FORACO INTERNATIONAL S.A.

MANAGEMENT'S DISCUSSION & ANALYSIS

Year ended December 31, 2025

FORACO INTERNATIONAL S.A.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") relates to the results of operations, liquidity, and capital resources of Foraco International S.A. ("Foraco" or the "Company"). This report has been prepared by Management and should be read in conjunction with the Company's audited consolidated financial statements for year ended December 31, 2025, including the notes thereto. The audited financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Except as otherwise stated, all amounts presented in this MD&A are denominated in US Dollars ("US$"). The discussion and analysis within this MD&A are as at February 28, 2026.

Caution concerning forward-looking statements

This document may contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws. These statements and information include estimates, forecasts, information, and statements as to Management's expectations with respect to, among other things, the future financial or operating performance of the Company and capital and operating expenditures. Often, but not always, forward-looking statements and information can be identified using words such as "may", "will", "should", "plans", "expects", "intends", "anticipates", "believes", "budget", and "scheduled" or the negative thereof or variations thereof or similar terminology. Forward-looking statements and information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Readers are cautioned that any such forward-looking statements and information are not guarantees and there can be no assurance that such statements and information will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed under the heading "Risk Factors" in the Company's Annual Information Form dated March 2, 2025, which is filed with the Canadian regulators on SEDAR+ (www.sedarplus.com). The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements and information whether as a result of new information, future events or otherwise. All written and oral forward-looking statements and information attributable to Foraco or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements.

This MD&A is presented in the following sections:

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Business Overview

Headquartered in Lunel, France, Foraco is a global provider of drilling services, maintaining a presence in 13 countries across five continents. As of December 31, 2025, the Company had 1,934 employees and had a fleet of 260 drill rigs worldwide, offering a broad range of drilling services to its clients. The Company has developed and acquired significant expertise including proprietary drill rig design capabilities. Its global operations cater to a variety of industries, with an emphasis on long-term valuable commodities and water.

Foraco's strategy involves assisting its clients in exploring or managing their deposits throughout the entire life cycle, with particular emphasis on activities extending the lifespan of mines. The Company plans to persist in expanding its services worldwide, prioritizing stable jurisdictions, high-tech drilling services, and an optimal mix of commodities, including battery metals and gold. Foraco maintains a substantial presence in water-related drilling services. It is also gradually implementing advanced digital applications. The company anticipates achieving its strategic goals primarily through organic growth and targeted acquisitions.

Foraco is attentive to environmental, social, and governance (ESG) requirements. It has implemented a pragmatic and measurable approach to ESG, using quantitative KPIs to ensure maximum improvements and efficiencies.

Selected Annual Information

(In thousands of US$)	Year ended December 31, 2025	2024
Revenue	**258,191**	**293,453**
Gross Profit (1)	45,963	63,056
As a percentage of sales	*17.8%*	*21.5%*
EBITDA (2)	45,668	60,481
As a percentage of sales	*17.7%*	*20.6%*
Operating profit	26,898	42,546
As a percentage of sales	*10.4%*	*14.5%*
Net profit for the period	**14,822**	**26,085**
Attributable to:		
Equity holders of the Company	15,572	27,811
Non-Controlling interests	(750)	(1,726)
EPS (in US cents)		
Basic	15.82	28.18
Diluted	15.60	27.76
Total Assets	**252,919**	**226,016**
Total non-current financial liabilities	**68,810**	**69,351**

(1) includes amortization and depreciation expenses related to operations.
(2) See Non IFRS measure section for reconciliation with Financial Statements

Overall Performance and Discussion of Operations

FY 2025 was a transition year for Foraco. While revenue declined following the completion and rescheduling of certain programs in North America and mobilization phases in South America, the Company maintained solid operating margins, generated positive free cash flow, and significantly strengthened its order backlog.

With a year-end backlog of US$404.4 million - up 83% year-over-year - Foraco has substantially improved its revenue visibility for FY 2026 and beyond. Management believes the Group is well positioned to benefit from this strong backlog momentum, supported by disciplined cost control, operational efficiency and a solid balance sheet.

Revenue

- For the year ended December 31, 2025, the revenue amounted to US$258.2 million compared to US$293.5 million in FY 2024.

Profitability

- In FY 2025, the gross margin, inclusive of depreciation within cost of sales, was US$46.0 million (or 17.8% of revenue), compared to US$63.1 million (or 21.5% of revenue) in FY 2024.

- During the period, EBITDA amounted to US$45.7 million (or 17.7% of revenue), compared to US$60.5 million (or 20.6% of revenue) for the same period last year.

- Free Cash Flow before debt service for the period was positive at US$7.4 million, including a significant US$ 7.5 million capital expenditures required to support the mobilization of new contracts for the coming year.

Net debt

As of December 31, 2025, net debt, including the impact of IFRS 16, was US$71.1 million or US$64.6 million at constant exchange rates compared to US$60.9 million as of December 31, 2024.

Backlog

As at December 31, 2025, the Company's order backlog for continuing operations was US$ 404.4 million of which US$ 228.5 million is expected to be executed during FY 2026. By comparison, as at December 31, 2024, the order backlog for continuing operations was US$ 220.5 million of which US$ 200.6 million was expected to be executed during FY 2025.

Comparison of the year ended December 31, 2025, and December 31, 2024

Revenue

The following table provides a breakdown of the Company's revenue for FY 2025 and FY 2024 by reporting segment and geographic region:

(In thousands of US$) - *(unaudited)*	**FY 2025**	**% change**	**FY 2024**
Reporting segment			
Mining	213,632	-16%	255,306
Water	44,559	17%	38,147
Total revenue	***258,191***	***-12%***	***293,453***
Geographic region			
North America	89,335	-25%	118,445
Asia Pacific	86,313	3%	83,964
South America	57,131	-14%	66,788
Europe, Middle East and Africa	25,412	5%	24,256
Total revenue	***258,191***	***-12%***	***293,453***

FY 2025 revenue totaled US$258.2 million, down from US$293.5 million in FY 2024.

In North America, revenue declined by 25%. The decrease was primarily due to the discontinuation of certain client programs and delays in starting new contracts in Canada. In the US, the Company has successfully begun operations and secured new long-term contracts to mobilize in 2026.

In Asia Pacific, FY 2025 revenue amounted to US$86.3 million, a 3% increase (6% excluding adverse foreign exchange) compared to FY 2024. This growth was primarily attributable to successful operations and the commissioning of new proprietary rigs.

Revenue in South America totaled US$57.1 million in FY 2025, down 14% from US$66.8 million in FY 2024. After delays in the mobilization process due to client-driven program rescheduling, the Company started new long-term contracts which are currently in the mobilization and learning curve phases, temporarily impacting both revenue and margins.

In the EMEA region, revenue increased by 5% to US$25.4 million, compared to 24.3 million in FY 2024. Excluding the exit from CIS and certain West African countries, revenue increased by US$6.7 million or 43%.

Gross Profit

The following table provides a breakdown of the Company's gross profit by reporting segment for FY 2025 and FY 2024:

(In thousands of US$) - *(unaudited)*	FY 2025	% change	FY 2024
Reporting segment			
Mining	31,850	-39%	52,563
Water	14,113	35%	10,492
Total gross profit	***45,963***	***-27%***	**63,056**

The FY 2025 gross margin including depreciation within cost of sales was US$46.0 million (17.8% of revenue) compared to US$63.1 million (21.5% of revenue) in FY 2024.

Selling, General and Administrative Expenses

The following table provides an analysis of the selling, general and administrative expenses (SG&A):

(In thousands of US$) - *(unaudited)*	FY 2025	% change	FY 2024
Selling, general and administrative expenses	19,354	-14%	22,621

SG&A decreased 14% compared to last year. As a percentage of revenue, SG&A remained stable at approximately 7.5% of revenue.

Operating result

The following table provides a breakdown of the Company's operating result for FY 2025 and FY 2024 by reporting segment:

(In thousands of US$) - *(unaudited)*	FY 2025	% change	FY 2024
Reporting segment			
Mining	16,168	-54%	35,003
Water..	10,730	42%	7,543
Total operating profit	***26,898***	***-37%***	***42,546***

The FY 2025 operating profit was US$26.9 million compared to US$42.5 million in FY 2024.

On May 22, 2025, Foraco sold its 50% stake in its Kazakh subsidiary, Eastern Drilling Company LLP, generating a net gain of US$289 thousand, which was recorded under “Other Operating Income” in the Company’s consolidated financial statements for the nine-month period ended December 31, 2025.

Finance costs

Net financial expenses were US$6.3 million in FY 2025, compared to US$7.9 million in FY 2024.

Income tax

In FY 2025, the corporate income tax expense was US$5.8 million, compared to US$8.6 million in the previous year This expense reflects taxable income in profitable jurisdictions and the recognition of deferred tax assets, which are utilized against taxable profits within a reasonable timeframe, typically five years.

Summary of Quarterly Results

(In thousands of US$)	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
Revenue	**55,010**	**69,063**	**71,018**	**63,100**	**258,191**	**77,089**	**77,884**	**77,656**	**60,824**	**293,453**
Gross profit	**7,729**	**14,126**	**13,997**	**10,111**	**45,963**	**16,812**	**17,916**	**17,066**	**11,262**	**63,056**
As a percentage of sales	*14.1%*	*20.5%*	*19.7%*	*16.0%*	***17.8%***	*21.8%*	*23.0%*	*22.0%*	*18.5%*	***21.5%***
EBITDA	**7,027**	**14,005**	**14,214**	**10,423**	**45,668**	**17,574**	**16,391**	**16,142**	**10,375**	**60,481**
As a percentage of sales	*12.8%*	*20.3%*	*20.0%*	*16.5%*	***17.7%***	*22.8%*	*21.0%*	*20.8%*	*17.1%*	***20.6%***
Operating profit	**2,894**	**9,689**	**9,194**	**5,121**	**26,898**	**12,624**	**12,116**	**11,682**	**6,124**	**42,546**
As a percentage of sales	*5.3%*	*14.0%*	*12.9%*	*8.1%*	***10.4%***	*16.4%*	*15.6%*	*15.0%*	*10.1%*	***14.5%***
Net profit for the period	**1,027**	**6,015**	**5,467**	**2,314**	**14,822**	**8,464**	**7,809**	**7,733**	**2,079**	**26,085**
Attributable to:										
Equity holders of the Company	1,544	6,336	5,505	2,188	**15,572**	8,846	7,760	7,844	3,361	**27,811**
Non-controlling interests	(517)	(321)	(38)	126	**(750)**	(382)	49	(111)	(1,282)	**(1,726)**
EPS (in US cents)										
Basic	1.57	6.43	5.56	2.22	**15.82**	8.96	7.87	7.88	3.40	**28.18**
Diluted	1.54	6.34	5.49	2.19	**15.60**	8.78	7.70	7.71	3.35	**27.76**

Seasonality

The worldwide presence of the Company reduces its overall exposure to seasonality and the influence this can have on the business activity. In Canada, seasonal slow periods occur during the winter freeze and spring thaw or break-up periods. Depending on the latitude, this can occur anytime from October until late December (freezing) and from mid-April through to mid-June (break-up). Operations at mining sites continue throughout the year. In Asia Pacific and in South America, where the Company operates exclusively in the Mining segment, a seasonal slowdown in activity occurs around year-end, during the vacation period. Certain contracts are also affected in Chile in July and August when the winter season peaks.

Liquidity and Capital Resources

The following table provides a summary of the Company's cash flows for FY 2025 and FY 2024:

(In thousands of US$)	FY 2025	FY 2024
Cash generated by operations before working capital requirements	**45,667**	**60,482**
Working capital requirements	(595)	(10,467)
Income tax paid	(14,974)	(13,793)
Purchase of equipment in cash	(22,744)	(18,871)
Free Cash Flow before debt servicing	**7,354**	**17,531**
Proceeds from / (repayment of) long-term debt	(5,252)	(11,079)
Proceeds / (Repayment) of working capital financing	7,136	505
Interests paid	(5,761)	(6,993)
Acquisition of treasury shares	(1,559)	(1,231)
Deconsolidation of EDC Russia & Kazakhstan	(5)	(2,076)
Dividends paid to Company's shareholders	-	(4,544)
Dividends paid to non-controlling interests	-	(330)
Net cash generated / (used in) financing activities	**(5,441)**	**(25,748)**
Net cash variation	**1,913**	**(8,397)**
Foreign exchange differences	1,027	(1,529)
Variation in cash and cash equivalents	**2,940**	**(9,926)**
Cash and cash equivalents at the end of the period	**27,303**	**24,363**

In FY 2025, the cash generated from operations before working capital requirements amounted to US$45.7 million compared to US$60.5 million in FY 2024.

During the same period, working capital requirements were US$0.6 million, a decrease compared to the same period last year, primarily driven by tightened control on working capital management and the reduction in activity.

During the period, Capex totaled US$22.7 million in cash compared to US$18.9 million in FY 2024. Capex primarily relates to new rigs, and the acquisition of ancillary equipment and rods to support new contracts. Capex were primarily growth-related and linked to new long-term contracts secured during the year

As at December 31, 2025, the maturity of financial debt can be analyzed as presented in the table below:

In thousands US$	December 31, 2025	December 31, 2024
Credit lines	13,791	3,364
Long-term debt		
Within one year	15,437	12,867
Between 1 and 2 years	14,797	12,012
Between 2 and 3 years	44,643	11,804
Between 3 and 4 years	2,065	40,104
Between 4 and 5 years	1,560	220
Total	**92,293**	**80,372**
IFRS 16	6,066	4,939
Cash	(27,303)	(24,363)
Net Debt	**71,056**	**60,948**

As at December 31, 2025, cash and cash equivalents totaled US$27.3 million, compared to US$24.4 million as at December 31, 2024. Cash and cash equivalents are mainly held with, or invested through, top-tier financial institutions.

As at December 31, 2025, the net debt including operational lease obligations (IFRS 16) was US$71.1 million (US$60.9 million as at December 31, 2024),

As of December 31, 2025, the Company had US$21.5 million of undrawn credit facilities and was in compliance with all financial covenants. No material refinancing risk is anticipated in the next twelve months.

Cash Transfer Restrictions

Foraco operates in several different countries where cash transfer restrictions apply. The Company limits its activities in countries where there are such restrictions. No excess cash is held in countries where cash transfer restrictions are in force.

Effect of Exchange Rates

The Company's operations span across a vast array of countries, each with their own functional currencies such as, Canadian Dollars, Brazilian Reals, Australian Dollars, Chilean Pesos, and Euros. The US Dollar has been adopted as the presentation currency for group reporting purposes. Over recent quarters, the US Dollar has experienced significant fluctuations in its value. This volatility has an impact on the Company's financial statements, due to the currency conversion required for financial reporting purposes. The adjustments made to the company's equity, due to changes in exchange rates when translating foreign subsidiaries' financial statements into the reporting currency, are reported in the Currency Translation Adjustment, a component of the company's equity section in the consolidated financial statements. It amounted to US$ 7.9 million at December 31, 2025. The impact on the consolidated income statement due to the conversion of foreign currencies into the functional currency of the consolidated companies is not significant.

The Company however, mitigates its net exposure to foreign currency fluctuations by balancing its costs, revenues and financing in local currencies, resulting in a natural hedge.

The exchange rates against the US Dollar for the periods under review are as follows:

	Average FY 2025	Average FY 2024	Closing FY 2025	Closing FY 2024
€	0.88	0.92	0.85	0.96
CAD	1.40	1.37	1.37	1.44
AUD	1.55	1.52	1.49	1.61
CLP	949	943	909	993
BRL	5.57	5.34	5.53	6.19

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that are reasonably likely to affect its financial condition or liquidity.

Related-Party Transactions

For details of related-party transactions, please refer to Note 28 of the audited consolidated financial statements.

Fourth Quarter

For details of Fourth quarter results, please refer to the MD&A of fourth quarter 2025.

Critical Accounting Estimates

The audited consolidated financial statements have been prepared in accordance with IFRS. The Company's significant accounting policies are described in Note 2 to the Annual and unaudited condensed interim consolidated financial statements. As required by IAS 1, the depreciation of property, plant and equipment related to operations is included within cost of sales.

Change in Accounting Policies

The consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as those applied in the annual financial statements for the year ended December 31, 2024.

New standards and amendments that became effective for periods beginning on or after January 1, 2025, have been considered in the preparation of these interim financial statements.

<u>Effective January 1, 2025:</u>
Lack of Exchangeability (Amendments to IAS 21): These amendments provide guidance on how to determine the exchange rate when a currency is not exchangeable and set out the required disclosures in such cases.

The application of these amendments has not had a material impact on the Company’s interim consolidated financial statements.

<u>Standards and amendments with a mandatory effective date in future periods:</u>

Effective January 1, 2026:

- Amendments to IFRS 9 – Financial Instruments, and IFRS 7 – Financial Instruments: Disclosures: These amendments address the classification and measurement of financial instruments and related disclosure requirements.
- Annual Improvements to IFRS Accounting Standards – Volume 11 (2023): These improvements include minor amendments to various standards to clarify wording or correct inconsistencies.
- Contracts Referencing Nature-dependent Electricity Prices (Amendments to IFRS 9 and IFRS 7): These amendments provide guidance on how to account for contracts with pricing mechanisms linked to the variability of renewable electricity supply.

Effective January 1, 2027:

- IFRS 18 – Presentation and Disclosure in Financial Statements: This new standard replaces IAS 1 and introduces new defined subtotals in the statement of profit or loss, enhanced aggregation and disaggregation guidance, and improved disclosure of management-defined performance measures.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures: This new standard allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements, provided their parent produces publicly available consolidated financial statements.

The impact of these forthcoming standards and amendments on the Company's consolidated financial statements is currently being evaluated.

Capital Stock

As at December 31, 2025, the total common shares of the Company are distributed as follows:

	Number of shares
Common shares held directly or indirectly by principal shareholders	33,155,191
Common shares held directly, indirectly or controlled by Officers and individuals in their capacity as members of the Board of Directors	3,378,072
Common shares held by the Company	1,002,697
Common shares held by the public (*)	61,715,838
Total shares issued and outstanding	**99,251,798**
Common shares held by the Company	(1,002,697)
Total common shares issued and outstanding	**98,249,101**

**In the table above, the shares owned indirectly are presented as an amount corresponding to the pro rata of the ownership interest*

***1,002,697 common shares are held by the Company to meet the Company's obligations under the employee free share plan.*

Non-IFRS measures

In our MD&A, we reference the non-IFRS financial measures of EBITDA, Free Cash Flow, Free Cash Flow before Debt Servicing, and Net Debt. These measures provide additional insight into our financial health and operational efficiency but are not standardized under IFRS.

EBITDA is derived by adding back interest expense, income taxes, depreciation, amortization and non-cash share-based compensation expenses to net income. EBITDA is a quantitative measure used to assist in the assessment of the Company's ability to generate cash from its operations.

Reconciliation of EBITDA is as follows:

(In thousands of US$) *(audited)*	FY 2025	FY 2024
Operating profit / (loss)..	26,898	42,546
Depreciation expense	18,146	17,432
Non-cash employee share-based compensation........................	625	504
EBITDA	***45,668***	***60,481***

Free Cash Flow reflects the cash generated from operations after accounting for interest paid, income tax paid and capital expenditures.

Free Cash Flow before Debt Servicing offers a view of our cash generation before addressing any debt payments, including repayment of principal and interest, indicating our financial flexibility.

Net Debt measures our total debt reduced by any cash and cash equivalents, giving an overview of our net indebtedness and financial stability. The Company’s lease obligations are included in the net debt calculation.

These non-IFRS measures are key to understanding our financial position beyond the standard IFRS metrics, providing a clearer picture of our operational cash flow and debt management capabilities.

Litigation and claims

Generally, the Company is subject to legal proceedings, claims and legal action arising in the ordinary course of business. The Company's Management does not expect ensuing costs in resolving these matters to have a material adverse effect on either the Company's consolidated financial position, results of operations or cash flows.

Subsequent Events

There are no significant post balance sheet events.

Backlog

As at December 31, 2025, the Company’s order backlog for continuing operations was US$ 404.4 million of which US$ 228.5 million is expected to be executed during FY 2026. Last year at the same period, the order backlog for continuing operations was US$ 220.5 million of which US$ 200.6 million was expected to be executed during FY 2025. The Company’s order backlog consists of confirmed sales orders. During the last period, order confirmations have tended to be delayed and for shorter durations. Sales orders are subject to modification by mutual consent and in certain instances orders may be revised by customers. As a result, the order backlog of any particular date may not be indicative of actual operating results for any subsequent period.

Internal control framework

Internal control is a process implemented by management with the objective of ensuring (i) the effectiveness and efficiency of the Company’s operations, (ii) the reliability of financial reporting and disclosures, and (iii) compliance with applicable laws and regulations, including those promoted by the Toronto Stock Exchange (TSX).

The organization of the internal control environment of the Company is based upon the Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The inherent limitation in all control systems is such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected.

- ***Responsibilities over internal control***

The Company's Board of Directors is the primary sponsor of the internal control environment. The Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee are the specific bodies acting in the field of internal control and reporting to the Board of Directors. These committees comprise a majority of independent members.

Audit Committee

The Audit Committee meets at least every quarter before the Board of Directors meeting authorizing for issuance the quarterly and annual consolidated financial statements. The main responsibilities of the Audit Committee are the examination of the quarterly and annual financial statements including related disclosures, the internal control environment and the oversight of the work performed by the external auditors on the Company's financial statements.

In addition, the Audit Committee reviewed the Company's overall risk exposure, including liquidity, covenant compliance, treasury matters and key operational risks affecting the Group's financial performance, paying special attention to the review of the Group risk control matrix by Deloitte and the sale of EDC Kazakhstan.

During 2025 financial year, the Audit Committee met five times.

Compensation Committee

The principal responsibilities of the Compensation Committee are the examination of the Company's remuneration policy, in particular changes in the global payroll, the review of the collective and individual objectives and the succession planning. The Compensation Committee meets at least once a year. During 2025 financial year, the Compensation Committee met two times.

Corporate Governance Committee

The Corporate Governance Committee meets at least every quarter before the Board of Directors. It reports to the Board of Directors and is in charge of the supervision of the governance of the Company and its relationship with senior management. The Corporate Governance Committee met four times during the 2025 financial year.

- ***Internal control organization within the Company***

The Company operates in various different countries worldwide and has organized its internal reporting process into a monthly centralized system which allows the flows of relevant operating and financial data upstream to management. The subsidiaries report under standardized forms which are prepared in accordance with IFRS. These forms include financial information such as detailed income statement data, cash flow and working capital data, capital expenditures and other relevant operational data. This reporting, combined with a comprehensive budgeting process and systematic reforecasting, reflects the latest operating conditions and market trends and allows management to perform thorough variance analysis. Management considers that this monthly reporting process provides a reasonable assurance over the monitoring of its operating and financial activities and an effective tool for the operating decision makers.

The financial controlling function is organized by region, internal control being a significant part of the regional controllers' duties. Timely on site reviews are performed by operating and financial representatives from corporate. Considering this organization, there is no dedicated internal control department.

- ***Approach implemented by the Company***

The Company implements an approach consisting of (i) evaluating the design of its control environment over financial reporting and (ii) documenting the related control activities and key controls in a risk control matrix. This approach is implemented at every significant location of the Company. Management also focuses on the integration of newly acquired businesses over which the Company’s two step approach on internal control is implemented within a reasonable time period.

The Company views its internal control procedure as a process of continuous improvement and will make changes aimed at enhancing the effectiveness of its internal control and to ensure that processes evolve with the business. There were no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

The Company regularly reviews its main risks and threats. The conclusions for 2025 were used to assess the adequacy of the Company’s risk control matrix. As part of this process, the Company continues to monitor cybersecurity and information systems risks within its overall risk management framework. The assessment did not reveal any significant deficiencies in the design and effectiveness of the Company’s controls.

The Company has evaluated the effectiveness of the internal control procedures over financial reporting as at December 31, 2025 and has concluded that, subject to its inherent limitations, these were effective at a reasonable assurance level. The Company has evaluated the effectiveness of the Company’s disclosure controls and concluded that, subject to its inherent limitations, the disclosure controls were effective for the year ended December 31, 2025.

Risk Factors

For a comprehensive discussion of the important factors that could impact the Company’s operating results, please refer to the Company's Annual Information Form dated March 2, 2025, under the heading “Risk Factors”, which has been filed with the Canadian regulators on SEDAR (www.sedarplus.ca).