



Hemlo

Management's Discussion and Analysis of

HEMLO MINING CORP.

For the three months ended March 31, 2026 and 2025

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

HIGHLIGHTS	1
BUSINESS OVERVIEW	3
REVIEW OF OPERATING RESULTS	4
CORPORATE UPDATES	7
QUARTERLY FINANCIAL REVIEW	8
LIQUIDITY AND CAPITAL RESOURCES	9
2026 OUTLOOK	9
2026 GUIDANCE UPDATE	10
RELATED PARTY TRANSACTIONS	10
OUTSTANDING SHARE DATA	11
OFF-BALANCE SHEET ARRANGEMENTS	11
CHANGES IN ACCOUNTING POLICIES	11
FINANCIAL INSTRUMENTS	12
FINANCIAL CONDITION REVIEW	13
REVIEW OF QUARTERLY FINANCIAL RESULTS	15
CONTRACTUAL OBLIGATIONS AND COMMITMENTS	16
NON-IFRS FINANCIAL MEASURES	17
RISKS AND UNCERTAINTIES	21
FORWARD-LOOKING STATEMENTS	21
QUALIFIED PERSONS STATEMENT	22

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited interim condensed consolidated financial statements, and their related notes, of Hemlo Mining Corp. ("Hemlo" or the "Company"), as at and for the three months ended March 31, 2026 (the "Interim Financial Statements"), as well as the Company's audited consolidated financial statements as at and for the years ended December 31, 2025 and 2024, 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, is available on SEDAR+ at 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 May 20, 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 claims.

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

- Revenue for the three months ended March 31, 2026 was \$186.3 million mainly from 38,685 gold ounces sold at an average realized price¹ of \$4,923 per ounce.
- Net income for the three months ended March 31, 2026 was \$22.1 million, or \$0.07 per share, primarily due to gross profit of \$73.2 million (calculated as revenue of \$186.3 million less cost of sales of \$113.1 million), partially offset by income tax expense of \$23.6 million, net finance costs of \$12.4 million, loss on revaluation of contingent consideration of \$8.4 million and G&A expense of \$7.9 million.
- Earnings before interest, taxes, depreciation and amortization ("EBITDA")¹ for the three months ended March 31, 2026 was \$86.6 million mainly due to revenues of \$186.3 million, partially offset by mine operation expenses of \$54.0 million, royalties expense of \$30.5 million, loss on revaluation of contingent consideration of \$8.4 million and G&A expense of \$7.9 million.

¹ This is a non-IFRS measure. For further information, refer to the "Non-IFRS Measures" section of this MD&A.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

- Cash generated from operating activities for the three months ended March 31, 2026 was \$87.9 million.
- Repaid \$75.0 million outstanding under the revolving portion ("Revolving Credit Facility") of the secured credit agreement ("Credit Agreement"), reducing the balance of the Revolving Credit Facility to nil in March 2026. The Revolving Credit Facility remains available to the Company for general corporate purposes and working capital needs.
- As at March 31, 2026, the Company held cash of \$123.6 million.

Hemlo Mine Highlights

- Attributable gold² production for the three months ended March 31, 2026 totalled 29,699 ounces of gold at average recoveries of 95.6%.
- Attributable gold² sold for the three months ended March 31, 2026 totalled 32,052 ounces of gold supplemented by finished goods at December 31, 2025.
- Cost of sales for the three months ended March 31, 2026 were \$113.1 million. Site attributable cash cost per ounce sold³ and all-in sustaining cost per ounce sold³ for the three months ended March 31, 2026 were \$1,385 per ounce and \$1,805 per ounce, respectively.
- Continued strong safety performance, with no environmental non-compliances and no Lost Time Injury ("LTI"). Subsequent to the end of first quarter 2026, the Hemlo Mine received the prestigious John T. Ryan Trophy which is presented annually by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") in recognition of excellence in safety performance. At the end of first quarter 2026, LTI-free hours totalled 4,048,587 (1,033 total days).
- Successfully transitioned from an underground mining contractor workforce to an owner-operated workforce with 97% of the contractor workforce accepting positions with the Company as part of the transition.
- Commissioned two of the 21 planned pieces of new equipment during the quarter and filled an additional 42 positions to support operational optimization efforts in development and production for progressive increase in mine performance.
- 90% of 2026 production stopes have been developed and are part of the planned mining sequence.
- Rebuilt one of three primary crushers as part of the preventative maintenance program and additional investments will be made to support and de-risk future production growth.
- Initiated a 130,000 metre exploration drilling program with initial results from the South-Rim Zone that support the definition of a newly recognized, high-grade mineralized domain.
- Exploration drilling, trade-off studies, and ongoing optimization efforts will support an updated technical report planned for the second half of 2027.

Other Highlights

- Continued to strengthen the management team with the appointment of several key executives across operations, corporate development and investor relations, and sustainability functions.
- 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.
- Received conditional approval to list its common shares on the Toronto Stock Exchange ("TSX") and graduate from the TSX Venture Exchange ("TSXV"). Final approval of the listing is subject to the Company fulfilling all of the requirements of the TSX, including receipt of all required documentation on or before July 14, 2026.
- Common shares commenced trading on the OTCQX® Best Market ("OTCQX") in the United States under the symbol "HMMCF".

² Attributable gold is calculated as 100% of gold from Williams and 50% of gold from Interlake.

³ This is a non-IFRS measure. For further information, refer to the "Non-IFRS Measures" section of this MD&A.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

BUSINESS OVERVIEW

Hemlo Mining Corp. 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 TSXV under the symbol "HMMC" and are traded on the OTCQX under the symbol "HMMCF".

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.

On November 26, 2025, the Company, through its wholly-owned subsidiary, 1554943 B.C. Ltd., completed the acquisition of the Hemlo Gold Mine by acquiring all of the issued and outstanding common shares of 1539041 B.C. ULC from certain wholly-owned subsidiaries of Barrick Mining Corporation (the "Hemlo Acquisition"). 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 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 Mining 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 cash consideration of \$873.6 million, share consideration of \$49.2 million and contingent consideration of \$100.1 million related to the estimated fair value of future Gold Price Linked payments ("Contingent Consideration") at acquisition.

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 Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

REVIEW OF OPERATING RESULTS

Hemlo Mine	Unit	Three months ended March 31, 2026
<i>Williams</i>		
Ore mined	000t	229
Waste mined	000t	45
Total mined	000t	274
Ore processed	000t	230
Average grade	g/t	3.37
Gold produced	oz.	24,635
Sustaining capital expenditures ¹	\$'000s	11,018
Growth capital expenditures ¹	\$'000s	7,688
<i>Interlake²</i>		
Ore mined ²	000t	91
Waste mined ²	000t	11
Total mined ²	000t	102
Ore processed ²	000t	92
Average grade ²	g/t	3.51
Gold produced ²	oz.	10,129
Sustaining capital expenditures ^{1,2}	\$'000s	1,367
Recovery	%	95.6%
Total gold produced	oz.	34,764
Total gold sold	oz.	38,685
Attributable gold produced³	oz.	29,699
Attributable gold sold³	oz.	32,052
<i>Unit Cost Analysis</i>		
Average realized price ¹	\$/oz. sold	4,923
Mining	\$/t mined	113.15
Milling	\$/t milled	32.81
Minesite G&A	\$/t milled	20.75
Cost of sales (100%)	\$/oz. sold	2,924
Total site cash cost (Attributable)¹	\$/oz. sold	1,385
Total site AISC (Attributable)¹	\$/oz. sold	1,805

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

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.

Safety

The Hemlo Mine continued its strong safety performance in first quarter 2026, with no environmental non-compliances and no LTI events recorded. At the end of first quarter 2026, LTI-free hours totalled 4,048,587 (1,033 total days). Subsequent to the end of first quarter 2026, the Hemlo Mine was awarded the prestigious 2025 John T. Ryan Trophy for Metal Mines for excellence in safety practices. The John T. Ryan Safety Trophies are

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

presented annually by the CIM to recognize mining operations in Canada that achieve the lowest reportable injury frequencies in their respective categories during the previous calendar year.

People

A major achievement during the quarter was the successful transition of the Hemlo Mine from a contractor workforce to an owner-operated underground mining workforce, with 97% of contractors accepting positions with the Company. An additional 42 positions were filled during the period to support operational optimization and future production growth.

Mining

During first quarter 2026, mining rates were in line with expectations from historical performance under contractor workforce, resulting in 376,000 total tonnes mined, including 320,000 ore tonnes and 56,000 waste tonnes mined.

In first quarter 2026, major production areas mined included B-Zone (lower east and lower west), C-Zone (upper), and Interlake. Mine planning efforts are underway to convert stope sequencing from top-down to bottom-up in key areas, including C-Zone (lower), Interlake, and future mining of E-Zone to support material handling optimization. Exploration drift development and drilling is planned for E-Zone in 2026. Additional mine optimization work underway include ground support standards review to restart MacLean Bolting, improve performance and reduce costs. On the production side, work is underway on cycle-time optimization to reduce stope duration, minimize dilution and maximize mining recovery.

Development performance remained consistent during the transition to owner-operator and in line with expectations. In second quarter 2026, performance is expected to increase progressively with additional equipment and manpower.

While primary underground mining tasks have been transitioned to owner-operated mining, long-term partnerships with certain contractors will be maintained, specifically for a portion of underground development, Alimak mining method and production drilling.

The upgrade to the mining fleet continued to progress during the quarter with two of the 21 planned pieces of new equipment being commissioned in first quarter 2026. One longhole drill (that is already owned) will be restarting production drilling in second quarter 2026 and two additional jumbo crews are expected to be delivering metres by end of the third quarter. Currently, 90% of 2026 production stopes have been developed and are part of the planned mining sequence. During first quarter 2026, one of the primary crushers was rebuilt as part of the preventative maintenance program and additional investments will be made to support and de-risk future production growth.

Various maintenance activities were undertaken during the quarter, with the most significant tasks being the refurbishment of one of the underground crushers and the replacement of the production hoist cable, which was completed two months ahead of schedule. The Company also completed an evaluation of all existing equipment to support refurbishment, replacement, and fleet expansion for future production increases.

Improvement actions are in place to increase production, with the additional mining fleet coming online during the remainder of the year, the continued hiring of additional employees and the execution of improvements and efficiencies in operational planning. The Hemlo Mine plans to have seven jumbo drills and a similar number of bolters in operation by the end of 2026 to facilitate a marked increase in development rates for the mine that will open up several new mining areas. As in previous years, the Interlake zone is expected to contribute approximately 25% to 35% of the overall mine production.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

Processing

Plant performance during first quarter 2026 was stable with average milling rate of approximately 180 tonnes per hour ("tph") or 4,300 tonnes per day.

Ore processed in first quarter 2026 was 322,000 tonnes, with an average grade of ore milled of 3.41 g/t at a recovery of 95.6%. Attributable gold⁴ produced in first quarter 2026 was 29,699 ounces.

During first quarter 2026, semi-autogenous grinding ("SAG") mills 1 and 2 achieved their designated throughput capacity of 220 tph and 180 tph, respectively. SAG 2 liner redesign was completed during first quarter 2026 and throughput capacity reached a maximum of 300 tph. Grind size and pH optimization were also implemented during first quarter 2026 which improved average recoveries from 93.5% to 95.6%. Processing optimization work will continue through the remainder of 2026.

Site Operating Costs

In first quarter 2026, total mining costs, before capitalized development costs, were \$42.6 million, or \$113.15 per tonne mined, processing costs were \$10.5 million, or \$32.81 per tonne processed, and total site G&A costs were \$6.7 million, or \$20.75 per tonne processed. Attributable gold⁴ sold for first quarter 2026 were 32,052 ounces, resulting in cash costs per ounce sold⁵ of \$1,385 per ounce and attributable all-in sustaining costs per ounce sold⁵ of \$1,805 per ounce.

Exploration

In January 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 an updated technical report planned for the second half of 2027.

Drilling Program Breakdown

Resource Conversion Drilling (70,000 metres): Targeting the conversion of Inferred to Indicated mineral resources to support reserve growth ahead of the updated technical study planned for the second half of 2027. Drilling will focus on multiple areas across the mine, with particular emphasis on the western portion of the operation — including C-Zone and the newly defined E-Zone — where significant Inferred resources remain open at depth. Mineralization proximal to historic workings represents an additional conversion opportunity, with successful conversion expected to extend mine life, increase operational flexibility, and improve mine economics.

High-Definition Drilling (30,000 metres): Focused on de-risking the short-term mine plan over the next two years by applying tighter drill spacing in areas scheduled for extraction within the next 24 months. The objective is to improve geological confidence, refine grade and tonnage estimates, and enhance operational predictability during the planned production ramp-up period.

Growth Drilling (30,000 metres): Testing new mineralized zones outside the current mineral resource footprint across four priority targets selected based on geological interpretation, structural continuity, proximity to existing infrastructure, and mineability. These targets have returned encouraging historical results but have not been systematically tested. Successful results are expected to support the addition of new Inferred Mineral Resources, with promising intercepts to be followed up immediately with targeted infill drilling to advance mineralization toward the Indicated category and reinforce the long-term scale potential of the Hemlo gold system.

⁴ Attributable gold is calculated as 100% of gold from Williams and 50% of gold from Interlake.

⁵ This is a non-IFRS measure. For further information, refer to the "Non-IFRS Measures" section of this MD&A.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

Subsequent to quarter-end, the Company announced the first results from the Growth Drilling component of its 2026 exploration program, focused on the South-Rim Zone – a newly recognized high-grade mineralized domain hosted within the regional metasediments and located adjacent to active mining in C-Zone. The first 7 of 20 planned holes confirmed mineralization, with highlights including:

- Hole 7652606 intersected 16.07 g/t Au over 8.1 metres, including 59.67 g/t Au over 2.0 metres
- Hole 7652603 intersected 5.79 g/t Au over 11.0 metres, including 38.40 g/t Au over 0.9 metres
- Hole 7652604 intersected 6.04 g/t Au over 4.8 metres, including 36.20 g/t Au over 0.6 metres

The mineralization remains open along strike and down plunge. Refer to the Company's news release dated May 14, 2026 for detailed drill results, images, and commentary. The Company will continue to release results from the drilling program throughout the remainder of 2026 and into 2027 as they become available.

CORPORATE UPDATES

In the first quarter 2026, the Company made several key appointments to further strengthen its management team across operations, sustainability, and corporate functions, including the appointment of Garrett Macdonald as Vice President, Operations & General Manager, Perry Blanchard as Vice President, Sustainability, and Jason Banducci as Vice President, Corporate Development & Investor Relations.

On February 12, 2026, the Company announced it 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.

On April 20, 2026, the Company announced it has received conditional approval to list its common shares on the TSX and graduate from the TSXV. Final approval of the listing is subject to the Company fulfilling all of the requirements of the TSX, including receipt of all required documentation on or before July 14, 2026. The Company will issue a news release once the TSX confirms the date on which trading of Hemlo Mining's common shares is expected to commence on the TSX. Concurrently with the graduation to the TSX, the Company's common shares will be delisted from the TSXV. Shareholders are not required to exchange their share certificates or take any other action in connection with the TSX listing, as there will be no change in the trading symbol or CUSIP for the common shares.

In April 23, 2026, the Company announced that its common shares commenced trading on the OTCQX in the United States under the symbol "HMMCF". The OTCQX provides U.S. and international investors with a streamlined, cost-effective means of trading Hemlo's common shares through existing U.S. brokerage accounts and forms a key component of Hemlo's broader capital markets strategy to enhance trading liquidity and expand investor access.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

QUARTERLY FINANCIAL REVIEW

Summary of financial information	Unit	Three months ended March 31,	
		2026	2025 (restated)
Gold produced (100%)	oz.	34,764	—
Gold produced (attributable) ¹	oz.	29,699	—
Gold sold (100%)	oz.	38,685	—
Gold sold (attributable) ¹	oz.	32,052	—
Average realized price ²	\$/oz. sold	4,923	—
Revenues	\$'000s	186,265	—
Net income (loss)	\$'000s	22,126	(13)
Basic earnings (loss) per share	\$/share	0.07	(0.00)
Cash generated from (used in) operating activities	\$'000s	87,899	(25)
Cash flow generated from (used in) operating activities before working capital changes ²	\$'000s	54,427	(13)
Cash used in investing activities	\$'000s	(16,407)	—

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

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

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 Company completed the Hemlo Acquisition and related financings on November 26, 2025. The Company did not have any gold sales until the first quarter of 2026.

Revenue for the three months ended March 31, 2026 was \$186.3 million mainly from 38,685 gold ounces sold at an average realized price⁶ of \$4,923 per ounce.

Net income for the three months ended March 31, 2026 increased by \$22.1 million compared to the comparative period, mainly due to gross profit of \$73.2 million as the Company began selling gold produced from the Hemlo Mine in first quarter 2026. The Company also incurred income tax expense of \$23.6 million, net finance costs of \$12.4 million mainly comprised of accretion expense from the Precious Metals Purchase Agreement ("Streaming Arrangement") with Wheaton Precious Metals Corp. ("Wheaton") of \$7.2 million and interest expense on the Credit Agreement of \$5.7 million, loss on revaluation of the Contingent Consideration of \$8.4 million and G&A expense of \$7.9 million mainly comprising of share-based compensation expense of \$4.4 million as the Company increased its corporate infrastructure compared to the comparative period, and professional fees of \$1.6 million to support the Company's activities as a public company, the Company's planned up-listing to the TSX and the build out of the Company's information technology environment and infrastructure.

Cash generated from operating activities for the three months ended March 31, 2026 was \$87.9 million.

Cash used in investing activities for the three months ended March 31, 2026 was \$16.4 million mainly related to capital expenditures of \$20.1 million comprised of sustaining capital expenditures⁶ of \$12.4 million driven by spending on underground mine development and infrastructure, mining fleet additions, and the tailings storage facility, with growth capital expenditures⁶ of \$7.7 million largely reflecting mining fleet additions. Capital spending was partially offset by \$4.6 million in the cash consideration recovered for the Hemlo Acquisition due to the settlement of the working capital adjustment.

⁶ This is a non-IFRS measure. For further information, refer to the "Non-IFRS Measures" section of this MD&A.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

LIQUIDITY AND CAPITAL RESOURCES

	As at March 31, 2026	As at December 31, 2025
Term Facility	\$ 150,000	\$ 150,000
Revolving Credit Facility	—	75,000
Cash	(123,572)	(131,956)
Net debt¹	\$ 26,428	\$ 93,044
Current assets	\$ 193,264	\$ 208,570
Current liabilities	(135,436)	(97,882)
Working capital	\$ 57,828	\$ 110,688

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

The Company began recognizing revenue and generating cash from operations during the three months ended March 31, 2026. During the three months ended March 31, 2026, the Company generated cash from operations of \$87.9 million and free cash flow⁷ of \$71.5 million. The Company repaid \$75.0 million outstanding under the Revolving Credit Facility in March 2026, improving its net debt⁷ position while maintaining a robust working capital position at March 31, 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, the Company has \$96.4 million available under the Revolving Credit Facility, providing further flexibility as the Company continues to advance near-term expansion initiatives, which the Company intends to fund from 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 March 31, 2026, current liabilities included \$27.8 million related to the gold stream liability which will be settled by future delivery of gold produced at the Hemlo Mine. Refer to *Contractual Obligations And Commitments* section for details of the Company contractual commitments and payment obligations as at March 31, 2026.

2026 OUTLOOK

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

2026 Operational Program

The Company is focused on optimizing the Hemlo Mine's underground and surface infrastructure to support production growth in 2027 and beyond, including increased utilization of underground hoisting capacity, which currently operates at approximately 60% of installed capacity.

⁷ This is a non-IFRS measure. For further information, refer to the "Non-IFRS Measures" section of this MD&A.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

The transition to an owner-operator model was completed during first quarter 2026 with approximately 97% of the contractor workforce accepting positions with the Company and an additional 42 hires made to support optimization and growth. Specialized contractors have been retained for select activities.

Underground initiatives planned for 2026 include mining sequence optimization in select zones, increased lateral development, additional B-Zone stoping, new ventilation infrastructure to access C-Zone at depth, and rehabilitation of past-producing drifts. The Company plans to invest over \$30.0 million in 21 new pieces of mobile equipment in 2026, with one jumbo and one truck commissioned in first quarter 2026.

As of the date of this report, the status of primary underground mining equipment is summarized below:

Primary	Active			On order			Planned order delivery for remainder of 2026		
	Hemlo	Contractor	Total	Hemlo	Contractor	Total	Q2	Q3	Q4
Bolter	—	3	3	5	—	5	1	3	1
Longhole drill	3	2	5	—	1	1	—	1	—
Haul truck	9	5	14	3	—	3	1	1	1
Jumbo	4	2	6	1	—	1	1	—	—
Scooptram	8	6	14	4	—	4	2	1	1
Total primary mining equipment	24	18	42	13	1	14	5	6	3

Mill upgrades, including SAG liner redesign and on-stream analyzer replacement, are planned for 2026 to support higher throughput.

Achieving plan for 2026 will depend on executing on the hiring plan for the year, with increased headcount required to operate the increased mining fleet. Additional resources have been engaged to assist with meeting the hiring plan. In addition, intensive training programs have been implemented to upskill the workforce and build a pipeline of future employees, with focus being placed on people residing in the communities nearby, including Marathon, Manitouswage, White River and the Biigtigong Nishnaabeg and Netmizaaggamig Nishnaabeg First Nations.

Planned increases to production are being pursued in parallel to an ongoing 130,000 metres 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. The Company's key management personnel consists of directors of the Company and officers who have authority and responsibility for strategic decision-making. Certain consultants who perform functions similar to key management personnel are also considered related parties.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

Compensation of key management personnel

Remuneration of key management personnel was as follows:

	Three months ended March 31,	
	2026	2025 (restated)
Salaries and fees	\$ 431	\$ —
Benefits	27	—
Share-based compensation	2,519	—
Total key management personnel compensation	\$ 2,977	\$ —

As at March 31, 2026, amounts owing to such related parties amounted to \$0.1 million.

Consulting services

For the three months ended March 31, 2026, there were transactions totalling \$1.0 million between the Company and entities controlled by the Company's key management personnel for consulting services.

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 296,369,968 common shares, 8,592,749 stock options, 3,568,965 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 March 31, 2026 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. Any changes in or adoption of new accounting policies by the Company in the first quarter of 2026 are disclosed in Note 2 of the accompanying Interim Financial Statements and below.

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 USD.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

Amendments to IFRS 9, *Financial Instruments* ("IFRS 9") and IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7")

The Company adopted Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) on January 1, 2026. The amendments clarify the timing of recognition and derecognition of financial assets and financial liabilities and introduce an exception permitting the derecognition of certain financial liabilities prior to the settlement date when cash settlement occurs through qualifying electronic payment systems. Under these amendments, an entity may elect to derecognize financial liabilities settled in cash through qualifying electronic payment systems when it no longer has the practical ability to withdraw, stop or cancel the payment instruction and the applicable eligibility criteria are met. As a result, certain financial liabilities and the associated cash balances may be derecognized earlier than under the previous policy.

The adoption of the amendments did not have a material impact on the Company's interim condensed consolidated financial statements for the periods presented.

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. 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. The Contingent Consideration and gold derivative financial instruments are classified as measured at fair value through profit or loss. Potential transaction costs have 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.

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 estimated the fair value of the Contingent Consideration using a Monte-Carlo simulation model based on the gold forward curve, expected volatility of 22%, the Company's credit spread of 1%, risk-free rate of 4% 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.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

As at March 31, 2026, the Company re-measured the Contingent Consideration which resulted in an increase in the liability of \$8.4 million to \$119.9 million recorded as a non-current liability.

During the three months ended March 31, 2026, the Company recognized a fair value loss on Contingent Consideration of \$8.4 million.

Gold put options

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 purchased a series of put options for \$0.8 million to sell up to 31,000 ounces of gold at \$3,600 per ounce settling equally per month from February 2026 to December 2026.

During the three months ended March 31, 2026, the Company recognized unrealized changes in fair value of gold put options of \$nil and 5,634 ounces of gold put options expired unexercised.

As at March 31, 2026, the Company had 25,366 ounces of outstanding gold put options settling equally per month from April 2026 to December 2026.

Gold zero-cost collars

In February 2026, the Company entered into a series of zero-cost collars for a total of 33,078 ounces of gold at a floor price of \$4,000 per ounce and ceiling prices ranging from \$6,610 per ounce to \$7,290 per ounce settling monthly in 2027 and 2028.

During the three months ended March 31, 2026, the Company recognized unrealized gains of \$0.6 million on changes in fair value of gold zero-cost collars.

As at March 31, 2026, the Company had 33,078 ounces of outstanding gold zero-cost collars as follows:

Volume (gold ounces)	Floor price	As at March 31, 2026	
		Average ceiling price	Settlement period
17,022	\$4,000	\$6,719	2027
16,056	\$4,000	\$6,846	2028
33,078			

FINANCIAL CONDITION REVIEW**Cash**

Cash at March 31, 2026 was \$123.6 million, \$8.4 million lower than the balance at December 31, 2025, mainly due to \$75.0 million repaid on the Revolving Credit Facility and capital expenditures of \$20.1 million, partially offset by cash generated from operations of \$87.9 million.

Account receivables

Pursuant to the terms of the Hemlo Acquisition, the Company was required 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

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

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 receivables related to the Hemlo Acquisition were received in March 2026.

Inventories

Inventories totalled \$58.4 million at March 31, 2026 of which \$10.9 million was related to gold in circuit inventories, \$38.2 million to finished products (gold doré or bullion) and \$9.3 million related to materials and supplies. There were no material changes in inventories during the three months ended March 31, 2026.

Derivative financial assets and liabilities

The Company's derivative financial assets and liabilities relate to gold put options and gold zero-cost collars entered into pursuant to the Credit Agreement, which required the Company to hedge a portion of its 2026 to 2028 gold production. As at March 31, 2026, the gold put options had a fair value of \$0.9 million and the gold zero-cost collars had a fair value of \$0.6 million. Refer to the *Financial Instruments* section for further details.

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

PP&E decreased \$6.5 million during the three months ended March 31, 2026 and totalled \$1,516.6 million at March 31, 2026. The decrease was due to depreciation of \$28.0 million, partially offset by additions of \$21.5 million.

Borrowings

As part of the Hemlo Acquisition, the Company drew \$225.0 million from the Credit Agreement (\$150.0 million from a non-revolving term loan facility and \$75.0 million from the Revolving Credit Facility) and incurred \$4.7 million in financing costs, which included underwriting and related legal fees, and are being amortized over the term of the Credit Agreement.

During the three months ended March 31, 2026, the Company repaid \$75.0 million outstanding under the Revolving Credit Facility, resulting in an additional \$1.5 million of capitalized financing costs related to the Revolving Credit Facility being expensed during the period. During the three months ended March 31, 2026, the Company paid interest of \$4.0 million for amounts outstanding under the Credit Agreement.

As at March 31, 2026, the Company had \$22.5 million of principal repayments due within the next twelve months. The Revolving Credit Facility remains available to the Company for general corporate purposes and working capital needs. As at March 31, 2026, there were \$3.6 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 March 31, 2026, \$96.4 million was available under the Revolving Credit Facility.

Gold stream liability

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 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.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

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%.

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 the three months ended March 31, 2026, the Company delivered 4,478 ounces of gold to Wheaton and recorded revenue of \$17.1 million, consisting of \$4.4 million received in cash proceeds and \$12.7 million recorded as a reduction of gold stream liability. The decrease was partially offset by accretion of \$7.2 million.

Current income tax liabilities

Current income tax liabilities totalled \$33.4 million at March 31, 2026 compared to \$1.6 million at December 31, 2025. For the three months ended March 31, 2026, the Company recorded current income tax expense of \$31.8 million primarily driven by revenues of \$186.3 million less mine operation expenses of \$54.0 million and royalties expense of \$30.5 million.

Contingent Consideration

See *Financial Instruments* above for details.

Deferred income tax liabilities

Deferred income tax liabilities totalled \$439.3 million at March 31, 2026 compared to \$447.4 million at December 31, 2025. The decrease was mainly due to deferred income tax recovery of \$8.1 million recognized for the three months ended March 31, 2026 due to unwinding of deferred tax liabilities as the fair value of property, plant and equipment acquired in the Hemlo Acquisition with no tax basis is depreciated.

REVIEW OF QUARTERLY FINANCIAL RESULTS

	2026		2025			2024		
	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Revenue	\$186,265	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net income (loss)	22,126	(36,165)	(682)	(67)	(13)	(29)	(18)	(26)
Basic and diluted earnings (loss) per share	\$ 0.07	\$ (0.30)	\$ (0.04)	\$ (0.02)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)

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 which was completed on November 26, 2025. The Company did not have any gold sales until the first quarter of 2026.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

Revenue for the three months ended March 31, 2026 was \$186.3 million mainly from 38,685 gold ounces sold at an average realized price⁸ of \$4,923 per ounce.

Net income for the three months ended March 31, 2026 increased by \$22.1 million compared to the comparative period, mainly due to gross profit of \$73.2 million as the Company began selling gold produced from the Hemlo Mine in first quarter 2026. The Company also incurred income tax expense of \$23.6 million, net finance costs of \$12.4 million, loss on revaluation of the Contingent Consideration of \$8.4 million and G&A expense of \$7.9 million.

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 March 31, 2026. 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 March 31, 2026.

As at March 31, 2026	Less than 1		Greater		Total
	year	1 - 2 years	3 - 5 years	than 5 years	
Accounts payable and accrued liabilities	\$ 49,912	\$ —	\$ —	\$ —	\$ 49,912
Capital commitments	28,051	—	—	—	28,051
Lease liabilities	2,739	2,796	3,849	—	9,384
Community commitments	347	409	1,276	5,600	7,632
Borrowings – principal	22,500	30,000	97,500	—	150,000
Borrowings – interest	9,673	7,600	3,952	—	21,225
Reclamation surety	4,908	3,020	7,173	11,325	26,426
Total	\$ 118,130	\$ 43,825	\$ 113,750	\$ 16,925	\$ 292,630

The Contingent Consideration is payable over a five-year term from January 1, 2027 to December 31, 2031. As at March 31, 2026, 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 to believe that their disposition will have a materially adverse effect on the interim condensed 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 interim condensed 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 interim condensed consolidated financial statements when it is at least reasonably possible that a material loss could be incurred.

⁸ This is a non-IFRS measure. For further information, refer to the "Non-IFRS Measures" section of this MD&A.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

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 \$7.6 million as at March 31, 2026.

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 March 31, 2026, the Company was required to provide reclamation bonding totalling \$62.9 million. The Company has satisfied its bonding obligations by engaging a surety to provide the reclamation bond. As a result, the Company has certain contractual commitments to the surety totalling \$26.4 million. The obligations associated with the reclamation bonds and bank letters of credit 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.

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.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

Cash flow from operating activities before working capital changes reconciled to the amounts included in the interim condensed consolidated statements of cash flows as follows:

	Three months ended March 31,	
	2025	
	2026	(restated)
Cash generated from (used in) operating activities	\$ 87,899	\$ (25)
Changes in working capital	33,472	(12)
Cash flow generated from (used in) operating activities before working capital changes	\$ 54,427	\$ (13)

Net debt

Net debt is a non-IFRS performance measure that is calculated as principal amounts of borrowings, as presented in the notes to the interim condensed consolidated financial statements, less cash as presented in the interim condensed consolidated statements of financial position. The Company believes that this measure is useful to users in understanding the Company's financial leverage and liquidity.

Cash Costs and Cash Costs per Ounce Sold

Cash costs and cash costs per ounce sold are non-IFRS measures. In the gold mining industry, these metrics are common performance measures but do not have any standardized meaning under IFRS Accounting Standards. Cash costs include mine site operating costs such as mining, processing, G&A and royalty expenses but exclude depreciation and depletion and reclamation costs. Cash cost per ounce sold is calculated by dividing total cash costs, less the NPI royalty and 50% of operating costs for the Interlake zone, by attributable gold ounces sold.

The Company discloses cash costs and cash cost per ounce sold as it believes the measures provide valuable information to investors and analysts in evaluating the Company's operational performance and ability to generate cash flows. Cash costs and cash costs per ounce sold should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS Accounting Standards.

All-in Sustaining Costs ("AISC") and AISC per Ounce Sold

AISC and AISC per ounce sold are non-IFRS measures. These measures are intended to assist readers in evaluating the total cost of producing and selling gold from current operations. While there is no standardized meaning across the industry for these measures, the Company's definition is based on the definition of AISC as set out by the World Gold Council.

The Company defines AISC as the total of cash costs, sustaining capital expenditures, sustaining exploration expenses, corporate G&A expenses, lease payments relating to sustaining assets, and reclamation cost accretion and depreciation related to current operations. AISC excludes growth capital expenditures, growth exploration expenditures, reclamation cost accretion and depreciation not related to current operations, lease payments related to non-sustaining assets, interest expense, debt repayment and taxes.

AISC per ounce sold is calculated by dividing total AISC, less the NPI royalty and 50% of operating costs and sustaining capital expenditures for the Interlake zone, by attributable gold ounces sold.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

Operating cash costs and AISC Reconciliation

The following table reconciles these non-IFRS measures to the most directly comparable IFRS measures:

Hemlo Mine	Unit		Three months ended March 31, 2026
Gold produced (100%)	oz.		34,764
Gold produced (attributable)	oz.		29,699
Gold sold (100%)	oz.		38,685
Gold sold (attributable)	oz.	a	32,052
Cost of sales	\$'000s		113,129
Less: Depreciation expense	\$'000s		(28,363)
Less: PPA inventory ¹	\$'000s		(7,287)
Costs allocated to by-products	\$'000s		(697)
Total site cash costs (100%)	\$'000s	b	76,782
Sustaining capital expenditures	\$'000s		12,385
Others	\$'000s		1,746
Total site AISC (100%)	\$'000s		90,913
Less: Interlake NPI	\$'000s	c	(24,806)
Total site AISC less NPI	\$'000s	d	66,107
Less: 50% of Interlake costs			
Interlake operating costs	\$'000s	e	(7,576)
Interlake sustaining capital expenditures	\$'000s	f	(684)
Total site cash costs (attributable)	\$'000s	g=b+c+e	44,400
Total site AISC (attributable)	\$'000s	h=d+e+f	57,847
Total site cash costs (attributable)	\$/oz. sold	g/a	1,385
Total site AISC (attributable)	\$/oz. sold	i=h/a	1,805
Corporate G&A costs and other (attributable) ²	\$/oz. sold	j	247
Consolidated attributable AISC	\$/oz. sold	i+j	2,052

1. Represents the portion of cost of sales that consists of the fair value adjustment to gold inventories in the purchase price allocation of the Hemlo Acquisition.

2. Calculated as total G&A expenses of \$7.9 million as disclosed in the interim condensed consolidated statement of income divided by 32,052 attributable gold ounces sold.

Average Realized Price per Ounce Sold

In the gold mining industry, average realized price per ounce sold is a common performance measure that does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS Accounting Standards is revenue from gold sales. Average realized price per ounce sold should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS Accounting Standards. The measure is intended to assist readers in evaluating the total revenues realized in a period from current operations.

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

The following table reconciles average realized price to the most directly comparable IFRS measure:

	Three months ended March 31,	
	2026	2025
Total revenue	\$ 186,265	\$ —
Less: Silver sales	(697)	—
Less: Sales to Wheaton	(17,153)	—
Total gold revenue excluding sales to Wheaton	\$ 168,415	\$ —
Total gold ounces sold	38,685	—
Less: Gold ounces delivered to Wheaton	(4,478)	—
Total gold ounces sold excluding sales to Wheaton	34,207	\$ —
Average realized price per ounce sold	\$ 4,923	\$ —

Sustaining Capital and Growth Capital

Sustaining capital and growth capital are non-IFRS measures. Sustaining capital is defined as capital required to maintain current operations at existing levels. Growth capital is defined as capital expenditures for major growth projects or enhancement capital for significant infrastructure improvements at existing operations. Both measurements are used by management to assess the effectiveness of investment programs.

Sustaining and growth capital is reconciled to the amounts included in the interim condensed consolidated statements of cash flows as follows:

	Three months ended March 31,	
	2026	2025
Sustaining capital expenditures	\$ 12,435	\$ —
Growth capital expenditures	7,688	—
Total cash capital expenditures	\$ 20,123	\$ —

Free Cash Flow

Free cash flow is a non-IFRS performance measure that is calculated as cash flows from operations net of cash from investing activities. The Company believes that this measure is useful to the external users in assessing the Company's ability to generate cash flow after capital investments.

Free cash flow is reconciled to the amounts included in the interim condensed consolidated statements of cash flows as follows:

	Three months ended March 31,	
	2026	2025
Cash generated from (used in) operating activities	\$ 87,899	\$ (25)
Cash used in investing activities	(16,407)	—
Free cash flow	\$ 71,492	\$ (25)

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

Earnings before Interest, Taxes, Depreciation, and Amortization

EBITDA represents net earnings before interest, taxes, depreciation and amortization. EBITDA is an indicator of the Company's ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures.

The following is a reconciliation of EBITDA to the interim condensed consolidated financial statements:

	Three months ended March 31,	
	2026	2025
Net income (loss)	\$ 22,126	\$ (13)
Add:		
Finance costs, net	12,430	—
Depreciation expense	28,396	—
Income tax expense	23,633	—
Earnings before interest, taxes, depreciation and amortization	\$ 86,585	\$ (13)

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 December 31, 2025 a copy of which is available on SEDAR+ at 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 plan to continue to release results from the drilling program throughout the remainder of 2026 and into 2027 as they become available; 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 management 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

Hemlo Mining Corp.

Management's Discussion and Analysis

Three months ended March 31, 2026 and 2025

Expressed in thousands of United States dollars, unless otherwise stated

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 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.

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.