

FIRST ANDES SILVER LTD.

Management's Discussion and Analysis

For the six months ended August 31, 2026

(Unaudited - Expressed in Canadian Dollars)

Prepared as of October 28, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

For the three and six months ended August 31, 2026

The following information, prepared as of October 28, 2026, should be read in conjunction with the condensed interim consolidated financial statements of First Andes Silver Ltd. (the "Company" or "First Andes") for the six months ended August 31, 2026, together with the audited consolidated financial statements for the year ended February 28, 2026 and the accompanying Management's Discussion and Analysis (the "MD&A") for that fiscal year and the notes thereto. The information provided herein supplements but does not form part of the condensed interim consolidated financial statements. This discussion covers the six months ended August 31, 2026 and the subsequent period up to the date of issue of this MD&A. Unless otherwise noted, all dollar amounts are stated in Canadian dollars.

The Company's unaudited condensed interim consolidated financial statements for the six months ended August 31, 2026, have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A is intended to help the reader understand First Andes, its operations, financial performance, current and future business environment and opportunities and risks facing the Company. Certain statements in this report incorporate forward looking information.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking statements". Forward-looking statements reflect the Company's current views with respect to future events, are based on information currently available to the Company and are subject to certain risks, uncertainties, and assumptions, including those discussed elsewhere in this MD&A. Forward-looking statements include, but are not limited to, statements with respect to the success of mining exploration work, title disputes or claims, environmental risks, unanticipated reclamation expenses, the estimation of mineral reserves and resources and capital expenditures. In certain cases, forward-looking statements can be identified by the use of words such as "intends", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "anticipates" or "does not anticipate", or "believes", or various of such words and phrases or state certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements expressed or implied by the forward-looking statements to differ. Such factors include, among others, risks related to actual results of current exploration activities, changes in project parameters as plans are refined over time, the future price of gold and other precious or base metals, possible variations in mineral resources, grade or recovery rates, accidents, labour disputes, title disputes and other risks of the mining industry, fluctuation of currency exchange rates, delays in obtaining, or inability to obtain, required governmental approvals or financing or in the completion of development or construction activities, claims limitations on insurance coverage, as well as other factors discussed under "Risk Factors". Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained in this MD&A are made as of the date of this MD&A. There can be no assurance that forward-looking statements 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 statements. The Company does not assume the obligations to update forward-looking statements, except as required by applicable law.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and Uncertainties."

DESCRIPTION OF BUSINESS AND OVERVIEW

First Andes is an exploration stage company that has a 100% interest in the high-grade Santas Gloria silver property in Peru and silver properties in Australia. The Company is listed on the TSX Venture Exchange under the symbol "FAS.V", the Frankfurt Stock Exchange under the symbol "9TZ" and the OTCQB under the symbol "FASLF". The Company's head and registered and records office is located at Suite 704, 595 Howe Street, Vancouver, BC V6C 2T5.

The Company has not commenced commercial operations. At present, the Company has no current operating income. Without additional financing, the Company may not be able to fund its ongoing operations and complete its exploration and development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

Operational Highlights

The following summarizes the Company's operational highlights since February 28, 2025:

1. On April 8, 2025, the Company granted 670,000 stock options to Directors and Officers. These stock options are exercisable at $0.07 per share and have a life of five years from the date of grant.

2. On May 23, 2025, the Company announced that it had secured SPF Drilling S.A.C for the 2025 Drill Program. The drill campaign was planned to total approximately 2,000 meters in 15 to 17 drill holes and was designed as a follow up to First Andes' highly successful 2024 drill program, which returned multiple high-grade, near-surface silver intercepts across key target zones from the Company's 100%-owned Santas Gloria Project in Peru.

3. On June 9, 2025, the Company announced that mobilization had commenced for the fully permitted 2,000-meter diamond drilling program at the Santas Gloria Property.

4. On June 18, 2025, the Company announced that drilling had commenced for the 2,000-meter diamond drilling program at the Santas Gloria Property. Drilling was expected to be completed in five weeks and the first batch of assay results to be available in four to five weeks, approximately. For further information related to the update on the drilling program see the news release dated June 18, 2025.

5. On July 2, 2025, the Company announced field logging and interpretation results from the first diamond drill hole, SG017. Refer to the news release for additional details.

6. On July 4, 2025, the Company announced a non-brokered private placement financing of up to 10,000,000 units at a price of $0.10 per unit for gross proceeds of $1,000,000. Each unit consists of one common share of the Company and one-half of one share purchase warrant. Each warrant will be exercisable at $0.15 per share for a period of two years from the issue date.

7. On July 15, 2025, the Company announced that it had increased its previously announced non-brokered private placement financing from 10,000,000 units at a price of $0.10 per unit for gross proceeds of $1,000,000 to 13,500,000 units at $0.10 per unit for gross proceeds of up to $1,350,000.

8. On July 16, 2025, the Company announced that it had closed the first tranche of its previously announced non-brokered private placement financing by issuing 10,170,000 units at a price of $0.10 per unit for gross proceeds of $1,017,000. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder therefore to acquire one common share at a price of $0.15 per share up to July 16, 2027.

9. On July 29, 2025, the Company announced that it had closed the final tranche of its previously announced non-brokered private placement financing by issuing 3,000,000 units at a price of $0.10 per unit for gross proceeds of $300,000. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder therefore to acquire one common share at a price of $0.15 per share up to July 29, 2027.

The total amount of the first and second tranche of the non-brokered private placement was 13,170,000 units for gross proceeds of $1,317,000. In connection with the private placement, the Company paid finder's fees in cash totaling $47,950 and issued 479,500 finders' warrants exercisable at $0.10 per share for a period of two years from the dates of issue. The proceeds of the private placement were to be used to expand and complete its drill program at the Santas Gloria silver property and for general working capital purposes. The Company used the net proceeds as intended.

10. On August 5, 2025, the Company announced an update on the progress of the 2,000-meter diamond drill program on the San Jorge vein system, specifically for the following Holes: SG023, SG020, SG021, SG018, SG019 and SG022. Refer to the news release for additional details.

11. On August 22, 2025, the Company announced its engagement with ICP Securities, an arm's length party to the Company, for their automated market making services, which includes the use of their proprietary algorithm called, ICP Premium™. ICP will be paid a monthly fee of $7,500 plus applicable taxes. The agreement's initial term is for four (4) months and shall be automatically renewed for additional terms with subsequent one (1) month terms.

12. On September 16, 2025, the Company announced the remaining assay results from its 2,000-meter drill program. Refer to the news release and the below Mineral Properties section of this MD&A for additional details.

13. On November 3, 2025, the Company announced 2024 to 2025 drilling results and preparations for the next phase of exploration at the Santas Gloria silver property. Refer to the news release and the below Mineral Properties section of this MD&A for additional details.

14. On November 19, 2025, the Company announced a 2025 – 2026 systemic property-wide exploration program to rapidly evaluate and advance the Santas Gloria Project. Refer to the news release and the below Mineral Properties section of this MD&A for additional details.

15. On December 8, 2025, the Company announced an update to the 2025 – 2026 systemic property-wide exploration program. Refer to the news release and the below Mineral Properties section of this MD&A for additional details.

16. On December 9, 2025, the Company announced that it has entered into an asset purchase agreement to acquire three (3) silver-focused exploration license applications totaling approximately 454 km^2 in New South Wales, Australia. The concessions are located within the Lachlan Orogenic Belt – known as the Carrington Project ("Carrington"), the Stony Creek Project ("Stony Creek") and the Dartmoor Project ("Dartmoor") (together, the "NSW Silver Projects"). Refer to the news release and the below Mineral Properties section of this MD&A for additional details.

17. On January 15, 2026, the Company announced the identification of a kilometer-scale zoned alteration cell at Santas Gloria Project, following the interpretation of the new WorldView-3 short-wavelength infrared spectral alteration mineral mapping data. Refer to the news release and the below Mineral Properties section of this MD&A for additional details.

18. On January 20, 2026, the Company announced that the NSW Silver Projects have received exploration licenses with a conditional grant, which are valid for a period of six (6) years. Refer to the news release and the below Mineral Properties section of this MD&A for additional details on the NSW Silver Projects.

19. On January 21, 2026, the Company announced a private placement financing of up to 16,666,667 common shares at a price of $0.12 per common share for gross proceeds of up to $2,000,000 pursuant to and in accordance with the listed issuer financing exemption regulations.

20. On February 3, 2026, the Company announced that it had completed its acquisition of three (3) silver-focused exploration projects known as the Carrington Project, Stony Creek Project and Dartmoor Project, together the NSW Silver Projects located in New South Wales, Australia. In consideration, the Company reimbursed the vendor for costs of A$15,500 and issued the vendor 1,500,000 common shares of the Company.

21. On February 13, 2026, the Company announced it had closed its previously announced private placement by issuing a total of 16,708,331 common shares at a price of $0.12 per common share for aggregate gross proceeds of $2,005,000.

22. On February 23, 2026, the Company announced that it had engaged Ryan Johnson to serve as Vice President, Corporate Communications.

23. On March 2, 2026, the Company reported Phase 1 soil assay results and the delineation of multiple kilometer-scale silver-in-soil anomalies at the Company's 100%-owned Santas Gloria Project. Refer to the news release for additional details.

24. On March 13, 2026, the Company started trading on the OTCQB under the symbol "FASLF".

25. On March 16, 2026, the Company entered into an Analytics Services Agreement with Orbiton Capital Corp., which includes the provision of strategic advice, digital media, and marketing services to the Company. Orbiton, a San Francisco based company, will provide strategic advice, media buying and distribution, and marketing services through on-line media placements for the Company.

26. On April 20, 2026, the Company received all required Community Agreements to support the Company's planned 2026 drill program at its 100%-owned Santas Gloria Project. Refer to the news release for additional details.

27. On May 14, 2026, the Company reported the delineation of a 1.2-kilometre-long gold-in-soil anomaly from Phase 1 gold and multi-element assays. Refer to the news release for additional details.

28. On August 24, 2026, the Company announced an update on the planned 3,000-meter diamond drill program on the Tembladera, San Jorge, Paquita and Maribel vein system, specifically for the following Holes: SG015, SG003, SG022, SG017, SG010 and SG011. The Company is advancing the permitting for additional drill platforms and associated environmental approvals. Refer to the news release for additional details.

Mineral Properties

During the six months ended August 31, 2026, the Company incurred the following exploration and evaluation expenditures:

	Santas Gloria Silver Property $	NSW Silver Projects $
Assaying	46,659	-
Field costs	3,274	1,678
Geological	31,616	15,641
Geomatics	1,450	-
License renewal	15,576	4,419
Permitting and community relations	6,265	-
Project management	25,426	-
Salary and wages	5,723	-
Travel/Accommodations	761	-
Total exploration costs	136,750	21,738

Santas Gloria Silver Property

The Santas Gloria silver property is 100% owned by the Company. It comprises three mineral concessions totaling 1,100 hectares and is located 55 kilometers east of Lima, Peru. Santas Gloria is a silver-base metal vein system otherwise known as Cordilleran silver-base metal type. These deposits have many similarities to intermediate sulphidation vein systems. Such deposits are attractive exploration targets due to their often high-grade nature and the large vertical extent of precious and base metal endowment.

Silver is the main target commodity at Santas Gloria. Historical surface sampling reported grades of over 400 oz/t silver. Combined lead and zinc values range from 2% to 20% in the high-grade silver zones. Information derived from report on Santas Gloria Mining Project by Dr. Alberto Rios Carranza (2020). There are over 10 kilometers (cumulative strike length) of major intermediate sulphidation veins and to date the Company has identified at least four key target zones. The system had never been drilled and historical exploitation of silver was limited to two areas of the San Jorge and Tembladera veins.

Historical production of silver has been carried out on Santas Gloria since colonial times. To date, an estimated four kilometers of underground workings have exploited 2 of the 22 veins at Santas Gloria. In 2005 and 2006, the San Jorge and Tembladera veins were worked on six levels. A small processing plant at site produced silver concentrates with reported silver recoveries of 85%-90%. Information derived from report on Santas Gloria Mining Project by Dr. Alberto Rios Carranza (2020).

An extensive mapping and channel sampling program at Santas Gloria was undertaken in 2021. Channel samples taken in oxidized outcrop defined a number of significantly silver and gold anomalous intermediate sulphidation veins which are up to 5 metres wide, multiphase, and have strike extensions in excess of 1 km. There are over 12 strike km of untested veins at Santas Gloria. Channel sampling of sulphide material in historical adits returned robust assays of up to >10,000 g/t silver, 56.3 g/t gold, 10.3% lead and 9.07% zinc (see news release dated June 2, 2021).

Metallurgical test work of sulphide samples taken from underground adits supports both bulk flotation flow-path and sequential flotation flow-path, with the bulk flotation flow-path producing a single gold, silver, lead and zinc rougher concentrate (15 minutes of flotation and 8.6% mass pull) with 10,545 g/t silver, 5.38 g/t gold, 5.17% zinc and 13.8% lead and recovering 88.1% of the silver, 80.9% of the gold, 64.4% of the zinc and 79.3% of the lead (see news release dated August 9, 2021).

The Company has undertaken extensive permitting and community work at the Santas Gloria silver property. A community access agreement is in place until 2028.

In November 2022, the Company announced receipt of an Autorizacion de Inicio de Actividades ("AIA") for the Santas Gloria silver property. The AIA permits the construction of up to 20 drill pads in order to target numerous high-grade silver and gold veins at the property. Accordingly, the Santas Gloria property is now permitted for drilling. The Company's technical team carried out a comprehensive permitting process on Santas Gloria that included, among other things, three archeological certificates (CIRA), approval of the environmental application (Ficha Tecnica Ambiental), water permits and the AIA.

On May 9, 2024, the Company announced that it entered into a drill contract for its maiden drill program at the Santas Gloria Silver Property. Refer to the news release for additional details on the drill program and the property.

On July 29, 2024 the Company announced that it had received authorization from the Ministry of Mines (Peru) to commence its permitted drill program at the Santas Gloria silver property. It had mobilized the drill rig on August 3, 2024 and had started its drilling on August 5, 2024. For further information related to the drilling program, refer to the news release.

On October 11, 2024, the Company announced that it had completed its maiden diamond drill program. 12 diamond drill holes were completed for a total of 1175.3 meters at the Tembladera, San Jorge, Paquita and Maribel vein systems. Drilling successfully intercepted silver bearing intermediate sulphidation epithermal veins. For further information related to the drilling program, refer to the news release.

On October 29, 2024, the Company announced multiple high-grade silver assays from its maiden drill program. For further information related to the results, refer to the news release. Significant silver assay results included:

- 7.43m at 224 g/t AgEq (193 g/t Ag, 0.34% Pb, 0.3% Zn, 0.05 g/t Au) from 86.70m including 0.95m at 754 g/t AgEq (701 g/t Ag, 1.07% Pb, 0.62% Zn, 0.08 g/t Au) and 1.23m at 387 g/t AgEq (356 g/t Ag, 0.34% Pb, 0.39% Zn, 0.12 g/t Au) (San Jorge vein system)
- 3.10m at 155 g/t AgEq (138 g/t Ag, 0.18% Pb, 0.17% Zn, 0.08 g/t Au) from 47.30m (San Jorge vein system)
- 6.40m at 108 g/t AgEq (70 g/t Ag, 0.40% Pb, 0.78% Zn, 0.05 g/t Au) from 138.8m including 2.26m at 162 g/t AgEq (103 g/t ag, 0.59% Pb, 1.34% Zn, 0.03 g/t Au) (San Jorge vein system)
- 4.40m at 134 g/t AgEq (80 g/t Ag, 0.16% Pb, 0.34% Zn, 0.44 g/t Au) from 42.70m (Maribel vein system)
- 3.30m at 110 g/t AgEq (65 g/t Ag, 0.15% Pb, 0.43% Zn, 0.31 g/t Au) from 35.40m including 0.48 m at 391 g/t AgEq (310 g/t Ag, 0.02% Pb, 0.02% Zn, 0.89 g/t Au) (Paquita vein system)
- 0.87m at 131 g/t AgEq (72.4 g/t Ag, 0.71% Pb, 1.19% Zn, 0.05 g/t Au) from 115.30m including 0.42m at 224.3 g/t AgEq (127 g/t Ag, 1.25% Pb, 2.0% Zn, 0.04 g/t Au)
  (see news release dated October 29, 2024 for additional details)

On June 9, 2025, the Company announced that mobilization had commenced for the upcoming 2,000-meter diamond drilling program. The 2025 drill program would follow up on the strong results of the 2024 drilling campaign. For more details refer to the May 23, 2025 and October 29, 2024 news release.

On June 18, 2025, the Company announced that drilling had commenced at the San Jorge Vein. A total of 11 holes were planned for drilling. Each hole was estimated to be drilled with an average of 183 meters and was estimated to total to 2,015 meters.

On August 5, 2025, the Company announced an update on the 2,000-meter diamond drill program at the San Jorge vein system. The recent drilling had intersected multiple additional sulphide-bearing epithermal zones at the vein system which supported the presence of a structurally controlled silver-polymetallic system at depth. Significant findings for each hole drilled are as follows:

- Hole SG023: Intercepted a hydrothermal breccia zone from 145.25 to 174.80 m (29.55 m) characterized by silicification, argillic alteration, and sulphide mineralization. A 2.40-m-wide zone from 172.00 m hosted massive sulphides (pyrite, galena, and sphalerite);

- Hole SG020: Returned a 27.60-m interval (133.00 to 160.60 m) characterized by strong oxidation, sericite-clay alteration, and sulphides hosted in breccia and dacite. Structurally controlled sulphide veinlets and breccias suggest epithermal continuity at depth;
- Hole SG021: Intersected 13.80 m (93.40 to 107.20 m) of brecciated and fractured rock with pyrite and galena mineralization. Several zones recorded elevated sulphide concentrations, supporting a well-preserved sulphidic system;
- Hole SG018: Intersected a broad hydrothermal breccia zone from 85.65 to 114.20 m (28.55 m), with quartz veinlets, silicified clasts, and disseminated sulphides (pyrite-dominant). The drill hole crossed an historic underground working between 105.20 and 108.90 meters, interpreted to correspond to the main mineralized structure;
- Hole SG019: Cut 33.60 meters (80.00 to 113.60 m) of hydrothermally altered rock, including quartz stockworks and breccias with disseminated pyrite, sphalerite, and galena. A historical mine void was intersected at 110.90 m, confirming legacy workings along the mineralized corridor, and;
- Hole SG022: Encountered mineralized breccias and oxidized dacite from 91.10 to 98.70 m (7.60 m) characterized by manganese oxide minerals ("MnOx") and pyrite.

For further information on the results above, click here to view.

On September 16, 2025, the Company announced the final results of the 2,000-meter drill program at the Santas Gloria silver property. Assays from the final San Jorge Vein continued to deliver strong silver and base metal grades. Significant precious and base metal intercepts in 11 of 14 holes drilled support the case for permitting additional drill pads. Below are the results of the remaining drill holes:

- Hole SG027 - 167.1 g/t AgEq (152.9 g/t Ag, 0.05 g/t Au, 0.13% Pb, 0.19% Zn) over 4.80 m from 89.0 m, incl 276.9 g/t AgEq (252.2 g/t Ag, 0.05 g/t Au, 0.29% Pb, 0.35% Zn) over 0.60 m from 91.40 m;
- Hole SG024 - 238.8 g/t AgEq (190.5 g/t Ag, 0.08 g/t Au, 0.65% Pb, 0.77% Zn) over 1.90 m from 231.70 m, incl. 596.6 g/t AgEq (493.8 g/t Ag, 0.14 g/t Au, 0.19% Pb, 1.41% Zn) over 0.50 m from 231.7 m;
- Hole SG023 - 222.6 g/t AgEq (159.9 g/t Ag, 0.22 g/t Au, 0.42% Pb, 0.97% Zn) over 1.70 m from 172.00 m, incl. 410.3 g/t AgEq (325.6 g/t Ag, 0.31 g/t Au, 0.73% Pb, 1.20% Zn) over 0.50 m from 172.00 m, and;
- Hole SG026 - 121.3 g/t AgEq (107.0 g/t Ag, 0.04 g/t Au, 0.17% Pb, 0.20% Zn) over 2.70 m from 76.10 m, incl. 239.8 g/t AgEq (214.5 g/t Ag, 0.04 g/t Au, 0.31% Pb, 0.42% Zn) over 0.70 m from 76.90 m, and 226.3 g/t AgEq (210.3 g/t Ag, 0.05 g/t Au, 0.14% Pb, 0.24% Zn) over 0.80 m from 86.80 m.

The final set of assays from San Jorge continues to validate the strength of this system, with multiple holes returning robust silver and base metal grades within a deeply oxidized horizon. Importantly, the consistency of mineralization across 11 of 14 holes confirms we are in the upper levels of a classic intermediate-sulphidation epithermal system, pointing to significant depth potential and providing key vectors for future drilling. In Peru, intermediate-sulphidation systems are known to extend vertically for several hundred meters, often 300 to 800 m or more, meaning that what we are seeing could represent only the top of a much larger preserved sulphide-rich system at depth.

Peru's mining law provides a clear and efficient framework for exploration permitting, though one important limitation is that drill programs must be completed from pre-approved pads, without the flexibility to adjust collar locations once drilling is underway. At Santas Gloria, this meant the Company was required to continue drilling from pads positioned south of the San Jorge Vein, even after geological modeling indicated the vein rolled northward at depth. While this restricted the ability to fully test deeper sulphide targets from the existing pads, the upcoming phase of drilling, subject to available financing, will establish new collars located further to the north and/or south, depending on modeled vein orientations. From these pads, the Company will be able to complete angled holes designed to pierce the San Jorge Vein beneath the oxidized horizon and directly evaluate the preserved sulphide zones at depth.

The Company also plans to drill, subject to available financing, the high-grade silver-base metal Tembladera Vein, high-grade gold-silver-base metal Kelly Vein (undrilled), and additional untested epithermal systems property-wide.

For further information on the final result of the 2,000-meter drilling program and future proposed drilling activities, click here to view.

On November 9, 2025, the Company announced a consolidated summary of the 2024 – 2025 drilling results:

- The two 2024 – 2025 campaign had complete drilling over 26 holes totaling 3,131 meters over San Jorge (21 holes), Tembladera (2 holes), Paquita (2 holes) and Maribel (1 hole);
- Drilling to date had intercepted the uppermost supergene oxidized vein zones, where percolating ground waters have partially leached sulphides;
- 21 of the 26 holes have returned with reportable silver intercepts;
- Community access agreements are valid until 2028, with the community being fully supportive and involved with all exploration to date, and;
- Archaeological study by the General Directorate of Archaeological Heritage (Ministry of Culture of Peru) was completed in 2021 and confirmed most areas are free of archaeological impediments.

On November 19, 2025, the Company announced the details for the next drilling phase. Permitting for the Phase 3 drilling over the Tembladera, San Jorge and potentially Maribel and Paquita vein systems had commenced. The Company's 2025-2026 exploration program consists of the following activities:

- High resolution WorldView-3 ("WV-3") spectral alteration mineral mapping (commenced);
- Property-wide soil sampling program across all 23 known veins (commenced);
- Follow-up mapping, channel and rock sampling at WV-3 and soil anomalies (pending);
- Ground Induced Polarization ("IP") program at newly defined drill target areas (pending), and;
- Drill permitting and subsequent drill testing for Phase 4 (pending).

On December 8, 2025, the Company announced an update to the 2025 – 2026 systemic property-wide exploration program.

- Phase 1 soil sampling ("Phase 1") has been completed ahead of schedule and worked below the budgeted amount. 1,037 soils collected, covering 6.5 kilometers ("km") of cumulative vein strike length. Phase 1 focused on the northern veins such as Maribel, Paquita, Rosario, Eulalia, Kelly and several other vein sets. Samples have been submitted to ALS, Lima for full multielement ICP analysis.
- WorldView-3 satellite successfully captured image and spectral data over Santas Gloria.
- Phase 2 soil sampling ("Phase 2") will commence after the wet season, approximately March onwards.

In addition, a 15-kilogram ("kg") core sample of Ag-Pb-Zn-Au mineralized oxide vein was collected from San Jorge drill hole SG003 for preliminary metallurgical test work at SGS Lakefield, Ontario. Prior leaching results indicated a +80% Ag recovery to solution on upper-level oxide mineralization.

For further information on the updates to the 2025-2026 systemic property-wide exploration program, click here to view.

On January 15, 2026, the Company announced the identification of a kilometer-scale zoned alteration cell at Santas Gloria Project, following the interpretation of the new WorldView-3 short-wavelength infrared spectral alteration mineral mapping data. The alteration assemblage, zonation and structural control were found to be consistent with a well-developed intermediate-sulphidation epithermal ("ISE") system.

Findings were as follows:

- WV-3 SWIR data has defined a 1.3 km x 2 km zoned alteration cell, coincident with several mapped but fully undrilled vein systems which collectively total >5 km of strike length. The alteration cell is

strongly zoned and exhibits a well-developed ISE system: Sericite-dominant inner core with localized argillic overprint (kaolinite), Hematite-rich iron-oxide zones nested within the sericite-dominant core, interpreted as oxidation of sulphide-bearing structures along principal fluid pathways, Broad, lower-temperature clay halo (montmorillonite) that expands away from the core and Distal chlorite-epidote ± calcite alteration interpreted as propylitic wall-rock alteration.
- WV-3 mapping provided a new, high-resolution targeting layer to prioritize for follow up work.

At that time, Phase 2 soil sampling, comprising 1,430 samples across the southern half of the Project, was planned to commence in June or July 2026. Results from the 1,037 Phase 1 soil samples were expected within the following weeks. For further information on the WorldView-3 interpretation and the Phase 1 and Phase 2 components of the Company's 2025–2026 systematic property-wide exploration program, refer to the related news release.

The Company was required to incur a total of US$1,000,000 by June 30, 2023 on the Santas Gloria Property. In June and August 2023, the Company paid US$20,000 ($26,754), to extend the exploration expenditures date from June 2023 to December 31, 2023. In November 2023, the Company paid US$30,000 ($41,134) to extend the exploration expenditure date from December 31, 2023 to November 30, 2024. By November 30, 2024, the Company completed the US$1,000,000 exploration expenditures commitment. The Company will also pay a one-time discovery bonus of US$1,000,000 upon announcement of a resource estimate of 10,000,000 ounces silver equivalent.

On March 2, 2026, the Company reported Phase 1 soil assay results and the delineation of multiple kilometer-scale silver-in-soil anomalies. Refer to the news release for additional details.
- Phase 1 soil sampling (1,037 samples) returned six coherent Ag-in-soil anomalies tightly aligned with mapped epithermal vein corridors at Paquita, Maribel, Rosario, Eulalia (Main and South), and Kelly;
- Collectively, the anomalies define approximately 4.3 km of aggregate strike length and show strong multi-line continuity and vein-parallel geometry, with Ag values commonly 5-20 parts per million ("ppm") and multiple >20 ppm responses within each corridor;
- Peak value of 68.1 ppm Ag; the Kelly anomaly is the largest and highest-intensity corridor (approximately 850 m x 400 m) and is open to the east at the current sampling boundary;
- Assays will be integrated with WorldView-3 ("WV-3") spectral alteration mapping, detailed structural mapping, and future ground geophysics to systematically rank drill targets; and
- Phase 2 soil sampling (southern half of Project, 1,430 samples) will conclude the district-scale coverage across mapped vein systems, including the 1.3 km x 2 km zoned alteration cell identified by WV-3 short-wavelength infrared ("SWIR") mineral mapping (news release dated January 15, 2026).

On April 20, 2026, the Company received all required Community Agreements to support the Company's planned 2026 drill program at its 100%-owned Santas Gloria Project. Refer to the news release for additional details.
- Notarized agreements with two communities adjacent to Santas Gloria, providing surface access and land use rights for the planned 2026 drill program;
- Comunidad Campesina de San Andrés de Tupicocha Agreement is valid until July 2028, and the Comunidad Campesina de Concha Agreement is valid until February 2028;
- First Andes maintains strong relations and local support for ongoing and future exploration initiatives with the communities' leadership and members;
- Marks a major step forward in the permitting process, which has now progressed to environmental baseline studies and the subsequent Ficha Técnica Ambiental ("FTA") submission;

On May 14, 2026, the Company reported the delineation of a 1.2-kilometre-long gold-in-soil anomaly from Phase 1 gold and multi-element assays. Refer to the news release for additional details.
- Coherent >1.2-km-long Au soil anomaly defined along an east-west structural corridor, spatially coincident with mapped epithermal veins;

- Well-developed geochemical zonation, with a broad anomalous halo (>0.01 to 0.05 ppm Au) and a continuous higher-grade core (>0.1 to >0.6 ppm Au) along the Kelly-Eulalia trend;
- Anomaly remains open along strike and reflects a multi-structure vein corridor rather than a single vein;
- Soil geochemistry is effectively delineating coherent anomalous corridors within mapped vein systems, demonstrating its utility for prioritizing drill targets across the Project;
- Six additional Ag-in-soil anomalies delineated in Phase 1 (see First Andes news release dated March 2, 2026);
- Phase 2 soil sampling to commence in May (southern veins) to complete property-wide coverage across the epithermal system.

On August 24, 2026, the Company announced an update on the planned 3,000-meter diamond drill program on the Tembladera, San Jorge, Paquita and Maribel vein system, specifically for the following Holes: SG015, SG003, SG022, SG017, SG010 and SG011. The Company is advancing the permitting for additional drill platforms and associated environmental approvals. Refer to the news release for additional details.

- Finalizing drill targets: First Andes is finalizing plans for 3,000 metres of diamond drilling;
- Property-wide focus: Intermediate-sulphidation epithermal ("ISE") veins to be tested include Tembladera, San Jorge, Paquita and Maribel;
- Tembladera: Largely undrilled, with a cumulative strike length of ~4 kilometres ("km") and underground channel samples grading more than 10,000 g/t Ag;
- San Jorge: Cumulative strike length of ~2.7 km, with 17 of 21 holes to date having returned reportable silver intercepts and mineralization remaining open along strike and at depth;
- Maribel and Paquita: ~2.6 km combined strike, with all three 2024 drill holes returning intercepts, new soil data refining targets and mineralization remaining open along strike and at depth;
- Drill contractor engaged: The Company has engaged Explomin del Perú S.A.C. ("Explomin"), a major drilling company, to conduct the program;
- Specialized drill rig: The program is expected to use a compact, track-mounted underground-style diamond drill adapted for surface operation;
- Enhanced targeting: Candidate rig can drill at inclinations ranging from horizontal (0°) to vertically downward (-90°), enabling previously inaccessible parts of the vein systems to be tested; and,
- Permitting advancing: The Company is advancing the permitting process for additional drill platforms and associated environmental approvals.

New South Wales Silver Projects

On December 9, 2025, the Company announced that it had entered into an asset purchase agreement to acquire three (3) silver-focused exploration license applications totaling approximately 454 km^2 in New South Wales, Australia ("NSW"), with South Star Pty Ltd. The concessions are located within the Lachlan Orogenic Belt – known as the Carrington Project ("Carrington"), the Stony Creek Project ("Stony Creek") and the Dartmoor Project ("Dartmoor") (together, the "NSW Silver Projects").

Carrington

Carrington is a 160 km^2 exploration licence application (EL 9873) covering an iron-rich skarn system with Au-Ag-Pb-Sb mineralization located in the Lachlan Orogenic Belt of southeastern New South Wales. Two parallel mineralized structures lie east and west of a sandstone ridge, with the historic Carrington mine developed on the eastern structure and the Iron Duke prospect on the western structure. The prospects are hosted by limestone members of the Jerrara Formation and are spatially associated with the regionally significant Yarralaw Fault.

Historic mining at Carrington exploited laterally extensive mineralized gossans up to 6 meters wide. Rock chip sampling of gossanous material has returned grades of up to 85 g/t Au, 6,037 g/t Ag, 24.8% Pb and 16.8% Sb (see Sentinel Resources Corp. news release dated October 13, 2020). Aeromagnetic data define a strong magnetic corridor that trends south from the Lockyersleigh Granite through the Carrington mine

and along strike within limestone units of the Jerrara Formation, supporting the interpretation of an extensive iron-rich skarn system with more than 10 km of prospective strike length.

Furthermore, the NSW government “minview” website states that over 0.5 Mt of iron gossan is present. This is significant given silver-gold mineralization is commonly associated with gossans developed above primary sulphide mineralization. The tonnage cited suggests a robust system.

Stony Creek

Stony Creek is a 247 km² licence application (EL 9870) situated in the Lachlan Orogenic Belt, covering a highly prospective corridor of Devonian volcanic rocks. The project hosts at least seven historic silver-gold mines and prospects, including the Stony Creek prospect and the Krawaree underground silver mine, which are classified as orogenic base-metal to low-sulphidation epithermal vein systems developed along the westerly dipping Gundillion Fault.

The Stony Creek prospect comprises an approximately 85-meter-wide alteration zone hosting quartz-sulphide vein stockworks. Historic rock-chip sampling has returned assays of up to 18.4 g/t Au and 212 g/t Ag, while historic drilling by Canyon Resources Pty Ltd in 1986 reported an intercept of 5 m grading 3.0 g/t Au.

Gundillions Reef, located approximately 1.4 km northwest of Stony Creek, is defined by a series of shafts, drives and small open pits that have been worked to depths of around 200 meters. Underground workings have been traced for over 2 kilometers and rock-chip grab samples have returned assays of up to 44 g/t Au and 150 g/t Ag, highlighting the potential for high-grade gold-silver shoots along the Gundillion Fault corridor (see Sentinel Resources Corp. news release dated October 13, 2020).

Dartmoor

Dartmoor is a 47 km² exploration licence application (EL 9879) located at the western margin of the Hill End and Cooma zones in the eastern Lachlan Orogenic Belt. The tenure includes two historic polymetallic mines, Dartmoor and Dartmoor East, interpreted to be of VHMS-Kuroko affinity. Mineralization is expressed as an extensive gossanous horizon that can be traced for over 1.5 km along strike.

Small-scale historic production at Dartmoor reportedly averaged approximately 980 g/t Ag and 12% Cu, underscoring the high-grade nature of the system (see Sentinel Resources Corp. news release dated October 13, 2020). First Andes views Dartmoor as a compelling target for the discovery of massive Au-Ag-base-metal sulphide lenses to be explored using a combination of modern EM geophysics, geochemistry and drilling.

Trends

There are significant uncertainties regarding the prices of precious and base metals and the availability of equity financing for the purposes of mineral exploration and development. For instance, the prices of gold, silver and other minerals have fluctuated widely in recent years and wide fluctuations may continue. Management is not aware of any trends, commitments, events or uncertainties that could reasonably be expected to have a material adverse effect on the Company’s business, financial condition or results of operations.

SUMMARY OF QUARTERLY RESULTS

The following is selected financial data from the Company's unaudited quarterly financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended August 31, 2026.

	Three Months Ended ($)			
	Aug 31, 2026	**May 31, 2026**	**Feb 28, 2026**	**Nov 30, 2025**
Total Revenues	-	-	-	-
Loss	(178,345)	(236,877)	(631,425)	(155,542)
Loss Per Share (basic and diluted)[(1)]	(0.00)	(0.00)	(0.01)	(0.00)

	Three Months Ended ($)			
	Aug 31, 2025	**May 31, 2025**	**Feb 28, 2025**	**Nov 30, 2024**
Total Revenues	-	-	-	-
Loss	(115,416)	(125,940)	(190,208)	(82,603)
Loss Per Share (basic and diluted)[(1)]	(0.00)	(0.00)	(0.01)	(0.00)

(1) The basic and diluted calculations result in the same values.

During the quarter ended August 31, 2026, the Company recorded a net loss of $178,345, which included share-based compensation of $36,152 from vesting of restricted share units.

During the quarter ended May 31, 2026, the Company recorded a net loss of $236,877, which included share-based compensation of $66,688 from vesting of restricted share units and stock options.

During the quarter ended February 28, 2026, the Company recorded a net loss of $631,425, which included share-based compensation of $380,814 from vesting of restricted share units and stock options.

During the quarter ended November 30, 2025, the Company recorded a net loss of $155,542, which included share-based compensation of $22,438 from the vesting of restricted share units.

During the quarter ended August 31, 2025, the Company recorded a net loss of $115,416, which included share-based compensation of $22,685 from the vesting of restricted share units, offset by a gain on write-off of accounts payable of $25,368.

During the quarter ended May 31, 2025, the Company recorded a net loss of $125,940, which included share-based compensation of $62,956 from the grant of stock options and the vesting of restricted share units.

During the quarter ended February 28, 2025, the Company recorded a net loss of $190,208, which included share-based compensation of $117,106 from stock options and restricted share units being granted.

During the quarter ended November 30, 2024, the Company recorded a net loss of $82,603.

RESULTS OF OPERATIONS

For the six months ended August 31, 2026 and 2025

The Company incurred a net loss of $415,222 ($0.00 per share) for the six months ended August 31, 2026, compared to a net loss of $241,356 ($0.00 per share) for the six months ended August 31, 2025. Details of certain line items are as follows:

Accounting and audit fees of $51,159 (2025 - $55,045) are comprised of audit fees and fees paid for accounting and CFO services.

Directors' fees of $15,000 (2025 - $15,000) are monthly fees for a director.

Legal fees of $17,710 (2025 - $21,131) which is related to ongoing reporting obligations and financing activities.

Management and consulting fees of $87,000 (2025 - $45,000) are monthly fees for the CEO and monthly fees for the VP of Corporate Communications.

Regulatory and transfer agent fees of $25,819 (2025 - $20,135) are fees associated with the public company listing.

Shareholder communications of $99,367 (2025 - $8,688) are fees to market the Company to current and potential shareholders. The additional shareholder communication fees principally relate to fees paid to ICP Securities for their market making activities.

Share-based payments of $102,840 (2025 - $85,641) is based on the vesting of RSUs and stock options. The increase in 2026 was due to increased value of RSUs vested in 2026 compared to 2025.

Interest income of $11,428 (2025 - $6,328) came from interest earned through the Company's cash.

For the three months ended August 31, 2026 and 2025

The Company incurred a net loss of $178,345 ($0.00 per share) for the three months ended August 31, 2026, compared to a net loss of $115,416 ($0.00 per share) for the three months ended August 31, 2025. Details of certain line items are as follows:

Accounting and audit fees of $24,647 (2025 - $26,570) are comprised of audit fees and fees paid for accounting and CFO services.

Directors' fees of $7,500 (2025 - $7,500) are monthly fees for a director.

Legal fees of $7,346 (2025 - $12,713), which is related to ongoing reporting obligations and financing activities.

Management and consulting fees of $43,500 (2025 - $22,500) are monthly fees for the CEO and monthly fees for the VP of Corporate Communications.

Regulatory and transfer agent fees of $10,663 (2025 - $17,029) are fees associated with the public company listing.

Shareholder communications of $38,072 (2025 - $8,343) are fees to market the Company to current and potential shareholders. The additional shareholder communication fees principally relate to fees paid to ICP Securities for their market making activities.

Share-based payments of $36,152 (2025 - $22,685) is based on the vesting of RSUs and stock options. The increase in 2026 was due to increased value of RSUs vested in 2026 compared to 2025.

Interest income of $4,020 (2025 - $2,779) came from interest earned through the Company's cash.

USE OF PROCEEDS

On February 12, 2026, the Company closed a non-brokered private placement financing raising gross proceeds of $2,005,000. The proceeds of the financing were planned to be used to expand and complete the Company's drilling program at the Santas Gloria Silver Property, annual mineral claim payments in Peru and for general working capital purposes. Since completing the financing, the Company has incurred exploration costs on the NSW Silver Projects and has not yet commenced the drilling program at the Santas Gloria Silver Property. Permitting for the planned drilling program is advancing as set out in the news release dated August 24, 2026.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

As at August 31, 2026, the Company had not yet achieved profitable operations, had an accumulated deficit of $15,623,846 since inception and expects to incur further losses in the development of its business. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. As at August 31, 2026, the Company had working capital of $842,461. The above factors form a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has no long-term debt.

At present, the Company has no current operating income. Without additional future financing, the Company may not be able to fund its ongoing operations and complete future exploration and development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms. These uncertainties cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

FINANCING ACTIVITIES

During the six months ended August 31, 2026, the Company did not have any common share transactions.

During the six months ended August 31, 2025, the Company entered into the following common share transactions:

- On July 16, 2025, the Company completed the first tranche of a non-brokered private placement of 10,170,000 units at $0.10 per unit for gross proceeds of $1,017,000. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at a price of $0.15 per share up to July 16, 2027.

- On July 29, 2025, the Company completed the second and final tranche of a non-brokered private placement of 3,000,000 units at $0.10 per unit for gross proceeds of $300,000. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at a price of $0.15 per share up to July 29, 2027.

- In connection with the private placement, the Company paid finder's fees in cash totaling $47,950 and issued 479,500 finders' warrants exercisable at $0.10 per share for a period of two years from the dates of issue.

- 245,000 finders' warrants at an exercise price of $0.05 expiring March 28, 2026 were exercised for gross proceeds of $12,250.

- The Company received the final $85,000 of subscriptions receivable from the February 28, 2025 non-brokered private placement.

OUTSTANDING SHARE CAPITAL

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 86,515,703 common shares as at October 28, 2026.

Options, warrants and restricted share units ("RSUs") outstanding as at October 28, 2026:

Security	Number	Exercise Price	Expiry Date
Stock Options	10,000	$3.50	May 3, 2027
Stock Options	95,000	$0.50	February 27, 2028
Stock Options	1,750,000	$0.05	January 28, 2030
Stock Options	500,000	$0.05	February 10, 2030
Stock Options	670,000	$0.07	April 8, 2030
Stock Options	2,500,000	$0.17	February 20, 2031
Stock Options	250,000	$0.17	March 9, 2031
TOTAL	**5,775,000**		

Security	Number	Exercise Price	Expiry Date
Share Purchase Warrants	735,000	$0.05	February 28, 2027
Share Purchase Warrants	5,085,000	$0.15	July 16, 2027
Share Purchase Warrants	423,500	$0.10	July 16, 2027
Share Purchase Warrants	1,500,000	$0.15	July 29, 2027
Share Purchase Warrants	56,000	$0.10	July 29, 2027
Share Purchase Warrants	1,001,583	$0.12	February 12, 2028
TOTAL	**8,801,083**		

Security	Number	Vesting Date
RSUs	875,000	January 28, 2026
RSUs	250,000	February 10, 2026
RSUs	875,000	January 28, 2027
RSUs	250,000	February 10, 2027
RSUs	437,500	February 20, 2027
RSUs	437,500	February 20, 2028
RSUs	62,500	March 9, 2027
RSUs	62,500	March 9, 2028
TOTAL	**3,250,000**	

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the board of directors and corporate officers.

During the three and six months ended August 31, 2026 and 2025, the Company incurred the following expenditures charged by directors and officers of the Company, or former directors and officers of the Company, and/or companies they owned or were significant shareholders of:

	Three months ended August 31,		**Six months ended August 31,**	
	2026	2025	**2026**	2025
	$	$	**$**	$
Accounting fees[1]	**24,000**	24,000	**48,000**	48,000
Directors fees and share issuance costs[2]	**7,500**	33,400	**15,000**	40,900
Legal fees and share issuance costs[3]	**3,825**	24,458	**13,968**	28,429
Management and consulting[4]	**22,500**	22,500	**45,000**	45,000
Share-based payments – options and RSUs	**31,584**	20,322	**63,168**	80,915
	89,409	124,680	**185,136**	243,244

(1) Includes fees billed by Malaspina Consultants Inc., a Company where Matt Anderson, CFO, is a managing director. The agreement may be terminated on 60 days' notice.

(2) The fees include director fees and share issuance costs billed by a company controlled by Ian Stalker, Director.

(3) Includes fees billed by O'Neill Law LLP, a company related to Charles Hethey, a Director of the Company. The business purpose of the transactions was to compensate for legal services provided.

(4) Includes fees billed by Colin Smith, CEO.

The remuneration of key management personnel for the three and six months ended August 31, 2026 and 2025 is as follows:

	Three months ended August 31,		**Six months ended August 31,**	
	2026	2025	**2026**	2025
	$	$	**$**	$
Short-term benefits	**57,825**	104,358	**121,968**	162,329
Share-based payments – options and RSUs	**31,584**	20,322	**63,168**	80,915
	89,409	124,680	**185,136**	243,244

At August 31, 2026, accounts payable and accrued liabilities include due to current and former related parties of $134,726 (February 28, 2026 - $190,400). Related parties are current and former directors and officers of the Company and/or companies they control or of which they were significant shareholders. The amounts owing include amounts related to expenditures charged to the Company and for reimbursements of expenditures paid for on behalf of the Company. The amounts have been recorded at their exchange amount, being the amount agreed to by the parties.

Financial Instruments

The Company's financial assets and financial liabilities are classified and measured as follows:

Financial Instrument	**Category**
Cash	Fair value through profit or loss
Accounts receivable	Amortized cost
Accounts payable and other liabilities	Amortized cost

The carrying values of financial assets and liabilities approximate their fair values due to the short-term maturity of these financial instruments.

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of minerals under exploration.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to attempt to ensure adequate liquidity is maintained. Refer to the liquidity and capital resources section of this MD&A for additional disclosures. As at August 31, 2026 and February 28, 2026, the Company had working capital as follows:

	August 31, 2026	February 28, 2026
	$	$
Current assets	**1,109,223**	1,958,131
Current liabilities	**(266,762)**	(645,365)
Working capital surplus	**842,461**	1,312,766

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

a) Currency Risk

As at August 31, 2026 and February 28, 2026, most of the Company's cash was held in Canadian dollars, the Company's functional currency. The Company has operations in foreign jurisdictions outside of Canada and as such has currency risk associated with its operations. The Company mitigates this risk by holding a small amount of cash in foreign currencies.

b) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. As the Company has no interest bearing financial instruments other than cash deposits, the Company is not exposed to significant interest rate risk.

c) Price Risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. The Company has no financial instruments subject to price risk.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the six months ended August 31, 2026 and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR+ at www.sedarplus.ca.

RISKS AND UNCERTAINTIES

The exploration and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not be successful in overcoming. Few mineral properties which are explored ultimately develop into producing mines. There has been no commercial production of minerals by the Company to date and there is a high degree of risk that commercial production of minerals will not be achieved.

Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The mining industry is intensely competitive. The commercial viability of a mineral deposit depends on a number of factors including the particular attributes of the deposits (principally size and grade), proximity to infrastructure, the impact of mine development on the environment, environmental regulations imposed by various levels of government and the competitive nature of the industry which causes mineral prices to fluctuate substantially over short periods of time. There can be no assurance that the minerals can be marketed profitably or in such a manner as to provide an adequate return on invested capital.

The operations of the Company are subject to all of the risks normally associated with the operation and development of mineral properties and the development of a mine, including encountering unexpected formations or pressures, caving, flooding, fires and other hazards, all of which could result in personal injuries, loss of life and damage to property of the Company and others. In accordance with customary industry practice, the Company is not fully insured against all of these risks, nor are all such risks insurable.

The operations of the Company's properties will be subject to various laws and regulations relating to the environment, prospecting, development, production, waste disposal and other matters. Amendments to current laws and regulations governing activities related to the Company's mineral properties may have material adverse impact on operations.

The Company will need additional funding to complete its long term objectives. The ability of the Company to raise such financing in the future will depend on the prevailing market conditions, competition with other strategic metals exploration stage companies, as well as the business performance of the Company. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to develop new projects or to otherwise respond to competitive pressures.

The Company's working capital and liquidity fluctuate in proportion to its ongoing equity financing activities. The Company requires a certain amount of liquid capital in order to sustain its operations and in order to meet various obligations as specified under its resource property acquisition agreements. Should the Company fail to obtain future equity financing due to reasons as described above, it will not be able to meet these obligations and may lose its interests in the properties covered by the agreements. Further, should the Company be unable to obtain sufficient equity financing for working capital, it may be unable to meet its ongoing operational commitments.

All industries, including the mining industry, are subject to legal claims, with and without merit. The Company may become involved in legal disputes in the future. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the solution of any particular legal proceeding will not have a material adverse effect on the Company's financial position or results of operations.

All of the Company's mineral properties are in the exploration stage. Exploration and development of natural resources involve substantial expenditures and a high degree of risk. Few properties that are explored are ultimately developed into producing properties. Accordingly, the Company has no material revenue, writes off its mineral properties from time to time, and operates at a loss. Continued operations are dependent upon ongoing equity financing activities.

OTHER INFORMATION

Additional information related to the Company is available for viewing on SEDAR+ at www.sedarplus.ca and on the Company's website at http://firstandes.com.

QUALIFIED PERSONS

Dr. Christopher Wilson, Ph. D., FAusIMM (CP), FSEG, a Qualified Person for the purposes of National Instrument 43-101 and a geological consultant to the Company, has reviewed and approved the technical disclosure contained herein as applicable.