

**QUETZAL COPPER CORP.  
(formerly Ankh Capital Inc.)**

**Restated Management's Discussion & Analysis**

**For the three and six months ended June 30, 2025 and 2024**

(Expressed in Canadian dollars)

**Quetzal Copper Corp. (formerly Ankh Capital Inc.)**  
**Amended and Restated Management's Discussion & Analysis**  
For the three and six months ended June 30, 2025 and 2024

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This Amended and Restated Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the restated financial statements of Quetzal Copper Corp. (formerly Ankh Capital Inc. or "Ankh", the "Company") and the notes thereto for the three and six months ended June 30, 2025 and 2024.

The amendment was made to correct and clarify disclosure relating to the Company's outstanding options and warrants and share-based compensation. The original interim Management's Discussion and Analysis for the three and six months ended June 30, 2025 and 2024 filed on August 28, 2025 did not reflect the correct number of outstanding options and warrants and the share based compensation related to the January 15, 2025 option grant was not accounted for. In this MD&A, the correct number of outstanding options and warrants and the share based compensation related to the January 15, 2025 option grant have now been properly reflected.

The corrections do not impact the Company's reported cash position, exploration expenditures. The adjustments relate solely to share-based payment disclosure and equity continuity schedules.

The following MD&A of the financial condition and results of operations of the Company has been prepared by management and should be read in conjunction with the unaudited interim consolidated financial statements and related notes for the restated three and six months ended June 30, 2025 and 2024 ("Financial Statements"). In addition, the MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2024 and 2023 (the "Annual Financial Statements"), as some disclosures from the Annual Financial Statements have been condensed or omitted.

The Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, including International Accounting Standards 34 Interim Financial Reporting. All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has been prepared by management and is consistent with the data contained in the Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the Financial Statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company as of the date and for the periods presented in the filings.

In this MD&A, the "Company", or the words "we", "us", or "our", collectively refer to the Company and its subsidiary. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively.

This MD&A takes into account information available up to the approval of the Financial Statements and MD&A by the Board of Directors on September 10, 2025 ("MD&A Date").

Management is responsible for the preparation and integrity of the Company's Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is responsible for ensuring that information disclosed externally, including the information contained within the Company's Financial Statements and MD&A, is complete and reliable.

For a complete understanding of the Company's business environment, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this MD&A should be read together with the Company's Financial Statements.

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements.

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## **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: geological risks; limited operating history; inability to generate earnings or pay dividends for the foreseeable future; no current assets other than cash and prepaid expenses; uncertain ability to raise additional funds when required; reliance on a small number of key managers lacking backup; potential conflicts of interest among directors and officers of the Company; lack of liquidity for shareholders of the Company; ability to secure needed permits, ability to physically access and work the Company's property assets due to poor weather, a potential lack of key contract personnel and services providers needed to execute elements of the Company's exploration plans, and market risk consisting of fluctuations in the Company's share price, metal prices, credit market conditions and investor appetite for early stage exploration companies. See "Risks and Uncertainties".

Management provides forward-looking statements because they believe such statements deliver useful guidance and information to readers when considering their investment objectives. Though management believes such statements to be as accurate as possible in the context of the information available to management at the time in which they are made, management cautions readers that the guidance and information contained in such statements may rapidly be superseded by subsequent events. Consequently, all the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments suggested by such forward-looking statement will be realized or, even if substantially realized, that they will have the expected results, or effects upon, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies.

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## **DESCRIPTION OF THE BUSINESS**

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The Company was incorporated on November 30, 2020 pursuant to the Business Corporations Act of British Columbia. The head office, principal address and registered and records office of the Company are located at 1723 - 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, Canada.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of exploration and evaluation expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties.

The Company's exploration and evaluation assets are comprised of mineral properties owned by the Company and rights to ownership of mineral properties, which the Company can earn through cash or share payments, incurring exploration and evaluation expenditures or combinations thereof. Exploration and evaluation assets acquisition costs including option payments are capitalized. Exploration expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are recorded in profit or loss. When the existence of a mineral reserve on a property has been established, future acquisition, exploration and development costs will be capitalized for that property, then amortized using the unit-of-production method following commencement of production.

The Company has incurred exploration and evaluation expenditures however yet to recognize any environmental rehabilitation provision. The Company has not yet generated any revenue and operating cash flows. The ability of the Company to fulfil its obligations and pay for the ongoing operating as well as mineral properties expenditures depends on its success in raising external funds from debt and equity. Therefore, it is difficult to identify any meaningful trends or develop an analysis of cash flows.

## **OVERALL PERFORMANCE**

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The Company has no substantial revenue and supports its operations through the sale of equity or assets such as mineral properties. The value of any mineral property is dependent upon the existence or potential existence of economically recoverable mineral reserves. See "Risk and Uncertainties".

## **REVERSE TAKEOVER**

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Quetzal Copper Limited ("Former Quetzal") was incorporated pursuant to the Business Corporations Act of British Columbia on April 29, 2021.

On May 15, 2023, the Company announced that it entered into an amalgamation agreement ("Amalgamation Agreement") with Former Quetzal and 1415994 B.C. Ltd. ("Subco"), a wholly owned subsidiary of the Company. Pursuant to the Amalgamation Agreement, Subco amalgamated with Former Quetzal to form Quetzal Copper Subsidiary Corp. ("Quetzal Subsidiary") under the Business Corporations Act (British Columbia) and Quetzal Subsidiary became a wholly-owned subsidiary of the Company (the "RTO"). Each Subco common share was converted into one Quetzal Subsidiary common share and the outstanding securities of Former Quetzal were exchanged for securities of the Company at a ratio of one for 1.0979668 before the completion of the RTO.

Effective March 12, 2024, the RTO closed whereby Ankh issued 7,810,000 common shares to the Former Quetzal's shareholders. Immediately prior to completion of the RTO, the Company completed a consolidation of its common shares on the basis of one post-consolidation share for every two pre-consolidation shares. All share and per share amounts in the financial statements have been retroactively restated to reflect the share consolidation. Concurrently with the closing of the RTO, the Company changed its name to Quetzal Copper Corp.

Management determined that the RTO constituted a reverse acquisition for accounting purposes whereby Former Quetzal acquired the Company. For accounting purposes, Former Quetzal is treated as the accounting acquirer (legal subsidiary), and the Company is treated as the accounting acquiree (legal parent) in the Annual Financial Statements. As Former Quetzal was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in the Annual Financial Statements at their historical carrying values. The Company's results of operations are included from the RTO date, March 12, 2024. The comparative figures are those of Former Quetzal prior to the RTO date.

Upon the closing of the RTO on March 12, 2024, the following occurred:

- The Company issued 7,810,000 common shares to Former Quetzal's shareholders at the fair value of \$0.180 per common share for a total fair value of \$1,405,800.
- The Company incurred \$21,196 in transaction costs prior to the closing of the RTO and the amount is allocated as part of the consideration.
- The Company issued 1,200,000 flow-through units at a price of \$0.20 per flow-through unit for gross proceeds of \$240,000. Each flow-through unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share of the Company at a price of \$0.30 per share for a period of two years. The Company paid a cash finder's fee equal to \$43,900 and issued 120,000 finder's warrants. The securities issued were on a post-consolidation basis. In addition, the Company issued 299,378 common shares of the Company to PI Financial Corp. for finder's fees.

As a result of the RTO, Former Quetzal obtained control of the Company and is considered to have acquired the Company. The RTO was accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2 *Share-based payment* and IFRS 3 *Business combinations*. The RTO did not qualify as a business combination in accordance with the definition of IFRS 3 as the significant inputs, processes, and outputs, that together constitute a business, did not exist in the Company at the time of acquisition. Accordingly, no goodwill or intangible assets were recorded with respect to the RTO. The Annual Financial Statements reflect the assets, liabilities, and operations of Former Quetzal since its incorporation and the Company from March 12, 2024.

The fair value of the consideration paid by Former Quetzal, net of transaction costs, less the fair value of net assets of the Company acquired by Former Quetzal, constitutes a listing expense which was recognized in profit or loss. These Financial Statements reflect the assets, liabilities, and operations of Former Quetzal since its incorporation and the Company from March 12, 2024.

**Quetzal Copper Corp. (formerly Ankh Capital Inc.)**  
**Amended and Restated Management's Discussion & Analysis**  
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A summary of the RTO treated as Former Quetzal acquiring the net assets of the Company, is as follows:

	\$
<b>Consideration</b>	
Fair value of Ankh common shares (7,810,000 shares at \$0.18)	1,405,800
Loan and accrued interest settled	(213,238)
Fair value of Ankh existing stock options (781,000 stock options expiring October 15, 2026)	81,433
Fair value of Ankh existing warrants (500,000 warrants expiring October 15, 2026)	52,134
	<b>1,326,129</b>
<b>Net assets acquired:</b>	
Cash	868,575
Prepaid expenses	541
Accounts receivable	20
Accounts payable and accrued liability	(270,538)
	<b>598,598</b>
RTO costs (legal fees and exchange fees concurrent with the listing)	46,114
<b>Listing expense</b>	<b>773,645</b>

The RTO with Former Quetzal resulted in the Company acquiring a 100% interest in the following mineral properties and resuming all the rights, duties, liabilities and obligations related to the properties set out under their respective option agreements:

- Princeton, located in British Columbia, Canada;
- Big Kidd, located in British Columbia, Canada; and
- DOT, located in British Columbia, Canada

## **ACQUISITION OF POLARIS RESOURCES**

Polaris Resources, S.A. de C.V. ("Polaris Resources") holds an option to acquire a 100% interest in the Cristinas copper project located in the state of Chihuahua, Mexico (the "Cristinas"), subject to fulfillment of certain underlying payments to be made to the underlying property vendors (the "Vendors").

On April 11, 2024, the Company paid \$69,224 (USD50,000) and acquired all of the issued and outstanding shares of Polaris Resources. As a result of the acquisition, the Company assumed the option to acquire a 100% interest in the Cristinas project from the Vendors.

The acquisition of Polaris Resources was accounted for by the Company as an asset acquisition. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs, that together constitute a business, did not exist in Polaris Resources at the time of acquisition. Therefore, the asset acquisition transaction was accounted for in accordance with guidance provided in IFRS 2 *Share-based Payment*. Accordingly, no goodwill was recorded with respect to the acquisition.

A summary of the Company's consideration and net assets acquired as at the April 11, 2024 acquisition date is as follows:

	\$
<b>Consideration</b>	
Cash paid (US\$50,000)	69,224
<b>Net assets acquired:</b>	
Cash	1,204
Amounts receivable	32,535
Exploration and evaluation asset (Cristinas project)	273,139
Accounts payable	(237,654)
	<b>69,224</b>

## RESULTS OF OPERATIONS

The following discussion explains the variations in the key components of the Company's operating results. As with most junior mineral exploration companies, the results of operations are not the main factor in establishing the financial health of the Company. Of greater significance are the mineral properties in which the Company has, or may earn, an interest, its working capital, and how many shares it has outstanding. For details on the results of work on and other activities in connection with the Company's exploration of mineral properties, see "Exploration and Evaluation Assets and Expenditures".

A summary of the Company's results of operations and selected information from the Financial Statements is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
<b>Operating expenses</b>				
Consulting fees	29,848	9,175	81,950	13,404
Exploration and evaluation expenditures	(88,884)	338,699	987,012	343,000
General and administrative	106,780	78,198	138,023	118,769
Investor relations	-	34,951	-	55,445
Management compensation	54,960	57,460	109,920	112,420
Professional fees	94,164	240,120	345,703	373,904
Share based compensation	116,308	-	116,308	-
<b>Net loss from operations</b>	<b>(313,176)</b>	<b>(758,603)</b>	<b>(1,778,916)</b>	<b>(1,016,942)</b>
<b>Other income (expense)</b>				
Amortization of flow-through premium liability	(311)	8,631	88,780	9,061
Foreign exchange	(26,572)	-	(28,550)	-
Listing fees	-	(25,332)	-	(773,645)
Impairment of exploration and evaluation assets	(3,709,515)	-	(3,709,515)	-
<b>Net loss for the period</b>	<b>(4,049,574)</b>	<b>(775,304)</b>	<b>(5,428,201)</b>	<b>(1,781,526)</b>
<b>Other comprehensive income</b>				
Change in foreign currency translation	(248,248)	105,114	(13,004)	105,114
<b>Net loss and comprehensive loss</b>	<b>(4,297,822)</b>	<b>(670,190)</b>	<b>(5,441,205)</b>	<b>(1,676,412)</b>
<b>Net loss per share:</b>				
Basic and diluted	(0.08)	(0.02)	(0.10)	(0.05)
<b>Weighted average number of common shares:</b>				
Basic and diluted	54,661,933	40,521,284	54,855,303	36,250,360

## **Q2 2025 compared to Q2 2024**

Net loss and comprehensive loss rose to \$4,297,822 for the quarter ended June 30, 2025, compared to \$670,190 for the same period in 2024. The primary drivers of the increase in net loss and comprehensive loss were as follows:

- Consulting fees increased to \$29,848 for the quarter ended June 30, 2025, up from \$9,175 in the same period last year, reflecting higher consulting services required to support the Company's expanded exploration and evaluation activities.
- Exploration and evaluation expenditures decreased to a negative balance of \$88,884 for the quarter ended June 30, 2025, compared to \$338,699 in the same period last year, primarily due to an over-accrual of exploration activities in the first quarter of 2025..
- General and administrative increased to \$106,780 from \$78,198 in the prior year comparable period to support the Company's expanded exploration and evaluation activities in the current period.
- Professional fees decreased to \$94,164 from \$240,120 in the prior year comparable period due to the increased legal and accounting services incurred during the current period to support the Company's pursuit for the RTO.
- On January 15, 2025, the Company issued 1,500,000 stock options that are fully vested. As a result, the net loss and comprehensive loss of the second quarter of 2025 also includes a share compensation of \$116,308 related to the stock option issuance.

Partially offsetting the increase in net loss and comprehensive loss were increases to other and other comprehensive income as follows:

- Amortization of flow-through premium liability decreased to a small negative amount \$311 compared to \$8,631 in the prior year comparable period due to the issuance of flow-through units and incurring eligible expenditures on the Company's projects in the prior period.
- Currency translation loss decreased to \$248,248 compared to the gain of \$105,114 in the prior year comparable period due to the exchange rate fluctuations between the Mexican Peso and the Canadian dollar following the acquisition of Polaris Resources.

## **YTD 2025 compared to YTD 2024**

Net loss and comprehensive loss increased to \$5,441,205 from \$1,676,412 in the prior year comparable period. The primary drivers of the increase in net loss and comprehensive loss were as follows:

- Consulting fees increased to \$81,950 from \$13,404 in the prior year comparable period due to consulting services provided by a director to assist with the incorporation of the Company in the prior year comparable period.
- Exploration and evaluation expenditures increased to \$987,012 from \$343,000 in the prior year comparable period due to increased exploration activities conducted on Cristinas project, Princeton, Big Kidd, and DOT.
- General and administrative increased to \$138,023 from \$118,769 in the prior year comparable period to support the Company's expanded exploration and evaluation activities in the current period.
- Investor relations decreased to \$nil from \$55,445 in the prior year comparable period due to expense incurred in the previous period to support the Company's pursuit for a public listing and equity financings.
- Professional fees slightly decreased to \$345,703 for the quarter, down from \$373,904 in the same period last year, as the prior period included higher legal and accounting costs related to the Company's efforts to pursue a public listing.
- Listing expense decreased to \$nil from \$773,645 in the prior year comparable period due to the RTO which was completed in the prior period.
- On January 15, 2025, the Company issued 1,500,000 stock options that are fully vested. As a result, the net loss and comprehensive loss of the six months ended June 30, 2025 also includes a share compensation of \$116,308 related to the stock option issuance.

Partially offsetting the increase in net loss and comprehensive loss were increases to other and other comprehensive income as follows:

- Amortization of flow-through premium liability increased to \$88,780 compared to \$9,061 in the prior year comparable period due to the issuance of flow-through units and incurring eligible expenditures on the Company's projects in the current period.
- Currency translation loss was \$13,004 compared to gain of \$105,114 in the prior year comparable period due to the exchange rate fluctuations between the Mexican Peso and the Canadian dollar following the acquisition of Polaris Resources in the prior period.

## RELATED PARTY TRANSACTIONS

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Unless otherwise noted, related party transactions were incurred in the normal course of operations and measured at the amount established and agreed upon by the related parties.

During the three and six months ended June 30, 2025, the Company incurred management compensation of \$54,960 and \$109,920, respectively, (2024 - \$54,960 and \$109,920, respectively) with the CEO of the Company. As at June 30, 2025, \$20,122 (December 31, 2024 - \$140,602) was due to the CEO and included in due to related parties on the statement of financial position. The amount is unsecured, non-interest-bearing and with no specific terms.

During the three and six months ended June 30, 2025, the Company incurred professional fees of \$6,000 and \$30,000, respectively, (2024 - \$18,287 and \$36,181, respectively) with a company controlled by the Chief Financial Officer ("CFO") of the Company. As at June 30, 2025, \$44,400 (December 30, 2024 - \$33,527) was due to the CFO and included in due to related parties on the statement of financial position. The amount is unsecured, non-interest-bearing and with no specific terms.

During the three and six months ended June 30, 2025, the Company incurred professional fees of \$nil and \$nil (2024 - \$3,287 and \$6,181 respectively) with the Corporate Secretary of the Company. As at June 30, 2025, \$19,333 (December 31, 2024 - \$22,933) was due to the Corporate Secretary and included in due to related parties on the statement of financial position. The amount is unsecured, non-interest-bearing and with no specific terms.

A summary of the Company's related party transactions is as follows:

	Three months ended		Six months ended	
	2025	June 30, 2024	2025	June 30, 2024
	\$	\$	\$	\$
Management compensation	54,960	54,960	109,920	109,920
Professional fees	6,000	18,287	30,000	36,181
Share based compensation	53,501	-	53,501	-
	114,461	73,247	193,421	146,101

As at June 30, 2025 \$83,855 (December 31, 2024 - \$197,062) is owed to the Company's related parties. The amounts are unsecured, due on demand and are non-interest bearing.

## SUMMARY OF QUARTERLY RESULTS

A summary of the Company's selected quarterly financial information is as follows:

	Q2 2025	Q1 2025	Q4 2024	Q3 2024
	\$	\$	\$	\$
Net loss and comprehensive loss	(4,049,574)	(1,598,952)	(369,101)	(971,227)
Net loss per share - basic and diluted	(0.08)	(0.03)	(0.01)	(0.02)

  

	Q2 2024	Q1 2024	Q4 2023	Q3 2023
	\$	\$	\$	\$
Net loss and comprehensive loss	(670,190)	(1,006,221)	(151,075)	(188,592)
Net loss per share - basic and diluted	(0.02)	(0.04)	(0.01)	(0.01)

During the last eight quarters, the Company's net loss and comprehensive loss has ranged between \$188,592 and \$4,049,574. During Q2 2024 to Q4 2024, the change in net loss and comprehensive loss was primarily due to corporate overheads and exploration and evaluation expenses. Net loss and comprehensive loss in Q2 2025 is mainly due to the impairment of Princeton, Big Kidd, Cristinas and DOT projects.



## EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

A summary of the Company's exploration and evaluation assets is as follows:

	Princeton	Big Kidd	Cristinas	DOT	Total
	\$	\$	\$	\$	\$
Balance, December 31, 2023	370,000	180,000	-	1,490,000	2,040,000
Acquisition costs – Fair value of shares issued	724,658	-	-	-	724,658
Acquisition costs - Excess of consideration distributed to mineral property	-	-	273,139	-	273,139
Acquisition costs	120,028	200,000	116,726	50,000	486,754
Balance, December 31, 2024	1,214,686	380,000	389,865	1,540,000	3,524,551
Acquisition costs	50,000	-	136,128	-	186,128
Currency translation adjustment	-	-	(1,164)	-	(1,164)
Impairment of exploration and evaluation assets	(1,264,686)	(380,000)	(524,829)	(1,540,000)	(3,709,515)
<b>Balance, June 30, 2025</b>	-	-	-	-	-

A summary of the Company's exploration and evaluation for the six months ended June 30, 2025 is as follows:

	Princeton	Big Kidd	Cristinas	DOT	Total
	\$	\$	\$	\$	\$
Geological consulting	732,701	759	58,531	16,211	808,202
Permit	-	-	94,570	-	94,570
Salary and wages	-	-	9,562	-	9,562
Vehicle and tool rental	-	4,159	-	-	4,159
Other	803	-	69,716	-	70,519
<b>Total</b>	<b>733,504</b>	<b>4,918</b>	<b>232,379</b>	<b>16,211</b>	<b>987,012</b>

A summary of the Company's exploration and evaluation for the six months ended June 30, 2024 is as follows:

	Princeton	Big Kidd	Cristinas	DOT	Total
	\$	\$	\$	\$	\$
Geological consulting	9,767	38,855	220,979	5,308	274,909
Permit	-	-	-	8,506	8,506
Vehicle and tool rental	-	1,993	3,702	426	6,121
Other	463	5,105	47,896	-	53,464
<b>Total</b>	<b>10,230</b>	<b>45,953</b>	<b>272,577</b>	<b>14,240</b>	<b>343,000</b>

### a) Princeton

On April 29, 2022, the Company entered into an option agreement (the "Agreement") with Princeton Copper Corp. to acquire an 80% interest in certain mineral claims located in British Columbia ("Princeton").

Under the Agreement the Company is required to make the following acquisition payments:

- \$120,000 on July 6, 2022 (paid);
- \$10,000 on the first day of each month commencing May 1, 2022 until June 1, 2028 (\$360,000 paid up to and including May 1, 2025); and
- \$260,000 on July 1, 2028 (terminated).

Additionally, under the Agreement, the Company is required to issue an aggregate of 12,681,516 common shares as follows:

- 1,646,950 common shares on June 14, 2022 (issued);
- 3,623,290 common shares on April 29, 2024 (issued); and
- 7,411,276 common shares on April 29, 2026 (terminated).

**Quetzal Copper Corp. (formerly Ankh Capital Inc.)**  
**Amended and Restated Management's Discussion & Analysis**  
For the three and six months ended June 30, 2025 and 2024

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Commencing April 29, 2022, the Company is required to incur minimum expenditures of \$15,000,000 on or before April 29, 2030 or the date of the exercise of the option ("Option Period"), with the minimum expenditures of \$1,000,000 to be incurred during the period from April 29, 2022 to June 30, 2025 and during each year thereafter until the end of the Option Period. The Company can extend the Option Period for one or more 12-month periods ("Extended Period") by incurring expenditures of at least \$750,000 in each such Extended Period.

During the six months ended June 30, 2025, the Company incurred exploration and evaluation expenditures of \$733,504 (2024 - \$10,230), related to Princeton project.

Subsequent to the six months ended June 30, 2025, the company signed termination agreement with Princeton Copper Corp to terminate the option agreement. In consideration for the termination, the Company agreed to:

- pay \$20,000 in cash to Princeton Copper Corp;
- transfer exploration permit and the associated remediation bond of \$10,000 to Princeton Copper Corp; and
- complete remediation of exploration work conducted on the property by October 31, 2025.

As a result of the termination, all obligations of the Company under the Option Agreement were released upon completion of the above payments and actions, and no further amounts, obligations, or liabilities are owing by the Company in connection with the property. The carrying value of \$1,264,686 related to the Princeton Property was written off during the six months ended June 30, 2025.

**b) Big Kidd**

On November 4, 2022, the Company entered into an option agreement with South Atlantic Gold Inc. to acquire a 100% interest in certain mineral claims located in British Columbia ("Big Kidd"). Under the option agreement, as subsequently amended, the Company assumed the following option obligations:

- \$10,000 on November 14, 2022 (paid);
- \$10,000 on January 4, 2023 (paid);
- \$20,000 on March 9, 2023 (paid);
- \$130,000 on May 29, 2023 and upon completion of a qualifying financing by the Company, which is an equity financing for gross proceeds of minimum \$500,000 on or before January 3, 2023 (paid);
- \$200,000 on January 4, 2024 (paid);
- \$200,000 on January 4, 2025 (terminated);
- \$200,000 on January 4, 2026 (terminated);
- \$200,000 on January 4, 2027 (terminated); and
- \$350,000 or issue common shares with an aggregate value of \$350,000 on January 2028 (terminated).

The parties may extend the payment date of the committed amount a further 60 days (the "Extension") of the Second Amendment Agreement subject to additional payments by the Company \$10,000 on or before 90 days of the Second Amendment (paid) and \$10,000 on or before 120 days of the Second Amendment Agreement.

Additionally, the Company must fulfil the milestone commitments in the form of cash payments or issuances of the Company's publicly traded common shares, as follows:

- \$300,000 or issue common shares with an aggregate value of \$300,000 following the completion of 40,000 meters of drilling on the property (terminated);
- \$1,200,000 or issue common shares with an aggregate value of \$1,200,000 following the filing of a pre-feasibility study on the property (terminated); and
- \$2,000,000 or issue common shares with an aggregate value of \$2,000,000 following the filing of a feasibility study on the property (terminated).

During the three and six months ended June 30, 2025, the Company incurred exploration and evaluation expenditures of \$4,918 and \$45,953 respectively (2024 - \$45,953 and \$45,953, respectively), related to Big Kidd project.

Subsequent to the six months ended June 30, 2025, the Company decided not to proceed with the option agreement. As a result, the carrying value of \$380,000 related to the Big Kidd property was written off as at the six months ended June 30, 2025.

**c) Cristinas**

The 685-hectare Cristinas project is located in northeastern Chihuahua state, Mexico, approximately 2 hours by car from Chihuahua City. The Cristinas project includes a historic copper mine that operated in the 1970s on shallow copper oxide mineralization.

As a result of the Polaris Resources acquisition, the Company assumed the option to acquire a 100% interest in the Cristinas project from the Vendors as follows:

Cash payments of:

- US\$100,000 on May 12, 2024 (paid);
- US\$100,000 on May 12, 2025 (paid);
- US\$100,000 on May 12, 2026 (terminated)

Issuance of common shares of the Company with a fair value of:

- US\$500,000 on May 12, 2025 (issued);
- US\$500,000 on May 12, 2026 (terminated); and
- US\$500,000 on May 12, 2027 (terminated)

Complete US\$1,000,000 in exploration and evaluation expenses on or before December 31, 2025 (terminated).

During the six months ended June 30, 2025, the Company incurred exploration and evaluation expenditures of \$233,379 (2024 - \$272,577), related to Cristinas project.

Subsequent to the six months ended June 30, 2025, the company signed termination agreement with the vendor to terminate the option agreement. In consideration for the termination, the Company agreed to:

- pay US\$100,000, plus the value added tax;
- provide the final technical report detailing all the work and/or activities carried out in the concessions.

As a result of the termination, all obligations of the Company under the Option Agreement were released upon completion of the above payments and actions, and no further amounts, obligations, or liabilities are owing by the Company in connection with the property. The carrying value of \$524,829 related to the Cristinas Property was written off during the six months ended June 30, 2025.

**d) DOT**

On January 10, 2023, the Company entered into an option agreement with 1390120 B.C. Ltd. ("1390120") to acquire a 100% interest in the mineral claim known as the DOT Matrix property located in British Columbia ("DOT"). Subsequently, on February 17, 2023, the option agreement was amended to include a 2% net smelter royalty payable to 13901290. The Company is required to fulfill the following obligations in order to exercise the option:

- Issuing 6,258,411 common shares to 1390120 on February 28, 2023 (issued); and
- \$160,000 on October 1, 2023 (paid).

Additionally, the Company is required to file a pre-feasibility study on DOT and make a cash payment of \$3,000,000 on or before February 17, 2027 (the "Final Option Requirement"). While the Final Option Requirement remains outstanding, the Company is required to make the following payments:

- \$50,000 on January 1, 2024 (paid);
- \$75,000 on January 1, 2025 (paid);
- \$100,000 on January 1, 2026; and
- \$125,000 on January 1, 2027.

During the three and six months ended June 30, 2025, the Company incurred exploration and evaluation expenditures of \$16,211 and \$14,240 respectively (2024 - \$14,240 and \$14,240, respectively), related to DOT project.

During the six months ended June 30, 2025, the Company pursued other projects and therefore impaired this project.

## **SOURCES AND USES OF CASH**

A summary of the Company's cash sources and uses of cash is as follows:

	<b>YTD 2025</b>	<b>YTD 2024</b>
	<b>\$</b>	<b>\$</b>
Cash used in operating activities	<b>(1,927,405)</b>	(1,131,515)
Cash provided by (used in) investing activities	<b>(186,185)</b>	276,066
Cash provided by financing activities	<b>227,926</b>	681,090
Change in foreign currency translation	<b>(11,783)</b>	-
Change in cash during the period	<b>(1,885,664)</b>	(174,359)
Cash, beginning of the period	<b>1,930,411</b>	502,833
Cash, end of the period	<b>32,964</b>	328,474

The Company reported a decrease in cash of \$295,510 from \$328,474 in the prior year comparable period.

The Company has not yet generated any revenue and thus no cash flow from operations. Its sources of funds have been from the issuance of common shares and debt. For the six months ended June 30, 2025, cash used in operating activities increased to \$1,927,405 from \$1,131,515 in the prior year comparable period mainly due to increased cash used to pay for overheads and exploration and evaluation expenses following expanded operations.

Cash provided by investing activities was decrease to \$166,185 compared to cash used in investing activities of \$276,066 in the prior year comparable period mainly due to the cash acquired in the RTO, which was partially offset by acquisition costs associated with the Big Kidd and DOT projects in the current period.

Cash provided by financing activities decreased to \$277,926 in the current period, compared to \$681,090 in the same period last year, primarily due to the \$500,000 loan received from SilverCo Mining Corp. in the prior year.

## **LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN**

As at June 30, 2025, the Company had working capital deficiency of \$1,022,495 (December 31, 2024 – surplus \$39,873) and cash of \$32,964 (December 31, 2024 - \$1,930,411).

While the information in the Annual Financial Statements has been prepared in accordance with IFRS Accounting Standards on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent on the Company's ability to obtain additional debt or equity financing to successfully advance the exploration and development of mineral property interests in its exploration portfolio and to be able to derive material proceeds from the sale or divestiture of those properties and/or other assets, such as sale proceeds and equity interests. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

During the three and six months ended June 30, 2025, the Company had the following share capital transactions:

- On February 18, 2025, the Company issued 3,249,967 non-flow-through units ("NFT Units") at a price of \$0.15 per NFT Unit, for gross proceeds of \$487,495.05. Each NFT Unit consists of one non-flow-through common share (the "NFT Share") and one-half of a warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.15 per share until February 18, 2027. Remaining proceeds were allocated using the proportionate method. As a result, \$350,319 was allocated to share capital and \$137,176 was allocated to reserves.
- On March 12, 2025, the Company issued 185,758 flow-through units at \$0.17 for gross proceeds of \$31,579 received during the year ended December 31, 2024. The flow-through units were issued at a premium of \$0.02 per unit. As a result, a flow-through premium liability of \$3,715 was recorded. Each flow-through unit consists of one flow-through share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.15 per share until March 12, 2027. Remaining proceeds were allocated using the proportionate method. As a result, \$26,770 was allocated to share capital and \$4,809 was allocated to reserves.
- On June 25, 2025, the Company borrowed \$350,000 under a loan agreement with an arms-length third party. The loan shall be repayable with the issuance of common shares at a price of \$1.60 per share on or before August 31, 2026.

**Quetzal Copper Corp. (formerly Ankh Capital Inc.)**  
**Amended and Restated Management's Discussion & Analysis**  
For the three and six months ended June 30, 2025 and 2024

During the year ended December 31, 2024, the Company had the following share capital transactions:

- On January 5, 2024, the Company issued 99,282 units at \$0.228 per unit for gross proceeds of \$22,606. Each unit consists of one common share and one-half share purchase warrant.
- On March 12, 2024, the Company consolidated the number of common shares at an approximate rate of 1.098.
- On March 12, 2024, pursuant to closing the RTO, the Company issued 7,810,000 common shares of the Company to Former Quetzal's shareholders.
- On March 12, 2024, the Company issued 1,200,000 flow-through units at a price of \$0.20 per flow-through unit for gross proceeds of \$240,000. The flow-through units were issued at a premium of \$0.020 per unit. As a result, a flow-through premium liability of \$24,000 was recorded. The Company paid a cash finder's fee equal to \$43,900, issued 299,378 common shares at \$0.180 per share for a fair value of \$53,888 and issued 120,000 finder's warrants with a fair value of \$9,011. The securities issued pursuant to this financing were on a post-consolidation basis.
- On May 30, 2024, the Company issued 3,623,290 common shares at \$0.200 per share for a fair value of \$724,658 to Princeton Copper Corp. as a payment under the Agreement.
- In December 2024, the Company issued 11,284,853 flow-through units at a price of \$0.17 per flow-through unit for gross proceeds of \$1,918,425. The flow-through units were issued at a premium of \$0.020 per unit. As a result, a flow-through premium liability of \$225,697 was recorded. Each flow-through unit consists of one flow-through share and one-half share purchase warrant which entitles the holder to purchase one common share of the Company at a price of \$0.20 per share. Of the one-half share purchase warrant, 1,500,000 and 9,784,853 expire until December 23 and 24, 2026, respectively. Remaining proceeds were allocated using the proportionate method. As a result, \$1,400,603 was allocated to share capital, \$292,125 was allocated to reserves and \$225,697 to flow-through premium liability.
- For the December 2024 private placements, the Company paid a cash finder's fee equal to \$116,957 and issued 482,353 finder's warrants with a fair value of \$30,182. Each finder's warrant entitles the holder to purchase one common share of the Company at \$0.15 per share and expires on December 24, 2026.

## SUBSEQUENT EVENTS

On July 11, 2025, the Company borrowed \$150,000 under a loan agreement with an arms-length third party. The loan shall be repayable with \$1.60 per share with accrued interest on or before August 31, 2026. The Loan will bear simple interest of prime plus 1% per annum and payable upon repayment of the loan, or any portion thereof.

On August 13, 2025, the Company, Silverco and a newly-formed subsidiary of the Company ("Quetzal Subco") incorporated under the Business Corporations Act (British Columbia) (the "BCBCA"), entered into the Amalgamation Agreement, which provides for, among other things, a three-cornered amalgamation (the "Amalgamation") pursuant to which (i) Quetzal Subco will amalgamate with Silverco under the BCBCA to form one corporation, and (ii) the securityholders of Silverco will receive securities of Quetzal in exchange for their securities of Silverco at an exchange ratio of 1.88 common shares of Quetzal (the "Quetzal Shares") for each outstanding share of Silverco (subject to adjustments in accordance with the Amalgamation Agreement). Pursuant to the Amalgamation, Quetzal will issue a total of 31,727,854 Quetzal Shares at a deemed price of \$1.60 per share. The completion of the RTO is subject to the satisfaction of various conditions, including but not limited to satisfactory completion of due diligence by Quetzal and Silverco, the approval of the RTO by the Quetzal shareholders, the approval of the listing of the Resulting Issuer Shares on the TSX-V, and other conditions customary for a transaction of this nature

As part of the RTO, and subject to any required shareholder and regulatory approvals, the Company will: (i) change its name to "Silverco Mining Ltd." or such other name as may be requested by Silverco; (ii) reconstitute the board of directors and management of the Resulting Issuer; (iii) adopt a new equity compensation plan; and (iv) consolidate the Company's Shares on a 100 to 1 basis (the "**Proposed Shares Consolidation**").

## OUTSTANDING SECURITY DATA

A summary of the Company's issued and outstanding securities is as follows:

	June 30, 2025	MD&A Date
	#	#
Common shares	57,591,028	57,591,028
Stock options	4,629,567	4,629,567
Warrants	12,899,229	12,899,229

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

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The Company classifies its cash, deposits, accounts payable and accrued liabilities, loan payable as well as due to related parties at amortized cost. As at June 30, 2025, the Company believes that the carrying values of cash, deposits, accounts payable and accrued liabilities, loan payable, as well as due to related parties approximate their fair values because of their nature and relatively short maturity dates or durations.

The Company is exposed to certain financial risks by its financial instruments. The risk exposures and their impact on the Company's financial statements are summarized below.

### **a) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. As at June 30, 2025 and December 31, 2024, the Company's credit risk relates primarily to cash and deposits. The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company considers the credit risk related to cash and deposits to be minimal.

### **b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. As a result, the Company is exposed to liquidity risk through accounts payable and accrued liabilities as well due to related parties. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures.

As at June 30, 2025, the Company's cash balance of \$32,964 (December 31, 2024 - \$1,930,411) is not sufficient to meet its obligations related to its accounts payable and accrued liabilities balance of \$946,796 (December 31, 2024 - \$961,887), loan payable balance of \$Nil (December 31, 2024 - \$513,767), as well as due to related parties \$83,855 (December 31, 2024 - \$197,062).

### **c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as at June 30, 2025 and December 31, 2024 as its financial instruments are not subject to variable interest rates.

### **d) Foreign currency risk**

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency risk, as certain monetary financial instruments are denominated in MXN and US\$.

## **RISK AND UNCERTAINTIES**

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For a detailed listing of the risk factors faced by the Company, refer to the Company's MD&A for the years ended December 31, 2024 and 2023.

## **OFF-BALANCE SHEET ARRANGEMENTS**

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As at June 30, 2025 and the MD&A date, the Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

## **PROPOSED TRANSACTIONS**

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As of June 30, 2025, and the MD&A date, please refer to the Subsequent event section for proposed transactions.

## **SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

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The preparation of financial statements under IFRS Accounting Standards requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised.

The accounting estimates, judgements and assumptions used in the preparation of the Annual Financial Statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.