# FANCAMP EXPLORATION LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS

### For the six months ended October 31, 2025

The following discussion of performance, financial condition and future prospects should be read in conjunction with the financial statements of the Company and notes thereto for the six months ended October 31, 2025, and 2024. The Company's reporting currency is Canadian dollars. **The date of this Management Discussion and Analysis is December 30, 2025.** Additional information on the Company is available on SEDAR+ at www.sedarplus.ca and the Company's website at www.fancamp.ca.

## Forward-Looking Statements

This report may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans", and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this MD&A.

## The Company

Fancamp is a Canadian mineral exploration company focused on creating value through medium term growth and monetization opportunities across its strategic interests in high potential mineral projects, a portfolio of royalties and exploration properties across Ontario, Québec and New Brunswick, Canada, including copper, gold, zinc, titanium, chromium, rare earths, among others. The Company is advancing exploration programs on select and priority mineral projects in highly prospective regions . The Company has future monetization opportunities from its Koper Lake transaction in the highly sought-after Ring of Fire in Northern Ontario. Fancamp holds 96% interests in Magpie Mines Inc., which owns the Magpie property, one of the world's largest undeveloped hard rock titanium (+V) deposits, *per USGS data.* Fancamp has investments in an existing iron ore operation in the Quebec-Labrador Trough, a rare earth elements company, NeoTerrex Minerals Inc., a copper–gold exploration company, PTX Metals Inc., in addition to an investment in a near term cash flow generating zinc mine, EDM Resources Inc., in Nova Scotia. Fancamp has entered into an option agreement with Harfang Exploration for the advancement of a significantly sized syenite gold system in Ontario's Abitibi belt and is developing a strategically positioned gold-copper exploration play with Lode Gold Resources Inc. in an emerging mining camp in New Brunswick. Fancamp is developing energy reduction and titanium waste recycling technology with its advanced titanium extraction strategy. Fancamp has announced the Spin Out of its exploration assets intended for 2026 for the purpose of unlocking value, enhancing focus and market recognition, and providing shareholders with ownership across two distinct growth platforms: a royalty and investment company, and an exploration-focused, discovery driven company with a portfolio of highly prospective mineral projects.

The Company is a reporting issuer in British Columbia, Alberta, Ontario and Québec and its common shares are listed for trading on the TSX Venture Exchange under the symbol FNC.

## Key Current Company Highlights and Outlook

During the six months ended October 31, 2025, the Company continued to execute its strategy of portfolio optimization, disciplined capital management, and advancement of joint-venture exploration assets.
Key developments during and subsequent to the period include:

- Continued advancement of the Acadian Gold Corp. joint venture in New Brunswick, jointly owned 50% with Gold Orogen, with Fancamp acting as operator.
- Ongoing receipt of interest income on the $34.5 million secured convertible promissory note issued by KWG Resources Inc., paid in multiple voting shares.
- Active management and partial monetization of the Company's marketable securities portfolio.
- Maintenance of strategic equity positions in EDM Resources Inc., NeoTerrex Minerals Inc., South Timmins Mining Inc., Gold Orogen and others.
- Authorization of a Normal Course Issuer Bid, subject to TSX Venture Exchange approval.
- Approval of a strategic spin-out of certain exploration assets into a newly formed entity.

The Company remains well capitalized, with significant working capital and exposure to long-term mineral development upside.

### Significant Assets

As at October 31, 2025, the Company's significant assets include:

- A $34.5 million secured convertible promissory note issued by KWG Resources Inc., bearing interest at 6% per annum.
- Marketable securities in publicly traded mining companies, including Champion Iron Ltd., The Canadian Chrome Company (formerly KWG Resources Inc.), PTX Metals Inc., EDM Resources Inc., NeoTerrex Minerals Inc., and others.
- Equity-accounted investments in associates including EDM Resources Inc., NeoTerrex Minerals Inc., South Timmins Mining Inc., Acadian Gold Corp. and Gold Orogen.
- A portfolio of mineral property interests and royalties across Québec, Ontario and New Brunswick.

Refer to Note 5 "Marketable Securities", Note 7 "Convertible Promissory Note", Note 8 "Investments in Associates", and Note 9 "Exploration and Evaluation Assets" of the interim financial statements for additional detail.

### Significant Mineral Properties

**Riley Brook and McIntyre Brook Properties, New Brunswick** The Riley Brook property, a 334.5 km$^2$ land package of mineral claims (33,454 cells) which Fancamp acquired by claim staking, was combined with the 111 km$^2$ McIntyre Brook mineral claims (11,035 cells) as part of the Acadian Gold joint venture with Lode Gold Resources Inc. to create a dominant 445 km$^2$ land holding. The Acadian Gold properties constitute gold mineralized zones that extend over several kilometres on an orogenic belt in a highly prospective region for gold and polymetallic mineral discovery in Northern New Brunswick *(refer to press releases dated August 27, 2024, and October 9, 2024)*. These properties lie in a geologic domain of other gold-focused development projects such as Calibre Mining Corp.'s Valentine Lake Project *(Au producer)* and New Found Gold Corp.'s Queensway Project *(tier 1 explorer),* a region with significant recent gold discoveries made by

Galway Metals, New Found Gold and Puma Exploration Inc. Acadian Gold is one of the largest under-explored holdings in this emerging gold camp. McIntyre Brook is located adjacent to Puma Exploration's Williams Brook Project *(which holds an option agreement with Kinross Gold),* and Riley Brook is a significantly sized property surrounded by recent claims acquisitions made by Kenorland Minerals. Based on recent results, McIntyre Brook now demonstrates all the hallmarks of a significant gold-copper discovery opportunity, displaying highly encouraging results across three principal target areas. Prospecting and trenching conducted in May-June 2025, followed by a soil geochemical survey in July 2025, resulted in the discovery of high-grade rock grab samples extending the known favorable horizon of Area 2 *(McIntyre Brook Prospect)* to a **minimum strike extension of 3 km**. Best results from the prospecting surveys include high-grade gold assays from grab samples up to 7 g/t Au, and the best assays from selected grab samples from the trenching program show results up to 6.1 g/t Au and 6.95 g/t Au in trench T25-1 *(refer to press release dated September 9, 2025).*

Results of the ongoing exploration program, centered over the 3 principal showings identified at McIntyre Brook, confirmed the prospectivity for gold mineralization of the (1) Electromagnetic Anomaly (EM) Zone, (2) McIntyre Brook Prospect and (3) the Northwest Area *(refer to press release dated September 9, 2025).* The Northwest area of McIntyre Brook is an area of substantial interest given its location lies on strike with Puma Exploration's Williams Brook Lynx showing which reported high-grade results such as 5.50 g/t gold over 50.15 metres *(refer to hole WB21-02 from Puma Exploration press release dated September 15, 2021)*. Previous notable findings from the Acadian Gold exploration program at McIntyre Brook confirmed a gold bearing rhyolitic horizon with a strike extension of at least 200-metres with up to 9-metre thickness, significantly increasing the known surface expression of mineralization previously identified by historical drilling, with preliminary trench results that include 5.3 metres of 1.19 gpt Au *(refer to press release dated January 20, 2025).* A Heliborne HeliTEM² Survey revealed the presence of a series of EM conductors in the Northeastern part of the McIntyre Brook property, and a soil geochemical survey conducted in November 2024 at the periphery of the Southeast and Northeast area of the conductors revealed the presence of gold-in-soil anomalies associated with Arsenic (As), Antimony (Sb) and Tungsten (W) anomalies *(refer to press release dated March 3, 2025).* New results from McIntyre Brook revealed coincident high-grade rock grab samples, gold-in-soil anomalies and prominent electromagnetic conductors, enhancing the potential for a significant gold-copper discovery. These promising targets are situated within the geologically favorable Wapske Formation, structurally defined by the McIntyre Brook and Ramsay Brook faults. Area of Zone 1 is also characterized by a 275 ppb Au stream sediment downstream from the conductive area. This sample was the highest value returned from the 1981 regional stream sampling program conducted in the area by the Geological Surveys Branch of New Brunswick.

The Riley Brook area, Acadian Gold's property to the south of McIntyre Brook, has seen little modern exploration programs and is underexplored for gold mineralization, associated with an underlying geology of Devonian volcano-sedimentary stack belonging to the Wapske Formation, situated between the Rocky Brook Millstream Fault and Woodstock-Catamaran Fault. Work conducted at Riley Brook by Acadian Gold included geochemical soil surveys that revealed the presence of strong soil anomalies in the southern end of the property that seems to correlate with a number of discrete intrusives mapped throughout the property by the New Brunswick Geological Survey. A recon soil sampling which only covered ~10% of the Riley Brook property has revealed multiple gold anomalies of similar tenor demonstrated on other Appalachian gold belt deposits such as Puma Exploration's Williams Brook Property (>20ppb Au in soils). At Riley Brook, a significant multi-element soil anomaly coincident with a Conductive EM Anomaly indicates the possibility of an Intrusion Related Gold System in the southwestern section of the property. Kenorland Minerals has announced expanding their exploration portfolio into New Brunswick at the end of May 2025, which resulted in Kenorland Minerals acquisition of 1,400 km² around Acadian Gold's Riley Brook Property.

The Heliborne HeliTEM² Surveys across the properties revealed, among other aspects, the presence a conductive EM anomaly coincident with the soil geochemical anomaly. With work conducted in 2024 and early 2025, the Company has further substantiated the prospectivity of the Acadian Gold joint venture to expand into a district scale gold-copper play.

**Clinton Property, Quebec** The Clinton Project is a 100%-owned copper-zinc VMS (Volcanogenic Massive Sulphide) sizeable 7,472-hectares property, comprised of 127 claims, located within the Appalachian geological province of the Eastern Townships of Québec, a region which hosts highly prospective targets due to the geological potential and occurrences of high-grade base metals validated by numerous past-producing mines across a 130-kilometre trend. The property hosts a series of Cu–Zn rich VMS mineralization lenses *(“AB”, “C”, “D”, “E” and “O” lenses)* extending over a 5-km Northeast horizon and encompasses around 20 kilometres of favorable stratigraphy within the Clinton River volcano-sedimentary belt. The Clinton Project is a past producing mine, characterized by five copper bearing mineralized lenses, with historical drilling having occurred across multiple exploration programs since 1953. From 1973 to 1975, a mine was opened to exploit lens O and historic production reported the extraction of 126,000 tonnes of material with an average grade of 2.74% Cu, 2.86% Zn, 0.53% Pb and 30.79 grams per tonne (g/t) Silver (Ag).

Since 2020, Fancamp has conducted several exploration programs, including prospecting, ground geophysics, diamond drilling and targeting using AI. The 2023 drilling program was comprised of 2,678 meters in 11 holes, and the 2022 drill program intersected 3.15 meters grading 3.30% Cu and 12.64 g/t Ag *(refer to press release dated June 14, 2022)* which extended historical lens “A” mineralization an additional 100 meters along strike. Other mineralized lenses show strong copper and gold exploration potential, the best intersection being 24.7 meters grading 2.78% Cu and 16.9 g/t Ag *(refer to press release dated October 14, 2014)* and previous significant intersections of sulphide copper mineralization across various lenses and extensions, including 3.0 meters at 0.72% Cu, 2.87 g/t Ag and 0.02 g/t Au *(refer to press release dated August 17, 2022).*

The Company’s recent exploration work reported positive results from a Gravity Survey conducted in December 2024, successful at identifying multiple, new, high-density targets at depth and delineated the potential VMS deposit root system, fundamental elements to allow for the extension of current mineralization, to demonstrate a significant VMS deposit at Clinton and provide for new copper discovery *(refer to press release dated February 27, 2025)*. The survey targeted the favorable geological horizon which hosts the past producing Clinton “O” mine and the known massive sulphide lenses containing historical non-compliant NI 43-101 resources of 1.52 Mt at 2.02% Cu and 1.54% Zn *(MRNFQ Fiche de Gite 21E07-0007)*. Recent results of work conducted at Clinton are highly encouraging, proving that new targets exist at depth, conceivably larger than on surface, with the potential to extend the already defined mineralized lenses and uncover new meaningful Cu-Zn bearing massive sulphides lenses. The survey consisted of the acquisition of 2,000 gravity stations, on line, spaced every 100 metres with reading stations every 25 metres, in the northern sector of the property, which investigated the potential of identifying deep seated VMS lenses under the known mineralized occurrences. Twenty-three anomalies indicative of sources in positive density contrast with the host rocks have been identified, the survey also identified new, high-density targets at depth, below and between the known lenses, which represent compelling drill targets for Cu-Zn massive sulfide mineralization. A second, stratigraphically lower corridor, which correlates with the known "V Zone," may represent the root system of a VMS deposit, where the property's highest-grade intersection to date, 2.78% Cu, 16.9 g/t Ag over 24.7 metres (*refer to press release dated October 14, 2014*) was drilled along this corridor. The survey identified a new, high-density target along this trend, located below the known "C" lens, which constitutes another high-priority drill target at Clinton.

The Company filed an Independent NI 43-101 technical report on the Clinton property entitled *"Clinton Cu-Zn Property, Lac Mégantic, Quebec – 43-101 Technical Report"* with an effective date of September 26, 2024. The Technical Report describes the historical exploration work completed on the Clinton Project, discloses a non 43-101 compliant historical mineral resource estimate on 5 mineralized lenses totaling 1.8 Mt at 2.02% Cu and 1.54% Zn, including 20% dilution, describes the geology as well as proposed a future work program aimed at expanding already known mineralized lenses or discovering new ones, including a proposed deep penetrating gravity survey followed by a drilling program to test the newly generated targets at depth *(refer to press release dated November 29, 2024)* accessible on SEDAR+ (www.sedarplus.ca) and on the Company's website (www.fancamp.ca).

**Magpie Property, Québec** Fancamp holds approximately 96% of the issued and outstanding shares of Magpie Mines, along with a 2% net smelter return royalty on the significant Magpie Titanium property. The Company also holds 66.66% of the Special Shares of Magpie Mines. The Magpie Fe-Ti-V deposit is **one of the world's largest undeveloped titanium resources** *(Woodruff et al., 2017)* and one of the world's largest vanadium deposits *(based on data in Kelley et al., 2017),* refer to press release dated July 21, 2025. The Project is located 90 kilometres north of Rio Tinto's Lac Tio titanium mine and just 10 kilometres west of a Hydro Québec transmission line from the Romaine 4 generating station, in Havre St Pierre, Québec. The Magpie Project is made up of Magpie 1, Magpie 2 and Magpie 3 deposits. The Magpie 2 deposit hosts a non-compliant 43-101 historical mineral resource estimate of 635.2 million tonnes grading 42.49% Fe, 11.20% $TiO_2$, and 0.3% $V_2O_5$ in the indicated category, with an additional inferred resource of 239.2 million tonnes grading 42.29% Fe, 11.21% $TiO_2$, and 0.32% $V_2O_5$ (the "Historic Estimate") *(see April 18 and June 1, 2012, press releases). *This Historic Estimate predates the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (2014). A qualified person has not completed sufficient work to classify this historical estimate as current mineral resources or mineral reserves, the Corporation is not treating it as such and accordingly, it should not be relied upon.*

The Magpie Project also demonstrates significant expansion potential in four previously undrilled areas that exhibit geological characteristics similar to the main deposit. Titanium and vanadium are critical and strategic minerals with key applications in aerospace, medical technology, specialty steel, and batteries, both face global supply chain concerns. Titano-magnetite deposits like Magpie are the principal source for vanadium extraction *(Kelley et al., 2017),* refer to press release dated July 21, 2025. Fancamp is well-positioned Havre St Pierre, a region recognized for supplying feedstock to the titanium industry, which also hosts Fancamp's 100%-owned Mingan ferro- titanium property.

**Grasset Property, Québec** Grasset is a wholly-owned property located along the Detour-Fenelon Gold Trend and is of significant size, comprised of two blocks of claims, Grasset East (291 claims for 16,141 hectares) and Grasset North West (136 claims for 526 hectares). The Grasset property covers the northern margin of the Abitibi greenstone belt and is situated 30 kilometers northwest of the Matagami mining camp. Grasset is positioned within a favorable volcanic belt known to host significant gold and base metal occurrences, approximately 35 kilometers east of Wallbridge Mining Company's Fenelon Gold deposit, and on the same greenstone belt which hosts the prominent Detour Lake open-pit gold mine in Ontario (Agnico Eagle Mines

Ltd.). A VTEM survey completed in 2022 delineated multiple discrete conductive anomalies for VMS and Ni-Cu targets, with additional ground staked Southeast of the property following VTEM. Fancamp initiated helicopter borne VTEM™ time-domain electromagnetic and horizontal magnetic gradiometer surveys, conducted by Geotech Ltd. The program consists of a 665-line kilometers survey, with line spacing at 100 meters and flight altitude clearance of 35 meters, with the aim to investigate the potential for the occurrences of Ni-Cu or Cu-Zn massive sulfide type mineralization.

**Diléo Property, Québec** The Diléo property is located in the Frotet-Evans greenstone belt which hosts the former producing Au-Cu Troilus mine and the recent Regnault high-grade gold discovery of Kenorland-Sumitomo. It is comprised of 20 claims over 1033 hectares, historically worked by Noranda Inc. Fancamp has held the property since the 1990's, and this property is believed to be situated in a prospective zone for copper gold mineralization. Since 2020, Fancamp has conducted several exploration campaigns, including airborne magnetics (246- line km), prospecting and mapping in 2020, and two successive exploration campaigns of prospecting, soil sampling and rock chips sampling in 2022 and 2023 *(refer to press release dated March 6, 2023)*. The Company's 2023 work program at Diléo indicated a new copper showing and confirmed, as well as expanded, an Au-Cu-Ag soil anomaly.

**Stoke Property, Québec** This Stoke property is located in the Appalachian region, in an area of extensive mineral occurrences, situated in the Eastern Townships of Québec, and covering 20 kilometers of favorable geology within the Ascot-Weedon VSED Belt which hosts 6 historical VMS deposits. Fancamp has held the property since 2010, which is comprised of 126 claims covering an area of 7,342 hectares divided into two blocks, 1 of 116 contiguous claims for 6,738.01 hectares and another block of 10 contiguous claims for 603.15 hectares. The Stoke Project exhibits historical drilling with moderate grade mineral occurrences of copper and gold across two distinct zones: Copper Zone and Grand Prix Showing. The Stoke Project is surrounded by past producing mines and hosts historical high-grade copper intersections including 7.29% Cu over 6.4 meters and 17.6 g/t Ag *(refer to Hole ST-2011-06, MRN Report GM 66485, 2012),* the widest sulphide mineralization intersection discovered to date. The 2022 drill program conducted at Stoke intersected 98.0 meters at a grade of 0.12% Cu (Hole STDD-22-05), from 275 to 373 meters, downhole length *(refer to press release dated September 8, 2022).* Since 2020, Fancamp has conducted several exploration programs including prospecting, ground geophysics and drilling. In June of 2022, Fancamp conducted a limited drilling program consisting of 1,194 meters of diamond drill holes in 3 holes. In 2023, a ground IP survey was conducted over 25.1-line km over the northern part of the property.

**Gaspe Bay Group Property, Québec (including St. Marguerite)** These vein-related gold system projects have the potential to present high-grade gold showings, and work is intended to focus on establishing continuity along strike, and down dip. Fancamp has previously completed rock sampling, trenching and soil sampling over portions of the property.

**Other Properties**

See Note 9 "Exploration and Evaluation Assets" attached to the financial statements for the six months ended October 31, 2025, for further information on the Company's other mineral property holdings.

**Management Discussion & Analysis for the six months ended October 31, 2025**

Results of Operations

| | Three Months Ended October 31, 2025 | Three Months Ended October 31, 2024 |
|---|---|---|
| **Expenses** | | |
| Accounting and Audit | $ 43,696 | $ 109,353 |
| Directors Fees (Note 12) | 30,000 | 28,000 |
| Field Administration | 19,183 | 30,794 |
| Insurance | 7,753 | 7,751 |
| Interest Expenses and Bank Charges | 4,799 | 222 |
| Investor Relations and Marketing | 24,246 | 22,545 |
| Legal Fees | 113,459 | 234,042 |
| Management and Consulting | 131,461 | 89,888 |
| Mineral Property Sundry Expenses | 13,378 | 26,224 |
| Office Rent, Supplies and Services | 18,725 | 7,999 |
| Share Transfer, Listing and Filing Fees | 2,031 | 9,902 |
| Share-based Payments (Note 10) | 59,274 | 449,001 |
| Travel and Accommodations | 8,104 | 12,406 |
| Payroll Expenses | 8,806 | 2,400 |
| **Total Expenses** | 489,671 | 1,030,527 |
| Other income | 70,200 | 148,898 |
| **Loss from Operations** | (419,471) | (881,629) |
| | | |
| Interest Income | 521,762 | 542,231 |
| Unrealized Gain on Convertible Promissory Note (Note 7) | - | 3,510,000 |
| Loss on Equity Pick-up of Investments In Associates (Note 8) | (61,952) | - |
| (Loss) on Marketable Securities (Note 5) | (215,798) | - |
| Unrealized (Loss) Gain on Marketable Securities (Note 5) | 4,070,281 | 778,116 |
| **Income (Loss) before Taxes** | **3,894,822** | **3,948,718** |
| **Income and Comprehensive Income for the Period** | **$ 3,894,822** | **$ 3,948,718** |
| | | |
| **Comprehensive Income attributable to:** | | |
| Income Per Share - Basic and Diluted | $ 0.02 | $ 0.02 |
| | | |
| Weighted Average Number of Shares Outstanding - Basic | 242,362,323 | 240,933,751 |

The Company reported net income of $3,894,822 for the three months ended October 31, 2025, compared to net income of $3,948,718 for the three months ended October 31, 2024.

Despite higher operating costs in certain categories, profitability in the current period was primarily driven by unrealised gains on marketable securities and interest income, partially offset by operating expenses and losses from equity-accounted investments.

Total expenses for the three months ended October 31, 2025 were $481,918, compared to $1,030,527 in the prior-year period. The decrease of $548,609 was mainly attributable to:

- A significant reduction in share-based payments, which declined to $59,274 (2024 – $449,001);
- Lower legal fees of $113,459 (2024 – $234,042);
- Lower accounting and audit fees of $43,696 (2024 – $109,353); and
- Reduced mineral property sundry expenses.

These decreases were partly offset by higher management and consulting fees and increased office-related costs.

The Company recorded a loss from operations of $419,471 for the quarter (2024 – loss of $881,629). The improvement reflects the materially lower non-cash share-based compensation and professional fees incurred during the current period.

Investment and Other Income

Interest Income: Interest income for the quarter was $521,762, compared to $542,231 in the prior year, and relates primarily to interest earned on the Company's $34.5 million secured convertible promissory note.

Marketable Securities – Realised and Unrealised Gains: During the three months ended October 31, 2025, the Company recorded the following impacts related to its marketable securities portfolio:

| **Marketable Securities Impact** | **Amount (CAD)** |
|---|---|
| Realised loss on marketable securities | $(215,798) |
| Unrealised gain on marketable securities | $4,070,281 |
| **Net impact – marketable securities** | **$3,854,483** |

The unrealised gain reflects favourable fair-value movements in the Company's publicly traded investments during the quarter.

Convertible Promissory Note: No unrealised fair-value gain or loss was recorded on the convertible promissory note during the three months ended October 31, 2025 (2024 – unrealised gain of $3,510,000).

Investments in Associates: The Company recorded a loss of $61,952 from the equity pick-up of investments in associates during the period (2024 – nil).

| | | Six Months Ended October 31, 2025 | | Six Months Ended October 31, 2024 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Accounting and Audit | $ | 51,619 | $ | 111,889 |
| Directors Fees (Note 12) | | 60,000 | | 53,000 |
| Field Administration | | 35,933 | | 81,914 |
| Insurance | | 17,421 | | 15,501 |
| Investor Relations and Marketing | | 62,596 | | 37,545 |
| Legal Fees | | 193,151 | | 305,056 |
| Management and Consulting | | 227,377 | | 166,788 |
| Mineral Property Sundry Expenses | | 13,388 | | 27,522 |
| Office Rent, Supplies and Services | | 29,080 | | 15,602 |
| Share Transfer, Listing and Filing Fees | | 3,307 | | 13,630 |
| Share-based Payments (Note 10) | | 59,274 | | 449,001 |
| Travel and Accommodations | | 46,982 | | 23,420 |
| Payroll Expenses | | 51,741 | | 7,389 |
| **Total Expenses** | | 880,126 | | 1,309,223 |
| Other income | | 115,935 | | 148,898 |
| **Loss from Operations** | | (764,191) | | (1,160,325) |
| Interest Income | | 1,044,319 | | 1,108,429 |
| Dividends Received on Marketable Securities (Note 5) | | 270,000 | | 270,000 |
| Unrealized Gain on Convertible Promissory Note (Note 7) | | - | | 5,310,000 |
| Loss on Equity Pick-up of Investments In Associates (Note 8) | | (126,438) | | - |
| (Loss) on Marketable Securities (Note 5) | | (331,564) | | - |
| Unrealized (Loss) Gain on Marketable Securities (Note 5) | | 988,908 | | (767,305) |
| **Income (Loss) before Taxes** | | **1,081,034** | | **4,763,465** |
| **Income and Comprehensive Income for the Period** | **$** | **1,081,034** | **$** | **4,763,465** |
| **Comprehensive Income attributable to:** | | | | |
| Income Per Share - Basic and Diluted | $ | 0.00 | $ | - |
| Weighted Average Number of Shares Outstanding - Basic | | 242,144,932 | | 240,933,751 |

For the six months ended October 31, 2025, the Company reported net income of $1,081,034, compared to net income of $4,763,465 for the six months ended October 31, 2024.

The decrease in net income for the current period primarily reflects lower unrealised gains on marketable securities and the absence of fair value gains on the convertible promissory note, partially offset by interest income and dividend income.

Total expenses for the six months ended October 31, 2025 were $872,373, compared to $1,309,223 in the prior-year period, representing a decrease of $436,850.

The reduction in expenses was mainly attributable to:

- Significantly lower share-based payments, which declined to $59,274 (2024 – $449,001);
- Reduced legal fees of $193,151 (2024 – $305,056);
- Lower field administration costs of $35,933 (2024 – $81,914); and
- Lower mineral property sundry expenses.

These decreases were partially offset by higher management and consulting fees, increased payroll expenses, and higher investor relations and marketing costs, reflecting increased corporate activity during the period.

Operating Loss

The Company recorded a loss from operations of $764,191 for the six-month period, compared to a loss from operations of $1,160,325 in the prior year.
The improvement reflects disciplined cost control, particularly in non-cash compensation and professional fees.

Investment and Other Income
Interest Income: Interest income for the six months ended October 31, 2025 totaled $1,044,319, compared to $1,108,429 in the prior-year period, and relates primarily to interest earned on the $34.5 million secured convertible promissory note.

Dividend Income: The Company received $270,000 in dividend income from marketable securities during the period, consistent with the prior year.

Marketable Securities – Realised and Unrealised Gains: During the six-month period, the Company recorded the following impacts related to its marketable securities portfolio:

| **Marketable Securities Impact** | **Amount (CAD)** |
|---|---|
| Realised loss on marketable securities | $(331,564) |
| Unrealised gain (loss) on marketable securities | $988,908 |
| **Net impact – marketable securities** | **$657,344** |

The unrealised gain reflects favourable fair-value movements during the period, though at a significantly lower level than the prior year, which recorded an unrealised loss of $767,305.

Convertible Promissory Note: No unrealised gain or loss was recorded on the convertible promissory note during the six months ended October 31, 2025 (2024 – unrealised gain of $5,310,000), which was a major contributor to the lower net income compared to the prior-year period.

Selected financial information for the quarters ended Oct 31 2025, and the preceding 7 quarters:

| **Three months ended** | **2nd Quarter 31-Oct-25** | **1st Quarter July 31 2025** | **4th Quarter 30-Apr-25** | **3rd Quarter 31-Jan-25** |
|---|---|---|---|---|
| Net income (loss) | 3,894,822 | (2,813,788) | 631,241 | 1,602,504 |
| Income (Loss) per share | (0.02) | (0.01) | - | 0.01 |
| Fully diluted income (loss) per share | (0.02) | (0.01) | - | 0.01 |
| **Three months ended** | **2nd Quarter 31-Oct-24** | **1st Quarter July 31 2024** | **4th Quarter 30-Apr-24** | **3rd Quarter 31-Jan-24** |
| Net income (loss) | 3,948,718 | 814,747 | (949,289) | 1,982,549 |
| Income (Loss) per share | 0.02 | - | - | 0.01 |
| Fully diluted income (loss) per share | 0.02 | - | - | 0.01 |

**Financing**

See Note 10 – “Share Capital” attached to the financial statements for the six months ended October 31, 2025 and 2024 for further information on the Company’s financing activities.

**Liquidity and Capital Resources**

The Company is an exploration stage company in the business of mineral exploration. It is in the process of exploring its mineral property interests and has not yet determined whether these properties contain ore reserves that are economically recoverable. With no producing properties, the Company has no current operating income or operating cash flows. All of the Company’s short- and medium-term operating and exploration cash requirements are funded through a combination of investment income, external financing, joint venture option payments, royalty payments, and the monetization of financial assets.

The Corporation’s approach to managing liquidity risk is to ensure that it maintains sufficient capital to meet its liabilities as they become due, taking into account its holdings of cash, marketable securities, and its ability to raise additional capital through equity financings if required. As at October 31, 2025, the Corporation had current assets of approximately $27.2 million (October 31, 2024 – $23.6 million) and current liabilities of approximately $6.8 million (October 31, 2024 – $7.4 million), resulting in positive working capital of approximately $20.4 million (October 31, 2024 – $16.3 million).

All of the Corporation’s accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. Management believes that the Corporation’s existing working capital, together with expected investment income and potential asset monetization, will be sufficient to meet its anticipated short- and long-term cash requirements.

**Transactions with Related Parties**

See Note 11 – “Related Party Transactions and Balances” attached to the financial statements for the six months ended October 31, 2025 and 2024.

**Off Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

**Contingencies**

The Magpie Mines Inc.

On January 23, 2024, the Corporation filed an application in Quebec against The Magpie Mines Inc. for the payment of $1,964,511 plus interest and court costs in regard to the non-secured, on demand note.   This matter is pending in courts.

Fancamp holds 96% of the issued and outstanding common shares of Magie Mines. Each common share of Magpie Mines carries one (1) vote for the election of forty-nine percent (49%) of the total number of Directors of Magpie Mines, while each special share of Magpie Mines carries one (1) vote for the election of fifty-one percent (51%) of the total number of Directors of Magpie Mines. As a result of the issuance of special shares, which were allocated to previous Directors of Fancamp and of Magpie Mines, holders of these special shares controlled decisions relating to the election of Magpie Mines Directors and, as a result, decisions taken by its Board of Directors. Until recently, Fancamp owned 1/3rd of Special Shares of Magpie. On May 9, 2025, Fancamp acquired the special shares held by Fouad Kamaleddine, bringing Fancamp's holdings of special shares to 66.66%.

At the Annual General Meeting of the shareholders of The Magpie Mines Inc. held on July 17, 2025 in Montréal, Québec, the shareholders of Magpie Mines voted to set the number of Directors at three, and elected Rajesh Sharma, Mark Billings and Charles Tarnocai as the Directors of Magpie Mines. Magpie Mines has appointed the following officers: Mark Billings as Chairman, Rajesh Sharma as President and Chief Executive Officer, Arnab Kumar De as Chief Financial Officer and Debra Chapman as Corporate Secretary. The Company has initiated legal proceedings in British Columbia to obtain full and complete access to all of Magpie's corporate information.

Termination of Peter H. Smith

In August, 2020, at the request of the Board, Peter H. Smith stepped down as President. On April 1, 2021, the consulting agreement between the Corporation and Peter H. Smith was terminated with cause. On May 31, 2021, Peter H. Smith filed, by way of a counterclaim (see "Civil Lawsuit Against Peter H. Smith"), a demand for payout of $500,000 and an additional $27,000 for amounts owing. $27,000 has been accrued as of October 31, 2024 and 2025.

Management has not recognized provision for claimed amount given the conditions to recognize provision were not met. Fancamp believes that any claim that may be instituted by Peter H. Smith is without merit and that he is not entitled to any damages. The Corporation intends to vigorously defend its actions.

Civil Law suit Against Peter H. Smith

On May 14, 2021, Fancamp filed a civil claim in the British Columbia Supreme Court seeking over $3,000,000 in damages from Mr. Smith on behalf of our shareholders.

## Environmental Contingencies

The Company's exploration and development activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. At October 31, 2025, the Company does not believe that there are any significant environmental obligations requiring expenditures in the foreseeable future.

## Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses and exploration and evaluation expenses is provided in the Company's Statements of Operations and Comprehensive Loss and Equity sections in its financial statements for the six months ended October 31, 2025 and 2024.

## Investor Relations

The Company is continuing the investor relations agreement with Tara Asfour, entered into on July 19, 2022, for payment of $5,000 per month.

## Board of Directors

At the Company's annual meeting held October 30, 2024 Mark Billings, Ashwath Mehra, Rajesh Sharma, Mathieu Stephens, Charles Tarnocai and Francis MacDonald were elected to serve as directors for the forthcoming year. H. Dean Journeaux and Debra Chapman are members of an Advisory Board. In November, 2025 the Company appointed Jasper Bertisen as a director of the Corporation, bringing additional experience in mining investment, corporate governance, and strategic project evaluation.

## Disclosure of Outstanding Share Data

Fancamp Exploration Ltd. is listed on the TSX Venture Exchange under the symbol "FNC".

The Company is authorized to issue an unlimited number of common shares and at October 31, 2025 there are 241,962,323 common shares.

As of December 30, 2025, the Company had 241,962,323 common shares outstanding, 21,150,000 stock options outstanding and nil warrants outstanding.

See Note 10 – "Share Capital" attached to the financial statements for the six months ended October 31, 2025 and 2024.

## Risks and Uncertainties

Fancamp is an exploration stage enterprise in the business of mineral exploration. It is in the process of exploring its mineral properties interests and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The Company emphasizes that attention should be drawn to matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Other uncertainties include the fact that the Company is currently at the exploration stage for its interests in mineral properties, the economic viability of which have not been assessed. The Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for resources properties is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the property, and upon future profitable production or proceeds from disposition of the mineral properties. The Company's ability to maintain its existence is dependent upon the continuing support of its creditors and its success in obtaining new equity financing for its ongoing operations. Financing options available to the Company include public equity financings, sales of marketable securities, loans and tax credit refunds. Realization values may be substantially different from carrying values, as shown in these financial statements, should the Company be unable to continue as a going concern. These financial statements have been prepared under the assumptions of a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

**Changes in Accounting Policies and New Accounting Developments**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after May 1, 2024. All future accounting changes are either not applicable or do not have a significant impact to the Group and have been excluded.

**Basis of Measurement**

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

**Functional and Presentation Currency**

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

**Significant Accounting Judgments and Estimates**

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgment, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of commitments and contingencies at the date of the consolidated financial statements and the reported amount of expenses during the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of the revision and in any future periods affected. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

<u>Critical Accounting Judgments</u>

- Exploration and Evaluation Expenditures
- Contingencies and Provisions
- Control and/or Significant Influence over Investees
- Joint venture under joint control
- Classification of Gold Oregon under marketable securities

<u>Critical Estimates</u>

- Impairment of Long-lived Assets
- Current and Deferred Taxes
- Stock Based Compensation
- Fair Value of Investment in Private Companies
- Fair Value of Convertible Promissory Note
- Fair value of investment in Gold Oregon

## Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for designing a system of internal controls over financial reporting, or causing them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with Canadian generally accepted accounting principles. We have designed and implemented a system of internal controls over financial reporting which we believe is effective for a company of our size. During the review of the design of the Company's control system over financial reporting it was noted that due to the limited number of staff, there is an inherent weakness in the system of internal controls due to our inability to achieve appropriate segregation of duties. The limited number of staff may also result in identifying weaknesses with respect to accounting for complex and non-routine transactions due to a lack of technical resources, and a lack of controls governing our computer systems and applications within the Company. While management of the Company has put in place certain procedures to mitigate the risk of a material misstatement in the Company's financial reporting, it is not possible to provide absolute assurance that this risk can be eliminated.

**For further information see the Company's website: www.fancamp.ca**