 18, 2024.

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. The amendment of the Nebari Debt includes cross party agreements that defers the interest payments on the debentures to September 30, 2026.

Changes in the debentures for the year ended December 31, 2025 and 2024, are summarized below.

Debentures	December 31, 2025	December 31, 2024
Balance, beginning of period	\$ 5,308	\$ 4,330
Accretion	1,195	978
Balance at December 31, 2025	\$ 6,503	\$ 5,308
<i>Current</i>	6,503	600
<i>Non current</i>	-	4,708

15. 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, 2025, there were 402,854,376 common shares outstanding and nil non-voting common shares outstanding.

On April 7, 2025, the Company closed the April 2025 Offering for aggregate gross proceeds of CAD\$5,151 through the issuance of 17,170,916 April 2025 Units, with each 2025 April 2025 Unit consisting of one common share and one-half of one common share purchase warrant at a price of CAD\$0.30 (each a “April 2025 Warrant”). Each full April 2025 Warrant shall entitle the holder thereof to acquire one additional common share at a price of CAD\$0.45 for a period of twenty-four (24) months from the closing date of the April 2025 Offering. The warrants have been accounted for as a derivative liability and valued using a Black Scholes model. At the time of issuance, the warrants were valued at \$599. The stock price at the time of issuance was \$0.24, the time to maturity was 24 months, the risk free rate of return was 3.87% and the annualized volatility was 107.39%. Share issuance costs associated with the April private placement were \$285.

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On July 18, 2025 the Company closed the July 2025 Offering for aggregate gross proceeds of CAD\$8,662 through the issuance of 28,874,100 July 2025 Units, with each 2025 July 2025 Unit consisting of one common share and one common share purchase warrant at a price of CAD\$0.30 (each a “July 2025 Warrant”). Each full July 2025 Warrant shall entitle the holder thereof to acquire one additional common share at a price of CAD\$0.45 for a period of twenty-four (24) months from the closing date of the July 2025 Offering. The warrants have been accounted for as a derivative liability due to the warrants being in CAD and the functional currency of the Company being in USD. The warrants are valued using a Black Scholes model. At the time of issuance, the warrants were valued at \$2,399. The stock price at the time of issuance was \$0.27, the risk free rate of return used was 4.08% and the annualized volatility was 103.39%. Share issuance costs associated with the private placement were \$515.

On October 31 2025, the Company closed the October 2025 Offering for aggregate gross proceeds of CAD\$13,262 through the issuance of 29,471,712 October 2025 Units, with each 2025 October 2025 Unit consisting of one common share and one-half one common share purchase warrant at a price of CAD\$0.45 (each a “October 2025 Warrant”). Each full October 2025 Warrant shall entitle the holder thereof to acquire one additional common share at a price of CAD\$0.65 for a period of twenty-four (24) months from the closing date of the October 2025 Offering. The warrants have been accounted for as a derivative liability due to the warrants being in CAD and the functional currency of the Company being in USD. The warrants are valued using a Black Scholes model. At the time of issuance, the warrants were valued at \$2,166. The stock price at the time of issuance was \$0.40, the risk free rate of return used was 3.70% and the annualized volatility was 100.91%. Share issuance costs associated with the private placement were \$773.

Warrants

During the year ended December 31, 2025, 56,655,706 warrants were issued with an exercise price ranging from CAD\$0.45 to CAD\$0.65. The warrants have expiry dates ranging from April 4, 2027, to October 30, 2028.

At December 31, 2025 the warrants were valued at \$7,654, a corresponding net loss of \$2,489 has been recognized in the financial statements as part of the Derivative liabilities for the year. The stock price at the time of revaluation was \$0.42, the risk free rate of return used was 3.48% and the annualized volatility was 90.62%.

	Number of warrants	Weighted average Exercise Price (CAD\$)
Outstanding, December 31, 2024	-	\$ -
Issued	56,655,706	\$ 0.50
Exercised	-	\$ -
Expired	-	\$ -
Outstanding, December 31, 2025	56,655,706	\$ 0.50
Exerciseable, December 31, 2025	56,655,706	\$ 0.50

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.

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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, 2025 and the year ended December 31, 2024:

	Number of Options	Weighted average Exercise Price (CAD\$)
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
Granted	16,195,000	\$ 0.30
Expired	(9,240,000)	\$ 0.51
Outstanding, December 31, 2025	26,030,000	\$ 0.28
Exercisable, December 31, 2025	12,733,750	\$ 0.28

During the year ended December 31, 2025, no stock options were exercised.

As at December 31, 2025, the following stock options were outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining life (years)	Expiry Date
185,000	185,000	CAD\$ \$ 0.820	0.19	March 8, 2026
50,000	50,000	CAD\$ \$ 0.270	0.22	March 20, 2026
300,000	300,000	CAD\$ \$ 0.740	0.25	March 31, 2026
535,000	535,000	CAD\$ \$ 0.410	1.00	December 31, 2026
650,000	650,000	CAD\$ \$ 0.270	1.34	May 2, 2027
200,000	200,000	CAD\$ \$ 0.230	1.34	May 2, 2027
5,665,000	5,665,000	CAD\$ \$ 0.260	2.09	February 1, 2028
3,500,000	1,750,000	CAD\$ \$ 0.150	3.68	September 3, 2029
9,845,000	2,648,750	CAD\$ \$ 0.300	4.27	April 7, 2030
3,000,000	750,000	CAD\$ \$ 0.300	4.37	May 14, 2030
1,000,000	-	CAD\$ \$ 0.300	4.58	July 30, 2030
500,000	-	CAD\$ \$ 0.300	4.58	July 31, 2030
100,000	-	CAD\$ \$ 0.285	4.89	November 19, 2030
500,000	-	CAD\$ \$ 0.390	4.95	December 11, 2030
26,030,000	12,733,750			

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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. During the year ended December 31, 2025, the company issued 16,195,000 stock options at a fair value of CAD\$2,573. The risk-free rate for these options ranged from 2.62% to 3.03%. The dividend yield was 0.00%. The expected volatility ranged from 77.05% to 79.23%. The forfeiture rate ranged from 9.37% to 10.21% and the vesting terms of the options is 24 months from the grant date.

The Company recognized share-based compensation costs of \$1,130 for the year ended December 31, 2025 (December 31, 2024 - \$327) of which \$11 (December 31, 2024 - \$7) was included in cost of sales.

16. 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, Chief Operating Officer, and Corporate Secretary.

Remuneration attributed to key management personnel is summarized as follows:

	Year ended December 31,	
	2025	2024
Salaries, fees and benefits	\$ 1,819	\$ 1,133
Share-based compensation	1,039	274
Total	\$ 2,858	\$ 1,407

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, 2025, amounts accrued and due to key management personnel and other related parties include the following:

- Directors and Officers - \$172 (December 31, 2024 - \$145)

17. TAXES

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

	December 31, 2025	December 31, 2024
Loss for the year	\$ (56,425)	\$ 8,494
Combined federal and state income tax rates	24.87%	24.87%
Income tax recovery based on the above rate	\$ (14,034)	\$ 2,113
Increase due to:		
Non-deductible costs	(6)	0
Income tax benefits not recognized	14,040	(2,114)
Income tax benefits recognized	-	-
Income tax expense (recovery)	\$ -	\$ -

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

	December 31, 2025	December 31, 2024
Non-capital losses - US	\$ (1,063)	2,815
Property, plant and equipment	(1,425)	(1,361)
Non-capital losses - Canada	(1)	286
Financing fees - Canada	1	(0)
Convertible debentures - Canada	-	(286)
Other	2,488	(1,454)
Net deferred tax assets	\$ -	-

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

	December 31, 2025	December 31, 2024
Non-capital losses - US	\$ 26,369	\$ 22,210
Non-capital losses - Canada	7,195	6,530
Deferred Revenue	-	2,743
Exploration and evaluation assets	1,325	1,688
Asset retirement obligation	2,884	2,399
Stock Based Compensation	2,117	1,836
Stream obligation	19,415	14,769
Other -US	11,505	856
Other - Canada	48	48
Net deferred tax assets	\$ 70,858	\$ 53,079

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

	December 31, 2025	December 31, 2024	Expiry Date
Non-capital losses - US	\$ 205,708	\$ 184,653	Unlimited
Non-capital losses - Canada	26,645	24,186	2026 to 2044
Exploration and evaluation assets	5,327	6,786	2039 to Unlimited
Deferred Revenue	-	11,030	Unlimited
Asset retirement obligation	11,596	9,646	Unlimited
Stock Based Compensation	8,511	7,380	Unlimited
Stream obligation	78,063	59,383	Unlimited
Other - Canada	186	179	Unlimited
Other-US	49,548	11,702	Unlimited
Net deductible (taxable) temporary differences	\$ 385,586	\$ 314,945	

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.

18. FINANCING EXPENSES

Financing expenses for the year ended December 31, 2025 and 2024 are summarized below.

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Financing Expenses	Year ended December 31,	
	2025	2024
Nebari debt interest	\$ 2,020	\$ 2,347
Nebari debt accretion	102	269
Nebari repayment bonus	213	-
Debenture accretion	1,195	978
ARO accretion	755	531
Insurance financing interest	8	45
Capital lease interest	15	20
Total	\$ 4,308	\$ 4,190

19. 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.

The company's segments are summarized as follows:

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Year ended December 31, 2025					
	Gunnison Copper Project	Johnson Camp Mine	Total operating Segments	Corporate & Other	Total
Revenue	\$ -	\$ 10,893	\$ 10,893	\$ -	\$ 10,893
Cost of Sales	-	(10,360)	(10,360)	-	(10,360)
Profit (loss) from Mine Operations	-	533	533	-	533
Operating Expenses	3,353	4,042	\$ 7,395	4,952	12,347
Other Items					
Loss (gain) on derivative at fair value	12,121	9,048	21,169	-	21,169
Financing expense	-	831	831	3,477	4,308
Interest income	-	(732)	(732)	(114)	(846)
Unrealized gain on foreign exchange	(1)	-	(1)	(117)	(118)
Fair value loss on Nuton Stage 2 payable	-	23,255	23,255	-	23,255
Gain on extinguishment of Debt	-	-	-	(1,126)	(1,126)
Other (income)	(393)	(1,590)	(1,983)	(48)	(2,031)
Loss and comprehensive loss for the period	\$ 15,080	\$ 34,321	\$ 49,401	\$ 7,024	\$ 56,425

December 31, 2025					
	Gunnison Copper Project	Johnson Camp Mine	Total operating Segments	Corporate & Other	Total
Cash	\$ -	\$ 12,551	\$ 12,551	\$ 8,062	\$ 20,613
Current Assets	43	45,904	45,947	9,971	55,918
Property, plant and equipment	16,475	229,244	245,719	58	245,777
Total Assets	19,495	294,613	314,108	384	314,492
Current Liabilities	242	80,005	80,247	20,052	100,299
Total Liabilities	40,915	314,935	355,850	20,188	376,038

Year ended December 31, 2024					
	Gunnison Copper Project	Johnson Camp Mine	Total operating Segments	Corporate & Other	Total
Revenue	\$ -	\$ 1,389	\$ 1,389	\$ -	\$ 1,389
Cost of Sales	-	(2,780)	(2,780)	-	(2,780)
Profit (loss) from Mine Operations	-	(1,391)	(1,391)	-	(1,391)
Operating Expenses	479	39,533	\$ 40,012	2,648	42,660
Other Items					
Loss (gain) on derivative at fair value	(23,997)	(32,678)	(56,675)	-	(56,675)
Financing expense	-	3,212	3,212	978	4,190
Interest income	-	(5)	(5)	(227)	(232)
Unrealized gain on foreign exchange	-	-	-	(2)	(2)
Fair value loss on Nuton Stage 2 payable	-	690	690	-	690
Gain on extinguishment of Debt	-	-	-	-	-
Other (income)	-	(516)	(516)	-	(516)
Loss and comprehensive loss for the period	\$ (23,518)	\$ 10,236	\$ (13,282)	\$ 3,397	\$ (9,885)

December 31, 2024					
	Gunnison Copper Project	Johnson Camp Mine	Total operating Segments	Corporate & Other	Total
Cash	\$ 483	\$ 6,804	\$ 7,287	\$ 962	\$ 8,249
Current Assets	483	14,194	14,677	1,012	15,689
Property, plant and equipment	16,444	95,462	111,906	4	111,910
Total Assets	16,927	117,145	134,072	3,860	137,932
Current Liabilities	92	34,268	34,360	4,188	38,548
Total Liabilities	29,358	109,914	139,272	20,562	159,834

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20. 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.

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 Second ARCA the Company is required to maintain a minimum cash balance of \$1,000 (net of cash provided by Nuton for the Stage 2 Work Program). The minimum cash balance is defined in the Second 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 \$1,000 at any monthly reporting date then there is a 60-day cure period allowed.

21. 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

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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 \$2/mo, whereas a 1% decrease in the rate supplement would decrease the Nebari interest payments \$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 discount rate of the Nuton payables would decrease the payables by \$962 whereas a 1% decrease in the discount rate would increase the payables by \$993

A 1% increase in the discount rate of the stream liabilities would decrease the derivative liabilities by \$6,830, a 1% decrease in the discount rate would increase the derivative liabilities by \$7,970

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 \$10,872, whereas a 10% decrease in the market price of copper would decrease derivative liabilities by \$10,386.

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, accounts receivable, receivables due from Nuton and restricted cash.

The Company limits its exposure to credit risk on financial assets through investing its cash and cash equivalents with reputable 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 (see note 2c- liquidity 2)

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The Company has the following guaranteed commitments and undiscounted contractual obligations as of December 31, 2025:

<u>Contractual Obligations</u>	<u>Total</u>	<u>Less than 1 year</u>	<u>1-3 years</u>	<u>4-5 years</u>	<u>After 5 years</u>
Accounts Payable and Accrued Liabilities	\$ 29,742	\$ 29,742	\$ -	\$ -	\$ -
Nuton Stage 2 payable	66,575	-	66,575	-	-
Debentures	6,503	6,503	-	-	-
Derivative liabilities - Stream	78,063	5,533	72,530	-	-
Debt	3,770	3,770	-	-	-
Total Contractual Obligations	<u>\$ 184,654</u>	<u>\$ 45,549</u>	<u>\$ 139,105</u>	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2025, the Company has current assets of \$55,918 (2024 – \$15,689) to settle current liabilities of \$100,299 (2024 – \$38,548). Included in current assets is cash and cash equivalents of \$20,613 (2024 - \$8,249) and \$12,652 (2024 – \$4,747) Due from Nuton. Current liabilities include \$27,612 (2024 – \$11,595) of accounts payable which relate to direct and indirect costs that are funded by Nuton, Nuton Deferred income and revenue of \$46,737 which represents the Company’s obligation to provide mining and processing demonstration services to Nuton. In addition, the company has \$3,958 in Convertible debt that has subsequently been converted and eliminated (See note 22).

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.

<u>Financial Liabilities</u>	<u>FVTPL</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt	\$ 3,958	\$ -	\$ 3,958	\$ -
Derivative liabilities	85,717	-	-	85,717
Nuton Stage 2 payable	46,423	-	-	46,423
Marketable securities	140	140	-	-
	<u>\$ 136,238</u>	<u>\$ 140</u>	<u>\$ 3,958</u>	<u>\$ 132,140</u>

22. SUBSEQUENT EVENTS

On January 22, 2026, the company fully settled all outstanding principal and interest owed to Nebari through the conversion of \$3,750 in principal to 17,882,685 shares and payment of \$22 in interest.

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January 23, 2026, the Company received \$22,532 in funding from Nuton for amounts Due from Nuton, upcoming Stage 2 operating and construction costs.

In the period subsequent to December 31, 2025 through to date of the approval of the financial statements 1,996,540 warrants have been exercised for CAD \$898.



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2025

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 31, 2026. The MD&A supplements and complements Gunnison's audited Consolidated Financial Statements for the years ended December 31, 2025 and 2024 (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, 2025. 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 IFRS Accounting 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, 2026.

OUR PURPOSE

Gunnison exists to develop and operate copper mines in Southern Arizona to produce fully Made in America finished copper cathode to supply American energy, defense, data center, and manufacturing supply chains. Gunnison proudly hires locally, purchases locally, and sells its products in America. 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. The operational headquarters and senior management team is located in Arizona, USA.

Gunnison is a multi-asset pure-play copper developer and 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 (the "Gunnison Project") has a main pit measured and indicated mineral resource containing over 846.1 million tons with a total copper grade ("TCu") of 0.33% (measured mineral resource of 191.5 million tons at 0.37% TCu and indicated mineral resource of 654.5 million tons at 0.31% TCu) and a satellite pit (Strong & Harris) inferred mineral resource containing over 69 million tons with a TCu of 0.52%. The Gunnison Project preliminary economic assessment ("PEA" or "2026 PEA") has positive economics including an after-tax NPV at 8% of \$1,959 million, Internal Rate of Return ("IRR") of 22.5%, and payback period of 3.9 years. It is being

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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 Project was previously configured to use In-Situ Leaching but the approach was changed to open pit in December 2024 to maximize the value of the Gunnison Project. The Gunnison Project continues to be fully permitted for mining under the in-situ permits and the Company remains in compliance with all permits. Commencement of mining using an open pit will require permit amendments.

The Gunnison Project 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 ("JCM"), which restarted its operations, with first copper production in Q3 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.

The construction and restart of the Johnson Camp Mine is fully funded by Nuton for the purpose of demonstrating their proprietary sulfide leaching technology. As a result, the mine plan for Stage 2 is currently designed to strip waste to access and prioritize the accelerated mining of primary sulfide material, which will be used to demonstrate the technology, which may result in higher mining costs versus a fully optimized mine plan that prioritized total profit. Similarly, processing costs are expected to be initially higher as the site goes through a rigorous optimization and refinement program related to introducing the new technology.

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

OVERALL PERFORMANCE

HIGHLIGHTS

During 2025, Gunnison continued to build momentum after the relaunch of the Company and change in strategy to open pit at its flagship asset:

- Received backing and support from the U.S. Government for Johnson Camp Mine in January 2025 through the award of \$13.9M in Section 48C tax credits under the Inflation Reduction Act for its contribution to produce domestic copper for U.S. supply chains. Filing of the paperwork to place the Johnson Camp Mine assets into service is expected to occur in Q2 2026 following which the certification process will commence. Following certification the 48C tax credits are expected to be sold for cash. As disclosed below, a portion of the cash proceeds realized from the potential sale of 48C tax credits are expected to be allocated to the Project.
- Gunnison entered into a collaboration agreement with Nuton, to evaluate the application of Nuton® technology to sulfide mineralization at the Gunnison Copper Project. The agreement includes non-dilutive funding and supports ongoing technical assessment of potential future processing options.
- Completed three non-brokered private placements for total aggregate gross proceeds of approximately C\$27.0 million. The Company completed the April 2025 Offering for gross proceeds of C\$5.15 million through the issuance of 17,170,916 units at C\$0.30 per unit, with each unit consisting of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable at C\$0.45 for a period of 24 months. The July 2025 Offering was completed for gross proceeds of C\$8.7 million through the issuance of 28,874,100 units at C\$0.30 per unit, with each unit consisting of one common share and one common share purchase warrant exercisable at C\$0.45 until July 18, 2028. The October 2025 Offering was completed for gross proceeds of approximately C\$13.26 million through the issuance of 29,471,712 units at C\$0.45 per unit, with

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FOR THE YEAR ENDED DECEMBER 31, 2025

each unit consisting of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable at C\$0.65 for a period of 36 months. The net proceeds from the offerings have been used for or are intended to fund additional and follow-on work under the High Value Add Work Program ("HVA"), for drilling, metallurgical testing and permitting activities in support of the Gunnison Copper Project pre-feasibility study, funding U.S. head office general and administrative expenses, partial repayment of debt owing to Nebari, and general working capital purposes.

- Announced first production of pure copper cathode from its Johnson Camp Mine in August 2025, establishing Gunnison as the newest American Copper Producer. Gunnison achieved this critical milestone ahead of schedule and with an exceptional health and safety track record, producing Made-in-America copper intended for domestic sales.
- Completed its inaugural copper sales, marking the start of revenue generation following successful commissioning. Gunnison sold a total of 225,371 pounds of finished copper cathode at an average realized copper price of \$4.64 per pound, generating gross proceeds of approximately \$1,046. For the year, Gunnison sold a total of 1,217,487 pounds of finished copper cathode at an average realized copper price of \$4.86 per pound, generating gross proceeds of approximately \$5,920.
- In October 2025, announced the results of an independent Economic Impact Study conducted by the Eller Partnerships Office at the University of Arizona, which underscores the transformative economic potential of the Company's Gunnison Copper Project. The study highlights the cumulative potential impact of the Company's Gunnison Project's operations across the national, state, and county levels.
- In September 2025, successfully produced the first copper from the Johnson Camp mine in Arizona using Nuton® Technology, marking a pivotal step forward in the development of this innovative bioleaching copper processing technology. The Nuton technology circuit is now ramping up to the design capacity.
- Announced that it has entered into a Collaboration Framework Agreement with Lunasonde Inc., a defense and mineral exploration technology company focused on next-generation subsurface imaging technology. Test flights commenced in Q1 2026. The work program is expected to include test and calibration flights, followed by data processing and analysis to generate three-dimensional subsurface imaging of identified anomalies with the potential to host critical minerals.
- Announced that Rio Tinto and Amazon Web Services ("AWS") entered into a collaboration under which AWS will purchase copper produced by Gunnison using the Nuton technology for use in components of its U.S. data centers, while also providing cloud-based data and analytics support to accelerate the optimization of bioleaching at the Johnson Camp Mine.
- In January 2026, fully settled all outstanding principal and interest owed to Nebari Natural Resources Credit Fund I LP ("Nebari"), marking a significant milestone in the Company's transformation of its balance sheet. In total, Gunnison has reduced the principal amount of the Nebari debt from \$15.0M to zero, achieving its stated objective of removing legacy secured debt and materially strengthening the Company's financial position. This achievement is consistent with Gunnison's broader strategy to maintain an equity-based capital structure until the construction of its flagship Gunnison Project. The debt was finally eliminated when the Company received additional conversion notices from Nebari pursuant to the terms of the Second Amended and Restated Credit Agreement. The final conversions totaled \$4.75 million at a conversion price of \$0.2097 per share, resulting in the issuance of 22,651,407 common shares.
- On February 18, 2026, Greenstone Resources II LP and its affiliates (the "Greenstone Group"), Gunnison's largest shareholder, announced that it completed closing of the sale of 113,607,200 common shares (the "Shares") of Gunnison, as part of the orderly wind-down of the Greenstone fund. The shares were sold at a price of C\$0.45 per Share. The transaction resulted in several new institutional investors being added to the Company's shareholder base and reduced the Greenstone Group's ownership position to approximately 7%.

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- Announced the results of an updated PEA on its 100%-owned Gunnison Copper Project in the Cochise Mining District, Arizona, United States. At a consensus copper price of \$4.60 per pound, the Project now delivers an after-tax net present value 8% of US\$1,959 million, a 22.5% IRR, and an attractive 3.9 year payback, positioning Gunnison as a compelling copper development projects in the United States. 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.

2026 OUTLOOK

Gunnison High Value Work Program

In 2026, Gunnison Copper will focus on advancing its flagship Gunnison Copper Project with the planned commencement of a pre-feasibility study (“PFS”) and progression of key permit amendments. As part of the PFS work program, Gunnison will continue to de-risk and optimize the Gunnison Project through ongoing metallurgical test work, infill drilling, geotechnical drilling, hydrology work, engineering, and other studies. In parallel, Gunnison will continue its exploration activities utilizing Lunasonde’s technology. The Company also expects to monetize its Section 48C tax credits in Q2 2026. At Johnson Camp Mine, the company will ramp up to commercial production, followed by full nameplate capacity targeted for Stage 2 by year-end.

Gunnison Copper Project - Pre-Feasibility Study & Permit Amendments

In Q4 2025, Gunnison continued planning work required on a PFS for the Gunnison Copper Project. The PFS objectives include converting the mineral resources 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, metallurgical testing, hydrological work, engineering, and other studies. It is expected to cost up to \$25.0M and take approximately 18 to 24 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 by the end of 2027.

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. Initial planning for the permit amendment process was completed during the 2025 High Value Add (“HVA”) work program. These amendments will permit the open pit approach. In addition, a new state permit is required from the Arizona Department of Transportation to move a section of the Interstate 10 highway. 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 up to \$5.0 million and take approximately 18 to 24 months to receive. The Company is targeting to receive all permit amendments by the end of 2027.

Johnson Camp Mine Production

First production of copper cathode from the Run of Mine Oxide (“ROM”) circuit at the JCM was achieved in August 2025. In addition, the first copper cathode produced using Rio Tinto’s Nuton® Technology was successfully achieved in December 2025, marking a key milestone in the industrial-scale deployment of its proprietary bioleaching technology. The Nuton circuit is expected to continue ramping up through 2026 alongside the ROM circuit.

The Johnson Camp Mine SX/EW plant has an installed production capacity of 25 million lbs of finished copper cathode per year, with production intended for sale into the United States. Notably, the first Nuton copper produced at JCM has been supplied into the U.S. supply chain, with AWS announced as the first customer, utilizing this low-carbon copper

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in its data centre infrastructure. Ramp-up to nameplate capacity is expected over a six-month period as operations progress through commissioning and optimization, with expectation to reach the nameplate rate of production by year-end.

The construction and restart of the Johnson Camp Mine is fully funded by Nuton for the purpose of demonstrating their proprietary sulfide leaching technology. As a result, the mine plan for Stage 2 is currently designed to strip waste to access and prioritize the accelerated mining of primary sulfide material, which will be used to demonstrate the technology, which may result in higher mining costs versus a fully optimized mine plan that prioritized total profit. Similarly, processing costs are expected to be initially higher as the site goes through a rigorous optimization and refinement program related to introducing the new technology.

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 United States Inflation Reduction Act, 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 mid 2026 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.

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 receipt of the 48C tax credit will be satisfied.

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 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 the alluvial basin.

NI 43-101 Preliminary Economic Assessment

The results of an updated NI 43-101 PPEA were announced on February 25th, 2026. The PEA supersedes the previous preliminary economic assessment on the Gunnison Project released in December 2024 (the "2024 PEA") in all respects.

Key Changes Versus the 2024 PEA

Key changes versus the 2024 PEA include various price deck changes beyond the control of management, such as the change in long-term copper price and various operating and capital cost escalation from 2024 to 2026 ("Price Deck"), as well as non-price deck changes, including improvements such as mining the high-grade Strong & Harris satellite deposit ("Non-Price Deck"). The 2026 PEA NPV 8% of \$1,959M is an increase of **\$699M** (+56%) from the 2024 PEA NPV8% of \$1,260M. The increase is comprised of Price Deck changes of \$117M, 17% of the increase, and Non-Price Deck changes of \$583M, the remaining 84% of the increase.

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Net Present Value at 8.00% discount rate is the selected metric to explain the changes since the 2024 PEA as this metric best captures the total economic return to the Company of the Gunnison Project.

Highlights:

- Open pit, heap leach, SX/EW operation producing 99.999% pure copper cathode intended to supply United States energy, data center, manufacturing, and defense supply chains
- Straightforward mine plan consists primarily of oxide copper mineralized material with a life of mine material placed on the leach pad of 541 million tons at 0.43% total copper grade, including 25 million tons at 0.85% total copper grade from the Strong & Harris satellite deposit
- Primary crushing on all material, and secondary crushing on some material to improve copper recoveries
- Average annual copper cathode production of 174 million pounds (“lbs”) (87 thousand tons) for the first 15 years; enough to potentially supply over 11% of the current United States domestic refined copper metal production from mineralized material ¹. Total copper produced 3.2 billion lbs over a 21 year mine life.
- Cash costs of \$1.70, Sustaining Cash Costs of \$2.00, and All-In Sustaining Cash Costs of \$2.05 per pound of copper produced are in the lower half of the cost curve for copper mines globally
- Robust project economics in a variety of copper price environments, including \$4.60/lb base case:

Copper Price Assumptions		\$4.60/lb Cu Consensus	\$5.75/lb Cu SPOT ²
Net Present Value @ 8% (after-tax)	\$M	1,959	3,227
Internal Rate of return (after-tax)	%	22.5%	31.8%
Payback Period	# years	3.9	2.6
Av Annual Free Cash Flow (Y1-Y15)	\$M	366	514

- High purity limestone overburden, previously treated as waste, is now used to produce a cement co-product to alleviate the regional cement supply deficit adding \$130M NPV8% (included within the NPV8% noted in the table above).

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.

Notes:

- (1) Based on USGS reported 2025 primary refined copper production of 790Ktons.
- (2) Independent Economic Impact Study conducted by the Eller Partnerships Office at the University of Arizona Oct'25.

PEA PHYSICALS

Total life of mine production for the Gunnison deposit is projected at approximately 3.2 billion pounds of copper over 21 years. There are 846.1 million short tons of measured and indicated oxide, transitional, and sulfide mineral resources at an average grade of 0.33% TCu (measured mineral resource of 191.5 million tons at 0.37% TCu and

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indicated mineral resource of 654.5 million tons at 0.31% TCu) and inferred oxide, transitional, and sulfide mineral resources of 94.0 million short tons at an average grade of 0.21% TCu; using an internal cut-off grade of 0.05% TCu for oxide and transition, and 0.1% TCu for sulfide. At Strong & Harris deposit there are inferred oxide, transitional, and sulfide mineral resources of 69 million short tons at an average grade of 0.52% TCu; using an internal cut-off grade of 0.07% TCu within optimized pit shells. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The tonnage of material in the Gunnison conceptual mine plan used for the PEA is 541 million tons having an average grade of 0.43% TCu, including 25 million tons at 0.85% total copper grade from the Strong & Harris satellite deposit. The anticipated heap leach copper recovery is estimated to be 68.0%.

PEA OPERATING AND CAPITAL COSTS

The average direct, life-of-mine operating cost is estimated to be \$8.43 per ton of mineralized material mined, which is equivalent to \$1.70/lb Cu cathode produced. The average all-in sustaining cost is \$10.20 per ton of mineralized material mined which is equivalent to \$2.05/lb Cu. The estimated initial capital cost is \$1,555.6 million, including capitalized pre-production costs and acid plant construction. Expansion capital costs are estimated to be \$681.7 million, and sustaining capital costs are estimated to be \$587.0 million. The Sustaining Cash Cost is \$2.00/lb Cu. The total undiscounted cost for reclamation and closure is estimated to be \$93.0 million and averages \$0.03 per pound of copper recovered.

UNIVERSITY OF ARIZONA ECONOMIC IMPACT STUDY HIGHLIGHTS

The University of Arizona Eller College of Management is a comprehensive business school with a global reputation for innovative research, rigorous curriculum, a distinguished faculty, excellence in entrepreneurship and social responsibility. The study employed nationally accepted economic modeling tools to assess the cumulative potential impact of the Company's flagship Gunnison Project's operations across the national, state, and county levels.

All amounts from the study represent the forecasted economic impact of the Gunnison Project in the State of Arizona and nationally in the USA. They do not represent an economic analysis of the Gunnison Project itself and actual economic impact will be determined after the Gunnison Project is developed into an operating mine, which remains subject to completion of a feasibility study, financing and permitting.

The key findings from the analysis are as follows:

- National-level outcomes indicate a total present value (NPV) output of \$21.9 billion, supporting over 112,744 jobs and generating \$2.7 billion in labor income.
- Arizona state-level impacts show \$15.22 billion in output, 73,710 jobs, and \$1.73 billion in income.
- Cochise County and District 6 are poised to benefit from \$12.99 billion in direct and multiplier output, and over 32,482 jobs, with the most concentrated local economic stimulus.

GUNNISON STAGE 1 VIABILITY TESTING

Nuton and Gunnison 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 Copper Project. The samples will be analyzed by Nuton for the purpose of determining the suitability of the Gunnison Copper Project with Nuton Technologies.

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, 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 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 of the leach pad 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.

Effective September 30, 2025 the Company and Nuton signed an amendment to the Operating Agreement which changed the timing of Stage 2 Work Program funding from a gross to net basis.

While Nuton continues to fund 100% of the agreed direct and indirect costs for the Stage 2 Work Program (subject to their election to continue the program), under the revised net funding mechanism, the Company holds and uses 100% of the copper revenue generated (subject only to payments by the Company owing under any existing third party royalty

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or streaming obligations (Note 11)) to reduce the agreed upon expenditures on a quarterly basis. In the event expenditures are less than the net copper revenues, the Company is required to repay those amounts on quarterly basis. The timing of these estimated repayments form the basis of measurement of the Nuton Stage 2 Payable subsequent to the contract amendment on September 30, 2025. The assumptions used in the measurement of the liability continue to be the Johnson Camp Mine production profile for Stage 2, expected operating costs, future copper prices and the discount rate.

Management of the Company evaluated the terms of the amendment and determined it to be a substantial modification of the existing Operating Agreement and therefore accounted for the change in terms as an extinguishment of the original liabilities and recognition of new financial liabilities. This amendment resulted in a reduction of the fair value of the Nuton Stage 2 payable of \$110,237, as a result of the change in timing of cashflows which are now measured based on the net profitability of the Stage 2 Work Program, rather than based on expected total net revenues. The gain on of the amendment has been allocated to deferred revenue, on the basis of the Company providing ongoing mining and processing services to Nuton.

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 is now completed. The new leach pad construction commenced in H2 2024 with an initially forecasted timeline of approximately nine months to complete before irrigation of the new leach pad could commence. Installation of piping of pregnant leach solution and raffinate lines from Pad 5 to the JCM ponds also fits within this time frame. As disclosed above, these construction activities were completed and JCM restarted production in August 2025. Construction costs incurred to December 31, 2025 total \$142,938 including waste stripping, refurbishments to the SX/EW plant, construction of proprietary Nuton leaching equipment, JCM holding costs, other site works including haul roads, and staffing ramp up.

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.

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2025 PRODUCTION AND CAPITAL EXPENDITURE SUMMARY

Mining		Q1 2025	Q2 2025	Q3 2025	Q4 2025	Total
Material Mined	Short Tons	89,330	600,383	588,586	907,861	2,186,160
Grade - Cu	%	0.168%	0.229%	0.362%	0.408%	0.336%
Grade - AsCu	%	0.105%	0.141%	0.188%	0.187%	0.171%
Grade - CuCN	%	0.012%	0.030%	0.081%	0.096%	0.071%
Grade - CuSU	%	0.044%	0.059%	0.092%	0.125%	0.095%
Contained - Cu	Short Tons	150	1,375	2,131	3,704	7,360
Contained - AsCu	Short Tons	94	847	1,107	1,698	3,746
Contained - CuCN	Short Tons	11	180	477	872	1,540
Contained - CuSU	Short Tons	39	354	541	1,135	2,069
Waste Mined	Short Tons	1,664,256	1,973,117	2,832,914	3,446,187	9,916,474
Total Material Mined	Short Tons	1,753,586	2,573,500	3,421,500	4,354,048	12,102,634
Strip Ratio	Waste:Ore	18.63	3.29	4.81	3.80	4.54

Processing		Q1 2025	Q2 2025	Q3 2025	Q4 2025	Total
Material Stacked	Short Tons	-	248,072	448,158	685,479	1,381,709
Grade - Cu	%	-	0.296%	0.340%	0.357%	0.350%
Grade - AsCu	%	-	0.200%	0.189%	0.205%	0.199%
Grade - CuCN	%	-	0.096%	0.149%	0.147%	0.147%
Grade - CuSU	%	-	-	-	-	-
Contained - Cu	Short Tons	-	733	1,524	2,447	4,704
Contained - AsCu	Short Tons	-	496	847	1,405	2,748
Contained - CuCN	Short Tons	-	238	668	1,008	1,914
Contained - CuSU	Short Tons	-	-	-	-	-
Copper in PLS Solution	lbs	-	-	448,193	856,459	1,304,651
Cathode Produced	lbs	-	-	432,711	977,426	1,410,137

Sales		Q1 2025	Q2 2025	Q3 2025	Q4 2025	Total
Cathode Sold	lbs	90,087	-	360,469	766,931	1,127,487
Realized Price	\$/lb	4.51	-	4.56	5.05	4.86
Gross Revenue	US\$'000s	406	-	1,644	3,873	5,923

Unit Costs		Q1 2025	Q2 2025	Q3 2025	Q4 2025	Total
Mining - Gross of Deferred Stripping	\$/ton mined	2.63	4.57	4.24	4.01	3.99
Mining - Net of Deferred Stripping	\$/ton mined	0.27	1.89	1.57	1.95	1.58
Leaching	\$/ton stacked	-	-	0.68	5.01	3.21
SX/EW	\$/lb Cu	-	-	1.20	1.04	1.09

Abbreviations: Cu = total copper; AsCu = acid-soluble copper; CuCN = cyanide-soluble copper; CuSU = sulfuric-acid-soluble copper.

2025 Capital Expenditure

US\$'000s	2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Total
Leach Pad	15,019	7,938	13,810	4,510	5,244	46,521
Equipment & SX/EW	6,551	5,117	6,878	11,086	4,001	33,633
General Construction	52	732	9,801	11,433	4,973	26,991
EPCM	2,227	2,155	1,645	3,361	1,520	10,908
Commissioning & Misc	205	101	60	19	5	390
Subtotal	24,054	16,043	32,194	30,409	15,743	118,443
Capitalized Carrying Costs	6,201	3,906	9,072	2,720	2,596	24,495
Total	30,255	19,949	41,266	33,129	18,339	142,938

SELECTED ANNUAL INFORMATION

A summary of the Company's consolidated financial results for the years ended 2025, 2024, and 2023 are presented:

	Dec 31, 2025	Dec 31, 2024	Dec 31, 2023
Net (income)/loss for the period	\$ 56,425	\$ (8,494)	\$ 28,959
Revenue	10,893	1,389	2,919
Loss (gain) on derivative at fair value	21,169	(56,675)	14,763
(Income)/loss per share (basic and diluted)	0.16	(0.03)	0.10
Total Assets	314,492	137,932	116,408
Total Liabilities	376,038	159,834	147,131

For the year ended December 31, 2025 the Company's net loss was \$56,425 (\$0.16 per share) compared to a net gain of \$(8,494) (\$0.03 per share) for the year ended December 31, 2024 and to a net loss of \$28,959 (\$0.10 per share) for the year ended December 31, 2023. The difference in net loss (gain) from the prior years derived primarily from the transition to active operations causing higher cost recognition, evaluation and permitting costs related to the HVA program and the fair value loss on Nuton Stage 2 payable and a non-cash loss of \$21,169 in 2025 compared to a non-cash gain of \$56,675 in 2024 and a non-cash loss of \$14,763 in 2023, related to the revaluation of the copper stream derivative liability.

Revenue for the year ended December 31, 2025 was \$10,893, compared with \$1,389 for the year ended December 31, 2024 and \$2,919 for the year ended December 31, 2023. Revenue in 2025 was driven primarily by sales of copper cathode and mining and processing demonstration service revenue from Nuton. Revenue in 2024 and 2023 related mainly to residual leach activities, while 2024 was further affected by the mid-year shutdown of the processing plant for refurbishment activities undertaken in advance of the full mine restart in 2025.

The copper stream derivative liability is recorded at fair value at each year end using a Monte Carlo simulation valuation model. The key inputs used by the model in generating future copper revenue for purposes of valuing the stream obligation at December 31, 2025 include: the copper forward price curve, long-term copper price volatility of 24.55%, a discount rate which factors in the Company's credit spread of 6.77% and the life of mine production schedules. During the year ended December 31, 2025, the non-cash loss of \$21,169 for revaluation of derivative liabilities was primarily driven by an increase in copper price across the price curve and, to a lesser extent, a decrease in the credit spread from 7.17% to 6.77%.

Total assets at December 31, 2025 were \$314,492, compared with \$137,932 at December 31, 2024 and \$116,408 at December 31, 2023. The increase of \$176,560 from 2024 to 2025 was mainly attributable to \$133,867 in capitalized construction costs related to JCM, a \$17,636 increase in inventory reflecting copper material mined and processed during the year, and a \$22,414 increase in cash and other current assets to fund the Company's ongoing operation.

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Total liabilities at December 31, 2025 were \$376,038, compared with \$159,834 at December 31, 2024 and \$147,131 at December 31, 2023. The increase of \$216,204 from 2024 to 2025 was mainly due to an \$8,000 increase in the Nuton Stage 2 payable, reflecting discounted cash funding received during 2025 for construction of the JCM, which will be repaid through copper sales. The increase was further driven by a \$176,742 rise in Nuton deferred income, representing the benefit of the zero-cost financing provided by Nuton for JCM. Deferred income is measured as the difference between the undiscounted cash funding received and the discounted Nuton Stage 2 payable on initial recognition and will be recognized in income over Stage 2 on a units-of-production basis. Additional contributors to the increase included \$16,017 in Nuton accounts payable and accrued liabilities related to JCM costs accrued at year-end, and a \$26,334 increase from the mark-to-market adjustment of the copper stream derivative liability. These increases were partially offset by a \$11,357 decrease resulting from partial repayment of debt owing to Nebari.

SELECTED QUARTERLY INFORMATION

The following table summarizes selected financial information for the Company for each of the past eight quarters ending December 31, 2025:

	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025
Net (income)/loss for the period	\$ 9,643	\$ 22,899	\$ 2,946	\$ 22,433
Revenue	7,348	2,862	-	406
Loss (gain) on derivative at fair value	(3,363)	7,135	(1,254)	18,651
(Income)/loss per share (basic and diluted)	0.03	0.06	0.01	0.07
	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

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 and gain on the modification of the Operating Agreement which changed the nature and timing of cashflows related to the Nuton Stage 2 liabilities from a gross to net basis. The copper stream derivative liability valuation changes are due primarily to copper forward curve price increases and, to a lesser extent, 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. In Q4 2024, a non-recurring impairment charge of \$38,828 was recorded representing the write-off of the wellfield assets, related infrastructure and development, and the closure cost asset related to the strategic pivot from in-situ leaching to open pit approach for the Gunnison Project.

Three months ended December 31, 2025 compared to the three months ended December 31, 2024:

For the three months ended December 31, 2025, the Company reported a net loss of \$9,643 (\$0.03 per share), compared with a net gain of \$49,704 (\$0.18 per share) for the three months ended December 31, 2024. The change from net income in the 2024 comparative period to a net loss in 2025 was primarily attributable to the transition to active operations, which resulted in higher cost recognition, evaluation and permitting costs related to the HVA program, and a fair value loss on the Nuton Stage 2 payable of \$3,805 net of a non-cash gain of \$3,363 related to the revaluation of the copper stream derivative liability in 2025. By comparison, results for the three months ended December 31, 2024 included a non-cash gain of \$90,671 related to the revaluation of the copper stream derivative liability, partially offset by a non-cash impairment loss of \$38,828 on Gunnison wellfield capitalized costs, which are not expected to be recoverable under the open pit mine plan.

LIQUIDITY

CASH POSITION

The Company had cash and cash equivalents of \$20,613 as of December 31, 2025, including \$12,551 Nuton and \$8,062 non-Nuton related (December 31, 2024 - \$8,249, Nuton - \$6,804 and non-Nuton - \$1,445). Cash and cash equivalents increased \$12,364 during the year ended December 31, 2025. The increase in Nuton cash during the period is primarily due to the funding received from Nuton for the Stage 2 work program. The increase in non-Nuton cash is due primarily to the April, July and October 2025 Offering proceeds.

CASH FLOWS

Net cash used by operating activities for the year ended December 31, 2025 was (\$37,919) compared to (\$7,648) for the same period of 2024. The increase in operating cash outflows for 2025 compared to 2024 was mainly due to the ram-up of JCM mining operations on January 1, 2025 and its associated operating expenditures.

Net cash used by investing activities for the year ended December 31, 2025 was (\$105,682) compared to (\$30,384) net cash used by investing activities for the year ended December 31, 2024. The net cash used in 2025 included \$104,712 in cash spent on Stage 2 construction.

Net cash provided by financing activities for the year ended December 31, 2025 was \$155,847. \$141,672 in cash financing received from Nuton plus \$18,197 net proceeds from private placement plus \$284 collateral funding net of \$7,306 debt payments.

WORKING CAPITAL

As at December 31, 2025 the Company had negative working capital (current assets less current liabilities) of (\$44,381), including a cash and cash equivalents balance of \$20,613.

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	December 31, 2025			Total
	Gunnison Copper Project	Johnson Camp Mine	Corporate & Other	
Current assets	\$ 43	\$ 45,904	\$ 9,971	\$ 55,918
Current liabilities	242	80,005	20,052	100,299
Working capital	(199)	(34,101)	(10,081)	(44,381)
Nuton funded amounts included in working capital:				
Amount due from Nuton	-	(12,652)	-	(12,652)
Nuton accounts payable and accrued liabilities - Nuton	-	27,612	-	27,612
Nuton stage 2 payable	-	-	-	-
Nuton deferred income and revenue	-	46,737	-	46,737
Derivative Liabilities				
Stream deliveries from sale of JCM copper	-	5,533	-	5,533
Convertible warrants	-	-	7,654	7,654
Debt payments deferred subsequent to the date:				
Debt payments deferred or converted subsequent to the date	-	-	3,958	3,958
Amounts not impacting Company's ability to continue as a going concern	-	67,230	11,612	78,842

	December 31, 2024			Total
	Gunnison Copper Project	Johnson Camp Mine	Corporate & Other	
Current assets	\$ 483	\$ 14,194	\$ 1,012	\$ 15,689
Current liabilities	29,358	109,914	4,188	143,460
Working capital	(28,875)	(95,720)	(3,176)	(127,771)
Nuton funded amounts included in working capital:				
Amount due from Nuton	-	(4,747)	-	(4,747)
Nuton accounts payable and accrued liabilities - Nuton	-	11,595	-	11,595
Nuton stage 2 payable	-	14,975	-	14,975
Nuton deferred income and revenue	-	1,661	-	1,661
Derivative Liabilities				
Stream deliveries from sale of JCM copper	-	2,609	-	2,609
Convertible warrants	-	-	-	-
Debt payments deferred subsequent to the date:				
Deferred Nebari principal payments	-	-	2,833	2,833
Amounts not impacting Company's ability to continue as a going concern	-	26,093	2,833	28,926

The working capital includes \$74,349 in current liabilities that are funded by Nuton. The net amount funded by Nuton is only repayable from the sale of copper produced at the Johnson Camp Mine. In addition, working capital includes \$7,654 in current liabilities related to warrant derivative liabilities and \$5,533 in current liabilities that represent the value of JCM copper deliverable to Triple Flag under the stream agreement. If no copper was produced at the Johnson Camp Mine, the amount deliverable to Triple Flag would not be payable by the Company. As a result, neither the Nuton or Triple Flag related working capital amounts can impact the Company's immediate ability to continue as a going concern. Subsequent to the balance sheet date the Company fully settled all outstanding principal owed to Nebari through the conversion of 17,882,685 shares equivalent to \$3,750 in principal. The outstanding convertible debentures are in-the-money and are therefore expected to be settled in shares versus cash should they continue to be in the money at the maturity date of September 30, 2026. Working capital and amounts not impacting the Company's ability to continue as a going concern are a non-IFRS measure does not have any standardized meaning.

Based on its existing cash and cash equivalents as of December 31, 2025, the Nuton funding arrangement, expectation that the outstanding convertible debentures will be converted into common shares, and expected receipt of 48C tax

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credits, the Company has assessed that based on its cashflow forecast for the next 12 months it expects to have sufficient capital to continue operations for at least the next twelve months.

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, equity financing, and the funding provided by Nuton. Should the Company's expectations not be realized, it may be required to curtail spending and advancements of its Gunnison Project.

CAPITAL RESOURCES

NUTON FUNDING

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.

The Company and Nuton 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 provided \$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 such as paying interest on the Nebari debt and Corporate G&A on March 3, 2025; 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 for general corporate purposes. 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.

The parties have also agreed to conduct the Stage 1 Gunnison Program as discussed above under "Gunnison Copper Project – Gunnison Stage 1 Viability Testing."

Gunnison and Nuton have also agreed to work together to evaluate the possible extension of the Stage 2 Work Program at Johnson Camp Mine. 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.

NEBARI DEBT

On October 31, 2019, the Company entered into an agreement with Nebari for a \$15,000 credit facility (the "Credit Facility") with subsequent amendments in 2021 and 2023. On February 28, 2025, the Company and Nebari entered into a binding term sheet outlining additional amendments to the Amended and Restated Credit Agreement ("ARCA"). On March 27, 2025, the Company signed a side letter agreement with Nebari fixing the Conversion Price at CAD\$0.30 per share. On execution of the Second Amended and Restated Credit Agreement dated April 23, 2025 (the "Second ARCA"), the conversion price became US\$0.2097. This resulted in the conversion option being fixed on April 23, 2025. The Company treated this as an extinguishment of the liability as at April 23, 2025. The fair value at that time was \$621 which has been recognized as a gain on extinguishment of debt.

The amendments set out in the Second ARCA provided for, amongst other matters, a suspension of principal amortization from February 1, 2025 until January 1, 2026, potential partial conversion to equity of up to US\$6.25 million of the principal amount at a price equal to US\$0.2097 (changed from CAD\$0.30) (the "Conversion Price"), and a mechanism to repay a portion of the principal amount of the Second ARCA with proceeds to be received from sale of the previously announced 48C tax credits and through a potential refinancing process to provide for an extension of the maturity date to June 30, 2026.

Management of the Company evaluated the terms of the Second ARCA with Nebari and determined it to be a substantial modification of the terms of the existing debt facility, and therefore accounted for the change in terms as an extinguishment of the original liability and the recognition of a new financial liability. A gain on extinguishment of the original debt of \$505 was recognized in the statement of loss.

The Second ARCA is comprised of a host loan and an embedded derivative liability related to the conversion option. The conversion option was determined to be an embedded derivative as the value of the conversion option changes in response to the Company's share price and foreign exchange movements and therefore is not convertible into shares of the company on a fixed for fixed basis. The fair value of the Second ARCA in total was determined to be \$13,750 at February 28, 2025, and the fair value of the conversion option was determined to be \$280. The fair value of the conversion option was deducted from the aggregate fair value of the Second ARCA in arriving at the fair value of the host debt. The debt host liability is subsequently measured at amortized cost.

Pursuant to the Second ARCA, the Company was required to 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. (b)
- 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).

During the year, the Company repaid \$9,806 in principle. This consisted of \$7,306 repaid in cash and the conversion of 11,921,790 shares equivalent to \$2,500 debt.

Subsequent to year end the Company settled all outstanding principal and interest owed to Nebari.

CONVERTIBLE DEBENTURES

The Company has issued two debenture offerings. The First Debenture Offering was issued for \$3,000 in principal. The terms of the debentures include:

- a maturity date of September 30, 2026 (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 the Maturity Date, unless earlier converted into 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. 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.

The Second Debenture Offering issued \$2,400 principal amount of debentures. The terms of the debenture 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 Shareholder Approval was received at the Company's Annual General Meeting held on June 18, 2024.

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. The amendment of the Nebari Debt includes cross party agreements that defers the interest payments on the debentures to September 30, 2026.

2025 OFFERINGS

On April 7, 2025, the Company announced that it has closed the April 2025 Offering for aggregate gross proceeds of C\$5.15 million through the issuance of 17,170,916 units (each an "April 2025 Unit"), with each April 2025 Unit

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consisting of one common share and one-half of one warrant (each whole warrant, an "April 2025 Warrant") at a price of C\$0.30 per 2025 April 2025 Unit. Each full April 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.

On July 18, 2025, the Company announced that it has closed the July 2025 Offering for aggregate gross proceeds of C\$8.7 million through the issuance of 28,874,100 units (each a "July 2025 Unit") at a price of C\$0.30 per July 2025 Unit. Each July 2025 Unit consists of one common share of the Company and one warrant (each whole warrant, a "July 2025 Warrant"). Each July 2025 Warrant entitles the holder thereof to purchase one Common Share at a price of C\$0.45 at any time on or before July 18, 2028.

In October, the company closed the October 2025 Offering for aggregate proceeds of C\$13.3 million for 29,471,702 units (each an "October 2025 Unit") at a price of CAD \$0.45 per unit. Each October 2025 Unit consists of one common share of the Company and one-half of one warrant (each whole warrant, an "October 2025 Warrant"). Each October 2025 Warrant will entitle the holder thereof to purchase one common share at a price of C\$0.65 at any time for a period of 36 months following the issue date.

The table below provides a reconciliation of the disclosure the Company previously made about how it was going to use proceeds from the April 2025 Offering, July 2025 Offering and October 2025 Offering.

2025 LIFE Offerings	Proceeds April Offering	Proceeds July Offering	Proceeds October Offering	Proceeds Total	Actual December 31, 2025	Funds Remaining
Budgeted uses						
High Value Work Program & Follow On Work	\$ 2,158	\$ 258	\$ -	\$ 2,416	\$ 2,429	\$ (13)
Pre-Feasibility Study Work Program	-	1,788	-	1,788	18	1,770
Corporate G&A expenses - Canada	1,397	-	-	1,397	1,405	(8)
Corporate G&A expenses - US	-	3,919	-	3,919	492	3,427
Repayment of a portion of the second ARCA	-	-	6,500	6,500	7,100	(600)
Unallocated working capital	-	-	2,693	2,693	-	2,693
Total	<u>\$ 3,555</u>	<u>\$ 5,965</u>	<u>\$ 9,193</u>	<u>\$ 18,713</u>	<u>\$ 11,444</u>	<u>\$ 7,269</u>

As it relates to variances, the main variances are expenditures related to the Pre-Feasibility Study Work Program and Corporate G&A expenses – US are currently less than budget. This variance is due to timing as the full amount of these expenditures have not yet been incurred. The additional amounts paid on the repayment of the Second ARCA are not material and can be sourced from unallocated working capital. As a result there has been no impact of the variances on the Company's ability to achieve its business objectives and milestones.

As of this date, if the warrants issued and not yet exercised in connection with these financings were exercised for cash, the Company would receive aggregate gross proceeds of approximately C\$27.2 million. While these warrants represent a potential source of future funding, their exercise is at the option of the holders and will depend on market conditions, including the trading price of the Company's common shares. As a result, there can be no assurance that such proceeds will be realized.

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 September 30, 2026 (the "Leverage Ratio Grace Period") to accommodate the extension of the Nebari loan due date.

As the full principal amount of the Second ARCA has been repaid, any debt covenants associated with the Second ARCA are no longer applicable.

Copper Stream Derivative Liability

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 .

Under the terms of the metals purchase and sale agreement (the "Stream Agreement") between Triple Flag and Gunnison and its subsidiary Excelsior Arizona, 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. Under the terms of the stream agreement, Triple Flag has the option to increase the delivery amount of the Stream (the "expansion option). To exercise the expansion option Triple Flag must pay the company an additional \$65,000.

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, 2025 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 24.55% (December 31, 2024 – 20.86%), a discount rate which factors in the Company's credit spread of 6.77% (December 31, 2024 – 7.17%) 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.

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 ratio covenant until September 30, 2026 (the "Leverage Ratio Grace Period") to accommodate the extension of the Nebari loan due date.

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 \$10,872, whereas a 10% decrease in the market price of copper would decrease derivative liabilities by \$10,386.

A 1% increase in the discount rate of the Nuton payables would decrease the payables by \$962 whereas a 1% decrease in the discount rate would increase the payables by \$993

A1% increase in the discount rate of the stream liabilities would decrease the derivative liabilities by \$6,830, a 1% decrease in the discount rate would increase the derivative liabilities by \$7,970

CONTRACTUAL OBLIGATIONS

The Company has the following guaranteed commitments and undiscounted contractual obligations as of December 31, 2025:

<u>Contractual Obligations</u>	<u>Total</u>	<u>Less than 1 year</u>	<u>1-3 years</u>	<u>4-5 years</u>	<u>After 5 years</u>
Accounts Payable and Accrued Liabilities	\$ 29,742	\$ 29,742	\$ -	\$ -	\$ -
Nuton Stage 2 payable	66,575	-	66,575	-	-
Debentures	6,503	6,503	-	-	-
Derivative liabilities - Stream	78,063	5,533	72,530	-	-
Debt	3,770	3,770	-	-	-
Total Contractual Obligations	<u>\$ 184,653</u>	<u>\$ 45,548</u>	<u>\$ 139,105</u>	<u>\$ -</u>	<u>\$ -</u>

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, SVP/Chief Operating Officer, and Corporate Secretary.

Remuneration attributed to key management personnel is summarized as follows:

	Year ended December 31,	
	2025	2024
Salaries, fees and benefits	\$ 1,819	\$ 1,133
Share-based compensation	1,039	274
Total	\$ 2,858	\$ 1,407

Salaries, fees and benefits to key management include 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, 2025, amounts accrued and due to key management personnel and other related parties include the following:

Directors and Officers - \$172 (December 31, 2024 - \$145)

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 Accounting Standards 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 annual financial statements for the year ended December 31, 2025 and 2024.

FINANCIAL INSTRUMENTS

As of December 31, 2025, 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 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 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 \$6,830, whereas a 1% decrease in the interest rate would increase the value of the stream liability by \$7,910.

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 \$10,872, whereas a 10% decrease in the market price of copper would decrease derivative liabilities by \$10,386.

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 and Contractual Obligations 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.

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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.

	FVTPL	Level 1	Level 2	Level 3
Financial Liabilities				
Debt	\$ 3,958	\$ -	\$ 3,958	\$ -
Derivative liabilities	85,717	-	-	85,717
Nuton Stage 2 payable	46,423	-	-	46,423
Marketable securities	140	140	-	-
	<u>\$ 136,238</u>	<u>\$ 140</u>	<u>\$ 3,958</u>	<u>\$ 132,140</u>

LEGAL

As of December 31, 2025, there are no outstanding civil claims filed against the Company.

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. A reconciliation is provided in the table below:

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As at	December 31, 2025	December 31, 2024
Current assets	\$ 55,918	\$ 15,689
Current liabilities	100,299	38,548
	\$ (44,381)	\$ (22,859)

OTHER INFORMATION

OUTSTANDING SHARE CAPITAL

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

Security Description	December 31, 2025	Date of Report
Common Shares	402,854,376	422,803,601
Warrants	56,655,706	54,589,166
Stock Options	26,030,000	26,680,000
Convertible Debt	54,715,563	36,832,874

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 evaluated their effectiveness. Based on this evaluation, the CEO and CFO have certified that 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, 2025.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Internal Controls Over Financial Reporting

Disclosure Controls and Procedures ("DC&P")

Management is responsible for establishing and maintaining adequate DC&P as such term is defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings in Canada. Management, including the Chief Executive Officer and Chief Financial Officer, evaluated the design and operating effectiveness of the Company's DC&P as of December 31, 2025, based on the criteria set forth in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Company's DC&P was not effective as of December 31, 2025 due to a material weakness identified in internal control over financial reporting as described below.

Management's Annual Report on Internal Control Over Financial Reporting ("ICFR")

Management is also responsible for establishing and maintaining adequate ICFR as such term is defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings in Canada. The Company's ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards.

Management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's ICFR as of December 31, 2025, based on the criteria set forth in the Internal Control — Integrated Framework (2013) issued by COSO. Based on this evaluation, management concluded that the Company's ICFR was not effective as of December 31, 2025 due to the identification of a material weakness described below.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Identified Material Weakness

The Company does not have adequately formalized processes to analyze and account for complex accounting estimates, including warrant valuations and inventory costing. This reflects a weakness in review controls performed over non-routine transactions and transactions related to newly established processes.

This material weakness resulted in audit adjustments to the consolidated financial statements for the year ended December 31, 2025. These misstatements were corrected prior to the issuance of consolidated financial statements and management has concluded that the consolidated financial statements as at and for the year ended December 31, 2025 present fairly, in all material respects, the Company's financial position, financial performance, and cash flows in conformity with IFRS Accounting Standards. Until remediated, this control deficiency could result in a material misstatement related to account balances, transactions or disclosures that would not be prevented or detected.

Remediation plan

Management plans to take steps to address the material weakness and is in the process of developing and implementing a remediation plan to improve our internal control over financial reporting, which we believe will address the root causes. These steps include:

- a) Strengthening the finance team by adding a dedicated Internal Control and Compliance specialist role during Q2 2026 to ensure appropriate team skills composition and depth of expertise.
- b) Developing enhanced procedures and controls to improve analysis and review controls for warrant valuations and inventory costing, with external advisors engaged as needed to supplement internal capabilities. These activities will be completed during 2026.
- c) Standardizing documentation and retention practices, providing enhanced training to control owners, and strengthening oversight and monitoring to ensure control activities are evidenced and performed consistently and on a timely basis. These activities will begin in 2026 and continue beyond 2026.

The material weakness cannot be considered remediated until the enhanced procedures and controls have been fully designed, implemented, and demonstrated (through testing over a sufficient period) to operate effectively.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control gaps and instances of fraud have been detected. These inherent limitations include the reality that judgment in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by

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management override of the controls. The design, maintenance and testing of any system of controls is based in part upon certain assumptions about the likelihood of future events, and any control system may not succeed in achieving its stated goals under all potential future conditions.

Change in ICFR

During the three months and year ended December 31, 2025, the Company identified the aforementioned material weakness and, consequently, its ICFR were deemed to be ineffective. Other than in respect of the aforementioned material weakness and related remediation described, during the three months and year ended December 31, 2025, no change occurred in the Company's ICFR that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

ADDITIONAL INFORMATION

Additional disclosure concerning the Company, including the AIF for the year ended December 31, 2025, is available on the SEDAR+ website, www.sedarplus.ca.

TECHNICAL INFORMATION

Gunnison's technical work on the Gunnison Copper Project and JCM 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 Preliminary Economic Assessment, Cochise County, Arizona", with the effective date of March 18, 2026.

Additional information about the Johnson Camp Mine can be found in the technical report filed on SEDAR+ at www.sedarplus.ca entitled: "Johnson Camp Mine NI 43-101 Technical Report, Cochise County, Arizona", with the effective date of March 18, 2026.

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, 2025.

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 results of the 2026 PEA and economic viability of the Gunnison Project, including NPV, IRR, capital costs, operating costs, 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) future production

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from the Johnson Camp mine; (vii) expectations regarding the deployment of 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 use of proceeds from financings; and (xiii) 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, 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, 2025:

- risks relating to the fact that the Company depends on a single mineral project;
- 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;
- 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;
- 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;

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- 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 expects to incur losses for the foreseeable future;
- risks associated with 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

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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.