Talisker
RESOURCES

For the years ended December 31, 2025 and 2024

Dated March 31, 2026

This management's discussion and analysis (this "MD&A") reflects the assessment by management of the results and financial condition of Talisker Resources Ltd. ("Talisker" or the "Company") and should be read in conjunction with the audited consolidated financial statements of the Company for the years ended December 31, 2025 and 2024 and the notes thereto (the "Financial Statements"). Management is responsible for the preparation of the Financial Statements and this MD&A. The Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). This MD&A and the Financial Statements are available on the Company's profile on SEDAR+ at www.sedarplus.ca and on Talisker's website at www.taliskerresources.com.

This MD&A has been prepared as of March 31, 2026. All dollar figures in this MD&A are expressed in Canadian dollars unless stated otherwise.

Qualified Person

The scientific and technical information contained in this MD&A has been approved by Leonardo de Souza (BSc, AusIMM (CP) Membership 224827), Talisker's Vice President, Resource Development, who is a "qualified person" within the meaning of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101").

Outlook, Strategy and Recent Developments

OUTLOOK AND STRATEGY

Throughout the year, Talisker achieved gold sales of approximately $12.6 million, marking a major milestone in the Company's shift from developer to gold producer in British Columbia. This result demonstrates the successful execution of the Company's strategy and confirms that it is effectively advancing the key operational steps needed to establish sustainable production.

The early revenue profile reinforces the credibility of Talisker's operating plan, supports continued underground development and production ramp-up, and provides tangible evidence of progress toward commercial production.

Meanwhile, the Company advanced its ore sorting testing and feasibility program at the Bralorne Gold Project, producing test results showing feed-grade increases of 30% to 100% and waste rejection of 35% to 65%, with gold recoveries ranging from 56% to 98%. The ore-sorting test program continues to show strong results, increasing feed grade and rejecting dilution before processing. The Company has begun engineering design and procurement for the installation of an ore sorting facility in late 2026. This process will improve operating margins by lowering haulage and milling costs per tonne, while boosting gold output per tonne processed. The technology offers a cost-effective, scalable way to increase production with lower capital requirements while supporting long-term sustainability goals. Ore sorting is therefore a key value driver as Talisker moves toward commercial production and expands output.

Following December 31, 2025, and up to the date of this MD&A, the Company completed a bought-deal private placement financing on March 10, 2026, for gross proceeds of $52,100,000 from the sale of 26,000,000 units at a price of $2.00 per unit and a partial exercise of the over-allotment option for 625,000 warrants. Each unit consisted of one common share of the Company and half of one warrant. Each full warrant entitles the holder to purchase one common share at a price of $2.70 at any time on or before March 10, 2028. The Company will make reasonable commercial efforts to list these warrants for trading on the Toronto Stock Exchange (the "TSX"). The Company intends to use the net proceeds from this financing for the continued advancement of the Company's flagship Bralorne Gold Project in British Columbia, as well as for general corporate purposes and working capital.

On October 30, 2025, Talisker entered into a binding agreement with Ocean Partners UK Ltd. ("Ocean Partners") for the purchase and processing of up to 1,500 tonnes of ore per day. This agreement secures processing capacity and working capital during the ramp-up period, significantly enhancing the Company's financial flexibility and speeding up Talisker's progress toward commercial production. The partnership also serves as strong third-party validation of Talisker's ore quality and operational plan, boosting investor confidence as the Company moves closer to steady-state gold production in British Columbia.

On November 6, 2025, the Company announced it had closed the final tranche of a bought-deal financing, raising aggregate gross proceeds of $23.1 million. Additionally, the Company reduced its debt by $5.1 million by exercising its right to convert the outstanding Convertible Debentures (as defined below) into common shares. The conversion materially improves the Company's capital structure, reinforces liquidity, and enhances financial flexibility, positioning Talisker with a stronger balance sheet to support continued underground development, ramp optimization, and production expansion.

Collectively, these developments underscore the Company's transition from development to ramp-up, management continues to emphasize that commercial production criteria have not yet been met, and the operation remains in the commissioning/ramp-up phase.

Bralorne Gold Project

Key activities:

- Milling: Milling and processing of run-of-mine material from the Mustang Mine commenced on July 7, 2025 at Nicola Mining Inc.'s ("Nicola Mining") mill located in Merritt, British Columbia (the "Merritt Mill"). Nicola Mining completed the installation of the gravity circuit in June 2025 and, after thorough process testing, began milling Talisker's material. As at the date of this MD&A, a total of 24,731 tonnes of material has been transported from Mustang to the Merritt Mill for processing.

- Mine Development: Mustang continued to progress with its development, focusing on the Alhambra West, Mustang down ramp, and Bralorne West ramp access areas. This involved initiating stope preparations and updating the geological model based on new sampling data. Significant progress was made across stope design, block model updates, and regulatory compliance. Safety performance remained strong, with no lost-time incidents recorded. Long-hole drilling in preparation for the mining and extraction of the first stope is underway, targeting the 3264 stope from the Alhambra vein located between the 1060 and 1075 levels.

- Project Milestones: The Company completed ventilation upgrades in the third quarter of 2025 and continued long-hole drilling in the upper Mustang to prepare stopes for production. With the updated geological model in place and increased geotechnical confidence, the operation is well-positioned to increase ore production in 2026.

(in Canadian dollars unless otherwise noted)

- Ore Sorting: During the third quarter, the Company completed laser ore sorter testing, assaying and geochemical analysis for Phase 2 of its ore sorting test program at the Bralorne Gold Project. A total of 371.3 kg sourced from run-of-mine material from the Mustang Mine, drill core from the Mustang Mine, and drill core from Bralorne West were processed using full-scale commercial laser ore sorting equipment. The results from this test program materially support Talisker's plan to enhance production efficiency and margin performance during the ramp-up and steady-state phases.

  Following the successful test program, the Company initiated design work for the facility, equipment, geotechnical, and civil earthworks. Procurement activities for the ore sorting plant were also initiated to advance long lead time items to support installation in 2026. Talisker remains on track for ore sorter commissioning in late 2026, representing an important milestone in maximizing resource utilization, increasing productive capacity, and supporting the Company's capital-efficient pathway to commercial production.

  These results are based on laboratory and pilot-scale testing and may not be indicative of future operational performance.

- Geology Activities: During the quarter, the Bralorne Gold Project advanced delineation core drilling, underground grade-control sampling, and resource modelling efforts, with particular focus on the Alhambra, BK, BK-9870, 101, 55hW, and 55 veins structures at the Mustang Mine.

Financing and Liquidity

After the reporting period on March 10, 2026, the Company completed a bought-deal private placement financing for gross proceeds of $52,100,000 from the sale of 26,000,000 units at a price of $2.00 per unit and a partial exercise of the over-allotment option for 625,000 warrants. Each unit consisted of one common share and half of one warrant. Each full warrant entitles the holder to purchase one common share at a price of $2.70 on or before March 10, 2028.

The Company further strengthened its financial position through a $23.0 million bought-deal private placement announced on October 9, 2025, and completed in two tranches on October 24 and November 6, 2025. Overall, the Company sold 15,333,334 common shares at a price of $1.50 each, resulting in gross proceeds of $23,000,001, including the full exercise of the over-allotment option.

In addition, Talisker strengthened its balance sheet and liquidity profile by reducing debt by $5.1 million through the conversion of its outstanding Convertible Debentures into equity, thereby eliminating future interest obligations and improving leverage without incurring additional cash outflows.

Period	Financing Highlights
May 2025	Closed $8 million brokered financing; 16M shares issued; 8M warrants listed (TSK.WT)
June 2025	Closed $14 million non-brokered financing; 28M shares issued; 14M warrants listed (TSK.WT)
November 2025	Closed $23.1 million bought deal financing; 15.3M shares issued
March 2026	Closed $52.1 million bought deal financing; 26M shares issued

The financings were targeted to accelerate critical project milestones at the Bralorne Gold Project, including:

- Accelerating underground development, lateral drifting, and stope extraction at Mustang Mine;
- Resource expansion through exploration drilling and resource category conversion through delineation drilling;
- Engineering and permitting for future production ramp-up;
- Infrastructure upgrades, including ventilation and site services; and
- Support permitting, feasibility work, and general working capital.

These activities align with Talisker's goal of derisking the Bralorne Gold Project, increasing the economic viability of the deposit.

On May 5, 2025, the Company closed a brokered financing for aggregate gross proceeds of $8,000,000. In connection with the financing, the Company issued an aggregate of 16,000,000 units at a price of $0.50 per unit. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at an exercise price of $0.75 until May 5, 2028. The Company also issued 841,200 finders' warrants. Each finder's warrant entitles the holder thereof to purchase one common share at an exercise price of $0.60 until May 5, 2028.

On June 6, 2025, the Company closed a non-brokered financing for aggregate gross proceeds of $13,956,500. In connection with this financing, the Company issued an aggregate of 27,913,000 units at a price of $0.50 per unit. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at an exercise price of $0.75 until May 5, 2028. The Company also issued 1,347,540 finders' warrants. Each finder's warrant entitles the holder thereof to purchase one common share at an exercise price of $0.50 until June 6, 2028.

In consideration for their services, the Company paid the agents and finders, as applicable, a cash commission and incurred other closing costs totalling $1,776,227 across the two financings (May and June 2025).

While Talisker continues to expand its development and production activities, the Company will remain reliant on external financing to fund its ongoing and future programs. Talisker will continue to explore various financing options, including equity issuances, royalty agreements, and debt financing. The Company's ability to raise funds through these mechanisms will be key to maintaining its operational momentum and achieving long-term growth.

Gold-Linked Note Financing

- The Company issued gold-linked notes ("Gold-Linked Notes") in the aggregate principal amount of $1,332,000 on October 17, 2024 pursuant to the Gold-Linked Note Financing (as defined below).
- The Gold-Linked Notes represent senior unsecured obligations of the Company and are not convertible into shares.
- The Gold-Linked Notes bear interest at a rate of 15% per annum and mature on December 31, 2027.

- The principal amount of the Gold-Linked Notes was used to calculate the quantity of gold (the "Gold Quantity") to be represented by the notes, being the deemed number of ounces of gold using a price (the "Floor Price") of US$2,500. The Gold Quantity will be reduced on each of December 31, 2025, December 31, 2026 and December 31, 2027, by that number of ounces that represents 15%, 25% and 60%, respectively, of the Gold Quantity on the closing of the Gold-Linked Note Financing, by the payment of the Deemed Value of such Gold Quantity. The "Deemed Value" means the applicable Gold Quantity multiplied by the Gold Price (the "Gold Price" being the greater of: (a) the Floor Price; and (b) the "London Gold Fix" price per ounce (in U.S. dollars) as of the 15th day of the month of such payment date).
- Interest is calculated and payable quarterly in arrears, with the interest payable being calculated based on the Deemed Value of the Gold Quantity on the applicable interest payment date.
- In connection with the Gold-Linked Note Financing, the Company paid a finder's fee of $65,350, the amount equal to 5% of the gross proceeds of the Gold- Linked Note Financing.

Sprott Second Draw

As part of the closing of the Sprott Second Draw (as defined below), Sprott Private Resource Streaming and Royalty (B) Corp. ("Sprott") entered into a subordination agreement with OR Royalties Inc. ("Osisko"), which, among other matters, provided that the security interest over all present and after-acquired personal property of Bralorne Gold Mines Ltd. ("BGM"), a wholly owned subsidiary of the Company, which holds the Bralorne Gold Project (including a pledge of shares and a debenture of BGM) granted in favour of Sprott will be subordinated to the security interest over all present and after-acquired personal property of BGM (including a pledge of shares and a debenture of BGM) granted in favour of Osisko. The Company also entered into an agreement with Sprott to amend the royalty agreement dated June 9, 2023, between Sprott, the Company and BGM (the "Sprott Royalty Agreement").

The material amendments to the Sprott Royalty Agreement included the following:

- *Buyback Right* – The various time frames for exercise by BGM of its right to buy back up to 50% of the royalty were pushed back by six months, with the first period commencing on or before June 30, 2025 (was December 31, 2024) and the outside date ending June 30, 2029 (was December 31, 2028). The Company continues to have the right to satisfy the buy back right in cash or in shares (subject to a 4.9% ownership limit, calculated at the time of the buyback), at the Company's sole discretion (and subject to prior approval of the TSX).

- *Production Target* – The time frame for the quarterly production target of 38,000 ounces was pushed back, such that the target applies to the quarters ending March 31, 2028 (was September 30, 2026) and June 30, 2028 (was December 31, 2026).

In October and November 2024, the Company secured financing through four separate transactions: (i) US$11,750,000 from the second draw of the Sprott Royalty Agreement (the "Sprott Second Draw") - see note 10 in the audited financial statements); (ii) a $4,000,000 convertible debenture from the Phoenix Gold Fund (the "Phoenix Convertible Debenture"); (iii) a non-brokered private placement of $1,332,000 of Gold-Linked Notes (the "Gold-Linked Note Financing"); and (iv) a $1,100,000 convertible debenture from Spartan MM Fund (the "Spartan Convertible Debenture" and together with the Phoenix Convertible Debenture, the "Convertible Debentures"). Additional details are included below.

Additional Corporate Highlights

On July 30, 2025, the Company entered into three definitive agreements with Ocean Partners, an internationally respected metals trader, for the purchase of gravity gold and sulphide concentrate from the Mustang Mine. The three agreements include two separate purchase agreements, one for gravity gold concentrate and one for sulphide concentrate, and a logistics agreement appointing Ocean Partners as Bralorne's exclusive logistics agent to manage the end-to-end transportation of both gravity and sulphide concentrates from the mill site to international buyers. Under the gravity gold and sulphide concentrate purchase agreements, Ocean Partners has agreed to purchase 100% of the gravity gold and sulphide concentrates produced pursuant to Bralorne's existing milling agreement. The purchase agreements include commercially competitive terms, flexible pricing tied to LBMA reference prices, structured advance and provisional payment provisions, as well as provisions ensuring quality and handling standards.

On March 18, 2025, the Company entered into a mining services contract (the "Mining Services Contract") with Thyssen Mining Construction of Canada Ltd. ("Thyssen") to provide mining services at its Mustang Mine. Thyssen is a well-established underground mining contractor known for its proven track record of delivering high-quality, efficient mining services. The Company will benefit from Thyssen's expertise, resources, and capabilities in underground mining, which are essential for achieving the production targets outlined in the Mustang Mine's production plan. This agreement will directly contribute to the Company's operational efficiency and long-term success, as it provides access to specialized mining services that are critical to the efficient development and extraction of mineral resources. Additionally, Thyssen's involvement allows the Company to leverage their established reputation and capabilities in the industry, which can enhance the credibility and reliability of the project. As a result, this agreement is strategically important for the Company, as it not only strengthens its operational capacity but also ensures the strong execution of key production milestones, which are central to the overall success of the Mustang Mine project.

On February 11, 2025, the Company announced the status of mining contractor mobilization and pre-development activities at the Bralorne Gold Project including:

- All operational staff and contractors have arrived at site with necessary mining equipment;
- Ground control management and ventilation plans for the Mustang Mine have been finalized;
- Mine rescue training for the underground teams has been completed;
- Pre-construction activities are well underway with additions to the workshop and storage units already completed and the re-establishment of compressed air, water and power services;
- Minor ground support rehabilitation, installation of ventilation and safety infrastructure has been completed;
- Drilling and blasting of the first long hole stope took place in May with remaining production from development on the Alhambra, BK and BK9870 veins;

On January 30, 2025, the Company announced the acquisition of the Golden Hornet Project ("Golden Hornet") post completion of the option agreement entered into with Rich River Exploration Ltd. ("Rich River") in January 2020. In connection with the acquisition of Golden Hornet, Talisker also negotiated the purchase of the 2% Net Smelter Royalty granted to Rich River in connection with the option agreement for total aggregate consideration of $100,000, with 1% being purchased for cancellation by Talisker in consideration for the payment of $38,000 in cash and $12,000 through the issuance of 36,363 shares of Talisker at a price of $0.33 per share (the "Royalty Purchase"), and the other 1% being purchased by Osisko pursuant to a first right of refusal granted under the royalty purchase agreement entered into between, among others, the Company and Osisko, in December 2021 (the "RPA") (see news release of December 6, 2021). In accordance with the terms of the RPA and the completion of the option agreement, Talisker and Osisko have entered into a royalty agreement whereby Osisko will now hold a 2% net smelter returns royalty on all production from Golden Hornet, the Blue Jay and the Barnato properties.

On January 8, 2025, the Company announced that the 2025 Mustang Mine Plan has been completed and reviewed with the relevant inspectors from the British Columbia Ministry of Mines and Critical Minerals. The final mine plan was submitted before the start of mining operations pursuant to regulatory requirements. Geotechnical mapping of the Mustang decline and historic 980 level was conducted during November and December with submission of the Ground Control Management Plan expected by the end of January (completed). A ventilation audit was also conducted in December and the Mustang Ventilation Plan was completed during January.

DEVELOPMENT PROPERTY

Mustang Mine – Production Decision and Technical Disclosure

During Q2 2025, the Company made a production decision for the Mustang Mine, supported by internal engineering, geological, and economic assessments. This decision marks a significant milestone in the Company's transition from advanced exploration to early-stage production activities.

Following this decision, the Company initiated:

- Mine development and underground preparation work;
- Procurement of key equipment and services required for initial operations;
- Advancements in permitting and regulatory compliance; and
- Additional metallurgical testing and resource model updates to support operational planning.

The Company advises that it does not have defined mineral reserves and has not based its production decision on a feasibility study demonstrating economic and technical viability. As a result, there is increased uncertainty and economic risk of failure associated with the decision to commence production activities without mineral reserves or a feasibility study of mineral reserves. Furthermore, historically, projects that are in production without defined mineral reserves have a much higher risk of economic and technical failure. There is no guarantee that commercial production will begin as anticipated, or at all, or that anticipated production costs will be met.

The Company continues to consider drilling, geological modelling, and metallurgical data in its planning for production activities. An updated NI 43-101 technical report is expected to be prepared and filed by the Company in 2026.

As of the date of this MD&A, the Company has not yet achieved commercial production at its Bralorne Gold Project, located in British Columbia. The Project remains in the development, commissioning, and operational ramp-up phase.

The Bralorne Project is characterized as a high-grade, narrow-vein underground gold system in which production performance is inherently influenced by stope sequencing, grade variability, and geological continuity. As a result, achieving stable and predictable operating performance requires a period of sustained development, testing, and optimization.

Accordingly, management continues to focus on achieving repeatable stope performance and reliable grade reconciliation prior to declaring commercial production.

The Bralorne Gold Project currently comprises over 14,404, hectares over 69 claims, three leases and 197 Crown Grant claims. The mineral resource estimate ("MRE") was announced on January 24, 2023. The technical report on the Bralorne Gold Project is available on the Company's profile on SEDAR+ at www.sedarplus.ca.

EXPLORATION PROPERTIES / PROJECTS

Talisker's exploration projects include Spences Bridge, where the Company holds significant mineral tenure within the emerging Spences Bridge Gold Belt. The other major project is Ladner Gold, which offers significant exploration potential from historical high-grade producing gold mines.

Ladner Gold Project

Located in southern British Columbia, the Ladner Gold Project is comprised of 218 mineral claims over an area of approximately 28 by 5 kilometres (15,526 hectares) covering the northern part of the Coquihalla Gold Belt. The property is accessible by the Coquihalla Highway, with the former Carolin Gold Mine located approximately 6 kilometres from the Coquihalla Highway. The Ladner Gold Project has excellent infrastructure and an existing mine permit (1,300 tonnes per day), tailings storage facility, mine site and mill site. The most recent technical report titled "Technical Report on the Ladner Gold Project, British Columbia" with an effective date of May 29, 2015 (the "Ladner Gold Technical Report") provides for a combined total of 691,540 inferred ounces of gold (including 12,352,000 tonnes grading 1.53 g/t gold for 607,000 oz at the Carolin Mine, 3,575,000 tons grading 0.69 g/t gold for 79,540 oz at the McMaster Zone, and 93,000 tons grading 0.053 oz/ton for 5,000 oz at the Tailings deposit). The Tailings deposit also contains an additional indicated resource of 445,000 tons grading 0.053 oz/ton for 24,000 oz of contained gold. Key assumptions, parameters, and methods used to prepare the mineral resource estimate are disclosed in the Ladner Gold Technical Report, which is available on New Carolin's profile on SEDAR+ at www.sedarplus.ca. More recent exploration results include a 2018 drill hole (18NC10) that intersected 93 m averaging 1.39 g/t Au, including 7 m of 5.75 g/t gold. Historic exploration drill results at the Ladner Gold Project were highlighted by 17.05 g/t Au over 10 m (hole 716-6), 10.85 g/t Au over 21.4 m (hole 600-3) and 4.97 g/t Au over 62.3m (hole IU-37).

In 2021, the Company conducted a soil geochemical survey to test and confirm historical geochemical anomalies between the Carolin Mine and McMaster Prospect area. 347 soil samples and 14 rock grab samples were collected. 103 soil samples (30%) were anomalous for gold, and identified two linear clusters in the central portion of the project. In 2022, the Company compiled, reviewed, and interpreted historic geological, geochemical, and geophysical data from historic exploration programs to aid in targeting and exploration across the Ladner Gold Project. In 2023, the Company executed a three month geological mapping program and surface sampling campaign which included the collection of 175 rock samples. The focus of the mapping was centered on the areas of known mineralization adjacent to the historic Carolin underground mine and the McMaster prospect. Mapping and sampling targeted major lithological contacts between the lower Ladner Group sediments, the Spider Peak volcanic succession, and the Coquihalla serpentine unit.

Of the 175 rock samples collected, 137 samples (78.3%) were anomalous for gold, 88 samples (50.3%) yielded above 0.1 g/t Au, 40 samples (22.8%) yielded above 0.5 g/t Au and 24 samples (13.7%) yielded more than 1.50 g/t Au. The top 24 samples include six samples (3.4%) that showed gold values above 6 g/t gold. The top result was a composite sample of sheeted quartz veins in aphanitic andesite, which produced 97.70 g/t Au.

Spences Bridge Gold Project

Talisker now holds a total of 56 prospective mineral claims within the SBGB, covering 81,267 hectares, following the relinquishment of certain non-prospective claims during 2025. The Spences Bridge Gold Project includes land in the Spences Bridge Gold Belt in southern British Columbia and comprises the Company's claims at Spences Bridge and Blustry Mountain. The Spences Bridge Gold Project, along with other properties, was acquired from Sable Resources Ltd. ("Sable"). As part of the acquisition, the Company assumed a strategic alliance Sable had with Westhaven Gold Corp. (formerly Westhaven Ventures Inc.) ("Westhaven"), which owns the Shovelnose Project, Prospect Valley, Skoonka, and Skoonka North properties, all adjoining the Company's claims. This alliance includes an agreement whereby any ground staked within 5 kilometres of Westhaven's existing projects will be subject to a 2.5% net smelter royalty ("NSR"). Additionally, Westhaven has a 30-day right of first refusal for any properties within the same five-kilometre radius.

On August 19, 2024, the Company sold 12 mineral claims (23,550 hectares) contiguous to Westhaven's Shovelnose Project to Westhaven for $20,000 cash and 1,500,000 shares of Westhaven, along with a 1% Net Smelter Returns Royalty ("NSR"). Westhaven has the first right to buy back the NSR for $1 million.

In March 2025, 42 non-prospective mineral claims within the Spences Bridge Gold Belt were allowed to lapse, reducing claim burden and costs. On December 26, 2025, another 40 claims lapsed. As part of the divestment strategy, some claims were subdivided to decrease their size in non-prospective areas.

SUMMARIZED OPERATIONAL RESULTS

Revenue

During the year ended December 31, 2025, the Company generated revenue of approximately $12.6 million from the sale of gold concentrate produced from ore mined at the Mustang Mine at the Bralorne Gold Project in British Columbia and processed at a third-party milling facility.

Revenue was recognized upon delivery of the gold concentrate to the customer in accordance with the terms of the Company's offtake and concentrate purchase agreements. Sales are subject to provisional pricing arrangements, under which the final settlement price is determined by prevailing gold prices on a future settlement date. As a result, revenue initially recognized may be subject to subsequent adjustments based on changes in the gold price until final settlement occurs.

During the year, the Company processed approximately 24,731 tonnes of ore, producing 2,445 ounces of gold, which were sold. Revenue recognized reflects the realized and provisionally priced gold sales during the year.

As operations commenced during 2025, the Company recorded a gross margin of approximately $564,000, reflecting the early-stage nature of mining operations and the costs associated with ramp-up production, including underground development, limited mining faces, and processing through third-party toll milling facilities.

The Company expects revenue to increase in future periods as mining rates and ore throughput increase and additional stopes are brought into production.

Cost of Sales and Production Costs

Cost of sales for the year ended December 31, 2025 primarily reflects costs associated with the mining and transportation of ore from the Mustang Mine at the Bralorne Gold Project, as well as third-party toll milling charges.

Production costs include:

- underground mining costs,
- transportation of ore to the third-party milling facility,
- toll milling and processing costs,
- site operating costs, and
- depreciation of mining equipment and infrastructure associated with production activities.

During the year ended December 31, 2025, the Company incurred processing costs of approximately $12.1 million for ore processed through third-party milling facilities. These costs reflect the early-stage nature of operations and the Company's reliance on external processing capacity while the mine continues to advance toward steady-state production.

As the operation continues to ramp up, production costs per tonne and per ounce are expected to improve as mining rates increase, additional production areas are brought into operation, and operational efficiencies are realized.

Operational Metrics and Production

For the year ended December 31, 2025, Talisker continued to advance toward steady-state operations, with incremental improvements in mining productivity and the consistent delivery of ore to processing facilities.

Key highlights include:

- 28,432 tonnes mined during the period, supporting consistent mill feed and operational continuity.
- 24,731 tonnes processed, with 5,332 tonnes stockpiled, reflecting early-stage stock management consistent with ramp-up.
- A measured 78 tonnes per day mining rate, aligned with phased development access.

(in Canadian dollars unless otherwise noted)

- Mining cost of $401/tonne, benchmarked against early production conditions and demonstrating cost discipline despite initial scale.

These results reflect controlled execution and disciplined advancement of the mine plan during the commissioning phase while multiple production faces continue to be developed.

As anticipated at this stage of mine development, unit costs remain elevated due to ramp-up dynamics, including limited mining faces, reduced ore throughput, and processing via third-party toll milling. These transitional factors are characteristic of the commissioning period and are expected to normalize as production scales, additional stopes are commissioned, and operational efficiencies are attained.

Talisker continues to follow a disciplined and phased approach to ramping up production, with performance metrics aligned to commissioning expectations. As production levels grow, the Company has stockpiling flexibility, access to non-dilutive capital, and plans to install an ore sorter by Q2 2026. This strategy allows it to improve operating efficiency, lower unit costs, and move toward steady-state production and commercialization.

The Company expects unit operating costs to decline as mining rates increase, additional stopes are brought online, and the ore sorting facility is installed.

The Company commenced mining and processing activities at the Mustang Mine during 2025 as part of its transition from development-stage activities toward production at the Bralorne Gold Project.

Operational results for the year ended December 31, 2025 were as follows:

Metric	2025
Total ore mined	28,432 tonnes
Ore processed	23,100 tonnes
Ore stockpiled	5,332 tonnes
Waste mined	45,986 tonnes
Total material mined	74,418 tonnes
Mining rate	78 tonnes per day
Gold produced	2,445 ounces

Mining operations during the period focused on the continued development of underground infrastructure and the preparation of stoping areas while establishing initial production levels. Ore mined from the Mustang Mine was transported to Nicola Mining's Merritt Mill for processing under the Company's toll milling arrangements.

Mining costs averaged approximately $401 per tonne during the year, reflecting the early stage of production and the costs associated with underground development, limited mining faces, and lower throughput rates typical of ramp-up operations.

Management expects mining rates and production levels to increase as additional stopes are brought into production, underground development advances, and operational efficiencies are realized.

For the year ended December 31, 2025, net loss amounted to $20,806,293, compared to a net loss of $14,265,394 for the same period in 2024. For the three month period ended December 31, 2025, net loss amounted to $4,992,065, compared to a net loss of $2,606,656 for the same period in 2024.

The main differences between the two periods were primarily due to revenue recognition from gold sales, resulting in a gross margin of $563,773 (2024 - $nil). Exploration and evaluation expenditures amounted to $1,582,702 for the year ended December 31, 2025 (2024 - $6,472,955), which decreased as a result of the Company focusing on developing the Mustang Mine. Share-based payments increased to $5,122,640 (2024 - $687,744). Finance expenses also increased for the year ended December 31, 2025, reaching $4,674,843 (2024 - $1,789,893), mainly due to various interest costs on facilities closed in Q4 2024, which are further discussed below under the "Expenses" section.

Expenses

For the years ended December 31, 2025 and 2024:

Expenses of $15,920,863 for the year ended December 31, 2025 increased in comparison with expenses of $13,937,722 for the year ended December 31, 2024. The increase for the period is primarily due to the following variances:

- Exploration and evaluation expenses decreased to $1,582,702 for the year ended December 31, 2025, from $6,472,955 for the same period in 2024. The decrease is due to the Company focusing on the development of the Bralorne mine and reduced exploration work.

- Mine care and maintenance costs increased to $1,205,695 for the year ended December 31, 2025, from $849,098 for the same period in 2024. The increase is due to a decrease in water treatment cost of $92,965 (2024 - $240,161) offset by an increase in environmental costs of $1,143,730 (2024 - $608,937).

- Consulting and management expenses increased to $3,372,666 for the year ended December 31, 2025, from $2,574,180 for the year ended December 31, 2024. The amount increased due to annual salary cost increases.

- Administration costs increased from $2,240,183 for the year ended December 31, 2024, to $2,764,955 for the year ended December 31, 2025. Administration costs vary based on the level of activity and overhead costs incurred during each period with the expense increasing as the Company focused on development at Bralorne.

- Share-based payments increased to $5,122,640 for the year ended December 31, 2025, from $687,744 for the same period in 2024. Share-based payments vary based on the number of options and restricted share units ("RSUs") issued in the period and their related valuation. See note 21 of the audited consolidated financial statements for the years ended December 31, 2025 and 2024 for details on options and RSUs issued. During the year ended December 31, 2025, the Company recognized a loss from the revaluation of RSU liability of $1,670,132 (2024 - $15,206 gain) from the revaluation of its RSU liability which is included in the amount.

- Depreciation of property, plant and equipment decreased from $1,113,562 for the year ended December 31, 2024 to $808,229 for the year ended December 31, 2025. The amount decreased in line with a decrease in overall asset base as well as allocation of costs to capital development. The Company also recorded an impairment of buildings in the amount of $1,063,976 relating primarily to the kitchen and mine office complex, which was condemned due to mould.

For the three months ended December 31, 2025 and 2024:

Expenses of $5,735,642 for the three month period ended December 31, 2025 increased in comparison with expenses of $2,581,384 for the three month period ended December 31, 2024. The increase for the period is primarily due to the following variances:

- Exploration and evaluation expenses declined to $182,927 for the three-month period ending December 31, 2025, from $608,948 for the same period in 2024. The decrease is attributed to the Company focusing on developing the Bralorne mine and reduced exploration activities.

- Mine care and maintenance costs decreased to $41,367 for the three-month period ended December 31, 2025, from $256,813 for the same period in 2024. The decrease results from a reduction in water treatment costs of $5,917 (2024 - $47,894) and a drop in environmental costs of $66,449 (2024 - $208,919).

- Consulting and management expenses remained fairly steady at $1,217,367 for the three-month period ended December 31, 2025, compared to $1,118,316 for the three-month period ended December 31, 2024. The amount was consistent across both periods and increased slightly due to annual labour cost hikes.

- Administration costs increased from $347,124 for the three month period ended December 31, 2024, to $1,091,762 for the three month period ended December 31, 2025. Administration costs vary based on the level of activity and overhead costs incurred during each period and increased mainly with the increase of investor relations and shareholder information initiatives.

- Share-based payments increased to $2,482,564 for the three month period ended December 31, 2025, from $4,176 for the same period in 2024. Share-based payments vary based on the number of options and RSUs issued in the period and their related valuation. See note 21 of the audited consolidated financial statements for the years ended December 31, 2025 and 2024 for details on options and RSUs issued. During the three-month period ended December 31, 2025, the Company recognized a loss from the revaluation of its RSU liability of $436,422 (2024: $6,909 gain), which is included in the amount.

- Depreciation of property, plant and equipment decreased from $252,916 for the three month period ended December 31, 2024 to $163,942 for the three month period ended December 31, 2025. The amount decreased in line with a decrease in overall asset base as well as allocation of costs to capital development.

(in Canadian dollars unless otherwise noted)

Other Income/Expenses

During the three month period and year ended December 31, 2025, the Company recognized an unrealized gain of $105,000 and $247,500, respectively (2024 – unrealized loss of $75,000 and $75,000, respectively), from the revaluation of Westhaven shares received during 2024.

During the three month period and year ended December 31, 2025, the Company recorded interest expense of $99,480 and $768,395, respectively (2024 - $172,230 and $172,230, respectively) as well as interest accretion expense of $38,961 and $318,506, respectively (2024 - $72,104 and $72,104, respectively) in relation to its Convertible Debenture financing and the Gold-Linked Note Financing during the year.

During the three month period and year ended December 31, 2025, the Company recognized a loss on revaluation of the derivative in the Gold-Linked Notes of $122,538 and $691,175, respectively (2024 - $55,866 loss and $55,866 loss, respectively).

The Company recorded accretion expense of $152,666 and $585 258, respectively (2024 - $141,748 and $563,911, respectively) during the three month period and year ended December 31, 2025, representing accretion on the asset retirement obligations in connection with the Bralorne Gold Project and Ladner Gold Project.

The Company recorded an income tax recovery of $nil and $nil, respectively (2024 - $180,000 and $498,000, respectively) during the three month period and year ended December 31, 2025. The recovery in 2024 occurred upon the filing of renunciation documents with the Canada Revenue Agency related to previous flow-through share financings, which occurred in the first quarter of 2024.

The Company recorded an interest expense on the financing component of deferred revenue of $865,148 and $3,229,660, respectively (2024 - $694,111 and $694,111, respectively) during the three month period and year ended December 31, 2025, related to the significant financing component of deferred revenue arising on the royalty with Sprott.

SELECTED FINANCIAL INFORMATION

The information below should be read in conjunction with the Company's Financial Statements.

	Year Ended December 31, 2025	Year Ended December 31, 2024	Year Ended December 31, 2023
	$	$	$
Loss			
- net loss	(20,806,293)	(14,265,394)	(12,641,589)
Loss per share			
- net loss (basic and diluted)	(0.15)	(0.15)	(0.16)
Total assets at end of period/year	89,980,121	45,228,144	37,868,094

(in Canadian dollars unless otherwise noted)

SUMMARY OF QUARTERLY RESULTS

The following tables set forth selected financial information for each of the Company's eight most recently completed quarters:

	Q4 2025 $	Q3 2025 $	Q2 2025 $	Q1 2025 $
Revenue	7,169,976	5,454,501	-	-
Cost of sales	(5,240,419)	(6,820,285)	-	-
Expenses	(5,735,642)	(4,684,584)	(1,865,247)	(3,570,647)
Other income (expense)	(1,094,952)	(1,459,173)	(2,525,513)	(1,413,494)
Foreign exchange gain (loss)	(91,028)	27,126	(217,901)	(48,882)
Income tax recovery	-	-	-	-
Net loss	(4,992,065)	(6,172,544)	(4,608,661)	(5,033,023)
Basic and fully diluted loss per share	(0.02)	(0.04)	(0.04)	(0.05)
Total assets at end of period	89,980,121	63,007,933	60,926,964	43,199,893
	Q4 2024 $	**Q3 2024 $**	**Q2 2024 $**	**Q1 2024 $**
Expenses	(2,588,293)	(3,262,801)	(2,935,594)	(5,220,728)
Other expense (income)	(795,371)	(226,435)	(293,868)	(166,257)
Foreign exchange loss (gain)	597,008	3,329	81,056	(9,928)
Income tax recovery	180,000	-	-	318,000
Net loss	(2,606,656)	(3,485,907)	(3,148,406)	(5,078,913)
Basic and fully diluted loss per share	(0.03)	(0.04)	(0.04)	(0.06)
Total assets at end of period	45,228,144	30,356,933	30,395,056	32,155,984

Expenses fluctuated somewhat quarter over quarter ranging from a low of $1,865,247 in the second quarter of 2025 to a high of $5,735,642 in the fourth quarter of 2025. Expenses fluctuated based on budget and exploration plans and have been consistent in the $3,000,000 to $5,000,000 over the last year, except for Q2.

Disclosure of Outstanding Share Data as of March 31, 2026

	Authorized	**Outstanding**
Voting or equity securities issued and outstanding	Unlimited	206,939,576 common shares
Securities convertible or exercisable into voting or equity securities		a) Options to acquire up to 4,071,500 common shares b) RSUs to acquire up to 3,320,005common shares c) 39,855,426 warrants exercisable to acquire the same number of common shares of the Company

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as of December 31, 2025.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, marketable securities, amounts receivable, reclamation deposits, accounts payable and accrued liabilities, RSU liability, Convertible Debentures, Gold-Linked Notes and leases payable.

Dividends

The Company has neither declared nor paid any dividends on its common shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its common shares in the foreseeable future.

LIQUIDITY AND CASH FLOWS

The Company is dependent upon raising funds in order to fund future exploration programs, development and operations. See "*Capital Resources*", "*Financial Instruments and Other Instruments – Liquidity Risk*" and "*Risk Factors*".

As at December 31, 2025, the Company had cash and cash equivalents of approximately $32.1 million, compared to $14.8 million as at December 31, 2024. The Company had working capital (current assets – current liabilities) of $23.7 million as at December 31, 2025 compared to a working capital of $14.4 million. Management believes that current cash resources, together with the proceeds from the March 2026 financing and available credit facilities, will provide sufficient liquidity to fund the Company's planned operations and capital programs for at least the next 12 months.

Working capital is a non-IFRS measurement with no standardized meaning under IFRS. Working capital as of December 31, 2025 was calculated as the total of cash and cash equivalents of $32,099,643, marketable securities of $397,500, amounts receivable of $2,934,353, inventory of $3,098,016, prepaid expenses of $1,488,824 , less accounts payable and accrued liabilities of $13,307,314, current portion of RSU liability of $1,753,144, current portion of lease obligation of $248,584, current portion of Gold-Linked Notes of $539,814 and current portion of deferred revenue of $433,024.

Cash used by operating activities was $10,887,289 for the year ended December 31, 2025 compared to cash used by operating activities of $15,865,153 for the year ended December 31, 2024. Cash flows used by operating activities were higher in the prior period mainly due to increases accounts payables balances in the year.

Cash flows used in investing activities was $15,965,337 for the year ended December 31, 2025, compared to cash used in investing activities of $2,715,642 for the year ended December 31, 2024. Investing activities mainly related to purchases of property, plant and equipment and development activities. The amount of cash used in investing activities was higher in the current period primarily due to development work at the Bralorne mine.

Cash flows provided by financing activities were $44,605,162 for the year ended December 31, 2025, compared to cash provided of $24,208,529 for the year ended December 31, 2024. The amount of cash provided by financing activities was higher in the current period primarily due to the financings completed in May, June and November of 2025 as compared to financings in the prior period as well as exercises of options and warrants.

(in Canadian dollars unless otherwise noted)

Use of Proceeds - Reconciliation of Use of Proceeds from Private Placements

On November 6, 2025, the Company closed its offering of 15,333,334 common shares of the Company at a price of $1.50 per share for gross proceeds of $23,000,001.

On June 6, 2025, the Company closed a private placement of 27,913,000 units of the Company at a price of $0.50 per unit for gross proceeds of $13,956,500. On May 5, 2025, the Company closed a private placement of 16,000,000 units of the Company at a price of $0.50 per unit for gross proceeds of $8,000,000.

On August 12, 2024 and September 11, 2024, the Company closed two tranches of a non-brokered private placement. In connection with this offering, the Company issued 6,300,500 units at a price of $0.40 per unit for aggregate gross proceeds of $2,520,200.

The following table sets out a comparison of how the Company used the proceeds after the closing date, an explanation of the variances, and the impact of the variances on the Company's ability to achieve its business objectives and milestones.

Financing Details	Funds Raised	Intended Use of Funds	Explanation of Variances and Impact on Business Objectives and Milestones
Non-brokered private placement of units completed on September 11, 2024.	Gross proceeds of $2,520,200	Working capital and general corporate purposes.	No variances to intended use of proceeds. As of December 31, 2025, the Company had spent all of the funds raised for working capital and general corporate purposes.
Sprott Second Draw completed on October 9, 2024	Gross proceeds of US$11,750,000	Advancement of Bralorne Gold Project and general corporate purposes.	No variances to intended use of proceeds. As December 31, 2025, the Company had spent US$11,750,000 of the funds raised for the advancement of the Bralorne Gold Project and general corporate purposes.
Phoenix Convertible Debenture issued on October 9, 2024	Gross proceeds of $4,000,000	Advancement of Bralorne Gold Project and general corporate purposes.	No variances to intended use of proceeds. As of December 31, 2025, the Company had spent $4,000,000 of the funds raised for the advancement of the Bralorne Gold Project and general corporate purposes.
Gold-Linked Note Financing completed on October 17, 2024.	Gross proceeds of $1,332,000	Advancement of Bralorne Gold Project and general corporate purposes.	No variances to intended use of proceeds. As of December 31, 2025, the Company had spent $1,332,000 of the funds raised for the advancement of the Bralorne Gold Project and general corporate purposes.

(in Canadian dollars unless otherwise noted)

Financing Details	Funds Raised	Intended Use of Funds	Explanation of Variances and Impact on Business Objectives and Milestones
Spartan Convertible Debenture issued on November 7, 2024	Gross proceeds of $1,100,000	Advancement of Bralorne Gold Project and general corporate purposes.	No variances to intended use of proceeds. As December 31, 2025, the Company had spent $1,100,000 of the funds raised for the advancement of the Bralorne Gold Project and general corporate purposes.
Brokered private placement completed on May, 5, 2025	Gross proceeds of $8,000,000	Advancement of Bralorne Gold Project and general corporate purposes.	No variances to intended use of proceeds. As of December 31, 2025, the Company has spent $8,000,000 of the funds raised for the advancement of the Bralorne Gold Project and general corporate purposes.
Non-brokered private placement completed on June 6, 2025.	Gross proceeds of $13,956,500	Advancement of Bralorne Gold Project and general corporate purposes.	No variances to intended use of proceeds. As of December 31, 2025, the Company has spent $5,000,000 of the funds raised for the advancement of the Bralorne Gold Project and general corporate purposes.
Non-brokered private placement completed on November 6, 2025.	Gross proceeds of $23,000,001	Advancement of Bralorne Gold Project and general corporate purposes.	No variances to intended use of proceeds. As of December 31, 2025, the Company has spent $3,500,000 of the funds raised for the advancement of the Bralorne Gold Project and general corporate purposes.
Non-brokered private placement completed on March 10, 2026	Gross proceeds of $52,100,000	Advancement of Bralorne Gold Project and general corporate purposes.	The Company has not spent any funds as of the date of this MD&A.

GOING CONCERN NOTE

The consolidated financial statements have been prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at December 31, 2025, the Company had initiated and was ramping up production from the Bralorne mine.

Notwithstanding the royalty agreement (Note 9) and Gold-Linked Note Financing (Note 13), the Company's ability to continue as a going concern is dependent upon attaining profitable operations, and the ability to raise further public equity or other financing to complete the development expenditures required to attain profitable operations at the Bralorne mine, including the installation of an ore sorting facility in 2026 intended to improve grades of processed ore and reduce costs. There is no assurance that these activities will be successful in the future. As at December 31, 2025, the Company had cash and cash equivalents of $32,099,643 and the Company recorded an accumulated deficit of $131,678,716. For the year ended December 31, 2025, the Company recorded a net loss of $20,806,293 (2024: $14,265,394), and net cash used in operating activities of $10,887,289 (2024: $15,865,153).

(in Canadian dollars unless otherwise noted)

The Company has not achieved profitable operations and remains dependent on its ability to raise capital. The Company's current cash and cash equivalents (including funds raised in the private placement on March 10, 2026) may not be enough to fund operations for the next 12 months beyond December 31, 2025; therefore, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company continues to prepare its consolidated financial statements on a going concern basis. These consolidated financial statements do not reflect adjustments to the carrying amounts of assets and liabilities, reported revenues and expenses, and the classifications on the balance sheet that would be necessary if the going concern assumption was not valid and the Company were unable to realize its assets or settle its liabilities as a going concern in the normal course of business. These adjustments would be material to the consolidated financial statements.

TRANSACTIONS WITH RELATED PARTIES

The following is a summary of the Company's related party transactions during the years ended December 31, 2025 and 2024:

The Company charged rent in the amount of $81,000 for the year ended December 31, 2025 (2024 - $81,000) paid by JHI Associates Inc., a company with certain common officers.

Compensation of Key Management Personnel of the Company

In accordance with IAS 24, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee.

The remuneration of directors and other members of key management personnel during the years ended December 31, 2025 and 2024 were as follows:

	December 31, 2025	December 31, 2024
Short term employee benefits, director fees	**$ 2,021,633**	$ 2,323,557
Share based payments	**3,777,590**	781,731
	$ 5,799,223	$ 3,105,288

As at December 31, 2025, an amount of $89,133 (December 31, 2024 - $626,390) due to key management personnel, was included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and without fixed terms of repayment. A member of key management participated in the Gold-Linked Note Financing and the carrying amount of the liability to this member of key management personnel under the Gold-Linked Notes at December 31, 2025 is $207,626 (December 31, 2024 - $178,814).

CAPITAL RESOURCES

The Company has no history of revenues from its operating activities. The Company is not in commercial production on any of its mineral properties. During the year ended December 31, 2025, the Company had negative cash flow from operating activities, and the Company anticipates it will have negative cash flow from operating activities in future periods.

The Company has, in the past, financed its activities by raising capital through equity issuances. Until Talisker can generate a positive cash flow position to finance its exploration and development programs and operations, the Company will remain reliant on the equity markets for raising capital, in addition to adjusting spending, disposing of assets and obtaining other non-equity sources of financing.

RISK FACTORS

The Company's business, being the acquisition, exploration, and development of mineral properties in Canada, is speculative and involves a high degree of risk. The risk factors could materially affect the Company's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward-looking statements made by or relating to the Company.

The reader should carefully consider these risks as well as the information disclosed in the Company's financial statements, the Company's annual information form dated for the year ended December 31, 2025 (the "AIF"), and other publicly filed disclosure regarding the Company, which are on the Company's profile on SEDAR+ at www.sedarplus.ca.

For additional discussion on the Company's risks, refer to "Cautionary Note Regarding Forward-Looking Information" and elsewhere in this MD&A as well as in the AIF.

Geopolitical and Economic Risk

The Company operates in a global economic environment that continues to be influenced by geopolitical tensions, financial market volatility, evolving trade policies, and inflationary pressures. Ongoing conflicts, including the war in Ukraine and instability in certain regions of the Middle East, have contributed to uncertainty in global commodity, energy, and supply markets, which may indirectly impact the Company's operations and cost structure. Global financial markets have also experienced periods of disruption in recent years, including the failure of certain financial institutions such as Silicon Valley Bank in 2023. While government and central bank interventions helped stabilize markets, these events underscore ongoing risks related to liquidity, credit availability, and counterparty stability.

Central banks have maintained relatively elevated interest rates in response to inflationary pressures. Higher interest rates increase the cost of capital and may reduce the availability of financing, particularly for junior mining companies such as the Company, which rely on equity markets and, to a lesser extent, debt financing to fund exploration, development, and operational activities.

The Company's financial performance and ability to raise capital are closely linked to market conditions and investor sentiment toward the mining sector, particularly gold. Gold prices are influenced by a range of macroeconomic factors, including inflation expectations, interest rates, currency fluctuations (notably the U.S. dollar), and geopolitical uncertainty. While gold is often viewed as a safe-haven asset during periods of instability, there can be significant volatility in its price, which may affect the Company's valuation, access to capital, and project economics. In addition, the Company may be affected by changes in trade policies, tariffs, and cross-border regulations, particularly between Canada and the United States. Uncertainty regarding the direction of U.S. fiscal and trade policy may impact economic conditions more broadly and could affect the availability and cost of goods, services, and equipment required for the Company's operations. Foreign exchange fluctuations, particularly between the Canadian dollar and U.S. dollar, may also impact the Company's cost structure and financial results, as certain inputs and capital expenditures are denominated in U.S. dollars while the Company reports in Canadian dollars.

These geopolitical and macroeconomic factors, individually or in combination, may adversely affect the Company's ability to access capital on acceptable terms, increase operating and capital costs, and impact overall project viability. As a result, they could have a material adverse effect on the Company's business, financial condition, and results of operations.

Failure to Achieve Commercial Production

The Company's Bralorne Gold Project remains in the development and commissioning stage and has not yet achieved commercial production. There can be no assurance that commercial production will be achieved on a timely basis, or at all.

The transition to commercial production is subject to risks inherent in high-grade, narrow-vein underground mining, including geological variability, grade reconciliation and dilution risk, metallurgical performance variability, operational ramp-up challenges, stope sequencing and development timing, cost escalation, labour and equipment availability, and permitting and regulatory compliance.

If commercial production is delayed or not achieved, the Bralorne Gold Project may not generate sufficient revenues to sustain operations, and the Company may be required to obtain additional financing, which may not be available on acceptable terms or at all. The Company may also be required to defer, scale back, or suspend operations.

In addition, under applicable financial reporting standards, the Company may be required to reassess the capitalization of development costs (IAS 16), record impairment charges on mineral properties and related assets (IAS 36), and evaluate inventory for net realizable value (IAS 2), any of which could have a material adverse effect on the Company's financial position, results of operations, and cash flows.

The determination of commercial production is based on management judgment and is not defined under NI 43-101. Accordingly, the timing of such determination is inherently uncertain, and the Company has adopted a conservative approach that may delay the declaration until consistent operating performance has been demonstrated.

Nature of Mineral Exploration and Mining

The Company's future is dependent on its exploration and development programs. The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge. Few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures on the Company's exploration properties may be required to construct mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary or full feasibility studies on the Company's projects, or the current or proposed exploration programs on any of the properties in which the Company has exploration rights, will result in any profitable commercial mining operations. The Company cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing mineral reserves.

Estimates of mineral resources and any potential determination as to whether a mineral deposit will be commercially viable can also be affected by such factors as: the particular attributes of the deposit, such as its size and grade; unusual or unexpected geological formations and metallurgy; proximity to infrastructure; financing costs; precious metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of metal concentrates, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Company not receiving an adequate return on its invested capital or suffering material adverse effects to its business and financial condition. Exploration and development projects also face significant operational risks including but not limited to an inability to obtain access rights to properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), and other unanticipated interruptions.

Exploration, Development and Operations

The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors, including the Company's ability to extend the permitted term of exploration granted by the underlying concession contracts. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that any such deposit will be commercially viable or that the funds required for development can be obtained on a timely basis.

Mining without a Pre-Feasibility Study

The Company has chosen to advance the Mustang Mine into production without the benefit of completing a feasibility study demonstrating economic and technical viability or, an independent technical report confirming mineral reserves. Accordingly, readers should be cautioned that the Company's production decision has been made without a comprehensive feasibility study of established reserves or resources such that there is greater risk and uncertainty as to future economic results from the Mustang Mine and a higher technical risk of failure than would be the case if a feasibility study had been completed and relied upon to make such decision.

Liquidity and Additional Financing

The Company's ability to continue its business operations is dependent on management's ability to secure additional financing. The Company's only source of liquidity is its cash and cash equivalent balances. Liquidity requirements are managed based upon forecasted cash flows to ensure that there is sufficient working capital to meet the Company's obligations.

The advancement, exploration and development of the Company's properties, including continuing exploration and development projects, and, if warranted, construction of mining facilities and the commencement of mining operations, will require substantial additional financing. As a result, the Company may be required to seek additional sources of equity financing in the near future. While the Company has been successful in raising such financing in the past, its ability to raise additional equity financing may be affected by numerous factors beyond its control including, but not limited to, adverse market conditions, commodity price changes and economic downturns. There can be no assurance that the Company will be successful in obtaining any additional financing required to continue its business operations and/or to maintain its property interests, or that such financing will be sufficient to meet the Company's objectives or obtained on terms favourable to the Company. Failure to obtain sufficient financing as and when required may result in the delay or indefinite postponement of exploration and/or development on any or all of the Company's properties, or even a loss of property interest, which would have a material adverse effect on the Company's business, financial condition and results of operations.

No Earnings and History of Losses

The business of developing and exploring resource properties involves a high degree of risk, and therefore, there is no assurance that current exploration programs will result in profitable operations. The Company has not determined whether any of its properties contain economically recoverable reserves of mineralized material. Nevertheless, the Company has earned minor revenue from its projects; therefore, the Company generate limited cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. The Company's operating expenses and capital expenditures may increase in future years as exploration, development, and/or production advance at the Company's properties. The Company expects to receive revenues from operations in the foreseeable future and expects to incur losses until such time as one or more of its properties enter into commercial production and generate sufficient revenue to fund continuing operations. There is no assurance that any of the Company's properties will eventually enter commercial operation. There is also no assurance that new capital will become available, and if it is not, the Company may be forced to substantially curtail or cease operations.

Market Price of the Common Shares

The Company's shares are listed on the TSX under the symbol "TSK" and the OTCQX Best Market under the symbol "TSKFF". The market price of securities of many companies, particularly exploration and development stage mining companies, experience wide fluctuations that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that an active market for the common shares will be sustained, or that fluctuations in the price of the common shares will not occur. The market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Volatility of Commodity Prices

The development of the Company's properties is dependent on the future prices of minerals and metals. As well, should any of the Company's properties eventually enter commercial production, the Company's profitability will be significantly affected by changes in the market prices of minerals and metals.

Precious metals prices are subject to volatile price movements, which can be material and occur over short periods of time and which are affected by numerous factors, all of which are beyond the Company's control. Such factors include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of precious metals production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of precious metals are generally quoted), and political developments.

The effect of these factors on the prices of precious metals, and therefore the economic viability of any of the Company's exploration projects, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Company's properties to be impracticable or uneconomical. As such, the Company may determine that it is not economically feasible to commence commercial production at some or all of its properties, which could have a material adverse impact on the Company's financial performance and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration activities.

Industry and Economic Factors Affecting the Company

The Company is a junior resource issuer focused primarily on the evaluation, exploration and development of mineral properties and potential acquisition of mineral properties in the future. The Company's future performance is largely tied to the financial markets related to junior resource companies, which is often cyclical. The Company will continuously monitor several economic factors including the uncertainty regarding the price of gold, and the availability of equity financing for the purposes of mineral exploration and development. The Company's future performance is largely tied to its ability to raise additional financing needed to fund its ongoing exploration and operating activities and to pursue the exploration and the development of its mineral property interests and the overall financial markets. Financial markets in the mining sector are likely to continue to be volatile reflecting ongoing concerns about the global economy. Companies worldwide have been affected negatively by these trends. As a result, the Company may have difficulties raising equity financing needed for the purposes of mineral exploration and development, particularly without excessively diluting the interests of its current shareholders. Should market volatility affect the Company's ability to raise equity financing as expected, the Company's current strategy is to continue a modest exploration program on its properties using existing cash and funds generated through equity financings if and when available and to seek out other prospective business opportunities, including entering into option arrangements and/or joint ventures. The Company believes that this focused strategy will enable it to pursue its business strategy and plans in the near term. These trends may limit the Company's ability to develop and/or further explore its properties, and/or acquire other property interests that could be acquired in the future. Management will monitor economic conditions and estimate their impact on the Company's plans, strategies and activities and incorporate these estimates in short-term operating and longer-term strategic decisions.

Title Matters

The acquisition of title to mineral properties is a very detailed and time-consuming process. The Company may not be the registered holder of some or all of the claims and concessions comprising the Bralorne and Ladner Gold Projects or any of the mineral projects of the Company. These claims or concessions may currently be registered in the names of other individuals or entities, which may make it difficult for the Company to enforce its rights with respect to such claims or concessions. There can be no assurance that proposed or pending transfers will be effected as contemplated. Failure to acquire title to any of the claims or concessions at one or more of the Company's projects may have a material adverse impact on the financial condition and results of operation of the Company.

In addition, title to, and the area of, mineral properties may be disputed. There is no guarantee that title to one or more claims or concessions at the Company's projects will not be challenged or impugned. There may be challenges to any of the Company's titles which, if successful, could result in the loss or reduction of the Company's interest in such titles. The Company's properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or to carry out and file assessment work, can lead to the unilateral termination of concessions by mining authorities or other governmental entities.

Environmental Risks and Hazards

The mining and mineral processing industries are subject to extensive environmental regulation for the protection of the environment. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. These regulations may adversely affect the Company or require it to expend significant funds. There is also a risk that environmental and other laws and regulations may become more onerous, making it costlier for the Company to remain in compliance with such laws and regulations.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties or by current or previous surface rights owners.

The Company cannot give any assurances that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its business, plans and financial condition. There is no assurance that any future changes to environmental regulation, if any, will not adversely affect the Company.

Significant liabilities exist on the project lands in the form of historic mine construction and development infrastructure, tailings dam(s), waste dump site, a mill site, a camp site, and other mining related infrastructure, disturbance, and equipment located on the property. The Company cannot guarantee that its estimation of the amount of these liabilities is accurate. The cost of addressing existing liabilities may be significantly higher than as currently estimated by the Company.

Key Person and Employee Retention Risk

Should key senior management positions become vacant, there could be a loss of knowledge and expertise, resulting in risk to executing our strategy. Additionally, suppose there is an increase in employee turnover or we receive fewer candidates for open positions. In that case, there may be a need for some departments to adjust initiatives or there may be an increase in operational incidents. The Company competes with exploration, mining and other companies to attract and retain key executives, employees, and third-party contractors with appropriate technical skills and managerial experience necessary to operate its business. As the Company operates in a remote area, attracting and retaining an appropriately skilled workforce can be particularly challenging.

There can be no assurance that the Company will be able to attract and retain skilled and experienced personnel. Although the Company believes it will be able to replace key employees within a reasonable time should the need arise, the loss of key personnel or failure to recruit and retain personnel for the Company's future operations and development could have a material adverse effect on its business and the results of operations.

Dependence on Key Personnel

The Company's future growth and its ability to develop depend, to a significant extent, on its ability to attract and retain highly qualified personnel. The Company relies on a limited number of key employees, consultants and members of senior management, and there is no assurance that the Company will be able to retain such personnel. The loss of one or more key employees, consultants or members of senior management, if such persons are not replaced, could have a material adverse effect on the Company's business, financial condition and prospects. The Company currently does not have key person insurance on these individuals.

To operate successfully and manage its potential future growth, the Company must attract and retain highly qualified engineering, managerial and financial personnel. The Company faces intense competition for qualified personnel in these areas, and there can be no certainty that the Company will be able to attract and retain qualified personnel. If the Company is unable to hire and retain additional qualified personnel in the future to develop its properties, its business, financial condition and operating results could be adversely affected.

Influence of Third-Party Stakeholders

Some of the lands in which the Company holds an interest, or the exploration equipment and roads or other means of access which the Company intends to utilize in carrying out its work programs or general business activities, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims or do not consent to the Company carrying on activities on lands subject to their interests or claims, the Company's work programs may be delayed or prevented, even if such claims are not meritorious. Such claims or delays may result in significant financial loss and loss of opportunity for the Company.

The Company may need to enter into negotiations with landowners and other groups in local communities in British Columbia in order to conduct further exploration and development work on its properties. There is no assurance that future discussions and negotiations will result in agreements with landowners and other local community groups in British Columbia or if such agreements will be on terms acceptable to the Company so that the Company may continue to conduct exploration and development activities on these properties.

Term and Extension of Concession Contracts

Non-compliance with concession contracts may lead to their early termination by the relevant mining authorities or other governmental entities. A company whose concession contracts were subject to termination could be prevented from being issued new concessions or from keeping the concessions that it already held. The Company is not aware of any cause for termination or any investigation or procedure aimed at the termination of any of its concession contracts.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operations and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, plans, operations and prospects.

Governmental Regulation

The mineral exploration and development activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters in local areas of operation. Although the Company's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing the Company's operations, or more stringent implementation thereof, could have an adverse impact on the Company's business and financial condition.

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of the Company's future operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities that could cause operations to cease or be curtailed. Other enforcement actions may include corrective measures requiring capital expenditures, the installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed upon them for violations of applicable laws or regulations.

Permitting

The operations of the Company require licenses and permits from various governmental authorities. The Company will use its best efforts to obtain all necessary licenses and permits to carry on the activities which it intends to conduct, and it intends to comply in all material respects with the terms of such licenses and permits. However, there can be no guarantee that the Company will be able to obtain and maintain, at all times, all necessary licenses and permits required to undertake its proposed exploration and development, or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of the Company's properties.

With respect to environmental permitting, the development, construction, exploitation and operation of mines at the Company's projects may require the granting of environmental licenses and other environmental permits or concessions by the competent environmental authorities. Required environmental permits, licenses or concessions may take time and/or be difficult to obtain, and may not be issued on the terms required by the Company. Operating without the required environmental permits may result in the imposition of fines or penalties as well as criminal charges against the Company for violations of applicable laws or regulations.

Surface Rights

The Company does not own all of the surface rights at its properties and there is no assurance that surface rights owned by the government or third parties will be granted, nor that they will be on reasonable terms if granted. Failure to acquire surface rights may impact the Company's ability to access its properties, as well as its ability to commence and/or complete construction or production, any of which would have a material adverse effect on the profitability of the Company's future operations.

Risk of Litigation

The Company may become involved in disputes with other parties in the future which may result in litigation or other legal proceedings. The results of legal proceedings cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Company to carry out its business plan.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including but not limited to unexpected or unusual geological operating conditions, seismic activity, rock bursts, cave-ins, fires, floods, landslides, earthquakes and other environmental occurrences, risks relating to the shipment of precious metal concentrates or ore bars, and political and social instability, any of which could result in damage to, or destruction of, the mine and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although the Company believes that appropriate precautions to mitigate these risks are being taken, operations are subject to hazards such as equipment failure or failure of structures, which may result in environmental pollution and consequent liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate the Company's future profitability and result in increasing costs and a decline in the value of the common shares. The Company does not maintain insurance against title, political or environmental risks.

While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or be excluded from coverage. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, thereby adversely affecting the Company's business and financial condition.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility, and access to public financing, particularly for junior resource companies, has generally been negatively impacted. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, such financing may not be on terms favourable to the Company. If increased levels of volatility and market turmoil continue, and if global capital markets continue to display increased volatility in response to global events (including the Russian invasion of Ukraine and the collapse of financial institutions such as the Silicon Valley Bank), the Company's operations could be adversely impacted and the value and price of the common shares could be adversely affected.

Information Systems Security Threats

The Company's operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and defects in design.

Although to date the Company has not experienced any losses relating to cyber attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Competition

The mineral exploration and mining business is competitive in all of its phases. In the search for and acquisition of attractive mineral properties, the Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources. The Company's ability to acquire properties in the future will depend on its ability to select and acquire suitable exploration properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects, nor that it will be able to develop any market for the raw materials that may be produced from its properties. Any such inability could have a material adverse effect on the Company's business and financial condition.

Option and Joint Venture Agreements

The Company has and may continue to enter into option agreements and/or joint ventures as a means of gaining property interests and raising funds. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a negative impact on the Company. Pursuant to the terms of certain of the Company's existing option agreements, the Company is required to comply with exploration and community relations obligations, among others, any of which may adversely affect the Company's business, financial results and condition.

Under the terms of such option agreements the Company may be required to comply with applicable laws, which may require the payment of maintenance fees and corresponding royalties in the event of exploitation/production. The costs of complying with option agreements are difficult to predict with any degree of certainty; however, were the Company forced to suspend operations on any of its concessions or pay any material fees, royalties or taxes, it could result in a material adverse effect to the Company's business, financial results and condition.

The Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying concessions.

Acquisitions and Integration

From time to time, the Company may examine opportunities to acquire additional exploration and/or mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size relative to the size of the Company, may change the nature or scale of the Company's business and activities, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities, if any, depends upon its ability to obtain additional sources of financing, identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate any acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. In the event that the Company chooses to raise debt capital to finance any such acquisitions, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisitions, existing shareholders may suffer significant dilution. There can be no assurance that the Company would be successful in obtaining additional sources of financing or in overcoming these risks or any other problems encountered in connection with such acquisitions.

Community Relationships

The Company’s relationships with the communities in which it operates are critical to ensure the future success of its existing operations and the development of its projects.

There is no reason to believe at this time that there are, or will be, issues related to Indigenous land claims or objections locally. Indigenous engagement is a strong commitment of Talisker.

While the Company is committed to operating in a socially responsible manner and working towards entering into agreements in satisfaction of such requirements, there is no guarantee that its efforts will be successful, in which case interventions by third parties could have a material adverse effect on the Company's business, financial position and operations.

Conflicts of Interest

Certain directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, and to disclose any interest they may have in any project or opportunity of the Company. In addition, each of the directors is required by law to declare his or her interest in and refrain from voting on any matter in which he or she may have a conflict of interest, in accordance with applicable laws.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supplies, as well as the location of population centres and pools of labour, are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could impact the Company’s ability to explore its properties and maintain operations, thereby adversely affecting its business and financial condition.

The Outstanding Common Shares Could be Subject to Dilution

The exercise of stock options and warrants already issued by the Company and the issuance of additional equity securities in the future could result in dilution in the equity interests of holders of common shares.

(in Canadian dollars unless otherwise noted)

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company classifies its financial instruments carried at fair value according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets and liabilities, either directly or indirectly;
- Level 3 – Inputs for assets or liabilities that are not based on observable market data

The carrying value of cash and cash equivalents, amounts receivable, reclamation deposits, accounts payable and accrued liabilities, and leases payables approximate fair value because of the relatively short term nature of the instruments. The Convertible Debentures and principal amount of the Gold-Linked Notes were issued in October 2024, as such, given limited time has elapsed, carrying value approximates fair value. The carrying value of marketable securities reflects a level 1 fair value measurement. Receivables from gold sales and RSU liability reflect a level 2 fair value measurement. The carrying value of the derivative in the Gold-Linked Notes reflects a level 3 fair value measurement.

Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents, marketable securities, amounts receivable and reclamation deposits. Management believes that the credit risk concentration with respect to the cash and cash equivalents, marketable securities, amounts receivable and reclamation deposits is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. As at December 31, 2025, the Company had a cash and cash equivalents balance of $32,099,643 (December 31, 2024 - $14,811,384) to settle current liabilities of $16,281,880 (December 31, 2024 - $4,016,888). Working capital for the Company as at December 31, 2025 was $23,736,456 (December 31, 2024 - $14,434,578).

The maturity profiles of the Company's contractual obligations as at December 31, 2025, are summarized as follows:

	Total	Less than 1 Year	1 to 5 Years	More than 5 Years
Accounts payable and accrued liabilities	$13,307,314	$13,307,314	-	-
Leases obligations	$696,804	$288,342	$408,462	-
Gold-Linked Notes	$2,006,599	$772,201	$1,234,398	-
Total	$16,010,717	$14,367,857	$1,642,860	-

Market Risk

(a) Foreign Currency Risk

The Company's reporting currency is the Canadian dollar. The functional currency of the Company is the Canadian dollar.

Based on the foreign currency balances at December 31, 2025, a 10% change in foreign exchange rates between the Canadian dollar and these foreign currencies over the next year would affect net income by approximately $600,000 (2024 - $1,400,000). This analysis only addresses the impact on financial instruments with respect to currency movement and excludes other economic or geo-political implications of such currency fluctuation. In practice, actual results will likely differ from this analysis and the difference may be material.

The exposure of the Company's financial assets and liabilities as at December 31, 2025 is as follows:

	CDN Dollar	US Dollar	Total (in CDN dollars)
Financial assets	$	$	$
Cash and cash equivalents	25,847,154	6,252,489	32,099,643
Marketable securities	397,500	-	397,500
Amounts receivable	-	1,633,615	1,633,615
Reclamation deposits	1,468,300	-	1,468,300
Total	27,712,954	7,886,104	35,599,058
Financial liabilities			
Accounts payable and accrued liabilities	13,307,314	-	13,307,314
Gold-Linked Notes	-	1,835,354	1,835,354
RSU liability	2,629,716	-	2,629,716
Leases payable	634,112	-	634,112
Total	16,571,142	1,835,354	18,406,496

(b) Commodities Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to gold and silver to determine the appropriate course of action to be taken by the Company. Gold prices will also have an impact on the amount owing under the Gold-Linked Notes. A 10% change in gold prices over the next year would affect net income by approximately $200,000 (2024 - $nil).

(c) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. A 1% change in interest rates over the next year would affect net income by approximately $300,000 (2024 - $100,000).

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- ***Impairment of non-financial assets*** - The Company assesses its cash-generating units at each reporting date to determine whether any indication of impairment exists. Where an indicator of impairment exists or when exploration and evaluation assets are reclassified to property, plant and equipment upon reaching technical feasibility and commercial viability, an estimate of the recoverable amount is made, which is the higher of the fair value less costs of disposal and value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

- ***Provision for site reclamation and closure*** – Provisions for site reclamation and closure have been created based on management estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability as shown in Note 15. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management and are based on current regulatory requirements. Significant changes in estimates of discount rate, contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual reclamation and closure costs will ultimately depend on future market prices for the costs which will reflect the market condition at the time the costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

- **Convertible Debentures and Gold-Linked Notes** – The Convertible Debentures and Gold-Linked Notes represent management's best estimates and judgement in accounting for separate components of financial liability, derivative liability and an equity instrument. The identification of such components embedded within the Convertible Debentures and Gold-Linked Notes requires significant judgement given that it is based on the interpretation of the substance of the contractual arrangement. In the case of the Convertible Debentures, the conversion option has a fixed conversion rate, the financial liability, which represents the obligation to pay coupon interest on the Convertible Debentures in the future, is initially measured at its fair value and subsequently measured at amortized cost. The residual is accounted for as an equity instrument at issuance. In the case of the Gold-Linked Notes, the embedded derivative is separated on issuance at fair value and is marked to market at each period end with changes in fair value recorded as gain on fair value of derivative. The financial liability, which represents the obligation to pay coupon interest on the Gold-Linked Notes in the future, is initially measured at its fair value and subsequently measured at amortized cost. The Company considered various factors to determine fair value, including: market rate of interest and forecast gold price expected over the life of the arrangement that is based on the forward curve for gold.

- **Determination of Commercial Viability and Technical Feasibility of the Bralorne Gold Project**

  The application of the Company's accounting policy for mineral property development costs required judgment to determine when technical feasibility and commercial viability of the Bralorne Gold Project was demonstrable. The Company considered various factors, including:

  - The NI 43-101 resource estimate published in January 2023 together with the positive drilling engineering studies conducted subsequent to this estimate;
  - Fully permitted operations for mining and existing infrastructure requiring limited development to access ore;
  - The results from the ore hauling agreement with Nicola Mining and the decision to start test production trucking of first ore with an expectation of generating a positive long-term return on the Bralorne Gold Project;
  - Positive Net Present Value generated from an internal discounted cash flow model; and
  - The availability of funds to pursue the further development of the Bralorne Gold Project with the financing activities completed in the fourth quarter of 2024, including the second tranche of the royalty proceeds under the Sprott agreement.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A may contain forward-looking statements and forward-looking information within the meaning of applicable Canadian securities legislation (collectively, "forward-looking information"), including, but not limited to, statements relating to the future financial or operating performance of the Company, the Company's development and exploration projects, the Company's plans with respect to development and exploration activities, including the anticipated timing thereof, the future price of metals, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production (if any), capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration and development, use of proceeds from financings, requirements for additional capital, government regulation of mining operations and mineral exploration activities, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage, or development of the explorations projects. 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", "might" or "will" be taken, occur or be achieved.

Forward-looking information reflects the Company's beliefs and assumptions based on information available at the time such statements were made. Actual results or events may differ from those predicted in forward-looking information. All of the Company's forward-looking information is qualified by (i) the assumptions that are stated or inherent in such forward-looking information, including the assumptions listed below, and (ii) the risks described in the section entitled "*Risk Factors*" in this MD&A, the financial statements of the Company, and the sections entitled "*Risk Factors*" and "*Cautionary Statement Regarding Forward-Looking Information*" in the AIF, which are available on the Company's profile on SEDAR+ at www.sedarplus.ca.

Although the Company believes that the assumptions underlying the forward-looking information contained in this MD&A are reasonable, this list is not exhaustive of the factors that may affect any forward-looking information. The key assumptions that have been made in connection with forward-looking information include the following: the significance of drill results and ongoing exploration activities; the estimation of mineral resources and the geology, grade and continuity of mineral deposits including but not limited to models relating thereto; timing to obtain assay results from labs; ability of exploration activities (including drill results) to accurately predict mineralization; the predictability of geological modeling; the accuracy of the Company's records of its property interests; the global economic climate; metal prices; environmental risks; community and non-governmental actions; that permits required for the Company's operations will be obtained on a timely basis in order to permit the Company to proceed on schedule with its planned drilling programs; that skilled personnel and contractors will be available as the Company's operations continue to grow; that the price of gold will exceed levels that will render the projects of the Company economical; the relevance of the assumptions, estimates and projections in technical reports; and that the Company will be able to continue raising the necessary capital to finance its operations and realize on its mineral resource estimates.

Forward-looking information involves known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; errors in geological modeling; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations of grade or recovery rates; failure of plant and equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability; and delays in obtaining governmental approvals or financing or in the completion of exploration or development activities.

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 to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results, except as may be required by applicable securities laws. 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 statements. Accordingly, readers should not place undue reliance on forward-looking information.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures

Disclosure controls and procedures are designed 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 and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal controls over financial reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS Accounting Standards. Management is also responsible for the design of the Company's internal control over financial reporting in order 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.

The Company's internal controls over financial reporting include policies and procedures that: pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS Accounting Standards and that receipts and expenditures are being made only in accordance with the authorization of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

As at December 31, 2025, there has not been any material change to internal controls over financial reporting for the period. Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting.

Management, under the supervision of the Chief Executive Officer and Chief Financial Officer, evaluated the design and operating effectiveness of the Company's disclosure controls and procedures and internal control over financial reporting as at December 31, 2025. Based on this evaluation, management concluded that these controls were effective in providing reasonable assurance that material information required to be disclosed is recorded, processed, summarized and reported in a timely manner. No material weaknesses were identified during the year. The Chief Executive Officer and Chief Financial Officer have filed the required certifications in connection with the Company's annual filings.

Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness into future periods are subject to the risk that controls may become inadequate due to changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. The control framework used to evaluate the effectiveness of the design and operation of the Company's internal controls over financial reporting is the 2013 Internal Control – *Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's design of internal controls and procedures over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting during the period covered by this MD&A.

CORPORATE GOVERNANCE

Management and the Company's Board of Directors (the "Board") recognize the value of good corporate governance and the need to adopt best practices. The Company is committed to continuing to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance.

The Board has adopted a board mandate outlining its responsibilities and defining its duties. The Board has four standing committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, and the Technical Committee. Each Committee has a committee charter, which outlines the committee's mandate, procedures for calling a meeting, and provides access to outside resources.

The Board has also adopted a code of ethics, which governs the ethical behavior of all employees, management and directors. Separate trading blackout and disclosure policies are also in place. For more details on the Company's corporate governance practices, please refer to Talisker's website (www.taliskerresources.com).

The Company's directors have expertise in exploration, metallurgy, mining, accounting, legal, banking, financing and the securities industry. The Board and each committee meet at least four times per year.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for all information contained in this report. The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded. The Audit Committee has reviewed the consolidated financial statements with management. The Board has approved the consolidated financial statements on the recommendation of the Audit Committee.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's AIF for the year ended December 31, 2025 can be found on the Company's profile on SEDAR+ at www.sedarplus.ca.