Date: April 25, 2025

This Management's Discussion and Analysis ("**MD&A**") provides a discussion and analysis of the financial condition and results of the operations of Halcones Precious Metals Corp. (individually or collectively with its subsidiaries, as applicable, "**Halcones**" or the "**Company**"), to enable a reader to assess material changes in the financial condition and results of operations as at and for the year ended December 31, 2024. The MD&A should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2024. All amounts included in the MD&A are expressed in Canadian dollars, unless otherwise specified.

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as published by the International Accounting Standards Board. Please refer to Note 3 of the annual audited consolidated financial statements as at and for the year ended December 31, 2024 for disclosure of the Company's significant accounting policies.

The scientific and technical contents of this MD&A have been reviewed and approved by Mr. David Gower, (PGeo), Qualified Person under National Instrument 43-101 ("**NI 43-101**"). As a consultant of the Company, Mr. Gower is not considered independent.

The Board of Directors of the Company has reviewed this MD&A and the consolidated financial statements for the year ended December 31, 2024, and the Company's Board of Directors approved these documents prior to their release.

Overview and Strategy

Halcones is a Canadian exploration and development company engaged in the acquisition, exploration, and development of mineral properties with a primary focus on exploration in Chile and other parts of South America. Exploration is conducted through the Company's wholly owned subsidiary, Exploraciones Los Halcones S.A ("**Halcones Panama**"), which in turn owns 100% of Minera Los Halcones SpA ("**Halcones Chile**").

The Company had an option to acquire a 100% ownership interest in the Carachapampa Project (the "**Project**" or the "**Property**") in Chile. In April 2024, the Company announced that it had withdrawn from the option agreement. During the year ended December 31, 2024, the Company entered into binding agreements to acquire a 100% interest in the Polaris Project ("Polaris" or the "Project") from Austral Exploraciones SpA ("Austral"), a privately owned Chilean exploration company. .

Summary of Properties and Projects

Mineral Exploration Properties

Carachapampa Property

On September 24, 2021, the Company signed an assignment agreement of an option contract to acquire mining concessions in the Carachapampa Project.

Following a review of the results from the exploration program conducted during 2023, the Company decided to attempt a re-negotiation of the terms of the option agreement with the owners. Unfortunately, it was not possible to reach an agreement that was satisfactory for both parties and the Company decided to terminate the option agreement in early April 2024.

Polaris Project

In October 2024, the Company entered into binding agreements to acquire a 100% interest in the Polaris Project, which is a highly prospective project with multiple past-producing, high grade gold mines and extensive gold mineralization identified in stockwork zones by recent rock sampling campaigns. This transaction closed subsequent to the end of the year in January 2025 upon receiving regulatory approval.

Polaris is a large, highly prospective gold project. 17 former artisanal, high-grade operations have been identified on the project or in the immediate vicinity. Artisanal small scale mining activity can be traced back over approximately the last 100 years at Polaris. Extensive gold mineralization has been identified by surface rock sampling over 2.7 km of strike length to date and potential extensions of this mineralization remain unsampled.

Several sampling campaigns including due diligence work completed by Halcones have returned high-grade results. Of the 371 samples collected from the Polaris gold project to date, 60 returned values greater than 5 g/t. The average gold grade from the 371 surface samples is 2.5 g/t. There is no record of modern exploration other than surface sampling most recently by Austral and Halcones geologists.

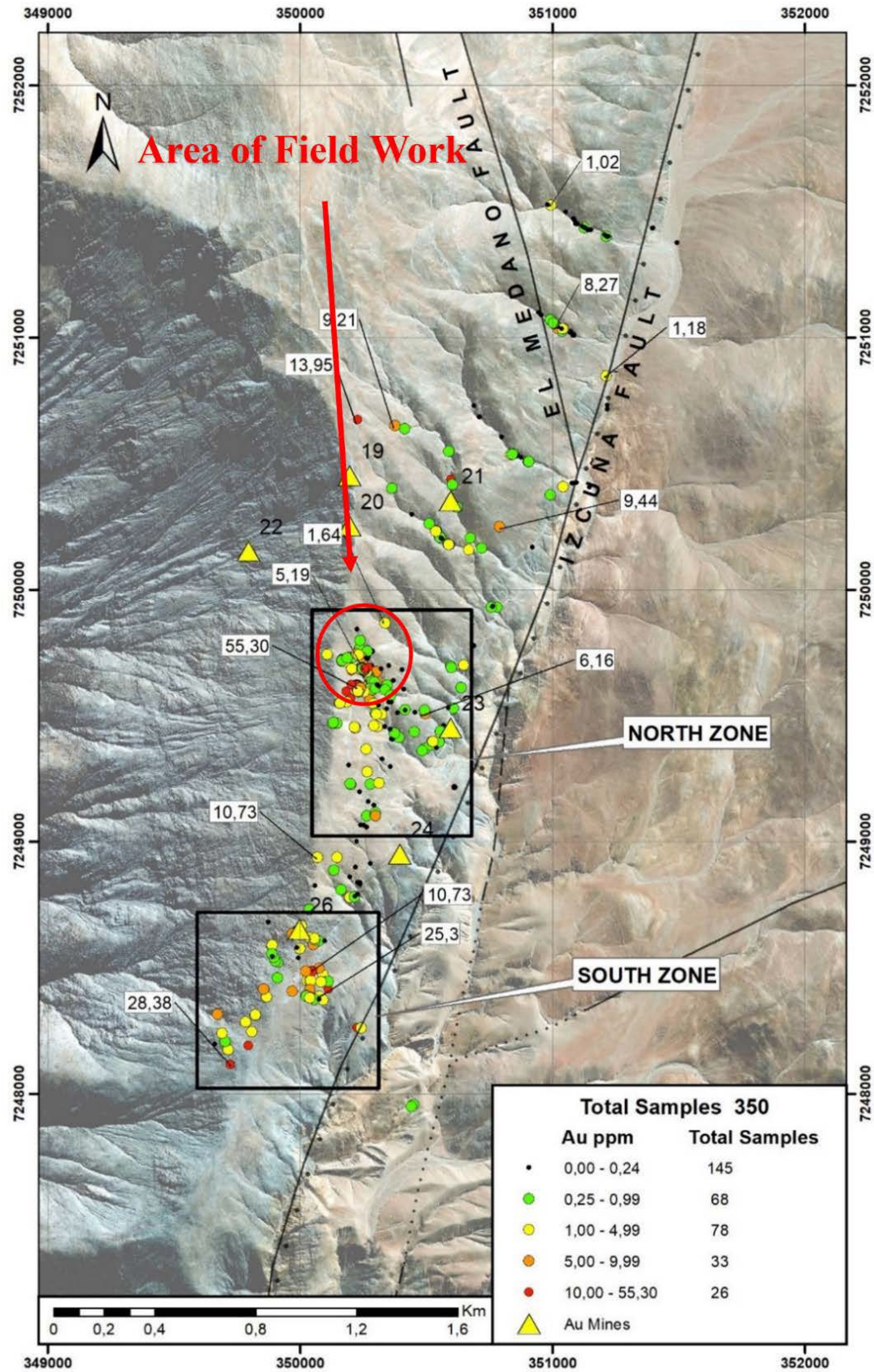
The Project is located in a highly developed mining district between Antofagasta and Taltal, with road access and moderate elevation making the Project workable 12 months of the year. Initial exploration targets are at or near surface.

The Company completed a field program comprised of mapping and sampling a portion of the project area in the North Zone. Sampling previously performed identified the Northwest section of the North Zone as a priority area. The two main objections of the program were:

1) Expand the footprint of the known mineralization in the Northwest corner of the North Zone
2) Test and better define the extent of mineralized stockwork as a lower grade bulk tonnage opportunity adjacent to the known vein hosted mineralization

In recent field work, the Company increased the density of sampling and expanded the surface footprint of sampling in this priority area. A total of 140 samples were taken during the recent field campaign. All assays from this program have been received, of which 31 returned values above 1 g/t Au. Sampling has been limited in certain areas due to the presence of a thin layer of colluvial cover. Sampling programs are being planned to test bedrock below this cover. The Company has been working with a geological model that Polaris holds potential for a large scale bulk tonnage open pit operation. The presence of mineralization in stockworks in the wall rocks away from the historically mined, mineralized veins is a crucial component of this model that is present at Polaris. This stockwork is believed to have a similar genesis to the vein hosted mineralization previously exploited by artisanal miners but was never targeted. The stockwork mineralization is not visually obvious due to a general lack of associated sulfide minerals. The 17 known small scale mines in the Project area exploited very high-grade veins with no focus on the stockwork adjacent to the veins.

The Company believes that the North and South Zones may merge into a single large gold anomaly, further increasing the potential of the Project. Sampling is limited in the area between the North and South Zone due to the presence of thin overburden cover. The next phase of exploration will focus on better defining the extension of the anomalous gold in this area to confirm the current geological interpretation of the field team. Additional sampling to explore and expand the anomaly to the north and east will also be done as part of the next stage of exploration.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Area of Field Work
EL MEDANO FAULT
IZCUÑA FAULT
1,02
8,27
1,18
9,21
13,95
19
21
20
9,44
22
1,64
5,19
55,30
6,16
23
NORTH ZONE
10,73
24
26
10,73
25,3
SOUTH ZONE
28,38
Total Samples 350
Au ppm
Total Samples
0,00 - 0,24
145
0,25 - 0,99
68
1,00 - 4,99
78
5,00 - 9,99
33
10,00 - 55,30
26
Au Mines
Km
0
0,2
0,4
0,8
1,2
1,6

Option terms

An initial Letter of Intent was signed in July 2024 with an exclusivity payment of US$50,000 ($69,232) paid in advance of the negotiations of the option agreement. Pursuant to an amended and restated binding letter agreement between the Company and Austral Exploraciones SpA ("Austral") for the option to purchase the Polaris project dated December 18, 2024, the Company can acquire up to a 100% ownership interest in the Polaris project for the following consideration:

- Cash payment of US$100,000 ($137,502, paid October 2024)
- Issuance of 15 million shares of the Company to Austral upon obtaining TSX Venture Exchange approval and closing of the transaction (issued January 2025);
- Issuance of 20 million shares of the Company to Austral on September 30, 2025;
- Issuance of 15 million shares of the Company and a cash payment of US$100,000 to Austral on January 30, 2026;
- Cash payment of US$150,000 on January 30, 2027;
- Cash payment of US$250,000 on January 30, 2028;
- Cash payment of US$2,000,000 on January 30, 2029;
- Issuance of 15 million shares of the Company to Austral after publicly filing a NI 43-101 compliant technical report with a mineral resource estimate of greater than 2 million oz of gold at a minimum of 1 g/t of heap leachable material at a 0.25 g/t minimum cut-off grade;
- Issuance of 15 million shares of the Company to Austral upon publicly filing a NI 43-101 compliant economic study;
- Issuance of 15 million shares of the Company to Austral upon publicly filing a NI 43-101 compliant feasibility study.
- Issuance of a 2% NSR over the Project to Austral.

All shares issued to Austral are subject to a statutory four month hold period. If the issuance of any of the Company's shares to Austral result in Austral owning more than 19.99% of the issued and outstanding shares of the Company, the issuance of such shares shall be subject to disinterested shareholder approval at a meeting of the shareholders of the Company. If shareholder approval is not obtained, the Company may elect to satisfy the portion of share consideration in cash at a deemed price of $0.05 per share.

The Transaction is an arm's length transaction, and the Company is not paying any finder's fees in connection with the Transaction.

Liquidity and Capital Resources

As at December 31, 2024, the Company had a working capital deficit (see Non-IFRS Measures) of $1,184,975 (December 31, 2023 – $690,059), which included a cash balance of $176,243 (December 31, 2023 - $193,957), amounts receivable of $40,018 (December 31, 2023 - $85,009) and prepaid expenses of $18,734 (December 31, 2023 - $60,113) offset by accounts payable and accrued liabilities of $1,417,800 (December 31, 2023 - $1,029,138) and short-term loan of $2,170 (December 31, 2023 - $nil).

In January 2024, the Company's subsidiary borrowed 60,000,000 CLP ($102,614) from a subsidiary of Nobel Resources Corp. ("Nobel") on a short-term basis. During the year ended December 31, 2024, the Company borrowed an additional 35,599,797 CLP ($51,684) and repaid 94,099,797 CLP ($136,614). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment. The short-term loan of 1,500,000 CLP ($2,170) remains payable as at December 31, 2024. As well, Nobel borrowed $24,500 from the Company during the year ended December 31, 2024 which was repaid in full as at December 31, 2024. The Company and Nobel have certain directors and officers in common.

In August 2024, the Company closed a non-brokered private placement of 21,200,000 units priced at $0.05 per unit for gross proceeds of $1,060,000. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share of the Company at an exercise price of $0.10 per share for a period of 3 years from the closing date of the offering. The Company issued 770,000 broker warrants in connection with this offering. Each broker warrant entitles the holder to acquire one common share of the Company at a price of $0.05 expiring August 26, 2027.

Subsequent to the end of the year, in March 2025, the Company closed the first tranche of a private placement financing issuing 23,445,000 units of the Company at a price of $0.07 per unit for gross proceeds of $1,641,150. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant, where each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.10 per share for a period of 3 years following the date of issuance. In connection with this first tranche, the syndicate of agents leading the offering received an aggregate cash fee of $114,881 as well as 1,641,150 compensation warrants, where each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.07 for a period of 3 years from the date of close.

In April 2025, the Company closed the second and final tranche of its private placement financing issuing 7,702,200 units at a price of $0.07 per unit for gross proceeds of $539,504. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant, where each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.10 per share for a period of 3 years following the date of issuance. In connection with this second tranche, the syndicate of agents leading the offering received an aggregate cash fee of $37,765 as well as 539,504 compensation warrants, where each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.07 for a period of 3 years from the date of close.

Results of Operations

Quarter ended December 31, 2024

During the quarter ended December 31, 2024, the Company recorded income of $17,117 or $0.00 per share compared to a loss of $1,876,198 or $0.01 per share during the quarter ended December 31, 2023. During the current quarter, outstanding fees payable to select management, directors and advisors of the Company were waived resulting in a reversal of fees and income recognized during the period.

Expenses incurred during the quarter ended December 31, 2024 included:

- $282,403 in exploration and evaluation expenses (quarter ended December 31, 2023: $1,394,346) – including the initial cash option payment to acquire the Polaris project;
- A credit of $417,661 in consulting and management fees resulting from the reversal of waived fees payable (quarter ended December 31, 2023: $293,492);
- $18,041 in professional fees (quarter ended December 31, 2023: $15,000), which included audit accruals and legal work.

(in Canadian dollars, unless otherwise noted)

Year ended December 31, 2024

During the year ended December 31, 2024, the Company recorded a loss of $1,509,405 or $0.01 per share compared to $6,336,537 or $0.05 per share during the year ended December 31, 2023.

Expenses incurred during the year ended December 31, 2024 included:

- $694,390 in exploration and evaluation expenses (year ended December 31, 2023: $3,605,257) — overall there was reduced exploration activity with the Company withdrawing from the Carachapampa option agreement earlier in the year, and then entering into an option agreement to acquire the Polaris project later in the year;

- $460,258 in consulting and management fees (year ended December 31, 2023: $1,159,682) – fees outstanding to select directors, officers and advisors were waived resulting in a reversal of expense for the current year ended December 31, 2024;

- $123,041 in professional fees (year ended December 31, 2023: $67,021) – current year costs included advisory fees;

- $141,349 in shareholder communications costs (year ended December 31, 2023: $256,915) with a reduction in investor relations consultants;

- $63,089 in office and general costs (year ended December 31, 2023: $115,266) reflecting the reduced activity of the Company during the year;

- And $nil in stock-based compensation as no options were granted during the current year compared to $1,108,789 for the year ended December 31, 2023 with the grant of 14,070,000 options.

Annual information

	2024 $	2023 $	2022 $
Interest income	$ 3,858	$ 6,779	$ 16,265
Loss and comprehensive loss	(1,509,405)	(6,336,537)	(5,441,125)
Loss per share, basic and diluted	(0.01)	(0.05)	(0.07)
Total assets	234,995	339,079	1,813,124
Non-current liabilities	-	-	-

(in Canadian dollars, unless otherwise noted)

Quarterly information

Period	Interest income $	Income/(Loss) and comprehensive income/(loss) $	Loss per share, basic & diluted $	Total assets $	Non-current liabilities $
Q3- September 2024	-	17,117	0.00	234,995	-
Q3- September 2024	-	(631,700)	(0.00)	637,164	-
Q2- June 2024	1,970	(221,868)	(0.00)	119,568	-
Q1- March 2024	1,888	(672,954)	(0.00)	201,951	-
Q4- December 2023	4,706	(1,876,198)	(0.01)	339,079	-
Q3- September 2023	2,063	(1,106,727)	(0.01)	1,353,380	-
Q2- June 2023	-	(1,069,410)	(0.01)	223,321	-
Q1- March 2023	-	(2,284,202)	(0.03)	826,254	-
Q4- December 2022	4,716	(922,603)	(0.01)	1,813,124	-
Q3- September 2022	16,265	(1,407,820)	(0.02)	3,563,329	-

Cash flows

Year ended December 31, 2024

During the year ended December 31, 2024, the Company used cash of $1,034,373 in operating activities (December 31, 2023: $4,400,820). The Company used $1,509,405 in cash before non-cash working capital items, the majority of which was spent on exploration and evaluation expenses, consulting and management fees and other administrative costs as discussed above (December 31, 2023: $5,227,748). Non-cash working capital provided $475,032 during the year ended December 31, 2024 (December 31, 2023: $826,928). The net change in non-cash working capital reported on the cash flow statement identifies the changes in current assets and current liabilities that occurred during the period. An increase in a liability (or a decrease in an asset) is a source of funds, while a decrease in a liability (or an increase in an asset) account is a use of funds.

The Company had no investing activities during the years ended December 31, 2024 and 2023.

Financing activities provided $1,016,659 during the year ended December 31, 2024 (December 31, 2023: $2,936,870). The Company received short-term unsecured loans totalling 95,599,797 CLP ($154,298) from a related party, and repaid 94,099,797 CLP ($152,128). The Company issued 21,200,000 units of the Company for gross proceeds of $1,060,000 during the year ended December 31, 2024 with cash issue costs totaling $45,511 (December 31, 2023: $3,058,146 in proceeds with issue costs of $121,276).

Financial Instruments

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company's financial instruments include cash, accounts payable and accrued liabilities and short-term loan. The carrying values of these financial instruments reported in the statement of financial position approximate their respective fair values due to the relatively short-term nature of these instruments. As at December 31, 2024 and 2023, the Company had no instruments to classify in the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) *Credit risk*

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

Trade credit risk
The Company is not exposed to significant trade credit risk.

Cash and cash equivalents
In order to manage credit and liquidity risk the Company's policy is to invest only in highly rated investment grade instruments that have maturities of three months or less. Limits are also established based on the type of investment, the counterparty, and the credit rating.

(b) *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's foreign currency risk arises primarily with respect to the Chilean Peso (CLP) from its property interests in Chile and the US dollar in which some costs are denominated. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

As at December 31, 2024, the Company had the following financial instruments and denominated in foreign currency (expressed in Canadian dollars):

December 31, 2024	**Chilean pesos**	**US dollars**
Cash	$ 4,259	$ 43
Accounts payable and accrued liabilities	(598,619)	(196,414)
Short-term loan	(2,170)	-
	$ (596,530)	$ (196,371)

December 31, 2023	**Chilean pesos**	**US dollars**
Cash	$ 11,231	$ 1,226
Accounts payable and accrued liabilities	(565,936)	(121,845)
	$ (554,705)	$ (120,619)

A 10% strengthening (weakening) of the Canadian dollar against the Chilean Peso would decrease (increase) net loss by approximately $60,000 (December 31, 2023 - $55,000).

A 10% strengthening (weakening) of the Canadian dollar against the US dollar would decrease (increase) net loss by approximately $20,000 (December 31, 2023 - $12,000).

(c) *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At December 31, 2024, the Company had a cash balance of $176,243 (December 31, 2023 - $193,957) to settle current liabilities of $1,419,970 (December 31, 2023 - $1,029,138). The Company's trade payables have contractual maturities of less than 30 days and are subject to normal trade terms. During the year ended December 31, 2024, consultants of the Company, including directors and officers, waived $791,650 in fees reducing trade payables. Subsequent to December 31, 2024, vendors and consultants, including directors and officers, waived an additional $393,193 in payables, the waivers having not been recorded as at December 31, 2024.

(d) *Commodity / Equity price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to gold and copper, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Commodity price risk is remote as the Company is not a producing entity.

Critical Accounting Policies

The Company's material accounting policies are described in Note 3 of the financial statements for the year ended December 31, 2024. The preparation of statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The following is a list of the accounting policies that management believes are critical, due to the degree of uncertainty regarding the estimates and assumptions involved and the magnitude of the asset, liability or expense being reported:

- Foreign currencies
- Exploration and evaluation properties

Foreign currencies

The Foreign currency translation presentation and functional currency of the Company and its subsidiary is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Exchange differences are recognized in operations in the period in which they arise.

The Company makes expenditures and incurs costs in Chilean Pesos ("CLP"). At December 31, 2024, one Canadian dollar was worth CLP 691.13. During the year ended December 31, 2024, the average value of one Canadian dollar was CLP 688.80.

The Company makes expenditures and incurs costs in US dollars ("US$"). At December 31, 2024, one Canadian dollar was worth US$0.6950. During the year ended December 31, 2024, the average value of one Canadian dollar was US$0.7300.

Exploration and evaluation expenses

	Three months ended December 31,		Years ended December 31,	
	2024	**2023**	**2024**	**2023**
Drilling and geophysics	$ 25,120	$1,180,139	$ 147,683	$ 2,719,634
Option payments on Polaris project	167,377	-	206,734	265,536
Land management fees, taxes and permits	1,399	4,111	3,003	33,715
Advance royalty payments	-	36,071	-	36,071
Travel, meals and accomodations	(82)	-	-	16,464
Professional fees	32,515	15,804	86,550	115,558
Project overhead costs	56,074	158,221	250,420	418,279
Total exploration and evaluation expenses	**$ 282,403**	**$1,394,346**	**$ 694,390**	**$ 3,605,257**

Non-IFRS Measures

The Company has referred to working capital throughout this document. Working capital is a Non-IFRS performance measure. In the mining industry, it is a common Non-IFRS performance measure but does not have a standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. This Non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following tables provide a reconciliation of working capital to the financial statements as at December 31, 2024 and December 31, 2023.

	December 31, 2023	December 31, 2023
Cash	$ 176,243	$ 193,957
Amounts receivable	40,018	85,009
Prepaid expenses	18,734	60,113
Total current assets	$ 234,995	$ 339,079
Accounts payable and accrued liabilities	1,417,800	1,029,138
Short-term loan	2,170	
Total current liabilities	$ 1,419,970	$ 1,029,138
Workign capital/(deficiency), current assets less current liabilities	($1,184,975)	($690,059)

(in Canadian dollars, unless otherwise noted)

Commitments and Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make expenditures to comply with such laws and regulations.

Management Contracts

The Company is party to certain management contracts. As at December 31, 2024, these contracts require payments of approximately $1,890,000 (December 31, 2023 - $1,769,000) to be made upon the occurrence of a change of control to the officers and consultants of the Company. The Company is also committed to payments upon termination of approximately $957,000 (December 31, 2023 - $898,000) pursuant to the terms of these contracts as at December 31, 2024. As a triggering event has not taken place on December 31, 2024, these amounts have not been recorded in these consolidated financial statements. Minimum payments under these contracts due within one year are approximately $957,000.

Transactions with Related Parties

During the year ended December 31, 2024, directors and officers of the Company waived $487,790 in fees owed by the Company. As at December 31, 2024, an amount of $402,593 (December 31, 2023 - $220,085) included in accounts payable and accrued liabilities, was owed to directors and officers of the Company. Subsequent to the end of the year, an additional $317,053 in fees owed to directors and officers accrued to December 31, 2024 was waived on February 28, 2025. Such amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

In January 2024, the Company's subsidiary borrowed 60,000,000 CLP ($102,614) from a subsidiary of Nobel Resources Corp. ("Nobel") on a short-term basis. During the year ended December 31, 2024, the Company borrowed an additional 35,599,797 CLP ($51,684) and repaid 94,099,797 CLP ($136,614). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment. The short-term loan of 1,500,000 CLP ($2,170) remains payable as at December 31, 2024. As well, Nobel borrowed $24,500 from the Company during the year ended December 31, 2024 which was repaid in full as at December 31, 2024. Subsequent to December 31, 2024, the Company's subsidiary borrowed an additional 25,000,000 CLP ($37,619) from Nobel's subsidiary in February 2025 and Nobel borrowed $25,000 from the Company in April 2025. The Company and Nobel Resources Corp. have certain directors and officers in common.

Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. During the three and year ended December 31, 2024, the remuneration of directors and other key management personnel is as follows:

	Three months ended December 31,		Years ended December 31,	
	2024	**2023**	**2024**	**2023**
Management fees	$ (269,223)	$ 488,896	$ 376,281	$ 1,029,597
Share-based compensation	$ -	$ 205,000	$ -	$ 861,210
Total	$ (269,223)	$ 693,896	$ 376,281	$ 1,890,807

Risk Factors

Mining exploration inherently contains a high degree of risk and uncertainty, which even a combination of careful evaluation, experience and knowledge may not eliminate. The following are certain factors relating to the business of the Company, which investors should carefully consider when making an investment decision concerning the Company's shares. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks occur, the financial condition, liquidity, and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. An investment in the Company is speculative. An investment in the Company will be subject to certain material risks and investors should not invest in securities of the Company unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the Company.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, current financial conditions, revenues, taxes, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations, and no revenues. Even if the Company's exploration program on one or more of the properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which would result in dilution to the Company's shareholders.

Limited Operating History

The Company is a relatively new company with limited operating history. The Company only recently acquired its interest in its material properties and the Company has no history of business or mining operations, revenue generation or production history. The Company has yet to generate a profit from their activities. The Company will be subject to all the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

No Mineral Resources or Mineral Reserves

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

The Company's properties are in the exploration stage only and, to date, no mineral resources or mineral reserves have been identified. Development of the Company's properties will follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that any mineral resources or mineral reserves will be identified or developed. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish mineral resources and mineral reserves and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Fluctuating Mineral Prices

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals that may be found on the Company's properties.

Regulatory, Permit and License Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations that may concern, among other things, exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules because of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on its properties will be obtainable on reasonable terms, or that such laws and regulations will not have an adverse effect on any exploration or development project which the Company might undertake.

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 and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to some or all the Company's interest in its properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have the interest it understands it has in its properties could cause the Company to lose any rights to explore, develop and mine any minerals on such properties without compensation for its prior expenditures relating thereto.

Competition

The mineral exploration and development industry is highly competitive. The Company will have to compete with other companies, many of which have greater financial, technical, and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests, as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other companies could have a material adverse effect on the Company and its prospects.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the exploration, development and mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and national and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with exploration, development, and mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned, and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Local Resident Concerns

Apart from ordinary environmental issues, the exploration, development, and mining of the Company's properties could be subject to resistance from local residents that could either prevent or delay exploration and development of the properties.

Foreign Operations

The Company's properties are located in Chile. As such, the Company's proposed activities with respect to its properties will be subject to governmental, political, economic and other uncertainties, including but not limited to expropriation of property without fair compensation, repatriation of earnings, nationalization, currency fluctuations and devaluations, exchange controls and increases in government fees, renegotiation or nullification of existing concessions and contracts, changes in taxation policies, economic sanctions and the other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations will be conducted, as well as risks including loss due to civil strife, acts of war, insurrections and the actions of national labour unions. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines, could have a significant effect on the Company. No assurances can be given that the Company's plans and operations will not be adversely affected by future developments in Chile. Any changes in regulations or shifts in political attitudes will be beyond the Company's control and may adversely affect the Company's business.

Uninsurable Risks

Exploration, development, and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes, and other environmental occurrences, any of which could result in damage to, or destruction of, equipment and mines, damage to life or property, environmental damage, and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations, and financial performance of the Company. It is not always possible to obtain insurance against all 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 have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company securities.

Litigation

The Company and/or its directors or officers may be subject to a variety of civil or other legal proceedings, with or without merit.

Outstanding Share Data

As at the date of this MD&A, the Company has:

- 218,567,236 common shares outstanding;

- 61,686,716 warrants outstanding, with expiry dates ranging from July 14, 2026 to April 10, 2028. If all the warrants were exercised, 61,686,716 shares would be issued for gross proceeds of $5,965,702.

- 14,470,000 options outstanding, with expiry dates ranging from January 26, 2028 to October 11, 2028. If all options were exercised, 14,470,000 shares would be issued for gross proceeds of $2,162,000.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This MD&A contains, or incorporates by reference, "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the future performance of Halcones Corp. ("Halcones" or the "Company"), Halcones's mineral properties, the future price of gold, zinc and other metals, the estimation of mineral resources and mineral reserves, results of exploration activities and studies, the realization of mineral resource estimates, exploration activities, costs and timing of the development of new deposits, the acquisition of additional mineral resources, the results of future exploration and drilling, costs and timing of future exploration of the mineral projects, requirements for additional capital, management's skill and knowledge with respect to the exploration and development of mining properties in Chile, government regulation of mining operations and exploration operations, timing and receipt of approvals and licenses under mineral legislation, the Company's local partners, and environmental risks and title disputes. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks associated with the Company's dependence on the mineral projects; general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; risks associated with dependence on key members of management; conclusions of economic evaluations and studies; currency fluctuations (particularly in respect of the Canadian dollar, the United States dollar and the rate at which each may be exchanged for the others); future prices of gold, copper, and other metals; uncertainty in the estimation of mineral resources; exploration and development risks; infrastructure risks; inflation risks; defects and adverse claims in the title to the projects; accidents, political instability, insurrection or war; labour and employment risks; changes in government regulations and policies, including laws governing development, production, taxes, royalty payments, labour standards and occupational health, safety, toxic substances, resource exploitation and other matters; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; insufficient insurance coverage; the risk that dividends may never be declared; and liquidity and financing risks related to the global economic crisis. Such forward-looking statements are based on a number of material factors and assumptions, including; that contracted parties provide goods and/or services on the agreed timeframes; that ongoing contractual negotiations will be successful and progress and/or be completed in a timely manner; that no unusual geological or technical problems occur; that plant and equipment work as anticipated and that there is no material adverse change in the price of gold. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated, or intended. A qualified person, as defined in National Instrument 43-101, has not done sufficient work on behalf of the Company to classify certain of the historical technical information included in this MD&A, including the historical estimates of the Company's projects as a current mineral resource and the Company is not treating the historical estimates as a current mineral resource or mineral reserve. This historical information should not be relied upon, and the Company cannot guarantee the accuracy of the historical data. Forward-looking statements contained herein are made as of the date of this MD&A. There can be no assurance that the forward-looking 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 statements due to the inherent uncertainty therein.