



Edge Copper Corporation

(formerly Plata Latina Minerals Corporation)

**Management's Discussion & Analysis
For the Year ended December 31, 2025**

INTRODUCTION

This management's discussion and analysis ("MD&A") of Edge Copper Corporation ("Edge Copper" or the "Company") for the year ended December 31, 2025, takes into account information up to and including February 25, 2026, the date of this report. This MD&A should be read in conjunction with the audited consolidated financial statements (the "Financial Statements") for the years ended December 31, 2025 and 2024, prepared using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"). Additional information regarding Edge Copper, including the Financial Statements and the Company's most recent annual information form, is available on the SEDAR+ website at www.sedarplus.ca and on the Company's website at www.edgecopper.com.

Unless otherwise indicated, all financial information presented in this MD&A is expressed in Canadian dollars.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian provincial and territorial securities legislation. Forward-looking information includes, but is not limited to, statements with respect to: exploration upside, permitting requirements and streamlining, recoverable mineral resources, mineralization of exploration targets, potential increased mine life, the future price of copper and other commodities, the timeline for and development of the Zonia Copper Project (as defined below) and the timing of the anticipated update to the mineral resource estimate for the Zonia Copper Project, the scope, objectives and outcome of Edge Copper's diamond drill program, anticipated completion and release of a Preliminary Economic Assessment (as defined below), Edge Copper's cash uses, potential issuance of equity, debt, or acquisition or disposition of assets, and other events or conditions that may occur in the future. Often, but not always, forward-looking information can be identified by the use of words and phrases such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved and other similar expressions.

Forward-looking information involves known and unknown risks, uncertainties, assumptions and other factors which may cause Edge Copper's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking information. These include, among others, risks relating to: Edge Copper's lack of revenue or history of earnings, cash flow from operations or profitability; the price of and demand for copper; estimates of mineral reserves and resources; exploration, development and operating risks; the laws and regulations governing prospecting, development, production and other matters; health, safety and environmental hazards; Edge Copper's lack of revenue from operations and the anticipated equity financing to finance ongoing exploration and development; the need for and access to additional financing; the cost and availability of commodities required by Edge Copper's operations; public health crises; the requirement for adequate infrastructure to support the Company's mining, processing, development and exploration activities; the receipt and maintenance of permits; hazards not covered by insurance; increasing timelines and permitting requirements for the development of Edge Copper's projects; challenges to or impairment of title to Edge Copper's properties; competition in the mining industry; the public's concern relating to the perceived effects of mining activities on the environment and host communities; the evolving regulatory obligations of public companies; Edge Copper's dependence upon key management personnel and executives and competition for qualified personnel; future potential claims and legal proceedings; the integration of the Zonia Copper Project and the Company's ability to hire and establish good relations with employees; potential undisclosed liabilities acquired in connection with the acquisition of the Zonia Copper Project; the volatility of the trading price of Edge Copper's common shares; the possibility that Edge Copper grants rights that restrict the Company's ability to obtain additional financing; and Edge Copper's history with respect to the payment of dividends. The forward-looking information in this MD&A is based on several assumptions, including: the accuracy of Edge Copper's assessment of the development of the Zonia Copper Project; stability or increase in medium- and long-term copper prices; stability of exchange rates; obtaining permitting; Edge Copper's management achieving its development goals at Zonia; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated, intended or implied.

Risks and uncertainties, many of which are difficult to predict and generally beyond Edge Copper's control, could cause actions, events or results to differ from those anticipated, estimated, intended or implied by forward-looking information. Readers are cautioned that the foregoing list is not exhaustive of all risks, uncertainties, assumptions and other factors. Edge Copper cannot assure readers that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Although Edge Copper has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information contained in this MD&A is presented for the purposes of assisting readers' understanding of Edge Copper's financial and operating performance, as expected by management, and Edge Copper's plans and objectives, and such forward-looking information may not be appropriate for other purposes. This MD&A includes many cautionary statements, including those stated under the heading "Risks and Uncertainties." Readers should read these cautionary statements as applicable to all related forward-looking information wherever it appears in this MD&A.

The forward-looking information contained in this MD&A represents Edge Copper's views and expectations as of the date of this MD&A. Edge Copper expect that subsequent events and developments may cause the Company's views to change. However, while Edge Copper may elect to update such forward-looking information at a future time, the Company has no current intention of doing so, except to the extent required by applicable law.

DESCRIPTION OF BUSINESS

The Company was incorporated on April 1, 2010 under the *Business Corporation Act* (British Columbia) and is listed on the TSX Venture Exchange ("TSXV").

On October 30, 2025, the Company changed its name from "Plata Latina Minerals Corporation" to Edge Copper Corporation in connection with the acquisition of the Zonia copper project ("Zonia" or "Zonia Copper Project") from World Copper Ltd. ("World Copper", and such acquisition, the "Transaction"). Zonia is a past-producing SX-EW heap leach operation located in Arizona's historic Walnut Grove mining district.

Concurrent with the completion of the Transaction, Edge Copper effected a three-for-one consolidation of its issued and outstanding common shares. The share consolidation has been applied retrospectively, and accordingly, all common shares, warrants, stock options and per-share amounts have been adjusted to reflect the share consolidation. On November 3, 2025, Edge Copper's common shares commenced trading on the TSXV under the symbol "EDCU" (formerly "PLA").

Following the completion of the Transaction, the Company's primary focus is the advancement of its wholly-owned Zonia Copper Project in Arizona, United States.

Through its wholly-owned subsidiary, Plaminco S.A. de C.V. ("Plaminco"), the Company also holds a 2% net smelter return ("NSR") royalty on Fortuna Mining Corp.'s La Joya Property, which becomes payable upon commercial production on the property.

BUSINESS HIGHLIGHTS

Acquisition of the Zonia Copper Project

On October 30, 2025, pursuant to the arrangement agreement entered on July 22, 2025 (the "Arrangement Agreement"), Edge Copper acquired all of the issued and outstanding common shares of World Copper's wholly owned subsidiary, Zonia Holdings Corp., which indirectly owns the Zonia Copper Project in Arizona, United States.

As consideration, World Copper received \$10.5 million in cash and World Copper shareholders received 0.1248 of an Edge Copper common share (the "Exchange Ratio") for each World Copper common share. An aggregate of 37,820,374 common shares of Edge Copper were issued to World Copper and its shareholders, of which World Copper retained 5 million common shares of Edge Copper.

Pursuant to the Transaction, holders of World Copper warrants received replacement warrants to acquire, in lieu of one common share of World Copper for each World Copper warrant, a fraction of a common share of Edge Copper based on the Exchange Ratio. The replacement warrants are exercisable until their respective expiry dates and feature terms that are otherwise the same as the terms of the World Copper warrants in effect immediately prior to closing of the Transaction. The replacement warrants represent warrants to acquire 5,707,617 common shares of Edge Copper.

In addition, under the Transaction, certain holders of World Copper options received replacement options to acquire, in lieu of one common share of World Copper for each World Copper option, a fraction of a common share of Edge Copper based on the Exchange Ratio. These replacement options are exercisable until the earlier of their respective expiry dates and January 30, 2027 (being 15 months from closing of the Transaction). The replacement options represent options to acquire 2,215,640 common shares of Edge Copper.

Concurrent Financing

Concurrent with completion of the Transaction, Edge Copper closed a non-brokered private placement for gross aggregate proceeds of \$17 million (the "Concurrent Financing"), issuing 56,666,667 units of Edge Copper (the "Units") at a price of \$0.30 per Unit. The common shares issued under the Concurrent Financing are subject to a statutory hold period of four months and one day from the date of issuance, with such hold period expiring on March 1, 2026.

Each Unit consists of one common share of Edge Copper and one-half of one warrant to purchase common shares. Each whole warrant entitles the holder to acquire one common share of Edge Copper at an exercise price of \$0.60 per common share for a period of 18 months, expiring on April 30, 2027.

Elections of Directors from World Copper

Pursuant to the Arrangement Agreement, and effective upon closing of the Transaction on October 30, 2025, Robert Kopple and Keith Henderson were elected to the board of directors of Edge Copper.

Management Appointments

On October 31, 2025, the Company announced the appointments of two officers: Kyle Lindahl as Chief Operating Officer, effective as of November 17, 2025, and John Stefka as Vice President, Environment & Community Relations, effective as of November 1, 2025.

FINANCIAL HIGHLIGHTS

Fresnillo's Acquisition of 3% NSR on Naranjillo

On April 10, 2025, Fresnillo PLC ("Fresnillo") completed the acquisition of a 3% NSR royalty from Edge Copper on the Naranjillo property for US\$6,000,000 pursuant to the terms of the original option agreement entered in February 2017. The Company received cash proceeds of US\$6,000,000 (CAD\$8,409,000).

Advance Royalty Payments on Naranjillo

Following the acquisition of the Naranjillo property in 2020, Fresnillo commenced annual advance royalty payments of US\$100,000 beginning in February 2021. These payments were to continue until the earlier of: (i) aggregate advance royalty payments of US\$1,000,000 had been made; or (ii) commencement of commercial production at the Naranjillo property.

During the year ended December 31, 2025, the Company received an advance royalty payment of \$142,206 (US \$100,000) (2024 - \$134,662 (US \$100,000)). As at the date of this MD&A, the Company had received five advance royalty payments for a total of \$664,979 (US\$500,000). Upon completion of the acquisition of the 3% NSR in April 2025, Fresnillo's obligation to make further advance royalty payments on Naranjillo ended.

OUTLOOK

The Company's primary objective is to advance its wholly-owned Zonia Copper Project. Planned activities include the completion and release of a preliminary economic assessment in March 2026, as well as the execution of a 53,000-foot drilling program during 2026. The primary objectives of the drilling program are to expand the existing mineral resource and upgrade the resource to higher-confidence categories. Based on the results of this program, the Company intends to update the mineral resource estimate for the Zonia Copper Project in the fourth quarter of 2026.

SELECTED ANNUAL INFORMATION

The Company's selected annual information for the years ended December 31, 2025, 2024 and 2023 is as follows:

	2025	2024	2023
	\$	\$	\$
Net income (loss) for the year	4,351,675	10,449	(86,546)
Basic income (loss) per share	0.10	0.00	(0.00)
Diluted income (loss) per share	0.10	0.00	(0.00)
Total current assets	11,009,576	306,217	307,937
Total assets	36,594,027	306,217	307,937
Total current liabilities	2,088,352	36,750	22,483
Total non-current liabilities	46,517	-	-
Total liabilities	2,134,869	36,750	22,483

In 2025, the Company's total assets increased to \$37 million from \$0.31 million in 2024. The increase was primarily attributable to (i) the recognition of the exploration and evaluation asset related to the Zonia Copper Project acquired through the Transaction; and (ii) higher cash balances resulting from the \$17 million raised through the Concurrent Financing and the \$8.4 million received from the sale of the NSR to Fresnillo.

Net income also increased to \$4.4 million in 2025 from \$0.10 million in 2024. The significant income increase was derived from the sale of the NSR to Fresnillo for \$8.4 million (US\$6 million).

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The Company's quarterly financial information for its eight most recently completed quarters is as follows:

	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025
	\$	\$	\$	\$	\$	\$	\$	\$
(Loss) income for the period	(2,993,980)	(310,136)	7,577,817	77,974	(54,608)	(20,074)	(2,006)	87,137
Comprehensive (loss) income for the period	(2,637,666)	(55,483)	7,888,921	81,021	(52,995)	(46,836)	(29,912)	101,462
Basic (loss) income per share	(0.03)	(0.00)	0.10	0.00	(0.00)	(0.00)	(0.00)	0.00
Diluted (loss) income per share	(0.03)	(0.00)	0.10	0.00	(0.00)	(0.00)	(0.00)	0.00

The Company's quarterly results over the two-year period ended December 31, 2025 have fluctuated, with 2025 results particularly influenced by several non-recurring items, including the sale of the NSR, the acquisition of the Zonia Copper Project and the Concurrent Financing. The timing and impact of these non-recurring items varied by quarter and reflect strategic transactions and financing activities undertaken during the period.

RESULTS OF OPERATIONS

For the three months ended December 31, 2025 and 2024 ("Q4"):

	2025	2024
	\$	\$
Expenses		
Exploration and evaluation expenditures	1,013,981	-
Filing fees and transfer agent	7,610	709
General and administration	49,108	4,273
Investor relations	10,021	1,125
Professional fees	152,123	53,572
Salaries and benefits	303,923	-
Directors fees	44,333	-
Travel	31,612	-
Share-based payments	3,955	12,295
	<u>(1,616,666)</u>	<u>(71,974)</u>
Other income (expenses)		
Interest income	28,576	723
Foreign exchange (loss) gain	(457,890)	16,643
Net loss before income taxes	<u>(2,045,980)</u>	<u>(54,608)</u>
Income tax expense	(948,000)	-
Net loss for the period	<u>(2,993,980)</u>	<u>(54,608)</u>
Other comprehensive income (loss)		
Item that may be reclassified to income or loss:		
Foreign currency translation adjustment	356,314	1,612
Comprehensive loss for the period	<u>(2,637,666)</u>	<u>(52,996)</u>

For the three months ended December 31, 2025, the Company incurred a loss \$2,993,980 compared to a loss of \$54,608 in Q4 2024. Following the acquisition of the Zonia Copper Project, the Company commenced planning for a 2026 drill program, expanded personnel and increased corporate activities, which collectively contributed to higher expenditures across all operational areas.

Details of variances for the three months ended December 31, 2025 and 2024 are as follows:

- Exploration and evaluation ("E&E") expenditures totalled \$1,013,981 compared to \$nil in Q4 2024, during which the Company did not hold any E&E assets. Expenditures in Q4 2025 were primarily related to preparatory site activities for the planned 2026 drill program.
- Filing and transfer agent fees increased to \$7,610 from \$709 in the prior-year period, as a result of increased regulatory filing, disclosure and compliance costs as well as expenses related to the holding of a special meeting of shareholders associated with the Transaction.
- General and administrative expenses were \$49,108, compared to \$4,273 in the prior-year quarter. The increase is a result of administrative costs related to the Concurrent Financing, higher operational and corporate activities associated with the acquisition of Zonia, expanded IT and system-related expenditures, and enhanced internal controls following the Transaction.
- Investor relations expenses increased to \$10,021 from \$1,125 in Q4 2024. The higher costs reflect expanded corporate communication, including more news releases issued and a redesign of the Company's website to enhance communication with investors.
- Professional fees were \$152,123, compared to \$53,572 in Q4 2024. The increase is attributed to the engagement of a finance consultant to support internal controls, financial reporting and budget management, as well as higher legal, audit and tax advisory services associated with the Transaction.
- Salaries and benefits totalled \$303,923, compared to \$nil in the prior-year quarter, reflecting commencement of management compensation following completion of the Transaction.
- Directors' fees of \$44,333 were incurred, compared to \$nil in Q4 2024 as the Company commenced paying directors' fees following the closing of the Transaction.
- Travel expenses were \$31,612, compared to \$nil in Q4 2024, related to visits to the Zonia Project, investor relations activities associated with the special shareholders' meeting in connection with the Transaction.

For the years ended December 31, 2025 and 2024:

	2025	2024
	\$	\$
Expenses		
Exploration and evaluation expenditures	1,115,707	-
Filing fees and transfer agent	39,708	11,082
General and administration	106,129	26,229
Investor relations	66,452	4,692
Professional fees	355,149	140,317
Salaries and benefits	303,923	-
Directors fees	44,333	-
Travel	63,375	-
Share-based payments	27,813	12,295
	<u>(2,122,589)</u>	<u>(194,615)</u>
Other income (expenses)		
Income from sale of NSR royalty	8,409,000	-
Royalty income	142,206	134,662
Interest income	77,397	8,209
Foreign exchange (loss) gain	(1,206,339)	62,193
Net income before income taxes	5,299,675	10,449
Income tax expense	(948,000)	-
Net income for the year	<u>4,351,675</u>	<u>10,449</u>
Other comprehensive income (loss)		
Item that may be reclassified to income or loss:		
Foreign currency translation adjustment	925,118	(38,731)
Comprehensive income (loss) for the year	<u>5,276,793</u>	<u>(28,282)</u>

For the year ended December 31, 2025, the Company reported net income of \$4,351,675 compared to net income of \$10,449 in 2024. The significant increase in 2025 was primarily attributable to transactions with Fresnillo including: (i) the sale of a 3% NSR royalty on the Naranjillo Property in Mexico for \$8,409,000 (US\$6,000,000); and (ii) an annual advance royalty payment of \$142,206 (US\$100,000) (2024 - \$134,662 (US\$100,000)).

Total expenses for 2025 were \$2,122,589 compared to \$194,615 in 2024. The increase reflects costs incurred following the acquisition of the Zonia Copper Project. With the primary focus on advancing the Zonia Copper Project, the Company expanded its corporate and operational activities, resulting in increased costs across all functional areas.

Details of variances for *the years ended December 31, 2025 and 2024* are as follows:

- E&E expenditures totalled \$1,115,707, compared to \$nil in 2024 when the Company held only royalty interests. Expenditures in 2025 were primarily related to preparatory activities for the planned 2026 drilling program at Zonia.
- Filing and transfer agent fees increased to \$39,708, from \$11,082 in the prior year, reflecting increased regulatory and compliance filing requirements associated with the Transaction and the Concurrent Financing.
- General and administrative expenses were \$106,129, compared to \$26,229 in 2024. The increase reflects administrative expenses associated with the Concurrent Financing, expanded operational and corporate activities related to the acquisition of Zonia, enhanced IT and system-related expenses, and strengthened internal controls following the Transaction.
- Investor relations expenses increased to \$66,452, from \$4,692 in the prior year. The increase reflects expanded corporate communication with shareholders and investors. Additional activities in 2025 included corporate rebranding, website redesign, more frequent news releases, and costs associated with two shareholders' meetings.
- Professional fees increased to \$355,149 from \$140,317 in 2024, primarily due to higher legal, tax, consulting, and audit fees incurred in connection with the Transaction and the Concurrent Financing. By comparison, professional fees in 2024 were mainly due to legal and consulting services related to the

agreement assigning the La Joya property to Fortuna Mining.

- Salaries and benefits totalled \$303,923 in 2025 and \$nil in 2024. Following completion of the Transaction, the Company began paying compensation to its officers.
- Directors' fees of \$44,333 were incurred in 2025 compared to \$nil in the prior year. Following the closing of the Transaction, the Company began paying directors fees.
- Travel expenses were \$63,375, compared to \$nil in the prior year, reflecting travel related costs for visits to the Zonia Copper Project site, attendance at shareholders' meetings and trade shows, and travel to Mexico in connection with the NSR sale transaction.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) relates to foreign currency revaluations at each reporting date arising from fluctuations among the Canadian dollar, Mexican peso ("MXN") and U.S. dollar. These foreign currency translation adjustments include the impact of foreign exchange on intercompany loans, the retranslation of which is treated as equity until the foreign operation is disposed of, as well as the translation of the foreign operation from its functional currency to Canadian dollars. For the years ended December 31, 2025 and 2024, the impact of foreign currency translation differences resulted in comprehensive income of \$925,118 and comprehensive loss of \$38,731, respectively.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company's objective in managing liquidity risk is to ensure that it has sufficient cash resources to meet its obligations as they become due. The Company monitors its liquidity position through budgets, cash flow forecasting and ongoing assessment of anticipated expenditures.

As at December 31, 2025, the Company had cash of \$10,346,358 (2024 - \$298,252) to settle current liabilities of \$2,088,352 (2024 - \$36,750), and working capital of \$8,921,224 (2024 - \$269,467). The significant increase in the Company's liquidity position in 2025 was primarily attributable to the sale of a 3% NSR royalty for \$8,409,000 (US\$6,000,000) and completion of the Concurrent Financing for gross proceeds of \$17 million. As at the date of this MD&A, the Company has 28,333,325 in-the-money warrants, with an exercise price of \$0.60, for potential gross proceeds of up to \$17 million.

Following the acquisition of the Zonia Copper Project, the Company commenced advancing the development of Zonia. As the Company does not currently generate revenue, it remains dependent on external funding, primarily equity financing, to fund its exploration and evaluation activities and ongoing operations. There can be no assurance that such financing will be available when required or on acceptable terms. These conditions create material uncertainties that may cast doubt on the Company's ability to continue as a going concern.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have off balance sheet arrangements as at the date of this MD&A.

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management of the Company includes directors and officers. Their compensation paid or payable for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
	\$	\$
Salaries and benefits ⁽ⁱ⁾	467,318	-
Directors' fees	44,333	-
Professional fees	57,333	42,000
Share-based payments	26,934	11,906
Total	595,918	53,906

(i) The amount included those costs allocated to E&E expenditures.

As at December 31, 2025, amounts owed to related parties totalled \$223,288 (2024 - \$nil), consisting of \$158,349 for salaries and benefits and \$44,333 for directors' fees and \$20,606 for E&E expenditures.

OUTSTANDING SHARE DATA

On October 30, 2025, the Company consolidated its issued and outstanding common shares on a three-for-one basis. The share consolidation has been applied retrospectively and as a result, all common shares, warrants, options and per-share amounts are stated on this adjusted basis.

As at the date of this MD&A, the Company's securities are as follows:

Share capital - 121,150,977 common shares issued and outstanding

Warrants

The following warrants were outstanding as at February 25, 2026:

Number of Warrants	Exercise Price	Expiry Date	Weighted average remaining life (year)
3,404,393	\$1.36	April 12, 2026	0.13
1,031,797	\$1.36	April 26, 2026	0.16
905,222	\$1.08	July 18, 2026	0.39
366,205	\$1.28	February 24, 2028	2.00
28,333,325	\$0.60	April 30, 2027	1.18
34,040,942	\$0.72		1.03

Stock options

The Company's outstanding and exercisable stock options as at February 25, 2026 are as follows:

# of Options Outstanding	Expiry Date	Exercise Price	Weighted average remaining life (year)	# of Options Exercisable	Exercise Price
1,029,805	January 30, 2027	\$1.60	0.93	1,029,805	\$1.60
911,222	January 30, 2027	\$0.40	0.93	911,222	\$0.40
2,065,080	August 23, 2029	\$0.15	3.49	658,730	\$0.15
4,006,107		\$0.58	2.25	2,599,757	\$0.81

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Financial Statements requires management to make certain judgments, estimates and assumptions that impact the Company's reported financial position. Judgement and estimates are based on historical experience and expectation of future events within reasonable circumstances. Actual outcomes could differ from these estimates. Revisions to these estimates are recognized in the period in which the estimates are revised and in future periods affected. A detailed summary of the Company's critical accounting estimates is included in Note 2 to the consolidated financial statements for the year ended December 31, 2025.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

At December 31, 2025, the carrying values of cash, amounts receivable, accounts payable and accrued liabilities and lease liabilities approximate their fair values due to the short-term maturity and market interest rate of these financial instruments.

The Company classifies its financial instruments into three levels of the fair value hierarchy according to the relative reliability of the inputs used to measure the fair values. The fair value hierarchy is as follows:

Level 1- unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2- quoted prices in inactive markets or inputs are observable directly/indirectly for the asset or liability;
and

Level 3- inputs that are unobservable as there are little or no market activities.

Risk management

The Company is exposed to financial instrument related risks arising from its normal operations. The Company manages and mitigates these risk exposures as follows:

Foreign Currency risk

The Company operates in Canada, United States and Mexico. It maintains Mexican peso ("MXN") and US dollar (US\$) bank accounts in Mexico and United States and is subject to currency gains or losses from these two currencies against the Canadian dollar. The Company has no hedging against its foreign currency risk exposure.

At December 31, 2025 and December 31, 2024, the Company was exposed to currency risk through the following assets and liabilities denominated in US\$:

	December 31, 2025 US\$	December 31, 2024 US\$
Cash	4,174,750	201,934
Accounts payable and accrued liabilities	(464,480)	-
	<u>3,710,270</u>	<u>201,934</u>

At December 31, 2025 and December 31, 2024, the Company was exposed to currency risk through the following assets and liabilities denominated in MXN:

	December 31, 2025 MXN	December 31, 2024 MXN
Cash	10,664	10,450
Accounts payable and accrued liabilities	-	(8,073)
	<u>10,664</u>	<u>2,377</u>

A 10% change of the Canadian dollar against the US dollar at December 31, 2025 would have increased or decreased the comprehensive loss by \$508,530 (2024 – \$29,056). A 10% change of the Canadian dollar against the MXN at December 31, 2025 would have increased or decreased the comprehensive loss by \$81 (2024 – \$72). This analysis assumes that all other variables, in particular interest rates, remain consistent.

Liquidity risk

Liquidity risk is the risk that the Company's financial assets are insufficient to meet its financial liabilities. The Company manages liquidity risk with cash forecasting to ensure sufficient funds are available to meet its obligations. As at December 31, 2025, the Company had cash of \$10,346,358 (2024 - \$298,252) to settle current liabilities of \$2,088,352 (2024 - \$36,750).

Credit risk

Credit risk arises from cash held with financial institutions and credit exposure on amounts receivable. The Company limits this risk by maintaining the balances with high-credit quality financial institutions and monitoring institutional exposure. As at December 31, 2025, the Company's maximum exposure to credit risk was the carrying value of its cash and amounts receivable.

Commodity price risk

Commodity prices are influenced by global consumption, supply and demand, inflation, political and economic conditions. Ongoing global economic instability, including the continuous imposition of trade tariffs from the United States and uncertain monetary policies, has contributed to increased commodity price volatility, which may present challenges to the Company's business plan for the advancement of the Zonia Copper Project.

Capital Management

The Company's objectives in managing capital are to prudently allocate capital to advance Zonia in a measured and disciplined manner, while maintaining adequate liquidity, preserving financial flexibility, and optimizing its capital structure at an acceptable level of risk. In assessing its capital structure, the Company considers shareholders' equity and cash and make adjustments in response to changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue equity or debt, acquire or dispose of assets, or adjust cash holdings. No changes were made to the Company's capital management objectives, policies or procedures for the year ended December 31, 2025.

RISKS AND UNCERTAINTIES

An investment in the Company's securities is highly speculative and subject to a number of risks and uncertainties. Only investors who can bear the risk of the loss of their entire investment should purchase securities of the Company. Prospective investors should carefully review the risks described below together with other information filed with the Canadian securities regulators before investing in the Company's securities, including the Company's then current annual information form. The risks described below are not exhaustive, and additional risks that the Company currently considers immaterial may become significant factors affecting its business. If any of these risks materialize, or if other unforeseen risks arise, the Company's business, operating results and financial condition could be materially adversely affected and investors may lose part or all of their investment.

The Company has limited history of generating operating revenue.

Edge Copper has been an exploration company with a limited history of revenue, except for revenue generated from the sale of an NSR royalty in April 2025. Advancement of the Zonia Copper Project is contingent upon achieving satisfactory results from further exploration, geological and technical studies. Exploration and development of natural resources involve a high degree of risk and few properties explored are ultimately developed into producing assets. There can be no assurance that the Company's exploration activities will result in the discovery of commercially viable mineral deposits.

Mineral reserve and mineral resource figures for the Company's Zonia Copper Project are estimates only and subject to revision as new information becomes available.

To execute its growth strategy and develop the Zonia Copper Project, it is essential that Edge Copper successfully convert mineral resources into mineral reserves, expand its mineral resource base by adding new mineral resources from areas of identified mineralized potential and undertake successful exploration activities or acquire additional mineral resources. The estimation of mineral resources involves inherent uncertainties that are beyond the Company's control. The Company has no mineral reserves.

The price of and demand for copper will have a significant impact on the Company's business and future prospects.

The Company's profitability and long-term viability depend largely on copper prices and demand, which are influenced by factors beyond the Company's control, including global supply and demand; changes in investment and consumption patterns, expectations regarding interest rates and inflation, and fluctuations in the value of the U.S. dollar and other currencies. There can be no assurance that copper price will remain at current levels or that future prices will be favourable for the development or production at the Zonia Copper Project.

The Company is subject to various exploration, development and operating risks.

Mining operations are inherently dangerous and involve a high degree of risk. The Company's operations are subject to risks typically encountered in the exploration, development and production of copper, including unexpected geological conditions, pit wall failures and other hazards associated with drilling and material removal. Such events may result in damage to mine facilities, property and exploration equipment, harm to the environment or personal injuries. The occurrence of any of these events could lead to prolonged interruptions to the Company's operations.

The Company's operations are dependent on obtaining and maintaining permits from relevant government authorities.

Prior to undertaking any exploration and development activities at the Zonia Copper Project, the Company must secure the necessary permits from the appropriate regulatory authorities. There can be no assurance that delays will not occur in obtaining permit renewals, additional permits for changes to operations, or permits required under new legislation, any of which could adversely affect the Company's activities and timeline.

The Company's mining, processing, development and exploration activities depend on the reliability of adequate infrastructure.

Reliable access to roads, bridges, power sources and water supply is critical to managing capital and operating costs. Unusual or infrequent weather events, sabotage, or government or other interference with the maintenance or provision of such infrastructure could adversely affect the Company's operations and financial results.

The Company's development of the Zonia Copper Project is subject to various laws and regulations.

The Company's mineral exploration activities are governed by a range of laws and regulations relating to prospecting, development, production, taxation, labour standards and occupational health, mine safety and environmental protection. Compliance with these requirements may impose significant obligations on the Company, and changes to existing regulations or the introduction of new regulations could have a material adverse effect on the Company's operations.

The Company may face increasing public concern regarding the perceived effects of mining activities on the environment and on host communities.

The Company's relationships with host communities will be critical to the success of its operations on advancing the Zonia Copper Project. Growing public concern about the environmental and social impacts of mining activities may lead to opposition to the Company's operations at the project site, which may require the Company to enter into agreements with community groups or local governments. Such circumstances may result in increased costs and considerable delays in the development of the Zonia Copper Project.

The Company will require additional financing which may not be available or on favourable terms.

The exploration and development of the Zonia Copper Project as well as the construction of mining facilities and commencement of mining operations will require substantial additional funding. There can be no assurance that such financing will be available when required or on acceptable terms. Any financing through the issuance of equity securities could result in a material increase in the number of the Company's issued and outstanding shares, which may adversely affect the market price of its shares.

The Company is dependent on key management personnel and faces intense competition for qualified professionals.

The Company's ability to manage its operating, development, exploration and financing activities depends largely on the efforts of key management and executive personnel. The Company competes for qualified personnel, and there can be no assurance that it will be able to attract and retain such personnel. The loss of the services of one or more key management personnel or the failure to attract and retain such individuals. These circumstance could have a material adverse effect on the Company's ability to manage and grow its business.

The Company will face evolving regulatory obligations as a public company.

The Company is subject to changing corporate governance and public disclosure requirements that may increase compliance costs and the risk of non-compliance. The Company must comply with evolving rules and regulations issued by governmental and self-regulated bodies, including Canadian securities regulators, the TSXV and the IASB, all of which continue to expand in scope and complexity, resulting in additional regulatory requirements.

