



# Hemlo

Management's Discussion and Analysis of

**HEMLO MINING CORP.**

For the years ended December 31, 2025 and 2024

**Hemlo Mining Corp.**

Management's Discussion and Analysis

Three and twelve months ended December 31, 2025 and 2024

Expressed in thousands of United States dollars, unless otherwise stated

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This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements, and their related notes, of Hemlo Mining Corp. ("Hemlo" or the "Company"), as at and for the years ended December 31, 2025 and 2024 (the "Audited Financial Statements") which are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). Additional information relating to the Company, including the most recent Annual Information Form ("AIF") for the year ended December 31, 2025, are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

All information contained in this MD&A is current and has been reviewed by management and approved by the Board of Directors of the Company as of April 15, 2026, unless otherwise stated. Dollar amounts are expressed in United States dollars ("USD" or "\$"), the Company's reporting currency, unless otherwise stated. References to Canadian dollars are denoted as ("CAD" or "C\$"). As at December 31, 2025, the Company changed its presentation currency from CAD to USD. The change in presentation currency enhances comparability of the Company's financial results against its peers. The change in presentation currency is an accounting policy change and has been applied retrospectively with comparative figures restated for all periods presented. Gold produced represents gold poured during the period. References to "Attributable" basis are presented net of Franco-Nevada Corporation's ("Franco-Nevada") 50% net profit interest royalty ("NPI") on the Interlake claim.

### **FORWARD LOOKING STATEMENTS AND NON-IFRS MEASURES**

This MD&A may contain forward-looking statements and should be read in conjunction with the risk factors described in the "Financial Instruments", "Risks and Uncertainties" and "Forward Looking Statements" sections near the end of this MD&A and as described in the Company's AIF for the year ended December 31, 2025.

In the mining industry, there are commonly used non-IFRS performance measures that may not be comparable to similar measures presented by other issuers. The Company believes that these measures, when considered in conjunction with information prepared in accordance with IFRS Accounting Standards, provide investors with useful information to assist in their evaluation of the Company's performance and ability to generate cash flow from its operations. Accordingly, these measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards.

For further information, refer to the "Non-IFRS Measures" section of this MD&A. The following additional abbreviations may be used throughout this MD&A: General and Administrative Expenses ("G&A"); Troy Ounces ("oz"); Grams per Tonne ("g/t"); and Life of Mine ("LOM").

### **HIGHLIGHTS**

#### **Financial Highlights**

- Completed the acquisition of the Hemlo Gold Mine ("Hemlo Mine") from certain wholly-owned subsidiaries of Barrick Mining Corporation ("Barrick") on November 26, 2025 for total consideration with a fair value of \$1.0 billion (the "Hemlo Acquisition"), as well as the associated acquisition financing package.
- As at December 31, 2025, the Company held cash of \$132.0 million.
- Net losses for the three and twelve months ended December 31, 2025 were \$36.2 million or \$0.30 per share and \$36.9 million or \$1.01 per share, respectively, primarily due to transaction costs incurred for the Hemlo Acquisition.
- Net cash used in operating activities for the three and twelve months ended December 31, 2025 were \$23.8 million and \$24.6 million, respectively. Operating cash outflows were mainly due to payment of transaction costs incurred for the Hemlo Acquisition as well as build-up of inventory at December 31, 2025 due to timing of sales.
- Repaid \$75.0 million outstanding under its Revolving Credit Facility (as defined below) in March 2026, reducing the balance of the Revolving Credit Facility to nil. The Revolving Credit Facility remains available to the Company for general corporate purposes and working capital needs.

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### **Operating Highlights**

- Attributable gold production from November 26, 2025 to December 31, 2025 totalled 16,503 ounces of gold at an average grade of 4.71 g/t with average recoveries of 93.2%. Strong gold production during the period was supported by above average head grades and higher milled tonnes. There were no gold sales recorded by the Company in 2025 as gold production for the period was sold in early 2026.
- Attributable gold production for the Hemlo Mine for the three and twelve months ended December 31, 2025, inclusive of the period prior to closing of the Hemlo Acquisition, totalled 38,012 ounces and 120,841 ounces, respectively. Full year 2025 production from the Hemlo Mine met the previously stated guidance from Barrick (refer to Barrick's news release dated February 12, 2025).
- Company expects to provide 2026 operating and cost guidance in the second half of 2026.

### **Investment and Growth Highlights**

- Initiated phased production ramp-up efforts at the Hemlo Mine through key operational initiatives including a transition to an owner-operator model, significant investment in new mobile equipment, and changes to mining sequencing to improve flexibility and throughput.
- Operational improvements are being advanced in parallel with a significant exploration program, ongoing mine planning optimization, and trade-off studies, all in support of an updated mineral reserve estimate and life-of-mine plan in the second half of 2027.
- In 2026, the Company initiated a 130,000 metre exploration drilling program aimed at extending mine life, de-risking the near-term mine plan and identifying near-mine growth opportunities. The 2026 exploration drilling program is expected to serve as the foundation for the updated technical report in 2027.
- In 2026, the Company repurchased a 1.5% net smelter return royalty interest associated with the past-producing David Bell property, consolidating the Company's interest over the Hemlo land package and improving economic leverage to potential exploration success and future production growth.

## **BUSINESS OVERVIEW**

Hemlo Mining Corp. ("Hemlo" or the "Company") was formed by the amalgamation of Carcetti Capital Corp. and its wholly-owned subsidiary, 17276583 Canada Ltd., pursuant to Articles of Amalgamation filed under the *Canada Business Corporations Act* on November 27, 2025. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the trading symbol "HMMC".

The Company is a Canadian gold producer. The Company's flagship asset, the Hemlo Mine, has produced approximately 25 million ounces of gold since 1985 from both underground and open pit operations. The Company's fit-for-purpose strategy is centered on maximizing the value of the mine through improved operating efficiency, production growth, and mine life extension. Hemlo is led by an experienced team with a track record of value creation in the global mining sector.

The Company closed the Hemlo Acquisition on November 26, 2025. On November 27, 2025, the Company completed a consolidation of its common shares on the basis of two new shares for every three pre-consolidation shares (3:2). The consolidation was approved by shareholders of the Company at a shareholders' meeting held on October 30, 2025. The Company's consolidated common shares began trading on the TSXV when markets opened on December 2, 2025. All references to number of shares and per share amounts are expressed as post-consolidation values.

## **HEMLO ACQUISITION**

On November 26, 2025, the Company, through its wholly-owned subsidiary, 1554943 B.C. Ltd., completed the Hemlo Acquisition by acquiring all of the issued and outstanding common shares of 1539041 B.C. ULC from certain wholly-owned subsidiaries of Barrick. 1539041 B.C. ULC held all of the shares of DB Operating Corporation and Williams Operating Corporation, mining rights related to the Hemlo Mine, and contracts that

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related exclusively to Hemlo Mine operations. Upon the closing of the Hemlo Acquisition, 1554943 B.C. Ltd. amalgamated with 1539041 B.C. ULC. On April, 2, 2026, 1554943 B.C. Ltd. was continued as an Ontario corporation and changed its name to Hemlo Mine Operating Corp. ("HMOC"). The Company, through HMOC, wholly-owns the Hemlo Mine. The total purchase consideration had a fair value of \$1.0 billion and is comprised of \$873.6 million cash consideration, \$49.2 million shares consideration and \$100.1 million contingent consideration related to the estimated fair value of future Gold Price Linked payments ("Contingent Consideration").

The Hemlo Mine is a long-life, fully integrated gold mining operation located approximately 35 km east of the town of Marathon in northwestern Ontario, Canada, along the Trans-Canada Highway and just north of Lake Superior. The consolidated property package covers more than 45,000 hectares and multiple mining leases, bringing together the historic David Bell, Golden Giant and Williams Lake claims within one world-class mine site that has produced roughly 25 million ounces of gold since 1985. The site benefits from exceptional existing infrastructure, including a 10,000 tonnes per day ("tpd") mill, a modern underground complex accessed via shaft and ramp system with 6,000 tpd hoisting capacity plus additional ramp haulage. With more than a decade of reserves and significant exploration upside along the proven Hemlo greenstone belt, the Company is positioned to unlock the next chapter of growth at one of Canada's premier gold districts. The Hemlo Mine location is shown in the map below:



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### **FINANCING SOURCES**

To fund the \$878.1 million paid at closing of the Hemlo Acquisition the Company entered into agreements for an acquisition financing package of approximately \$1.1 billion, including:

- \$300.0 million through a Precious Metals Purchase Agreement (the "Streaming Arrangement") with Wheaton Precious Metals Corp. ("Wheaton");
- \$250.0 million secured credit agreement ("Credit Agreement"); and
- \$538.3 million of gross proceeds from the Company's private placement of subscription receipts.

#### ***Gold Stream Arrangement***

On November 24, 2025, the Company entered into the Streaming Arrangement with Wheaton, whereby the Company received an up-front payment of \$300.0 million at closing of the Hemlo Acquisition in exchange for delivery of a portion of future gold production ("Stream Percentage"), subject to certain deductions, as outlined below:

- 10.125% of payable gold until a total of 135,750 gold ounces have been delivered ("First Dropdown Threshold");
- 6.75% of payable gold until a further total of 117,998 gold ounces have been delivered ("Second Dropdown Threshold"); and
- 4.50% of payable gold thereafter.

Each of the First Dropdown Threshold and the Second Dropdown Threshold will be subject to adjustment if there are delays in deliveries relative to an agreed schedule, and commencing in 2033, if deliveries fall behind the agreed schedule by 10,000 gold ounces or more, the Stream Percentage will be increased by 5% until deliveries catch up with the agreed schedule.

The payable gold will be reduced by half with respect to gold production from certain claims comprising the Interlake deposit (which is subject to a 50% NPI). Payable gold is calculated using a fixed payable factor of 99.95%.

The Streaming Arrangement has an initial term of 20 years to October 31, 2045 and will automatically renew for successive 10-year periods unless Wheaton provides written notice to terminate the Streaming Arrangement prior to the end of the then-current term. If the Streaming Arrangement is terminated and the Company has not delivered sufficient gold ounces to Wheaton to reduce the \$300.0 million up-front payment to nil in accordance with the Streaming Arrangement, then the Company is required to pay the remaining balance to Wheaton immediately upon demand.

In addition to the up-front payment, Wheaton will pay the Company cash equal to 20% of the market price of gold for each gold delivery.

For accounting purposes, the Streaming Arrangement is considered a contract for the future delivery of gold ounces at the contracted price. The up-front payment of \$300.0 million is accounted for as a prepayment of undelivered ounces under the contract and is recorded as a gold stream liability. Revenue is recognized on settlement of the gold stream liability as gold ounces are delivered to Wheaton.

#### ***Secured Credit Agreement***

On November 26, 2025, the Company entered into the Credit Agreement led by a major Canadian bank. The Credit Agreement provides for a \$250.0 million senior-secured credit facility, consisting of a \$100 million senior-secured revolving credit facility ("Revolving Credit Facility") and a \$150 million senior-secured non-revolving term loan facility ("Term Facility", together, the "Facilities"), each maturing on November 28, 2028.

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On November 26, 2025, the Company drew \$75.0 million from the Revolving Credit Facility and fully drew on the \$150.0 million Term Facility for a total of \$225.0 million in cash from the Facilities to fund a portion of the Hemlo Acquisition and general working capital purposes.

Principal amounts drawn under the Term Facility are to be repaid in nine consecutive quarterly installments of \$7.5 million each commencing August 26, 2026, with the remaining balance payable on November 27, 2028. The Company may make early repayments of all or a portion of the Term Facility at any time without penalty. Early repayments of the Term Facility may not be re-drawn and will be applied in inverse order of maturity. Principal amounts under the Revolving Credit Facility are payable at maturity.

The Facilities bear interest at either the Term Secured Overnight Financing Rate plus 0.10% to 0.25% (depending on the tenor) plus an applicable margin between 2.75% to 3.75% (except for a minimum margin of 3.25% for the first two quarters) payable no less than every three months, or the base rate, as defined in the Credit Agreement, plus an applicable margin ranging from 1.75% to 2.75% (except for a minimum margin of 2.25% for the first two quarters) payable monthly. For the Revolving Credit Facility only, by way of letters of credit with fees ranging from 1.833% to 2.5% per annum for non-financial letters and 2.75% to 3.75% per annum for financial letters. The applicable margin is based on the Company's leverage ratio at the end of each fiscal quarter. For the year ended December 31, 2025, the interest rate on the Facilities was 7.3%.

As at December 31, 2025, amounts outstanding under the Facilities totalled \$225.0 million and there were also \$3.5 million of outstanding letters of credit issued under the Revolving Credit Facility as financial support for environmental remediation and reclamation obligations and lease liabilities. As at December 31, 2025, \$21.5 million was available under the Revolving Credit Facility.

The Company incurred financing costs of \$4.7 million in the period which comprised mainly of underwriting and legal fees related to the Credit Agreement.

The Facilities are subject to certain financial covenants measured at the end of each quarter. The Company was in compliance with all financial covenants as at December 31, 2025.

In March 2026, the Company repaid \$75.0 million outstanding under the Revolving Credit Facility, reducing the balance of the Revolving Credit Facility to nil. The Revolving Credit Facility remains available to the Company for general corporate purposes and working capital needs.

### ***Equity financing***

In October 2025, the Company executed Subscription Receipt Agreements in respect of the following private placement arrangements to fund a portion of the Hemlo Acquisition:

- Brokered private placement of 226,178,933 subscription receipts at a price of C\$3.00 per subscription receipt for aggregate gross proceeds of C\$678.5 million.
- Non-brokered private placement of 5,749,698 subscription receipts at a price of C\$3.00 per subscription receipt for aggregate gross proceeds of C\$17.2 million.
- Non-brokered private placement of 20,066,972 subscription receipts at a price of \$2.16 per subscription receipt for aggregate gross proceeds of \$43.3 million.

The subscription receipts were converted into common shares of the Company upon closing of the Hemlo Acquisition on November 26, 2025 and satisfaction of the relevant terms under the Subscription Receipt Agreement. Total costs incurred in connection with the Subscription Receipt Agreement totalled \$19.6 million, including a 5% underwriters' fee, legal fees, TSXV fees and transfer agent's fees.

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**USE OF PROCEEDS**

The following table sets out the actual use of proceeds for the most recently completed financial year:

	<b>Actual use of proceeds</b>
Proceeds from subscription receipts	\$ 538,250
Proceeds from gold stream arrangement	300,000
Proceeds from borrowings	225,000
Settlement of foreign exchange forward contracts	7,490
Proceeds from issuance of convertible debentures	1,778
<b>Total proceeds</b>	<b>1,072,518</b>
Cash paid to Barrick at closing of Hemlo Acquisition	878,125
Total transaction costs paid	33,057
<b>Remaining in treasury</b>	<b>\$ 161,336</b>

The balance of the proceeds remaining in treasury is intended to be used towards general working capital purposes.

**QUARTERLY FINANCIAL REVIEW AND SELECTED ANNUAL INFORMATION**

Summary of financial information	Unit	Three months ended December 31,		Year ended December 31,		
		2025	2024 (restated)	2025	2024 (restated)	2023 (restated)
Gold produced (100%) <sup>1</sup>	oz.	20,192	—	20,192	—	—
Gold produced (attributable) <sup>1</sup>	oz.	16,503	—	16,503	—	—
Net loss	\$'000s	(36,165)	(29)	(36,927)	(86)	(301)
Basic loss per share	\$/share	(0.30)	(0.01)	(1.01)	(0.02)	(0.12)
Net cash used in operating activities	\$'000s	(23,809)	(12)	(24,633)	(78)	(366)
Cash flow used in operating activities before working capital changes <sup>NG</sup>	\$'000s	(1,624)	(28)	(3,074)	(80)	(294)
Cash flow used in investing activities	\$'000s	(887,105)	—	(887,105)	—	—
Total assets	\$'000s	1,733,620	238	1,733,620	238	284
Total non-current liabilities	\$'000s	1,089,300	—	1,089,300	—	—

NG: This is a non-IFRS measure. For further information, refer to the "Non-IFRS Measures" section of this MD&A.

1. The above table includes financial results and operating statistics for the Hemlo Mine for the period from November 26, 2025 to December 31, 2025.

Prior to the fourth quarter of 2025, the Company was a shell company, with no active operations. The Company was previously an international energy company, but had disposed of all of its investments as of December 31, 2022, and was pursuing new investment opportunities. There were minimal operating activities. The increase in net loss in the fourth quarter of 2025 was due to costs incurred relating to the Hemlo Acquisition and related financings.

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Net loss for the three and twelve months ended December 31, 2025 increased by \$36.1 million and \$36.8 million, respectively, compared to the comparative periods, mainly due to costs related to the Hemlo Acquisition and related financings, including \$15.9 million of costs incurred to complete the Hemlo Acquisition, \$11.4 million loss on revaluation of the Contingent Consideration, \$2.8 million of accretion expense on the Streaming Arrangement, \$1.7 million of interest expense incurred for the Term Facility and the Revolving Credit Facility, and \$3.4 million of share-based compensation expense due to increase in headcount during the period as the Company increased its corporate infrastructure to manage its acquisition of the Hemlo Mine. The losses were partially offset by a \$7.5 million gain realized on a foreign exchange contract used to hedge CAD proceeds from the financing against the USD cash consideration paid to Barrick and \$2.4 million of interest income.

Net cash used in operating activities increased for the three and twelve months ended December 31, 2025 by \$23.8 million and \$24.6 million, respectively, compared to the comparative periods mainly due to build-up of inventories of \$17.0 million from timing of gold sales and increase in account receivables of \$4.2 million largely due from Barrick related to certain tax refunds received by Barrick subsequent to the closing of the Hemlo Acquisition.

Investing cash outflows for the three and twelve months ended December 31, 2025 primarily consisted of the cash consideration paid for the Hemlo Acquisition, net of cash acquired, of \$877.9 million.

## LIQUIDITY AND CAPITAL RESOURCES

	As at December 31,	
	2025	2024 (restated)
Cash	\$ 131,956	\$ 216
Term Facility	(150,000)	—
Revolving Credit Facility	(75,000)	—
<b>Net (debt) cash<sup>NG</sup></b>	<b>\$ (93,044)</b>	<b>\$ 216</b>
Current assets	\$ 208,570	\$ 238
Current liabilities	(97,882)	(22)
<b>Working capital<sup>NG</sup></b>	<b>\$ 110,688</b>	<b>\$ 216</b>

NG: This is a non-IFRS measure. For further information, refer to the "Non-IFRS Measures" section of this MD&A.

As at December 31, 2025, the Company had only recently completed the Hemlo Acquisition and had not yet realized any revenue from gold sales. The Company began recognizing revenue and generating cash from operations in January 2026. The Company does not anticipate any liquidity constraints over the next 12 months. Management expects that available liquidity, together with projected cash flows from ongoing mining operations, will be sufficient to meet its contractual obligations and planned expenditures for the foreseeable future. In addition, amounts available under the Revolving Credit Facility provide further flexibility as the Company continues to advance near-term expansion initiatives, which the Company intends to fund from its operating cash flows. This determination is based on management's short-term cash flow forecast, which relies on judgment and assumptions, including the estimated timing and volume of near-term production, short-term gold prices, and estimated operating costs. However, if certain conditions do not materialize in the manner or timing intended by the Company, it may need to fund its planned expenditures from additional equity financing or other capital sources and there can be no assurance that the Company will secure the funding required to fund the impact of unintended or unknown events.

As at December 31, 2025, current liabilities included \$29.1 million related to the Gold Stream Arrangement which will be settled by future delivery of gold produced at the Hemlo Mine. Refer to *Contractual Obligations And Commitments* section below for details of the Company contractual commitments and payment obligations as at

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December 31, 2025. As at the date of this report, approximately \$96.5 million was available under the Revolving Credit Facility.

## REVIEW OF OPERATING RESULTS

Hemlo Mine	Unit	Period from November 26, 2025 to December 31, 2025	Three months and year ended December 31, 2025 <sup>1</sup>	Year ended December 31, 2025 <sup>1</sup>
<b>Williams</b>				
Ore processed	000t	103,429	269,868	924,777
Average grade	g/t	4.13	3.66	3.52
Contained gold	oz.	13,747	31,727	104,537
Recovery	%	93.2%	94.5%	94.0%
Gold produced	oz.	12,814	29,971	98,223
<b>Interlake<sup>2</sup></b>				
Ore processed <sup>2</sup>	000t	37,020	94,258	364,036
Average grade <sup>2</sup>	g/t	6.65	5.62	4.11
Contained gold <sup>2</sup>	oz.	7,915	17,024	48,143
Recovery <sup>2</sup>	%	93.2%	94.5%	94.0%
Gold produced <sup>2</sup>	oz.	7,378	16,082	45,235
Total gold produced	oz.	20,192	46,053	143,458
Total gold sold	oz.	—	25,621	125,608
<b>Attributable gold produced<sup>3</sup></b>	<b>oz.</b>	<b>16,503</b>	<b>38,012</b>	<b>120,841</b>
<b>Attributable gold sold<sup>3</sup></b>	<b>oz.</b>	<b>—</b>	<b>17,580</b>	<b>102,990</b>

1. The above table includes operating statistics for the Hemlo Mine for the period prior to closing of the Hemlo Acquisition on November 26, 2025.

2. Operating statistics are presented on a 100% basis. The Interlake claims are subject to a 50% NPI royalty with Franco-Nevada.

3. Attributable gold is calculated as 100% of gold from Williams and 50% of gold from Interlake.

Attributable gold production from November 26, 2025 to December 31, 2025 totalled 16,503 ounces of gold at an average grade of 4.71 g/t with average recoveries of 93.2%. Strong gold production during the period was supported by above average head grades and higher milled tonnes. There were no gold sales recorded by the Company in 2025 as gold production for the period was sold in early 2026.

Attributable gold production for the Hemlo Mine for the three and twelve months ended December 31, 2025, inclusive of the period prior to closing of the Hemlo Acquisition, totalled 38,012 ounces and 120,841 ounces, respectively. Full year 2025 production from the Hemlo Mine met the previously stated guidance from Barrick (refer to Barrick's news release dated February 12, 2025).

## 2026 OUTLOOK

With the closing of the Hemlo Acquisition on November 26, 2025, the Company was transformed into a new mid-tier Canadian gold producer. Key priorities for the Hemlo Mine in 2026 include:

- Mineral reserve and mineral resource optimization with the goal of bringing resource growth potential into an updated technical report in 2027;
- Mine optimization aimed at increasing production rates;

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- Infrastructure optimization to utilize significantly underutilized underground infrastructure and mill capacity with immediate opportunity to increase production; and
- Brownfields exploration.

### ***2026 Operational Program***

Since acquiring the Hemlo Mine, the Company's main objectives consist of optimizing the potential of the sizeable underground and surface infrastructure. In 2026, the Company will be focussed on assessing and investing in the Hemlo Mine to support growth in operations in 2027 and beyond. Within the next two years, the Company plans to increase the underground mining rate to maximize the hoisting capacity which currently operates at approximately 60% capacity. The Hemlo Mine team has developed an action plan to drive performance and establish operational excellence in support of the Company's vision for value creation and growth, including:

- Performing an independent assessment of its Health, Safety and Environmental management systems, with an added focus on risk management and workplace culture across the operation, at all levels. Permitting work continues to support future tailings management plans and a closure plan update. A broader focus for 2026 will see the continued implementation of the Mining Association of Canada's Towards Sustainable Mining ("TSM") standard, a globally recognized sustainability program that supports mining companies in managing key environmental and social risks.
- Transitioning to an owner-operator model, a key factor underpinning the Company's production ramp-up strategy and seeking enhanced operational control. Prior to using a contractor mining workforce, the Hemlo Mine was staffed primarily by local residents, with only a small number of staff employed on a fly-in fly-out basis. Approximately 70% of contractor staff was sourced from local communities (Manitouwadge, Marathon, White River, and the communities of Biigtigong Nishnaabeg and Netmizaaggamig Nishnaabeg). Hemlo's on-going investment in training and apprenticeship programs is a priority for the Company to develop the next generation of miners, ensuring a skilled workforce long into the future. Returning to an owner-operator model is expected to facilitate communication and planning, improve productivity, and increase operational flexibility, while supporting local employment and workforce expansion to anchor a strong performance-driven operating culture at the Hemlo Mine. The Hemlo Mine will continue to rely on specialized contractors for select activities; however, the majority of core mining operations will be performed internally by the Company. Working closely with the team already in place, the Company is executing a phased transition, restoring direct control over mining activities, workforce deployment, and development sequencing, with initial recruitment already underway and supported by a strong interest from the local and regional workforce.
- To support the production growth strategy, underground mining opportunities have been identified for execution in 2026, including:
  - Changes of mining method in select zones, from underhand to overhand, maximizing unconsolidated waste-rock backfilling for optimized materials handling, while introducing flexibility in mine sequencing;
  - Increasing lateral development advances by focusing on tunnelling with the jumbo and using automation technology between shifts;
  - Stopes in addition to previous plans, of both high margin and lower-grade bulk tonnage type, located in B-Zone in proximity to the underground crusher and hoist, to increase material handling infrastructure utilization and capacity;
  - Development of new ventilation systems to access deep ore at the C-Zone and allow for increased equipment and personnel in work areas; and
  - Rehabilitation of development drifts within past-producing areas to re-access and restart production of parallel zones left behind due to lower gold prices at the time of mining.
- The Company plans to make investments of over \$30 million for 21 new pieces of mobile equipment to be delivered throughout 2026, including scooptrams, haul trucks, development jumbos, bolters, and production service equipment. These additions are expected to support a meaningful increase in mine productivity,

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accelerate development advancement rates, and reduce bottlenecks across the mining cycle. As the life of mine plan is continually refined, the Company expects that more equipment will be introduced in 2027, as part of a continuing program to expand and modernize the mine fleet.

- Metallurgical recovery for gold at the Hemlo Mine averaged 94% in full year 2025. To accommodate the planned mining rate increase, a plan to upgrade the process plant infrastructure is underway, consisting of:
  - Redesign of the SAG mill liners and replacement of the on-stream analyzer to provide faster and more accurate information to mill operators; and
  - Process optimization focusing on liberation, carbon management, leach efficiency and incorporating best practices.
- Planned increases to production in 2026-2027 and beyond are being pursued in parallel to an ongoing 130,000 meter exploration drilling program, technical studies, and mine planning optimization, supporting the higher annual output but also targeting an extension of mine life to maximize near term cash flow and net present value. An updated mineral reserves and mineral resource estimate prepared in accordance with National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("NI 43-101") is planned for the second half of 2027.

## 2026 GUIDANCE UPDATE

The Company expects to provide guidance for 2026 in the second half of 2026.

## RELATED PARTY TRANSACTIONS

Related parties include the key management personnel, their close family members, and entities controlled by these individuals. Certain consultants who perform functions similar to key management personnel are also considered related parties.

### Compensation of key management personnel

The Company's key management personnel consists of directors of the Company and officers who have authority and responsibility for strategic decision-making.

Remuneration of such key management personnel was as follows:

	Years ended December 31,	
	2025	2024
Salaries and fees	\$ 174	\$ 9
Benefits	11	—
Share-based compensation	2,618	6
<b>Total key management personnel compensation</b>	<b>\$ 2,803</b>	<b>\$ 15</b>

As at December 31, 2025, amounts owing to such related parties amounted to \$0.2 million.

### Consulting services

During the year ended December 31, 2025, there were transactions totalling \$1.0 million between the Company and entities controlled by related parties for consulting services.

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### **Financing transactions**

On November 6, 2025, the Company entered into two five-year non-interest-bearing, unsecured Convertible Debenture Agreements totalling C\$2.5 million (the "Convertible Debentures") solely with related parties. The Convertible Debentures were convertible, at the holder's option, into common shares of the Company at a price of C\$3.00 per share any time prior to maturity after completion of the Hemlo Acquisition. On December 10, 2025, all Convertible Debentures were converted into common shares of the Company.

During the year ended December 31, 2025, the Company issued the following common shares to related parties:

- 5,086,667 common shares at C\$0.19 per share pursuant to a private placement in June 2025 .
- 1,686,667 common shares at C\$0.53 per share pursuant to a private placement in August 2025 .
- 4,899,999 common shares at C\$3.00 per share pursuant to private placements in October 2025 .

### **OUTSTANDING SHARE DATA**

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares (issuable in series), all of which are without nominal or par value. As of the date hereof, there were 296,329,968 common shares outstanding, 8,632,749 stock options outstanding, 3,561,731 restricted share units, 358,051 performance share units and 11,331 deferred share units outstanding.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company had no off-balance sheet arrangements as at December 31, 2025 or as at the date hereof.

### **CHANGES IN ACCOUNTING POLICIES**

For details of material accounting policies adopted by the Company, please refer to Note 3 of the Audited Financial Statements.

### **Presentation and functional currency**

As at December 31, 2025, the Company changed its presentation currency from CAD to USD. The change in presentation currency enhances comparability of the Company's financial results against its peers. The change in presentation currency is an accounting policy change and has been applied retrospectively with comparative figures restated for all periods presented as if the policy had always been applied, in accordance with IAS 8, *Accounting Policies, Changes In Accounting Estimates And Errors*.

On November 26, 2025, the Company changed its functional currency from CAD to USD to reflect that USD has become the predominant currency in the Company accounting for a significant part of the Company's cash flows, cash management and financing. The change in functional currency was applied prospectively from the date of change in accordance with IAS 21, *The Effects Of Changes In Foreign Exchange Rates*. The functional currency of each of the Company's subsidiaries is measured using the currency of the primary economic environment in which they operate. The functional currency of the Company's subsidiaries is the USD.

### **Accounting pronouncements**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's Audited Financial Statements that the Company reasonably expects will have an impact on its disclosures, financial position or performance when applied at a future date, are disclosed below. The Company intends to adopt these standards when they become effective. Other standards and interpretations that are issued, but not yet effective, which are not expected to impact the Company have not been listed.

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### **Presentation and Disclosure in Financial Statements (IFRS 18)**

In April 2024, IFRS 18, *Presentation and Disclosure in Financial Statements* was issued to replace IAS 1, *Presentation of Financial Statement*. IFRS 18 aims to achieve comparability of the financial performance of similar entities and introduces the following key new requirements:

- All income and expenses must be classified into five categories on the income statement: operating, investing, financing, discontinued operations, and income tax.
- A newly defined subtotal for operating profit is required, though net profit will remain unchanged.
- Management-defined performance measures must be disclosed together in a single note to the financial statements.
- The standard provides enhanced guidance on how to aggregate and present information in the financial statements.
- Entities using the indirect method for the statement of cash flows must start with the new operating profit subtotal.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is currently assessing the impact of the new standard.

### **Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)**

In May 2024, amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures* was issued. The amendments included the following key changes:

- Clarification of the recognition and derecognition date for certain financial assets and liabilities.
- Revised requirements for the settlement of financial liabilities using electronic payment systems.
- Additional disclosure requirements for financial instruments with contingent features not directly related to basic lending risks and costs.
- Amendments to the disclosure of equity instruments designated at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier adoption permitted. The Company is currently assessing the impact of the amendments.

## **FINANCIAL INSTRUMENTS**

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's cash, account receivables, restricted cash, accounts payable and accrued liabilities, lease liabilities and borrowings are carried at amortized cost. The carrying values of cash, account receivables, restricted cash, accounts payable and accrued liabilities approximate their fair values largely due to the short-term maturities of these instruments and their nature as non-interest bearing. The carrying value of lease liabilities approximates its fair value given the short duration from when they were measured at fair value on November 26, 2025 and December 31, 2025. The Contingent Consideration is measured at fair value. The face value of the Company's borrowings approximates its fair value due to a floating interest rate that is linked to a market rate. Such fair value estimates are not necessarily indicative of the amounts the Company might pay or receive in actual market transactions. Potential transaction costs have also not been considered in estimating fair value.

The Company manages its exposure to financial risks, including liquidity risk, credit risk, foreign exchange risk, interest rate risk and commodity price risk through a risk mitigation strategy. The Company generally does not acquire or issue derivative financial instruments for trading or speculation.

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### ***Foreign exchange forward contracts***

On September 17, 2025, the Company entered into a foreign exchange forward contract to sell CAD and purchase USD in the amount of C\$584.0 million for \$422.9 million. The foreign exchange forward contract was classified as a derivative financial instrument and was measured at fair value through profit or loss.

On closing of the Hemlo Acquisition, the Company realized a fair value gain of \$7.5 million, representing the difference between market foreign exchange rates and the foreign exchange forward contract.

As at the date of this report, the Company had no outstanding foreign exchange forward contracts.

### ***Contingent Consideration***

The Contingent Consideration represents contingent cash payments over a five-year term from January 1, 2027 to December 31, 2031. The Company is required to make annual payments to Barrick based on three incremental pricing thresholds:

1. 20.0% of incremental revenue per ounce of payable gold production at or above \$3,300/oz but less than \$3,500/oz;
2. 22.5% of incremental revenue per ounce of payable gold production at or above \$3,500/oz but less than \$3,700/oz; and
3. 25.0% of incremental revenue per ounce of payable gold production at or above \$3,700/oz.

The maximum cumulative amount payable under the Contingent Consideration is \$165.0 million.

The Company has classified the Contingent Consideration payable to Barrick as a derivative financial liability as the amount due is dependent on future gold prices over a five-year period. The Company estimated the fair value of the Contingent Consideration using a Monte-Carlo simulation model based on the gold forward curve, expected volatility of 20% (November 26, 2025 - 24%), the Company's credit spread of 1% (November 26, 2025 - 1%), risk-free rate of 3% (November 26, 2025 - 3%) and the Company's planned production during the five-year period. The Monte-Carlo simulation projects potential gold price paths over the five-year term and applies the contractual incremental revenue percentages for each pricing threshold subject to the cumulative maximum of \$165.0 million.

On November 26, 2025, the fair value of the Contingent Consideration was estimated to be \$100.1 million. As at December 31, 2025, the Company re-measured the Contingent Consideration which resulted in an increase in the liability of \$11.4 million to \$111.5 million recorded as a non-current liability.

During the year ended December 31, 2025, the Company recognized a fair value loss on Contingent Consideration of \$11.4 million.

### ***Gold put options and zero-cost collars***

Pursuant to the Credit Agreement, the Company was required to hedge a portion of its 2026 to 2028 gold production. In February 2026, the Company entered into a series of put options to sell up to 31,000 ounces of gold at \$3,600/oz. from February 2026 to December 2026, as well as a series of zero-cost collars for 33,078 ounces of gold at a floor price of \$4,000/oz. and ceiling prices ranging from \$6,610/oz. to \$7,290/oz. settling in 2027 and 2028.

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**FINANCIAL CONDITION REVIEW**

The significant increase in assets and liabilities of the Company compared to September 30, 2025 and December 31, 2024 were mainly due to the closing of the Hemlo Acquisition and related financing.

***Cash***

The significant increase in cash to \$132.0 million at December 31, 2025 was mainly due to \$1.0 billion in cash generated from financing activities, including \$518.6 million net proceeds from the issuance of subscription receipts, the \$300.0 million up-front deposit received from Wheaton and \$225.0 million drawn on the Credit Facilities. Cash generated from financing activities were partially used to settle the cash consideration for the Hemlo Acquisition of \$878.1 million.

***Account receivables***

Pursuant to the terms of the Hemlo Acquisition, the Company was to provide a statement setting forth the difference between the estimated cash consideration paid to Barrick at closing of the Hemlo Acquisition of \$878.1 million and the cash consideration calculated using the actual closing working capital and debt at the closing date ("Working Capital Adjustment"), within 60 business days after the closing date. As at December 31, 2025, the Company recognized a receivable of \$8.5 million from Barrick related to the Working Capital Adjustment, which included certain tax refunds received by Barrick subsequent to the closing of the Hemlo Acquisition. The receivable related to the Hemlo Acquisition was subsequently received in March 2026.

***Inventories***

On closing of the Hemlo Acquisition, the Company acquired inventories of \$27.3 million. Inventories totalled \$59.2 million at December 31, 2025 of which \$10.2 million was related to gold in circuit inventories, \$39.4 million to finished products (gold doré or bullion) and \$9.6 million related to materials and supplies. The increase in inventories was primarily driven by an increase in finished products due to timing of sales.

***Other current assets***

Other current assets comprise mainly Canadian sales tax receivables and prepaid expenses. On closing of the Hemlo Acquisition, the Company acquired other current assets of \$5.6 million. Other current assets totalled \$8.3 million at December 31, 2025. The increase in other current assets was due to prepaid insurance payments that were made in the fourth quarter of 2025.

***Property, plant and equipment ("PP&E")***

PP&E totalled \$1,523.1 million at December 31, 2025 of which \$1,509.1 million was acquired on closing the Hemlo Acquisition. From November 26, 2025 to December 31, 2025, the Company re-measured its asset retirement obligation, resulting in an increase of \$21.8 million to PP&E, and incurred additions of \$7.2 million, partially offset by depreciation expense of \$15.0 million.

***Restricted cash***

Restricted cash was \$1.9 million at December 31, 2025. Restricted cash related to cash collateral for government required financial assurances for closure plans at the Hemlo Mine.

***Accounts payable and accrued liabilities***

Accounts payable and accrued liabilities totalled \$50.2 million at December 31, 2025. There was no material change from \$49.6 million assumed as part of the Hemlo Acquisition due to timing of payments.

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### ***Borrowings***

As part of the Hemlo Acquisition, the Company drew \$225.0 million from the Credit Facilities (\$150.0 million from the Term Facility and \$75.0 million from the Revolving Credit Facility), partially offset by unamortized financing costs of \$4.6 million. The Company incurred total financing costs of \$4.7 million in connection with the Credit Facilities, which included underwriting and related legal fees, which are being amortized over the term of the Facilities.

During the three and twelve months ended December 31, 2025, the Company paid total interest of \$1.5 million for the Credit Facilities.

As at December 31, 2025, the Company had \$15.0 million of principal repayments due within the next twelve months. As at December 31, 2025, there were also \$3.5 million of outstanding letters of credit issued under the Revolving Credit Facility as financial support for environmental remediation and reclamation obligations and lease liabilities. As at December 31, 2025, \$21.5 million was available under the Revolving Credit Facility.

### ***Lease liabilities***

The Company leases certain assets such as office premises and buildings. Increase in lease liabilities was mainly due to \$8.6 million of lease liabilities assumed from the Hemlo Acquisition.

### ***Gold stream liability***

The gold stream liability relates to future delivery obligations under the Streaming Agreement with Wheaton. The increase in the gold stream liability was due to the receipt of the \$300.0 million up-front deposit received in exchange for a portion of future gold production from the Hemlo Mine.

### ***Contingent Consideration***

See *Financial Instruments* above for details.

### ***Provisions***

Provisions represent the asset retirement obligation for the Hemlo Mine. The asset retirement obligation was initially recognized at fair value on November 26, 2025 using a market-based discount rate as required by IFRS 3, *Business Combinations*. The subsequent remeasurement under IAS 37, *Provisions, Contingent Liabilities, and Contingent Assets* resulted in a \$22.8 million increase in the provision, of which \$21.8 million related to operating sites was recognized as an adjustment to PP&E, and \$1.0 million related to non-operating sites was expensed.

The asset retirement obligation has been recorded initially as a liability based on management's best estimate of future cash flows, excluding the effect of inflation, discounted to their present value using a Canadian dollar real pre-tax risk-free rate of 1.9%. Reclamation activities are expected to occur over a period of 40 years, with the majority occurring in the years following the cessation of mining operations.

### ***Deferred income tax liabilities***

Deferred income tax liabilities totalled \$447.4 million mainly due to fair value adjustments to PP&E acquired from the Hemlo Acquisition which has no tax basis.

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**REVIEW OF QUARTERLY FINANCIAL RESULTS**

	2025			2024				
	Q4 2025	Q3 2025 (restated)	Q2 2025 (restated)	Q1 2025 (restated)	Q4 2024 (restated)	Q3 2024 (restated)	Q2 2024 (restated)	Q1 2024 (restated)
Net loss	\$ (36,165)	\$ (682)	\$ (67)	\$ (13)	\$ (29)	\$ (18)	\$ (26)	\$ (13)
Basic and diluted net loss per share	\$ (0.30)	\$ (0.04)	\$ (0.02)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.00)

Prior to the fourth quarter of 2025, the Company's functional currency was CAD. On November 26, 2025, the Company changed its functional currency from CAD to USD to reflect that USD has become the predominant currency in the Company accounting for a significant part of the Company's cash flows, cash management and financing. The change in functional currency was applied prospectively from the date of change. As at December 31, 2025, the Company changed its presentation currency from CAD to USD. The change in presentation currency has been applied retrospectively with comparative figures restated for all periods presented.

Prior to the fourth quarter of 2025, the Company was a shell company, with no active operations. The Company was previously an international energy company, but had disposed of all of its investments as of December 31, 2022, and was pursuing new investment opportunities. There were minimal operating activities. The increase in net loss commencing in the third quarter of 2025 was due to costs incurred relating to the Hemlo Acquisition.

**CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

The following table outlines the Company's remaining contractual maturities for its financial liabilities with contractual repayment periods and certain other commitments as at December 31, 2025. The table reflects the undiscounted cash flows of financial liabilities and certain other commitments based on the earliest date on which the Company can be required to pay, including both interest and principal. To the extent that interest rates are floating, the undiscounted amount is derived from the interest rate effective at December 31, 2025.

As at December 31, 2025	Less than 1			Greater than 5 years		Total
	year	1 - 2 years	3 - 5 years			
Accounts payable and accrued liabilities	\$ 50,206	\$ —	\$ —	\$ —	\$ —	\$ 50,206
Capital commitments	15,239	—	—	—	—	15,239
Lease liabilities	2,775	2,811	4,642	—	—	10,228
Community commitments	404	411	846	6,390	—	8,051
Borrowings – principal	15,000	30,000	180,000	—	—	225,000
Borrowings – interest	15,590	13,454	10,546	—	—	39,590
Reclamation surety	4,991	3,071	7,295	11,518	—	26,875
<b>Total</b>	<b>\$ 104,205</b>	<b>\$ 49,747</b>	<b>\$ 203,329</b>	<b>\$ 17,908</b>	<b>\$ —</b>	<b>\$ 375,189</b>

The Contingent Consideration is payable over a five-year term from January 1, 2027 to December 31, 2031. As at December 31, 2025, the actual amount and timing of future cash outflows is dependent on future gold price and production, and therefore was not included in the table above. The maximum cumulative amount payable under the Contingent Consideration is \$165.0 million.

**Legal commitments**

The Company may encounter lawsuits and claims in the ordinary course of business, which it may be a party to. In general, and in the past, these are not significant matters resulting in a liability and management has no reason

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to believe that their disposition will have a materially adverse effect on the consolidated statements of financial position.

In general, estimated losses from contingencies are accrued by a charge to income when information available prior to issuance of the consolidated financial statements indicates that it is probable that a liability could be incurred, and the amount of the loss can be reasonably estimated. Legal expenses associated with the contingency are expensed as incurred. If a loss contingency is not probable or reasonably estimable, disclosure of the contingency and estimated range of loss, if determinable, is made in the consolidated financial statements when it is at least reasonably possible that a material loss could be incurred.

**Community development commitments**

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. In addition to its operational commitments, the Company has commitments related to community development programs of \$8.1 million as at December 31, 2025.

**Finance guarantees**

As part of its ongoing business and operations, the Company is required to provide reclamation bonds and bank letters of credit as financial support for environmental remediation and reclamation. As at December 31, 2025, the Company was required to provide reclamation bonding totalling \$64.0 million. The Company has satisfied its bonding obligations by engaging a surety to provide the reclamation bond. The obligations associated with these instruments are generally related to performance requirements that the Company addresses through its ongoing operations. As the specific requirements are met, the beneficiary of the associated instrument cancels and/or returns the instrument to the issuing entity. Generally, bonding requirements associated with environmental regulation are becoming more restrictive. However, the Company believes it is in compliance with all applicable bonding obligations and will be able to satisfy future bonding requirements through existing or alternative means, as they arise.

**Gold offtake agreement**

The Company entered into a refined gold offtake agreement ("Offtake Agreement") to sell and deliver 50% of refined gold produced from minerals processed at the Hemlo Mine, subject to certain deductions. The agreement remains in effect until 3.2 million ounces of refined gold have been produced from the Hemlo Mine and the offtaker receives delivery of its portion of refined gold, unless terminated earlier pursuant to the Offtake Agreement which may result in a lump-sum payment to the offtaker.

**Defined contribution pension plan**

The Company provides a defined contribution pension plan ("DCPP") to employees of the Hemlo Mine, whereby it makes cash contributions of 12% of an employee's base earnings, defined as an employee's regular salary or regular scheduled hours worked multiplied by their hourly rate of pay. Contributions made by the Company are immediately vested to the employee's account. Salaried full-time employees are eligible to participate after three months of continuous employment and hourly full-time employees are eligible after one year of continuous employment. Salaried and hourly part-time employees are eligible to participate after two years of service, having earned a minimum of 35% of the year's maximum pensionable earnings and having worked a minimum of 700 hours in each of the two consecutive calendar years prior to joining the plan. Employees may make voluntary contributions to the DCPP as long as the total contributions to their individual account do not exceed the limits specified under the Income Tax Act of Canada.

Contributions made by the Company to the DCPP are expensed in the year they are earned by the employee and recorded to payroll costs. Expenses related to the DCPP for the year ended December 31, 2025 were \$0.2 million.

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### **MANAGEMENT'S REPORT ON INTERNAL CONTROLS AND PROCEDURES**

#### **Internal control over financial reporting**

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing the certificates do not make any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS Accounting Standards).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

#### **Management's Responsibility for Financial Information**

The Company's financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with IFRS Accounting Standards. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

#### **Changes in internal controls over financial reporting**

During the year ended December 31, 2025 and up to the date of this MD&A, the following changes are underway to improve the Company's ICFR:

- Building an experienced finance team at the Company's head office, including appointing a new Chief Financial Officer and Vice President, Finance to oversee the finance and accounting function;
- Adding additional headcount to the core accounting function with the requisite education, designations, and technical accounting and public company experience;
- Engaging third-party accounting professionals to consult on complex accounting applications and valuations;
- Developing a plan to fully integrate our finance and accounting function in-house;
- Adding formality and rigour to the financial reporting process by continuously developing structured roles, policies, processes, procedures and controls.
- Beginning a project plan to engage a third-party service provider to design and implement an enhanced internal control environment framework, including developing a set of key risk control matrices by business cycle which will identify key controls, business processes and policies to enhance the maturity level of the Company's internal control environment.
- Implementing a separate and independent instance of the enterprise resource planning ("ERP") system inherited from Barrick. The ERP will be deployed across the group to help automate certain reconciliations

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and manual processes and to increase the efficiency and accuracy of the financial statement preparation and review process. The ERP will also reduce the risk of manual spreadsheet errors and formalized procedures around validation of completeness and accuracy of spreadsheets related to account reconciliations. The Company will continue to expand on the use of the software tool to help manage month-end and quarter-end activities.

## NON-IFRS FINANCIAL MEASURES

The Company has included certain non-IFRS measures in this MD&A, as detailed below. In the mining industry, these are common performance measures and ratios; however, they may not be comparable to similar measures or ratios presented by other issuers and the non-IFRS measures and ratios do not have any standardized meaning. Accordingly, these measures and ratios are included to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards. These measures do not have any standardized meaning prescribed under IFRS Accounting Standards, and therefore may not be comparable to other issuers.

### ***Cash flow from operating activities before working capital changes***

Cash flow from operating activities before working capital changes is a non-IFRS performance measure that is calculated as net cash used in operating activities, excluding changes in working capital. The Company believes that this measure is useful to users in understanding whether changes in operating cash flows were due to operations or just timing differences.

Cash flow from operating activities before working capital changes reconciled to the amounts included in the Consolidated Statements of Cash Flows as follows:

	Three months ended December 31, 2024		Year ended December 31, 2024		
	2025	(restated)	2025	(restated)	2023
Cash flow used in operating activities	\$ (23,809)	\$ (12)	\$ (24,633)	\$ (78)	\$ (366)
Changes in working capital	(22,185)	16	(21,559)	2	(72)
<b>Cash flow used in operating activities before working capital changes</b>	<b>\$ (1,624)</b>	<b>\$ (28)</b>	<b>\$ (3,074)</b>	<b>\$ (80)</b>	<b>\$ (294)</b>

### ***Working capital***

Working capital is a non-IFRS performance measure that is calculated as current assets less current liabilities as presented in the Consolidated Statements of Financial Position. The Company believes that this measure is useful to users in understanding the Company's liquidity and ability to meet short-term financial obligations.

### ***Net (debt) cash***

Net (debt) cash is a non-IFRS performance measure that is calculated as cash, as presented in the Consolidated Statements of Financial Position, less principal amounts of borrowings as presented in the Notes to the Consolidated Financial Statements. The Company believes that this measure is useful to users in understanding the Company's financial leverage and liquidity.

## RISKS AND UNCERTAINTIES

The Company's business, operations and future prospects are subject to significant risks. For details of these risks, refer to the risk factors set forth in the Company's AIF dated April 15, 2026 and filed for the year ended

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December 31, 2025 a copy of which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). These various financial and operational risks and uncertainties are relevant to an understanding of our business, and could have a significant impact on profitability and levels of operating cash flow. These risks could materially affect the Company's business, operations, prospects and share price and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business, operations, prospects and share price of the Company. If any of the risks actually occur, the business of the Company may be harmed, and its financial condition and results of operations may suffer significantly.

### **FORWARD-LOOKING STATEMENTS**

This document contains certain forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively "forward-looking statements"). The use of words such as "expects", "anticipates", "plans", "will," "may", "should" and similar expressions are intended to identify forward-looking statements. Forward-looking statements contained in this MD&A include statements regarding: the Company's key operational priorities for 2026; the Company's expectation that it will provide 2026 operating and cost guidance in the second half of 2026; the Company's expectation that it will provide an updated mineral reserve estimate and life-of-mine plan in the second half of 2027; the Company's expectation that its 2026 drilling program will serve as the foundation for an updated technical report, expected to be released in the second half of 2027; the Company's expectation that successful conversion drilling will contribute to mine life extension, increased operational flexibility and improved overall mine economics; the Company's expectation that successful growth drilling will support the addition of new Inferred Mineral Resources; and the Company's goals, plans, commitments, objectives and strategies.

These forward-looking statements are provided as of the date of this MD&A, or the effective date of the documents referred to in this MD&A, as applicable, and reflect predictions, expectations or beliefs regarding future events based on the Company's beliefs at the time the statements were made, as well as various assumptions made by and information currently available to them. In making the forward-looking statements included in this MD&A, the Company has applied several material assumptions, including, but not limited to: the successful integration of the Hemlo mine; the future price of gold; anticipated costs and the Company's ability to fund its programs; the Company's ability to carry on exploration, development, and mining activities; currency exchange rates remaining as estimated; prices for energy inputs, labour, materials, supplies and services remaining as estimated; the timing and results of operational plans; mineral reserve and mineral resource estimates and the assumptions on which they are based; the timely receipt of required approvals and permits; the timing of cash flows; the costs of operations; the Company's ability to operate in a safe, efficient, and effective manner; the Company's ability to obtain financing as and when required and on reasonable terms; that the Company's activities will be in accordance with the Company's public statements and stated goals; and that there will be no material adverse change or disruptions affecting the Company or the Hemlo mine. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

We caution readers not to place undue reliance on these forward-looking statements. Forward-looking statements involve significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: uncertainty and variations in the estimation of mineral resources and mineral reserves; risks related to the Company's anticipated indebtedness and gold stream obligations; risks related to exploration, development, and operation activities; political risks, delays in obtaining or failure to obtain governmental permits, or non-compliance with permits; environmental and other regulatory requirements; uncertainties related to title to mineral properties; water rights; risks related to natural disasters, terrorist acts, health crises, and other disruptions and dislocations; financing risks and access to additional capital; risks related to guidance estimates and uncertainties inherent in the preparation of pre-feasibility studies; uncertainty in estimates of production, capital, and operating costs and potential production and cost overruns; the fluctuating price of gold; unknown liabilities in connection with the acquisition of the Hemlo mine; global financial conditions; uninsured risks; climate change risks; competition from other companies and

## **Hemlo Mining Corp.**

Management's Discussion and Analysis

Three and twelve months ended December 31, 2025 and 2024

Expressed in thousands of United States dollars, unless otherwise stated

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individuals; conflicts of interest; volatility in the market price of the Company's securities; the Company's limited operating history; litigation risks; the Company's ability to complete, and successfully integrate the acquisition of the Hemlo mine; intervention by non-governmental organizations; outside contractor risks; risks related to historical data; risks related to the Company's accounting policies and internal controls; shareholder activism; and other risks associated with executing the Company's objectives and strategies.

Except as required by the securities disclosure laws and regulations applicable to the Company, the Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change.

### **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Additional disclosure concerning the Hemlo Acquisition, Streaming Arrangement, Credit Agreement, equity financings, general and administrative expenses, fair value of changes in financial instruments and finance costs are provided in the Company's Audited Financial Statements, which is available on the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **QUALIFIED PERSONS STATEMENT**

The technical information contained in this MD&A relating to the Hemlo Mine mineral reserve estimates is based on, and fairly represents, information compiled by Mr. Mike Tsafaras who is a member of the Professional Engineers Ontario. Mr. Tsafaras is a full time employee of the Company and is not "independent" within the meaning of NI 43-101. Mr. Tsafaras has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a "Qualified Person" under NI 43-101, *Standards of Disclosure for Mineral Projects*. Mr. Tsafaras has consented to the inclusion in this MD&A of the matters based on his compiled information in the form and context in which it appears in this MD&A.

The technical information contained in this MD&A relating to the Hemlo Mine mineral resource estimates is based on, and fairly represents, information compiled by Mr. Raphael Dutaut. Mr. Dutaut, is a registered Professional Geoscientist (P.Geo.) in Québec and Ontario. Mr. Dutaut is a full time employee of the Company and is not "independent" within the meaning of NI 43-101. Mr. Dutaut has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a "Qualified Person" under NI 43-101, *Standards of Disclosure for Mineral Projects*. Mr. Dutaut has consented to the inclusion in this MD&A of the matters based on his compiled information in the form and context in which it appears in this MD&A.