

MONTERO MINING AND EXPLORATION LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2026

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

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 June 1, 2026 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2026 and the audited consolidated financial statements for the year ended December 31, 2025. The Company's Board of Directors has reviewed and approved this MD&A.

All amounts in the MD&A, 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, as detailed in "Risk Factors" section 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 May 28, 2026, the Company announced that drilling had commenced at the Elvira Gold Project in Chile, representing the Company's first drill program on its recently acquired Maricunga Belt gold projects and a significant milestone in advancing its Chilean exploration strategy.

On May 26, 2026, the Company announced the finalisation of an initial first-pass Phase 1 drill program at the Elvira Gold Project in Chile's Maricunga Belt.

The planned program comprises four drill holes totaling approximately 2,025 metres and was designed following integrated geological, geochemical and geophysical interpretation. The drill targets selected for the Phase 1 Elvira program were generated through an integrated workflow combining geological interpretation, geochemistry, geophysics and AI-assisted analytical modelling of historical exploration datasets. The drill program is designed to test both high-sulphidation epithermal gold targets and deeper porphyry Cu-Au mineralization.

On May 21, 2026, the Company made note of the announcement by the Government of Chile regarding proposed amendments to Chile's Mining Code and mining concession fee regime, aimed at supporting mineral exploration and development activities in the country.

On May 19, 2026, the Company announced the commencement of mobilisation and operational preparations for a Phase 1 diamond drill program at the Elvira gold project. The Company has finalised its drilling services contract and initiated mobilisation activities in preparation for drilling scheduled to commence during the third week of May 2026.

On April 15, 2026, the Company issued 100,000 shares pursuant to an option exercise at \$0.30 for \$30,000.

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

On March 26, 2026, the Company announced the results of independent geochemical vector modelling at its Elvira gold project in Chile. The modelling identified two spatially related deep porphyry-style targets beneath the central alteration system, supporting the interpretation of a large hydrothermal system with potential for a deeper porphyry mineralizing source.

On March 24, 2026, the Company reported results from geochemical sampling at its Elvira gold project in Chile, which indicate the presence of a large, vertically zoned hydrothermal system with both epithermal and porphyry-style characteristics.

On March 18, 2026, the Company provided an update on the interpretation of geological, geochemical and geophysical datasets at its Elvira gold project following the completion of the Phase 1 exploration program previously reported on March 2, 2026.

On March 9, 2026, the Company announced the completion of a comprehensive data compilation and detailed exploration program at its Potrero gold project in Chile. The program incorporates integrated geological interpretation supported by AI-assisted analytical workflows used to refine exploration targeting and prioritize follow-up exploration activities

On March 2, 2026, the Company announced the completion of a comprehensive data compilation and detailed exploration program at its Elvira gold project in Chile. The program incorporates advanced data analytics, including artificial intelligence and machine learning tools, as part of the Company's ongoing interpretation process.

On January 26, 2026, the Company announced that Andrew Thomson resigned as Director and Chair of the Audit Committee. Tim Livesey, a current director of the Company has accepted the role of Interim Audit Committee Chair.

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 480 – 789 West Pender Street Vancouver, BC, V6C 1H2. Phone: 604-428-7050; Web: www.monteromining.com.

The Company's business is the acquisition, exploration, and development of mineral projects with the objective of generating shareholder value through mineral discovery, project development, joint venture partnerships, strategic transactions or asset 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.

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

As of March 31, 2026, 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 therefrom, and/or raise equity capital or borrowings sufficient to meet current and future obligations. These conditions give rise to a material uncertainty that may cast significant 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 partnerships 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 of mineral deposits that create value for shareholders through joint ventures 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 areas with experienced exploration and consulting geologists and 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.

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

Artificial Intelligence Positioning / Technical Framework

The Company's use of AI-assisted analytical tools is limited to supporting exploration data interpretation, target generation and target prioritisation. These tools are used as decision-support systems only and do not replace geological judgment, Qualified Person oversight, field validation or technical verification through drilling. All exploration targets generated through AI-assisted workflows are reviewed and validated by experienced geologists prior to implementation.

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 Chuquicamata 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 and continues to evaluate exploration opportunities using integrated geological interpretation and modern analytical techniques while maintaining the concessions in good standing.

During the three months ended March 31, 2026, the Company capitalized an additional \$15,905 in

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

costs related to the Avispa Copper Molybdenum Project (December 31, 2025 - \$179,792).

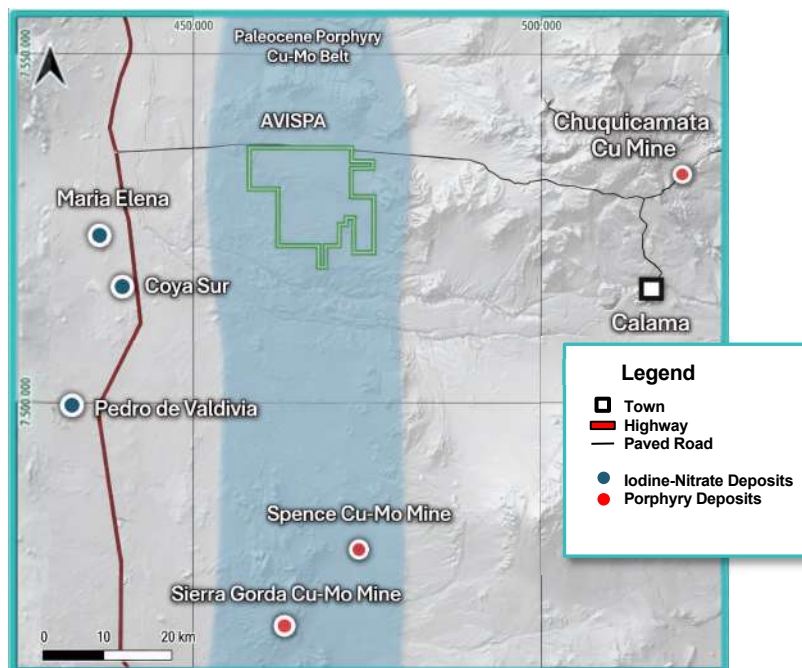


Figure 1. Location of the Avispa Project (Avispa/Abeja Concessions) and major copper mines in northern Chile

Elvira Gold Project and 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 September 15, 2028; US\$400,000 on or before September 15, 2029; US\$550,000 on or before September 15, 2030;

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

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.

Subsequent to year end, the Company announced the completion of the comprehensive data compilation and detailed exploration program at the Elvira and Potrero projects. The objective of the program was to refine the geological and structural understanding of the Elvira and Potrero hydrothermal systems and evaluate its potential for gold mineralization at depth.

Subsequent to quarter end, Montero announced the commencement of mobilisation and operational preparations for a Phase 1 diamond drill program at the Elvira gold project in Chile's Maricunga Gold Belt. The planned program comprises four diamond drill holes totaling between 1,500 and 2,000 metres, targeting depths of approximately 350 to 650 metres. Preparatory activities completed include road access upgrades, mobilisation of drilling equipment and site infrastructure, establishment of drill camp and core handling facilities, and completion of environmental, safety and operational readiness procedures. Priority drill targets were identified through integrated geological, geochemical and geophysical analysis, supported by AI-assisted three-dimensional modelling. Following completion of the Elvira drill program, the drilling contractor's equipment is expected to be utilised for the Company's planned Phase 1 drill program at the nearby Potrero project.

Subsequent to the announcement of mobilisation activities, the Company announced on May 28, 2026, that drilling had commenced at the Elvira Gold Project. The Phase 1 drill program comprises four initial drill holes for approximately 2,025 metres and is designed to test priority targets identified through integrated geological, geochemical and geophysical interpretation. The first hole, MON-ELV-01, is targeting a deep chargeability anomaly beneath the historical EL-12 area to evaluate the interpreted link between shallow epithermal gold mineralization and a deeper porphyry Cu-Au system. Following the Elvira program, drilling equipment is expected to be utilized for the planned Phase 1 drill program at the nearby Potrero Gold Project.

The commencement of drilling at Elvira marks the transition from target generation and evaluation to direct testing of priority exploration targets identified through integrated geological, geochemical and geophysical analysis.

During the three months ended March 31, 2026, the Company capitalized \$51,198 related to the Elvira and Potrero projects (December 31, 2025 - \$222,445).

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,

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

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 11, 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 seven-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.

The settlement strengthened the Company's balance sheet, enabled the return of approximately CAD\$15 million to shareholders through a return of capital, and provided funding for the Company's renewed exploration focus in Chile.

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.

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

- 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 expenditure 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 areas 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 by 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 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

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

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 notes that recent policy initiatives by the Government of Chile aimed at encouraging mineral exploration and project development may improve the long-term investment environment for exploration companies operating in the country.

The Company's use of AI-assisted analytical tools is limited to supporting exploration data interpretation and target prioritization. These tools do not replace geological judgment, Qualified Person oversight or technical validation through fieldwork and drilling.

AI-assisted analytical tools rely on the availability, quality and completeness of underlying datasets and may not generate meaningful or accurate exploration targets. The Company may become increasingly dependent on third-party software providers, data platforms and analytical services used within its exploration workflows. Any interruption, limitation, cybersecurity incident or failure of such services could adversely affect exploration data analysis, target generation and project evaluation activities. There can be no assurance that the use of AI-assisted workflows will improve exploration success or lead to the discovery of economically recoverable mineralization.

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 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.

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

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 the delay 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 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 of 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.

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

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 overstating 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. Insurance against certain environmental risks has not generally been available to companies within the industry, and the Company is not insured against such risks. Montero periodically evaluates the cost and coverage of insurance available to determine if it would be appropriate to obtain such insurance. Without such insurance, Montero may, if it becomes subject to environmental liabilities, be required to use available funds to satisfy such 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 will be 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

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

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 are 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.

Key Executives

Montero is dependent on the services of key executives and has 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

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

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 consolidated financial statements have been prepared using IFRS Accounting 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 of December 31, 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 and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. These conditions give rise to a material uncertainty that may cast significant 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 ventures 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 to raising additional funding, the timing and 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."

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 metal 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.

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

The Company's objective is to create shareholder value through the discovery and advancement of gold and copper projects in Chile. Near-term priorities include the ongoing Phase 1 drill program at the Elvira Gold Project, preparation for drilling at the Potrero Gold Project, and continued evaluation of the Avispa Copper-Molybdenum Project. The Company intends to continue applying a geology-led exploration strategy supported by integrated data analytics and AI-assisted target generation to improve exploration efficiency and prioritize high-quality exploration opportunities.

Management has extensive expertise in defining precious and base metals deposits, and the Company has secured gold and copper asset in Chile to advance value creation for shareholders.

RESULTS OF OPERATIONS

Three months ended March 31, 2026

The Company's operating expenses during the three months ended March 31, 2026, were \$313,355 compared to \$1,448,219 for the same period of the comparative period. Significant changes in the Company's expenses are outlined below:

Consulting, administrative and management fees decreased to \$110,742 during the three months ended March 31, 2026, compared to \$1,302,931 during the comparative period in 2025. This is mainly due the finalisation of the Company's consolidation of its common shares and proposed distribution of funds to shareholders through a reduction in stated capital and the board rewarded bonus payments to officers, directors, and consultants of the Company due to the success of the arbitration settlement in the prior period.

Directors' fees decreased to \$7,750 in 2026 from \$9,875 in 2025, due to a director's resignation in the current year.

Professional fees increased to \$96,982 during the three months ended March 31, 2026, from \$70,130 during the comparative period in 2025, mainly due to the higher audit and legal costs in the current period.

Project investigation costs increased to \$74,141 during the three months ended March 31, 2026, from \$35,019 during the comparative period in 2025, reflecting higher expenditures on project review activities in Chile.

The Company's net loss for the three months ended March 31, 2026, was \$289,520 compared to a net loss of \$1,456,470 for the three months ended March 31, 2025.

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 Chile.

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

SUMMARY OF QUARTERLY RESULTS

	2026		2025	
	Q1	Q4	Q3	Q2
Consulting, administrative and management fee	110,742	115,392	80,942	77,893
General and administrative	96,980	60,559	39,552	22,679
Directors' fee	7,750	9,875	9,875	9,875
Professional fees	16,554	59,057	23,990	80,598
Other expenses	81,327	20,705	150,102	59,793
Gain on legal settlement	-	-	-	(251,974)
Stock-based compensation	-	38,137	1,769	-
Interest expense and other	(23,835)	812	(45,594)	695,212
Net income (loss)	289,518	(304,537)	(260,636)	(694,076)
Basic and diluted income (loss) per share	(0.03)	0.04	(0.08)	(0.08)
Exploration and evaluation assets	1,237,965	1,170,862	992,470	921,995
Total assets	3,256,087	3,505,825	3,651,894	18,871,622
Total liabilities	332,467	292,685	172,354	15,133,215
Shareholders' equity	2,923,622	3,213,140	3,479,540	3,738,407

	2025		2024	
	Q1	Q4	Q3	Q2
		\$	\$	\$
Consulting, administrative and management fee	1,302,931	48,684	46,458	49,689
General and administrative	70,130	31,235	17,313	20,803
Directors' fee (recovery)	9,875	33,167	-	-
Professional fees (recovery)	21,541	(90,189)	149,071	20,313
Other expenses	43,742	27,901	2,321	3,626
Impairment of exploration and evaluation assets	-	279,340	-	-
Gain on legal settlement	-	(20,230,850)	-	-
Stock-based compensation	-	-	1,449,233	-
Reversal of payables	-	(28,000)	(31,043)	-
Interest expense and other	8,251	10,942	3,819	8,998
Net loss	(1,456,470)	19,798,877	(1,637,172)	(103,429)
Basic and diluted loss per share	(0.17)	2.37	(0.20)	(0.01)
Exploration and evaluation assets	908,045	768,625	1,034,247	1,022,830
Total assets	20,412,672	21,671,566	2,089,002	1,137,507
Total liabilities	943,296	745,720	1,077,689	1,186,500
Shareholders' equity	19,469,376	20,925,846	1,011,313	(48,993)

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.

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

LIQUIDITY AND CAPITAL RESOURCES

The Company held aggregate cash and investment of \$1,809,591 as at March 31, 2026, compared to \$2,251,245 as at December 31, 2025.

During the three months ended March 31, 2026, the Company used cash of \$391,871 from operating activities, generated cash of \$421,706 for investing activities, and used cash of \$Nil for financing activities. In comparison, during the three months ended March 31, 2025, the Company generated cash of \$18,895,549 in operating activities, used cash of \$17,240,440 in investing activities, and used cash of \$216,986 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 ventures 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 March 31, 2026, there were 835,383 stock options outstanding.

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

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

	Three months ended March 31,	
	2026	2025
	\$	\$
Bonus payments ⁽³⁾	-	1,070,500
Consulting and management ⁽¹⁾⁽²⁾	46,875	47,006
Director's fees	7,750	9,875
General and administrative	7,376	1,916
Total remuneration of directors and key management personnel	62,001	1,129,297

⁽¹⁾ Consulting and management fees includes accounting, administrative and corporate services provided by a

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

⁽³⁾ Bonus paid to directors, former directors and to an officer is included in consulting, administrative and

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

	March 31,	March 31,
	2026	2025
	\$	\$
Due to related parties	122,276	471,766
Total	122,276	471,766

(a) The amounts due to related parties represent amounts due to directors and officers or companies which have directors in common, or in which the directors have significant influence and interest. These amounts are unsecured, non-interest bearing and are payable within twelve months.

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.

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT, INCLUDING MANAGEMENT OF CAPITAL

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 returns 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 its capital management approach on an ongoing basis and believes 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

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

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 of 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 as a result 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, Chilean pesos, South African Rand and Tanzanian Shillings. The Company's presentation currency is the

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

Canadian dollar, the Chilean and Tanzanian subsidiaries' functional currency is the United States dollar, and the South 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 volatility. The Company monitors commodity prices (primarily gold, silver, copper, molybdenum, 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 the 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 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 consolidated financial statements for the three months ended March 31, 2026, 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 three months ended March 31, 2026. As of June 1, 2026, the Company had 8,453,833 common shares

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

outstanding, 735,383 stock options outstanding and no warrants outstanding.

The Company believes the current exploration environment in Chile remains favourable, supported by improving sentiment toward mining investment, recent government initiatives aimed at encouraging mineral exploration and project development, strong long-term fundamentals for gold and copper, and increasing industry focus on new discoveries within established mining jurisdictions. Management believes that disciplined exploration programs supported by integrated geological interpretation and modern data analytics position the Company well for advancing its Chilean exploration portfolio.

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 includes estimates and statements regarding 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 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, it is 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; and other risks disclosed in this MD&A. 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.

MONTERO MINING AND EXPLORATION LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2026

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.