

MONTERO MINING AND EXPLORATION LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2025

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

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This Management's Discussion and Analysis ("MD&A") of Montero Mining and Exploration Ltd. ("Montero" or the "Company") has been prepared by management as of November 28, 2025 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2025 and the audited consolidated financial statements for the year ended December 31, 2024. The Company's Board of Directors has reviewed and approved this MD&A.

All amounts in the MD&A, condensed interim consolidated financial statements and related notes are expressed in Canadian dollars unless otherwise noted.

All statements contained herein, other than historical facts, including without limitation statements regarding potential mineralization, mineral reserves, and exploration results and future plans and objectives of the Company, are forward looking statements and involve various risks and uncertainties, which are detailed in Section "Risk Factors" of this MD&A. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated herein.

Corporate and Operational Highlights

On October 23, 2025, the company granted 93,716 stock options to members of the board of directors, management and consultants. The stock options have an exercise price of \$0.45 and a five-year term.

On October 2, 2025, the Company announced that Minera Joy SpA, a wholly owned subsidiary of Montero has entered into two option agreements to acquire a 100% interest in each of the Elvira Gold Project and the Potrero Gold Project located in Chile's Maricunga Belt.

On July 15, 2025, the Company announced the repricing of an aggregate of 741,667 outstanding incentive stock options from \$1.98 and \$2.04 per common share to \$0.30 per common share. 675,000 stock options expire on September 4, 2029 and 66,667 stock options expire on September 5, 2029.

On July 4, 2025, the Company announced the completion of the return of capital to shareholders through a cash distribution totaling \$15,036,893.

On June 11, 2025, the Company announced that its shareholders approved the return of capital by way of a cash distribution totalling \$15,036,893, to be paid out pro rata by reducing the Company's stated capital. Each shareholder was entitled to receive \$1.80 per common share, based on the number of issued and outstanding shares as of June 11, 2025.

On May 20, 2025 the Company posted on SEDAR the finalized distribution of net proceeds to shareholders for approval at a special meeting of shareholders scheduled to take place on June 11, 2025, in Toronto, Canada. Notice of the meeting materials were mailed to all shareholders and were also be viewed on the Montero website.

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On April 30, 2025, the Company announced that the TSX Venture Exchange had approved the Company's proposed consolidation of its common shares on the basis of six (6) pre-consolidated common shares for one (1) post-consolidation common share. The common shares commenced trading on the TSXV on May 5, 2025. The Company now has 8,353,833 common shares and 741,667 stock options outstanding.

On April 16, 2025, the Company announced its final use of net proceeds from its settlement with the United Republic of Tanzania ("Tanzania"). Montero sought shareholder approval for a \$15 million distribution through a reduction in stated capital. This proposed distribution equates to \$0.30 per share on a pre-consolidation basis or \$1.80 per share post-consolidation.

In addition, the Company gave notice of its intent to complete a share consolidation on a 6-to-1 basis—six (6) pre-consolidation common shares were to convert into one (1) post-consolidation common share.

On March 4, 2025, the Company announced that it had received the third installment of US\$7,000,000 from the settlement with Tanzania. This payment represents the final installment of US\$27,000,000.

On February 10, 2025, the Company announced that it had received the second installment of US\$8,000,000 from the settlement with Tanzania.

On January 28, 2025, the Company finalized the distribution of the US\$27,000,000 settlement with its litigation funder, Omni Bridgeway (Canada), relating to the dispute with Tanzania over the expropriation of Montero's Wigu Hill rare earth element project. The settlement amount of US\$27,000,000 was payable in three instalments, to be distributed as follows:

- First payment of US\$12,000,000 received on November 20, 2024, and allocated to Montero and Omni Bridgeway (Canada) in accordance with the funding agreement.
- Second payment of US\$8,000,000 was received by January 31, 2025, with proceeds applied to Montero and remaining legal obligations.
- Third payment of US\$7,000,000 was received by February 28, 2025, and paid directly to Montero.

After paying funders and legal costs, the net amount due to Montero was approximately US\$14,458,138 (\$20,577,545).

Description of Business

Montero was incorporated on October 5, 2006, under the laws of British Columbia, Canada. The Company became a public company listed on the TSX Venture Exchange in February 2011 where it trades under the symbol *MON.V*. The Company's registered address is 1040 West Georgia Street, Suite 1900, Vancouver, BC, V6E 4H3 and its head office address is Suite 401 - 750 West Pender Street

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Vancouver, BC, V6C 2T7. Phone: 604-428-7050; Web: www.monteromining.com.

The Company's business is the identification, evaluation, acquisition, exploration, and development of mineral properties with the objective of generating value through discovery, joint venturing, or sale.

The consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations. As at September 30, 2025, the Company has not advanced its exploration and evaluation assets to commercial production and is not yet able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results of its mineral property exploration activities, its ability to attain profitable operations, generate funds there from, and/or raise equity capital or borrowings sufficient to meet current and future obligations. These conditions give rise to substantial doubt about the Company's ability to continue as a going concern. When further funds are required, they may be financed through private placement of common shares or through debt instruments.

Management has focused its exploration efforts on the projects it believes offer the best value to shareholders. It continues exploration programs on projects to advance value creation and seeks joint venture for projects not currently being advanced internally.

Management believes that controlling operating expenses, funding from potential funding partners, borrowings from directors and management, and further private placements may generate the required funding to maintain operations. Although management is committed to raising additional funding, the timing and nature of financing are uncertain and there can be no assurances that this will occur. Further details on financing alternatives available to the Company are discussed in "Liquidity and Capital Resources".

The Company focuses on the discovery, advancement, and potential development of mineral properties. The Company has not yet determined whether its exploration assets contain sufficient mineral reserves for viable economic extraction. In June 2020, the Company shifted its exploration focus to Chile due to the continued decline in battery metal prices. The Company divested its battery metal projects, reducing its corporate structure, while protecting its previous investment in the Wigu Hill rare earth project.

The key performance driver for Montero is the development mineral deposits that create wealth for shareholders through by joint venture or the sale of assets. This is pursued through acquiring and exploring properties which host strong potential for future discoveries and/or development into mineable reserves. Management works to rationalize significant core holdings to maintain percentage ownership, while partnering with others to share the risk. Management acquires its exploration assets through the issuance of common shares where it is possible to preserve the Company's cash reserves.

Management has the necessary skills to achieve success, both in the technical and financial area with

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experienced exploration and consulting geologists and those with entrepreneurial and financial experience. Shareholders are represented by a strong management and independent Board of Directors, experienced in financing, exploration, development, and mining.

The Company has access to consulting geologists, metallurgical/chemical and mining engineers and corporate finance and legal counsel with commodity and country expertise in jurisdictions of operation. Consultants are retained through variable or fixed term contracts.

Chilean Focus

Avispa Copper - Molybdenum Project

The Avispa Copper-Molybdenum Project (Avispa Project) comprises a 203 km² area, consisting of the Avispa and Abeja concession areas, of 100%-owned exploration mining concessions situated in the Atacama region of northern Chile. It lies within the Paleocene–Eocene Copper-Molybdenum (Cu-Mo) Porphyry Belt, a well-defined mineralized zone running north to south across northern Chile. Avispa is strategically located approximately 50 km north of BHP's Spence Cu-Mo mine, 50 km north of the KGHM/South32 Sierra Gorda Cu-Mo mine, and about 50 km northwest of Codelco's Chuquibambilla copper mine, the world's largest open-pit copper mine.

On August 16, 2022, Montero confirmed the potential of the Avispa Project to host porphyry copper-molybdenum (Cu-Mo) mineralization following geological mapping. The study identified Quaternary and Miocene sediments with thicknesses ranging from 20 to 50 meters. Beneath these sediments, altered Cretaceous lithologies were observed, intruded by porphyry rocks. Sampling included 37 grab samples from exposed lithologies and 48 discarded drill rock chips from previous reverse circulation (RC) drilling conducted by BHP, Quantum Pacific, Freeport, and Codelco in the Avispa area. All samples were logged and analyzed using a 48-element assay via four-acid digestion and ICP-MS.

On August 23, 2022, Montero announced assay results from sampling exposed lithologies and RC drill chip piles, which revealed copper anomalies exceeding 100 ppm Cu and molybdenum anomalies ranging between 10–25 ppm Mo. Montero also engaged Fathom Geophysics ("Fathom") to evaluate the project data and refine targets for porphyry-type Cu-Mo deposits.

On September 27, 2022, Montero received a positive report from Fathom, which analyzed geochemical data from the Avispa Project and generated a 3D conceptual target indicating potential porphyry mineralization.

In March 2024, Montero streamlined its concession holdings, focusing on the most prospective areas identified through previous exploration programs. The Company remains committed to the Avispa property package, maintaining it in good standing by making concession payments.

During the nine months ended September 30, 2025, the Company capitalized an additional \$153,370 in costs related to the Avispa Copper Molybdenum Project (December 31, 2024 - \$228,424).

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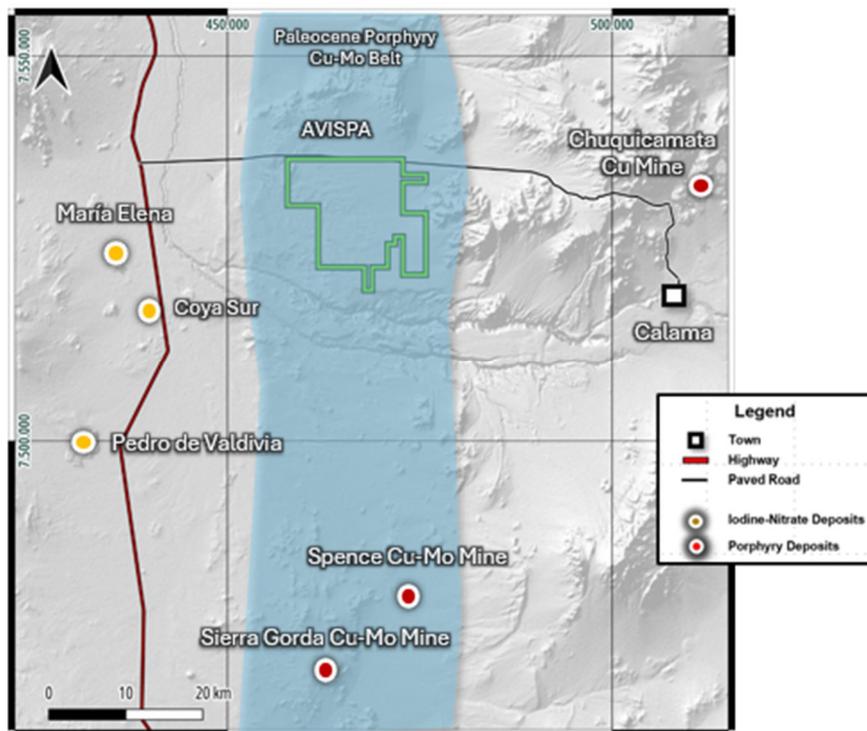


Figure 1. Location of the Avispa Project (Avispa/Abeja Concessions) and major copper mines in northern Chile

Elvira Gold Project and the Potrero Gold Project

The Elvira and Potrero projects are located in Chile's Maricunga Belt, both road-accessible and approximately 170 km northeast of Copiapó at elevations of ~3,800–4,700 metres above sea level. The Projects are characterized by Miocene-aged stratovolcano systems with well-preserved high-sulphidation epithermal alteration and gold-bearing breccia systems. Historical exploration has demonstrated significant gold mineralization and the potential for underlying porphyry Au-(Cu) systems.

On October 2, 2025, the Company announced that Minera Joy SpA, a wholly owned subsidiary of Montero had entered into two option agreements to acquire a 100% interest in each of the Elvira Gold Project and the Potrero Gold Project located in Chile's Maricunga Belt, a recognized mining district hosting Kinross' La Coipa mine, Gold Fields' Salares Norte mine, and Rio2's Fenix gold project.

Under the terms of the option Agreements, Montero has the right to acquire a 100% interest in each of the Elvira and Potrero Projects from Compañía Minera Atahualpa SpA by making staged payments totaling US\$7 million per Project over six years. The option payment schedule is the same for each Project as follows: US\$40,000 within ten days following receipt of approval from the TSX Venture Exchange regarding the Agreements – paid September 17, 2025; US\$100,000 on or before September 15, 2026; US\$150,000 on or before September 15, 2027; US\$260,000 on or before

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September 15, 2028; US\$400,000 on or before September 15, 2029; US\$550,000 on or before September 15, 2030; and US\$5,500,000 on or before September 15, 2031.

Montero has approved an initial exploration budget of CAD\$140,000 for each Project. The programs are expected to commence immediately and involve confirmatory mapping, sampling, and geophysical surveys aimed at defining drill targets in an efficient and systematic manner.

Tanzania

Tanzania Government Dispute - Wigu Hill Retention License Expropriation

Montero acquired the Wigu Hill rare earth property through an earn-in agreement between 2008 and 2010, forming a joint venture with a local partner. The Company, after making the initial discovery, advanced the project through resource definition, environmental impact assessment, metallurgical test work, and mining studies, as part of formally preparing an application for a Mining License.

In 2015, Montero was granted a 5-year Retention License over the property. In 2017, amendments to Tanzania's Mining Act eliminated the Retention Licenses category, and in January 2018, all such licenses were cancelled. Despite attempts to resolve the matter amicably, Tanzania did not offer compensation and instead invited an open tender for areas covered by the Retention Licenses.

In response, Montero initiated arbitration proceedings in January 2021 under the International Centre for Settlement of Investment Disputes ("ICSID"), seeking damages of \$90 million. The tribunal was constituted in late 2021, and procedural matters were addressed throughout 2022.

The Company engaged Jeantet AARPI and SRK (USA) as legal counsel and quantum expert, respectively, with Omni Bridgeway (Canada) as litigation funding partner. Tanzania submitted its Counter-Memorial in October 2022, and Montero subsequently appointed Timothy Foden of Boies Schiller Flexner LLP ("BSF") as co-counsel in 2023. The arbitration hearing, initially scheduled for December 2023, was rescheduled to November 25–28, 2024, in Paris, France.

On November 15, 2024, the Company entered into a settlement agreement with Tanzania to resolve the dispute. Under the terms of the agreement, Montero accepted a settlement sum of US\$27,000,000 (approximately \$38,000,000) payable by Tanzania in 3 payments: 1) US\$12,000,000 received on 20 November 2024; 2) US\$8,000,000 received on February 10, 2025; and 3) US\$7,000,000 received on March 3, 2025. Receipt of the first payment, confirmed by Montero's legal counsel BSF, rendered the agreement binding, and both parties jointly requested a stay of the arbitration proceedings that were due to commence on November 25, 2024, in Paris, France, which the tribunal acknowledged.

The settlement of US\$27 million, representing approximately 39% of Montero's original US\$70 million principal claim, concluded a nearly 7-year dispute. The resolution avoided the cost and risks associated with a full arbitration hearing and enforcement proceedings. Compensation for expropriated mining projects that had not reached production is typically based on sunk costs, and in this case, the settlement significantly exceeded the Company's invested expenditures.

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Risk Factors

Through its operations, the Company is exposed to various business risks outlined below. Additional risks and uncertainties, including those not considered material not presently known to the Company or considered immaterial, may also adversely affect our business.

- Montero has not been profitable since inception, and may continue to incur substantial losses.
- The Company operates in the highly speculative business of mining exploration and development and is currently in the exploration stage.
- The Company has not yet determined whether its properties contain sufficient mineral reserves, to be economically viable.
- The Company is exploring for mineral resources and these commodities are subject to pricing and market risks.
- The Company may not be able to secure adequate financing to support the expenditures required for ongoing operations until profitable operations are achieved.
- The Company operates in foreign jurisdictions and although professional advice is obtained to support compliance with local requirements, there may be deficiencies in some areas.
- The Company is subject to foreign government policies and regulations and seeks local advice to assess and comply with jurisdictional requirements.
- The Company faces currency risks due to its international operations.
- The Company has limited personnel with various degrees of knowledge concerning specific area of expertise and there may be instances where segregation of duties does not exist, and reliance must be placed on outside advisors for complex matters..

The Company undertakes its best efforts to mitigate the above risks using the resources at its disposal but believes that uncertainties and risks do exist in its business operations. Further discussions on risks associated with the Company's operations are elaborated below. Readers should review and consider the financial, operational, permitting and environmental risk factors faced by the Company, which are common to junior exploration companies.

Industry and Economic Factors Affecting the Company

The Company's future performance is largely tied to the financial markets related to junior exploration companies, which are often cyclical and are currently challenging. The Company continuously monitors economic factors including commodity price volatility and the availability of equity financing for the purposes of mineral exploration and development. The Company's future performance is largely tied to the development of its current mineral property interests and the overall financial markets. Financial markets relating to commodities may continue to be volatile reflecting ongoing concerns

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about the global economy, geopolitical instability, inflationary pressures, and potential sovereign defaults. These global macroeconomic conditions continue to affect companies across the mining industry. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting the interests of its current shareholders.

With continued market volatility expected, the Company's current strategy is to continue conducting limited exploration work on its properties as necessary to keep these in good standing until access to capital for junior mining companies becomes more available and to seek out other prospective business opportunities including farm-outs, ventures, or strategic partnerships. The Company believes that this focused strategy positions it to preserve momentum on key initiatives. These trends may limit the Company's ability to develop or further explore its Chilean properties, or other property interests that may be acquired in the future. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in short-term operating and longer-term strategic decisions.

Exploration, Development and Operating Risks

The exploration for and development of mineral deposits is a speculative venture involving a high degree of risk. Even a combination of careful evaluation, experience and knowledge may not eliminate such risks. While the discovery of a commercially viable ore body may result in substantial rewards, few mineral properties are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, cave-ins, landslides, and the inability to obtain suitable machinery, equipment or labor are all risks involved in the implementation of exploration programs and the operation of mines. Substantial expenditure may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site, and substantial additional financing may be required.

It is impossible to ensure that the exploration or development programs planned by Montero will lead to a profitable commercial mining operation. The decision as to whether a particular property contains a commercial mineral deposit and should be brought into production will depend on the results of exploration programs and/or feasibility studies, and the recommendations of properly qualified engineers and geologists. Several significant factors must be considered, including, but not limited to: (i) the particular attributes of the deposit, such as size, grade, metallurgical characteristics, and proximity to infrastructure; (ii) metal prices, which are highly cyclical; (iii) government regulations, including prices, taxes, royalties, land tenure, land use, permitting, importing and exporting of minerals and environmental protection; (iv) ongoing costs of production; (v) availability and cost of additional funding; and (vi) local community and landowner opposition related to land access and surface use. The exact effect of these factors cannot be accurately predicted, but one or any combination of these factors may result in Montero not receiving an adequate return on invested capital.

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Additional Capital

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of Montero. The development and exploration of the Company's properties may require substantial additional financing. Such financing may be obtained at either the corporate level or through asset level transactions. Failure to obtain financing may result in delaying or indefinite postponement of exploration, development, or production on any or all of Montero's properties or a loss of a property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms will be favorable to the Company. If additional financing is raised through the issuance of securities, control of Montero may change, and security holders may suffer additional dilution.

Environmental Risks and Hazards

All phases of Montero's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation continues to evolve in a manner that may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments and a heightened degree of responsibility for companies including their officers, directors and employees. There is no assurance that future changes in environmental regulation, will not adversely affect the Company's operations.

Environmental hazards may exist on the properties on which Montero holds interests that are unknown to Montero at present and that have been caused by previous or existing owners or operators or by current or previous surface rights owners. Government and private surface rights property owners' approvals and permits are submitted as required and future approvals will be required in connection with Montero's operations. To the extent such approvals are required and not obtained, Montero may be curtailed or prohibited from continuing operations or from proceeding with planned exploration or development of the mineral properties in which it has an interest. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration or development properties may be required to compensate those suffering loss or damage arising from such parties' activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities in the mining and exploration sector, or more stringent implementation thereof, could have a material adverse impact on Montero and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new exploration properties.

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Permitting

Montero's current and future operations may require approvals and permits from various federal and local governmental authorities, and such operations will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labor standards, health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of such approvals and permits or additional approvals or permits for any possible future changes to operations. Prior to any development on any of its properties, Montero must receive permits from the relevant governmental authorities. There can be no assurance that Montero will obtain or continue to hold all permits necessary to develop or continue operating at any particular property.

Title to Exploration, Mining Licenses and claims

The validity of exploration and mining rights generally can be contested, and although Montero has taken steps to acquire the necessary title to its licenses, some risk exists that title may be defective. To maintain these licenses, Montero must pay license and claim fees when due and incur certain minimum exploration expenditures annually or risk forfeiture of the licenses and claims. The Company recognizes the risk of over staking and bureaucratic errors over licenses and claims which are beyond its control. Governments may also change legislation potentially affecting the security of tenure.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, several risks , including unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of Montero. The Company is not insured against environmental risks has not been generally available to companies within the industry. Montero periodically evaluates the cost and coverage of insurance available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if Montero becomes subject to environmental liabilities; the payment of such liabilities could reduce or eliminate its available funds or could exceed the funds available to Montero to pay such liabilities and result in bankruptcy. Should Montero be unable to fund the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedy.

Market Factors and Volatility of Commodity Prices

The marketability of mineralized material potentially acquired or discovered by Montero may will be

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affected by numerous factors beyond the control of the Company. These factors include market fluctuations in the prices of minerals targeted which are highly volatile, the proximity and capacity of natural resource markets and processing equipment, and government regulations, including regulations relating to prices, taxes, royalties, permitting, land tenure, land use, importing and exporting of minerals and environmental protection. The effect of these factors cannot be accurately predicted and these factors may result in Montero not receiving an adequate return on invested capital.

Prices of certain minerals have fluctuated, particularly in recent years, and are affected by numerous factors beyond the control of Montero. Future mineral prices cannot be accurately predicted. A severe decline in the price of a mineral being produced or expected to be produced by Montero would have a material adverse effect on Montero and could result in the suspension of exploration or development activities.

Infrastructure

Development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, and government or other interference in the maintenance or provision of such infrastructure could adversely affect Montero's operations, financial condition and results of operations.

Competition

The resource and mining exploration industry is intensely competitive in all of its phases. As a result of this competition, some of which is with large, established mining companies with substantial capabilities and greater financial and technical resources than Montero, the Company may be unable to acquire additional mineral properties on terms it considers acceptable or be able to explore and develop its existing properties.

Exchange Rate Fluctuations

Exchange rate fluctuations may adversely affect Montero's financial position and results. The Company does not currently hedge or otherwise mitigate its foreign currency risks.

Foreign Operations

The Company's property interests are located Chile and are subject to the respective jurisdiction's laws and regulations. The Company continuously reviews changes in policies and regulations and investors should assess the political risks of investing in a foreign country. Variations from the current regulatory, economic and political climate could have an adverse effect on the affairs of the Company.

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Key Executives

Montero is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations. Montero does not currently carry key man life insurance on any of its executives.

Conflicts of Interest

Certain of the directors and officers of Montero also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there may exist the possibility for such directors and officers to be in a position of conflict. Any decision made by such directors and officers involving Montero will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders.

Going Concern

The condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations.

As at September 30, 2025, the Company has not advanced its exploration and evaluation assets to commercial production and is not yet able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These conditions give rise to substantial doubt about the Company's ability to continue as a going concern. When further funds are required, they may be financed through a private placement of common shares or by debt instruments.

Management has focused its exploration efforts on the projects it believes offer the best value to shareholders. It continues its programs on projects to advance them and seeks joint venture and other partners for other projects where no exploration is currently being conducted.

Management believes that controlling operating expenses, funding from potential funding partners, and further private placements may generate the required funding to maintain operations. Although management is committed and expects to raise additional funding, the timing and the nature of the financing is uncertain and there can be no assurances that this will occur. Further details on financing alternatives available to the Company are more fully discussed in Liquidity and Capital Resources.

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Company Objectives and the Year Ahead

The Company's corporate objectives are to create value by focusing the expertise of its management and Board of Directors on exploration, discovery and development of metals and minerals projects. The Company aims to create value from its properties in Chile through exploration and strategic partnerships or joint venture agreements,, or outright sale of assets.

The Company continues to focus on gold and copper assets following its strategic exit from battery-metals projects, driven by unfavourable market conditions and limited justification for further investment in those commodities. Management has extensive expertise in defining precious and base metals deposits, and the Company has secured a gold and copper asset in Chile to advance value creation for shareholders.

RESULTS OF OPERATIONS

Three months ended September 30, 2025

The Company recorded a net loss of \$260,636 for the three months ended September 30, 2025, compared to a net loss of \$1,637,172 for the three months ended September 30, 2024. The decrease in net loss was primarily due to significantly higher operating expenses in the prior period. Significant expense variances are outlined below:

Consulting, administrative and management fees increased to \$80,942 during the three months ended September 30, 2025, compared to \$46,458 during the comparative period in 2024. The increase was mainly due to higher financial accounting costs associated with the year-end audit and professional support related to the distribution of funds to shareholders through a reduction in stated capital.

Directors' fees were \$9,875 during the three months ended September 30, 2025, compared to \$Nil for the comparative period in 2024. The increase reflects the timing of recording of directors' fees, which for prior years were recognized at year-end.

Professional fees decreased to \$23,990 during the three months ended September 30, 2025, from \$149,071 during the comparative period in 2024, mainly due to the higher legal costs related to the Tanzania Government dispute.

Project investigation costs increased to \$147,960 during the three months ended September 30, 2025, from \$1,494 during the comparative period in 2024, reflecting higher expenditures on project review activities in Chile.

Stockbased compensation costs decreased to \$1,769 during the three months ended September 30, 2025, from \$1,449,223 during the comparative period in 2024. In the prior year period 4,450,00 stock options were issued.

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Nine months ended September 30, 2025

The Company recorded a net loss of \$2,411,182 for the nine months ended September 30, 2025, compared to a net loss of \$1,921,816 for the nine months ended September 30, 2024. The increase in net loss was primarily due to materially higher operating expenses. Significant expense variances are outlined below:

Consulting, administrative and management fees increased to \$1,461,766 during the nine months ended September 30, 2025, compared to \$150,086 during the comparative period in 2024. The increase was mainly due to higher financial accounting costs associated with:

- the year-end audit,
- the consolidation of the Company's common shares,
- the distribution of funds to shareholders through a reduction in stated capital and
- board-approved bonus payments to officers, directors and consultants following the arbitration settlement.

Directors' fees were \$29,625 during the nine months ended September 30, 2025, compared to \$Nil for the comparative period in 2024. The increase reflects the timing of recording directors' fees, which for prior years had been recognized at year-end.

General and administrative costs increased to \$132,361 during the nine months ended September 30, 2025, from \$77,315 during the comparative period in 2024. The increase was mainly due to travel and consulting expenses in Chile and Latin America, and attendance at the Mining Indaba and PDAC conferences.

Professional fees decreased to \$126,129 during the nine months ended September 30, 2025, from \$181,831 during the comparative period in 2024, mainly due to higher legal costs related to the share consolidation and the Tanzania Government dispute .

Project investigation costs increased to \$219,394 during the nine months ended September 30, 2025, from \$8,307 during the comparative period in 2024, reflecting higher expenditures on project review activities in Chile.

Stockbased compensation costs decreased to \$1,769 during the nine months ended September 30, 2025, from \$1,449,223 during the comparative period in 2024. In the prior year period 4,450,00 stock options were issued.

Segmented Information

The Company has one business segment being the exploration and evaluation of mineral resources. The Company is organized by geographic area and its reportable geographic segment is in Chile.

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SUMMARY OF QUARTERLY RESULTS

	2025			2024
	Q3	Q2	Q1	Q4
				\$
Consulting, administrative and management fee	80,942	77,893	1,302,931	48,684
General and administrative	39,552	22,679	70,130	31,235
Directors' fee	9,875	9,875	9,875	33,167
Professional fees	23,990	80,598	21,541	(90,189)
Other expenses	150,102	59,793	43,742	27,901
Impairment of exploration and evaluation assets	-	-	-	279,340
Gain on legal settlement	-	(251,974)	-	(20,230,850)
Loss on settlement of debt	-	-	-	118,893
Stock-based compensation	1,769	-	-	-
Reversal of payables	-	-	-	(28,000)
Interest expense and other	(45,594)	695,212	8,251	10,942
Net income (loss)	(260,636)	(694,076)	(1,456,470)	19,798,877
Basic and diluted income (loss) per share	(0.08)	(0.08)	(0.17)	0.38
Exploration and evaluation assets	992,470	921,995	908,045	768,625
Total assets	3,651,894	18,871,622	19,500,317	21,671,566
Total liabilities	172,354	15,133,215	943,294	745,720
Shareholders' equity (deficit)	3,479,540	3,738,407	19,469,376	20,925,846

	2024			2023
	Q3	Q2	Q1	Q4
	\$	\$	\$	\$
Consulting, administrative and management fee	46,458	49,689	53,939	50,327
General and administrative	17,313	20,803	39,199	34,957
Directors' fee (recovery)	-	-	0	(29,625)
Professional fees	149,071	20,313	12,447	20,099
Other expenses	2,321	3,626	14,415	8,092
Writing off payables	-	-	0	0
Impairment of exploration and evaluation assets	-	-	-	97,917
Gain on forgiveness of debt	-	-	-	-
Stock-based compensation	1,449,233	-	-	-
Reversal of payables	(31,043)	-	-	-
Interest expense and other	3,819	8,998	9,376	4,467
Net loss	(1,637,172)	(103,429)	(129,376)	(186,234)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Exploration and evaluation assets	1,034,247	1,022,830	864,010	819,451
Total assets	2,089,002	1,137,507	1,187,902	862,709
Total liabilities	1,077,689	1,186,500	1,133,466	1,623,089
Shareholders' deficit	1,011,313	(48,993)	54,436	(760,380)

Note: Loss per share amounts disclosed above on a quarterly basis may not necessarily equal the cumulative amounts disclosed in the Company's annual financial statements, due to the timing of changes in the weighted average number of shares throughout the year versus the weighted average number of shares throughout the quarter.

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LIQUIDITY AND CAPITAL RESOURCES

The Company held aggregate cash and investment of \$2,595,571 as at September 30, 2025, compared to \$923,453 as at December 31, 2024.

During the nine months ended September 30, 2025, the Company generated cash of \$17,358,817 from operating activities, used cash of \$2,320,449 for investing activities, and used cash of \$15,253,879 for financing activities. In comparison, during the nine months ended September 30, 2024, the Company used cash of \$702,089 in operating activities, used cash of \$713,309 in investing activities, and generated cash of \$1,939,647 from financing activities.

The Company is dependent upon its ability to raise additional funds to support its operations and may require additional financing as an exploration-stage company with no current sources of revenue. Funding options available to the Company are outlined below.

Montero is a publicly traded corporation listed on the TSX Venture Exchange and may utilize the public market to raise the additional funds it requires, either through brokered or non-brokered private placements. The Company may issue shares when possible for mineral property acquisitions and debt settlements where appropriate. In addition, the Company negotiates favorable funding terms for its mineral property payments where feasible, and may amend agreements as necessary to coincide with the Company's available cash resources. Montero may work with exploration partners to share costs and risks in mineral property exploration. The Company has also obtained loan financing from related parties when required.

Management has focused its exploration efforts on projects it believes offer the best value to shareholders. It continues exploration programs on certain projects to advance these assets, while seeking joint venture or other partners for projects where no exploration is currently being undertaken.

Management believes that reduced operating expenses, funding from potential partners and further private placements may provide the funding required to maintain operations. Although management is committed to raising additional financing, the timing and nature of such financing are uncertain, and there can be no assurance that the Company will be successful.

The Company grants stock options to promote profitability and growth by facilitating the attraction and retention of directors, officers, and consultants. As of September 30, 2025, there were 741,667 stock options outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

Montero does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company incurred the following transactions with management, directors, officers, or companies

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which have directors in common, or in which the directors have significant influence and interests.

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Consulting and management ⁽¹⁾⁽²⁾⁽³⁾	38,829	46,458	1,200,366	127,985
Director's fee	9,875	-	26,625	-
General and administrative	46,546	17,313	27,482	9,438
Total trading transactions with related parties	95,250	63,771	1,254,473	137,423

⁽¹⁾ Consulting and management fees includes accounting, administrative and corporate services provided by a company controlled by the CFO.

⁽²⁾ Consulting and management fees includes services provided by the CEO.

⁽³⁾ Included in consulting and management fees during the nine months ended September 30, 2025 are bonus payments of \$1,070,500 paid to directors and officers of the Company.

The following amounts due to related parties are included in trade and other payables:

	September 30, 2025	December 31, 2024
	\$	\$
Due to related parties	79,581	471,766
Loans payable	-	216,986
Total	79,581	688,752

(a) The amounts due to related parties are unsecured, non-interest bearing and are payable within twelve months.

(b) Loans owing to the CEO were unsecured, bore interest at 5.0% per annum and were due on December 31, 2024. On February 29, 2024, the Company partially settled \$139,274 of the related party loan by issuing 150,975 common shares. The remaining balance of \$216,986, plus accrued interest, was repaid in full on February 28, 2025.

CRITICAL ACCOUNTING ESTIMATES

Not applicable as the Company is a venture issuer.

CHANGES IN ACCOUNTING POLICIES AND INITIAL ADOPTION

There were no changes to the Company's accounting policies during the year or the adoption of new accounting standards. Refer to Note 3 of the Company's annual consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT, INCLUDING MANAGEMENT OF CAPITAL

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Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern, while supporting the Company's business and maximizing return to its stakeholders. The Company's capital structure is adjusted based on management's decisions to issue debt or equity instruments to fund expenditures. In order to maximize ongoing exploration efforts, the Company does not pay dividends. The Company's Board of Directors does not establish quantitative return on capital criteria but rather relies on the expertise of management and other professionals to sustain future development of the business. The capital of the Company consists of equity attributable to owners of the parent comprised of share capital, stock options and warrants.

The Company's principal assets are in the exploration and evaluation stage and, as a result, the Company currently has no source of operating cash flow. In order to facilitate the management of capital and exploration of its mineral properties, the Company needs to raise capital when required to complete its projects and for working capital. The sources of future funds presently available to the Company are through the issuance of new share capital, through the exercise of stock options and/or warrants or through divestiture of certain assets. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions, as well as the business performance of the Company. There can be no assurances that the Company will be successful in its efforts to arrange additional financing, when required, on terms satisfactory to the Company.

Management prepares operating budgets to forecast its financing requirements in advance and reviews their capital management approach on an ongoing basis and believe that this approach is reasonable, given the relative size of the Company. The Company's investment policy is to hold cash in interest-bearing accounts at high credit quality financial institutions to minimize risk and maximize liquidity.

The Company's overall strategy remains unchanged from the prior period. The Company is not subject to any externally imposed capital requirements.

Risk Management and Financial Instruments

The Company operates in the mining industry and faces a number of risks that could adversely affect the Company's operations. These risks include industry risk, credit risk, liquidity risk, interest rate risk, foreign currency risk, and commodity price risk. Management reviews and develops policies for managing each of these risks which are summarized below.

Industry Risk

The Company is engaged primarily in the mineral exploration field, which is subject to inherent risks of success as well as compliance with environmental, political and regulatory requirements. The Company may also be exposed to environmental reclamation obligations associated with resource property interests. As well, the Company operates in foreign countries and is subject to local political

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risks, as well as local regulatory requirements regarding ownership and maintenance of mineral licenses. Management believes it has the expertise to address these risks and makes every effort to conduct its business in compliance with local industry standards, however environmental and local industry laws and practices are complex, and there is no certainty that all exposure to liability or costs have been mitigated.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's ability to fulfil its payment obligations. The Company's primary exposure to credit risk is attributable to its cash and cash equivalents, as well as other receivables. This risk relating to cash and cash equivalents is considered low since the Company only invests its cash in major banks which are high credit quality financial institutions. The other receivables primarily comprise local sales tax refunds due from governmental agencies and other sundry amounts, as such, management considers the risk associated with their collection minimal. The cash and cash equivalents are invested in short-term investment certificates for periods less than 90 days. The other receivables are due in less than 90 days.

Liquidity Risk

Liquidity risk arises from the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available cash in order to meet its liquidity requirements and to develop budgets to forecast cash requirements in advance of their requirements. As discussed previously, the Company currently does not have a source of operating cash flow and must raise funds for its exploration and evaluation programs and for general working capital. There are risks associated with raising the funds required, and there can be no assurances that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. The Company's trade and other payables are generally due within 90 days, with all amounts due within twelve months.

Interest Rate Risk

Interest rate risk refers to the risk that the fair values of future cash flows of a financial instrument may fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents, which represent excess cash invested in short-term investments and these accrue interest at variable market rates. The Company monitors these investments with its need for cash flow and is satisfied with the return on these investments, given the timing of the need for cash in the Company. The effect of changes in interest rates is not significant to the Company.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates in Canada, Chile, Namibia, South Africa and Tanzania and portions of its expenditures are incurred in US dollars, South African Rand and Tanzanian Shillings. The Company's presentation currency is the Canadian dollar, the Chilean and Tanzanian subsidiaries' functional currency is the United States dollar, and the South

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African and Namibian subsidiaries' functional currency is the Canadian dollar. The value of financial assets and liabilities denominated in currencies other than the functional currency of the entity to which they relate is not significant.

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is the potential adverse impact on earnings and economic value of its exploration and evaluation assets, due to commodity price movements and volatilities. The Company monitors commodity prices (primarily lithium, and rare earth elements) to determine the appropriate course of action to be taken by the Company.

Our business, financial condition and results of operations may be negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action.

In late February 2022, Russia launched a large-scale military attack on Ukraine. The invasion significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, NATO and the West, including Canada. In response to the military action by Russia, various countries, including Canada, the United States, the United Kingdom and European Union issued broad-ranging economic sanctions against Russia. Such sanctions (and any future sanctions) and other actions against Russia may adversely impact, among other things, the Russian economy and various sectors of the economy, including but not limited to, financials, energy, metals and mining. Accordingly, the actions discussed above and the potential for a wider conflict could increase financial market volatility and cause severe negative effects on regional and global economic markets.

While we expect any direct impacts to our business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect our business and may make it more difficult for us to raise equity or debt financing.

OTHER MD&A REQUIREMENTS

DISCLOSURES FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The information relating to the Company's exploration and evaluation assets is disclosed in the condensed interim consolidated financial statements for the nine months ended September 30, 2025, and is not repeated herein.

DISCLOSURE OF OUTSTANDING SHARE DATA

Information on the Company's share capital, including the number of shares outstanding, details of any conversion features, and the number of shares issuable on conversion of stock options and warrants, is provided in the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2025. As of November XX, 2025, the Company had 8,353,833

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common shares outstanding, 835,383 stock options outstanding and no warrants outstanding.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to Montero, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation.

Forward-looking information estimates and statements that Montero's future plans, objectives and goals, including words to the effect that Montero or management expects a stated condition or result to occur. Forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Since forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company's expectations; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; the uncertainty of conducting activities within a joint venture structure; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in mineral exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; Although management of Montero has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR+ website at www.sedarplus.ca.