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AVRUPA MINERALS LTD.
(An Exploration Stage Company)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

INTRODUCTION

This is Management's Discussion and Analysis ("MD&A") for Avrupa Minerals Ltd. ("Avrupa" or the "Company") and has been prepared based on information known to management as of April 30, 2026. This MD&A is intended to help the reader understand the consolidated financial statements of Avrupa.

The following information should be read in conjunction with the audited consolidated financial statements as at December 31, 2025, 2024 and 2023 and the related notes thereto, prepared in accordance with IFRS Accounting Standards ("IFRS"). The MD&A provides a review of the performance of the company for the year ended December 31, 2025. Additional information relating to the Company can be found on SEDAR+ www.sedarplus.ca.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management also ensures that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable.

The Company's board of directors follows recommended corporate-governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management regularly to review the consolidated financial statements, including the MD&A, and to discuss other financial, operating and internal-control matters.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

FORWARD LOOKING STATEMENTS

Certain sections of this MD&A provide, or may appear to provide, a forward-looking orientation with respect to the Company's activities and its future financial results. Consequently, certain statements contained in this MD&A constitute express or implied forward-looking statements. Terms including, but not limited to, "anticipate", "estimate", "believe" and "expect" may identify forward-looking statements. Forward-looking statements, while they are based on the current knowledge and assumptions of the Company's management, are subject to risks and uncertainties that could cause or contribute to the actual results being materially different than those expressed or implied. Readers are cautioned not to place undue reliance on any forward-looking statement that may be in this MD&A.

The following forward-looking statements have been made in this MD&A:

- Impairment of long-lived assets;
- The progress, potential and uncertainties of the Company's mineral properties in Portugal, Kosovo, and Finland; and
- Expectations regarding the ability to raise capital and to continue its exploration and development plans on its properties.

ADDITIONAL INFORMATION

Financial statements, MD&A's and additional information relevant to the Company and the Company's activities can be found on SEDAR+ at www.sedarplus.ca, and/or on the Company's website at www.avrupaminerals.com.

SUMMARY AND OUTLOOK

Avrupa is a growth-oriented exploration and development company focused on discovering economic mineral deposits, using a hybrid prospect generator model (getting other partners to fund our properties to minimize dilution as well as funding our own exploration programs on our top projects), in politically stable and prospective regions of Europe, including Portugal, Kosovo, and Finland.

Over the course of 16 years, Avrupa has brought in partners on its exploration projects that have invested approximately $35.7 million in exploration in addition to funds spent by Avrupa. That exploration has led to two discoveries – one gold deposit in Kosovo and one area of VMS mineralization in the prolific Iberian Pyrite Belt famous for large copper-zinc deposits in southern Portugal.

While Avrupa has been focused on advancing its exploration projects with funding from partners who can earn an interest in the projects by spending exploration funds thereby reducing dilution for shareholders, the Company completed its own exploration program at the Alvalade property. This resulted in the Company entering into an Earn-In Joint Venture Agreement for the Alvalade project with Minas de Aguas Teñidas, S.A. ("Sandfire MATSA" or "MATSA") and its wholly-owned subsidiary Sandfire Mineira Portugal, Unipessoal Lda. ("SMP"), formerly Emisurmin Unipessoal Lda. ("EUL") in November 2019. On February 27, 2025, SMP and the Company signed the termination agreement and for a nominal fee of €510, the Alvalade project and the portion of the share capital of the joint venture entity PorMining held by SMP (51%) was transferred to MAEPA, resulting in the Company owning 100% of PorMining and began consolidating PorMining effective April 1, 2025 (see more discussion under section 3(a) Portugal – Alvalade).

In December 2021, Avrupa signed a binding letter agreement ("Letter Agreement") with Akkerman Exploration B.V. ("AEbv") to acquire 100% ownership of Akkerman Finland OY ("AFOy"). AFOy now owns seven mineral reservations and exploration permits in the past-producing and highly prospective Vihanti-Pyhäsalmi VMS district in central Finland and one gold project in the Oijarvi greenstone belt Finland. On February 25, 2022, the Letter Agreement was superseded by the Share Purchase Agreement. The Company currently owns 49% of AFOy.

On May 16, 2022, the mining bureau of Kosovo ("ICMM") issued a new Slivova exploration license ("Slivova") to Avrupa's Kosovo subsidiary AVU Kosova LLC ("AVUK"). On May 2, 2023, the Company signed an earn-in joint venture agreement with Kosovo-based Western Tethyan Resources ("WTR"). WTR is a private exploration company and is 76% owned by London AIM- and Australian ASX-listed Ariana Resources PLC. Pursuant to the agreement, WTR can earn up to an 75% interest in the Slivova project. As of December 31, 2024, WTR completed the Stage 1 by funding a total of €819,014 on the Slivova project and unconditionally earned the 51% interest in AVUK. On January 31, 2025, 51% interest was transferred to WTR, leaving the Company recognizing $1 as its 49% interest in AVU Kosova LLC as "Investment in AVU Kosova LLC".

Avrupa continues to upgrade its precious and base metal targets to JV-ready status in a variety of districts, with the idea of attracting potential partners to project-specific and/or regional exploration programs, and to look for new projects in certain mineral belts in Europe, or nearby.

During the year ended December 31, 2025, the Company continued to carefully manage its cash and corporate overhead activities. Detailed Mineral Property information, including 2025 activity, can be found in Section 3.

Management's overall expectations for the Company are positive, due in part to the following factors:

- Despite Sandfire MATSA vacating the Alvalade project during year 2025, Sandfire MATSA and its team provided valuable financial and technical input to the exploration around the Alvalade license, especially at the Sesmarias discovery. The joint venture built a strong, successful working exploration model and followed it with overall good results. The Company sees plenty of opportunity directly at Sesmarias and nearby surroundings, and the retention of 100% of the Alvalade project provides a new opportunity for the Company to build up the project into a long-term copper-zinc-lead-silver mining solution.
- The Company and its 51% partner AEbv continue to explore in AFOy's properties in Finland.
- WTR completed the Stage 1 by funding a total of €819,014 on the Slivova project and unconditionally earned the 51% interest in AVU Kosova LLC and continues to work towards the next earn-in stage.
- The Company is highly experienced in Europe and is negotiating additional ventures on its existing portfolio of properties.

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1. Background

The Company is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia.

On July 13, 2010, the Company acquired (a) 90% of the issued and outstanding shares in MAEPA and (b) 92.5% of the issued and outstanding shares of Innomatik Exploration Kosovo LLC, a private Kosovo company ("Innomatik") and began trading on the TSX Venture Exchange under the symbol "AVU" as of July 14, 2010. In April 2012, the Company acquired the remaining 10% of MAEPA to own 100% interest in MAEPA from its non-controlling interest owner. On August 20, 2013, the Company acquired the remaining 7.5% of Innomatik to own 100% interest in Innomatik from its non-controlling interest owners. On March 3, 2022, the Company acquired 49% of the issued and outstanding shares in AFOy.

The Company and its subsidiaries' principal activities are to locate, explore and develop the mineral resources properties in Europe.

In September 2012, the Company secured a listing in Europe and began trading on the Frankfurt Stock Exchange under the trading symbol "8AM".

On December 21, 2020, the Company consolidated its share capital on the basis of one new share for every 4 old shares (the "Share Consolidation"). All references to the number of shares and per share amounts have been retroactively restated to reflect the Share Consolidation.

2. Overview

2(a) Company Mission and Focus

The Company is focused on exploring and developing economic mineral projects in Europe as a "hybrid prospect generator" company. The Company plans to explore different stages exploration projects, and to acquire and option out these exploration projects, while keeping a retained interest.

2(b) Qualified Person

Mr. Paul W. Kuhn, M.Sc., a Licensed Professional Geologist and a Registered Member of The Society of Mining Engineers, is a Qualified Person, as defined by National Instrument 43-101. Mr. Kuhn has reviewed the technical contents of this MD&A.

2(c) Description of Metal Markets

Market interest for all metals such as gold and copper is volatile and the Company will monitor its resources relative to its opportunities during the coming fiscal year.

2(d) Use of the terms “Mineral Resources” and “Mineral Reserves”

Any reference in this MD&A to Mineral Resources does not mean Mineral Reserve.

A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

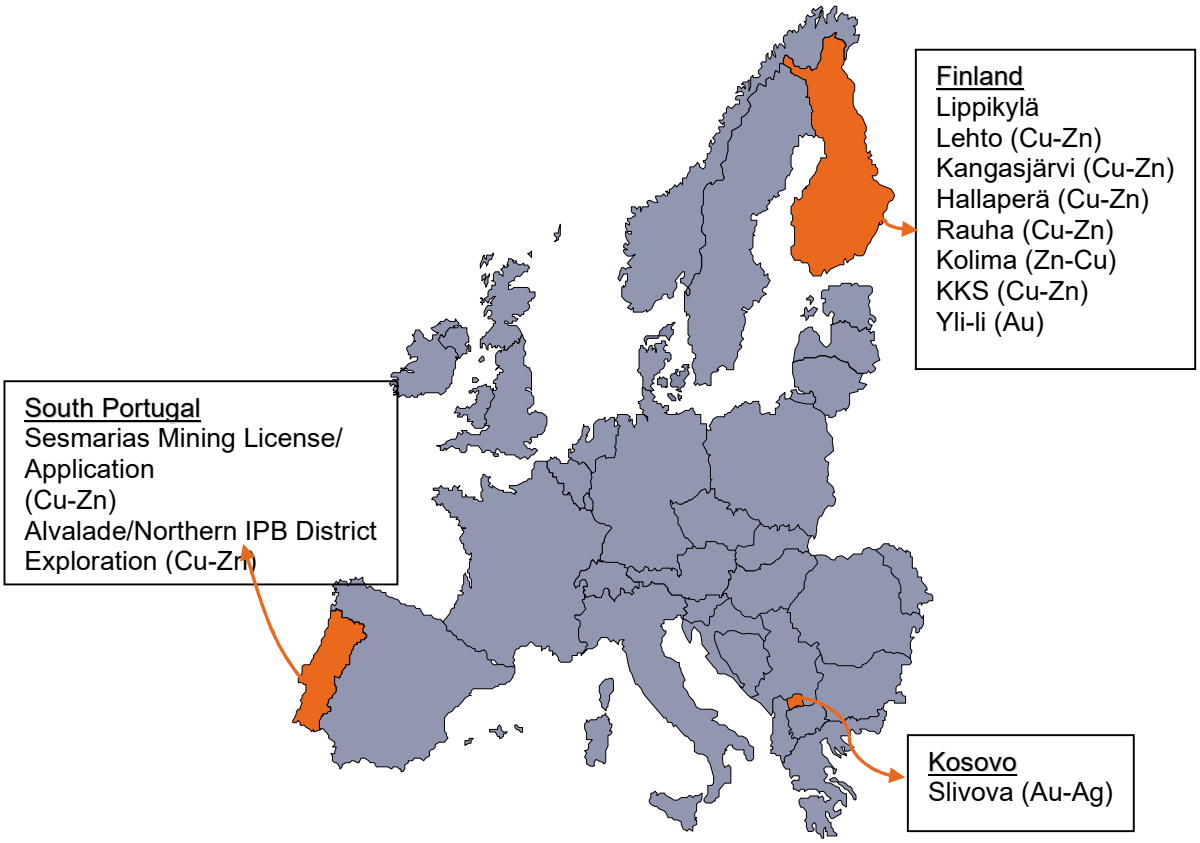
Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

2(e) Historical estimates are not NI 43-101 compliant

The historical estimates contained in this MD&A have not been calculated in accordance with the mineral resources or mineral reserves classifications contained in the CIM Definition Standards on Mineral Resources and Mineral Reserves, as required by National Instrument 43-101 ("NI 43-101"). Accordingly, the Company is not treating these historical estimates as current mineral resources or mineral reserves as defined in NI 43-101, and such historical estimates should not be relied upon. A qualified person has not done sufficient work to date to classify the historical estimates as current mineral resources or mineral reserves.

3. Mineral Properties

The following is a brief description of the Mineral Properties owned by the Company. Additional information can be obtained from the Company's website (www.avrupaminerals.com).



3(a) Portugal

The Company through its wholly-owned subsidiary MAEPA Lda., is currently focused in the Portuguese portion of the Iberian Pyrite Belt, a district with over 2,000 years of mining history from at least Roman times.

Alvalade

The Alvalade Cu-Zn VMS Project is located in the *Iberian Pyrite Belt* which hosts seven active mines in Portugal and Spain. Previous and ongoing work along the Caveira-Lousal-Sesmarias Trend in the Alvalade Cu-Zn Project suggests a unique brownfields/development opportunity in a +50 Mt district, which includes two past-producing mines and recent discovery of VMS-style mineralization at Sesmarias and Monte da Bela Vista.

On November 19, 2019, the Company and MAEPA (collectively the "Company") and Minas de Aguas Teñidas, S.A. ("Sandfire MATSA" or "MATSA") and its wholly-owned subsidiary Sandfire Mineira Portugal, Unipessoal Lda. ("SMP"), formerly "EUL", collectively "Sandfire MATSA" entered into an Earn-In Joint Venture Agreement (the "Agreement") with respect to the Alvalade project. Pursuant to the Agreement, PorMining Lda. was incorporated on December 17, 2019 to hold assets and develop mineral rights (both as defined) and SMP can earn up to an 85% interest in PorMining Lda. ("PorMining"). The earning of this interest, subsequent arrangements that may be entered into to explore the assets and, if warranted, the development of one or more projects are referred to as the "Transaction".

On March 27, 2020, MAEPA and SMP entered into a Quota Transfer Agreement pursuant to which MAEPA split its 100% interest in the share capital of PorMining into two quotas, representing 51% and 49% of the company's share capital, and sold the 51% quota to SMP for the nominal value of €510.

On March 27, 2020, the Company, MAEPA, MATSA and SMP entered into the PorMining Lda. Shareholders' Agreement (the "Agreement"). Pursuant to the Agreement:

- PorMining has five directors. From the effective date until the second option exercise date, three will be nominated by SMP and two by MAEPA. Thereafter, four will be nominated by SMP and one will be nominated by MAEPA. Upon the occurrence of the 51/49 Phase and thereafter, SMP is entitled to nominate three directors and MAEPA two directors. In the event of dilution of the interest of SMP or MAEPA, each will be entitled to proportional representation (as described) equal to its then interest;
- In the event that SMP and/or MAEPA wish to sell or transfer their shares in PorMining, PorMining has a right of first refusal to purchase all or a portion of the shares. To the extent that PorMining does not exercise its right of first refusal to all of the shares, each of SMP and/or MAEPA has a right of first refusal; and,
- The Agreement will terminate at such time as there is a final decision regarding the dissolution and liquidation of PorMining, the parties mutually agree on the termination of the Agreement or as provided for under the Earn-In Joint Venture Agreement.

The effective date of the Transaction was June 15, 2020, the date that PorMining received the mineral rights in its name from the General Directorate of Energy and Geology of Portugal ("DGEG"). The Transaction comprised of few phases whereas SMP completed Phase I – First Option and was working on Phase II – Second Option before SMP terminated the Agreement in February 2025.

Phase I – First Option

During Phase I, MAEPA granted SMP the sole and exclusive right to hold an undivided 51% interest in PorMining (the first option) for at least three years from the effective date or the issue (issued on June 15, 2020) of the Experimental Exploitation License (the "EEL") by DGEG to PorMining. SMP's right to maintain its 51% interest is conditional upon MATSA:

- Paying €400,000 to the Company on or before the effective date (€200,000 was received in December 2019 and the remaining €200,000 was received in June 2020);
- Funding or providing the necessary financial instrument to cover the guarantee, which will be returned to MATSA following the release of the guarantee by DGEG (funded €100,000 in June 2020); and
- Funding expenditures (the first option expenditures) on the mineral rights in an aggregate amount of €2,400,000 (€1,200,000 within the first 12 months following the effective date [met] and €1,200,000 in the next 24 months [met]) on or before three years from the effective date or the issue of the EEL.

Effectively in March 2022, Sandfire MATSA completed the Phase I First Option by funding a total of €2,500,000 on the Alvalade project, including the €100,000 guarantee with DGEG, and SMP unconditionally earned the 51% interest in PorMining.

During Phase I, MAEPA acted as the operator of the mineral rights with PorMining paying MAEPA an operator's fee equal to €100,000 per year, paid monthly starting June 16, 2020, funded by Sandfire MATSA and which formed part of the first option expenditures.

Upon the completion of Phase I, Sandfire MATSA and PorMining continued with having MAEPA acting as the operator and PorMining continued paying the operator's fee until December 31, 2024. In January 2025, SMP notified the Company that it intended to transfer its interests in the project back to the Company. In January 2025, MAEPA received the final operator's fee of €8,333 ($13,151) (2024 - €100,000 ($148,180)) where the fund was included in reimbursements from optionee.

Prior to SMP terminating the Agreement in February 2025, as of December 31, 2024, Sandfire MATSA funded €5,221,000 towards Phase II – Second Option, but it did not complete this Phase II – Second Option earn-in and paid an additional amount of €159,900 to cover the final planned and wrap up costs for the Alvalade Project.

On February 27, 2025, SMP and the Company signed the termination agreement and for a nominal fee of €510, the Alvalade project and the portion of the share capital of the joint venture entity PorMining held by SMP (51%) was transferred to MAEPA, resulting in the Company owning 100% of PorMining and began consolidating PorMining effective April 1, 2025. As a

result of this transfer, the Company recognized a gain of $399,712 in the statement of comprehensive loss.

Upon DGEG releasing the guarantee of $160,890 (€100,000) that Sandfire MATSA put in as part of the Phase I – First Option obligation, this amount will be returned to Sandfire MATSA.

The Company sees plenty of opportunity directly at Sesmarias and nearby surroundings, and the retention of 100% of the Alvalade project provides a new opportunity for the Company to continue to build up the project into a long-term copper-zinc-lead-silver mining solution.

On February 28, 2025, the Company reported on the 2024 drilling program at Sesmarias. During the recent phase of drilling at Sesmarias, the Company completed eight diamond drill holes in the extended central zone at Sesmarias, totaling 4,828.4 meters.

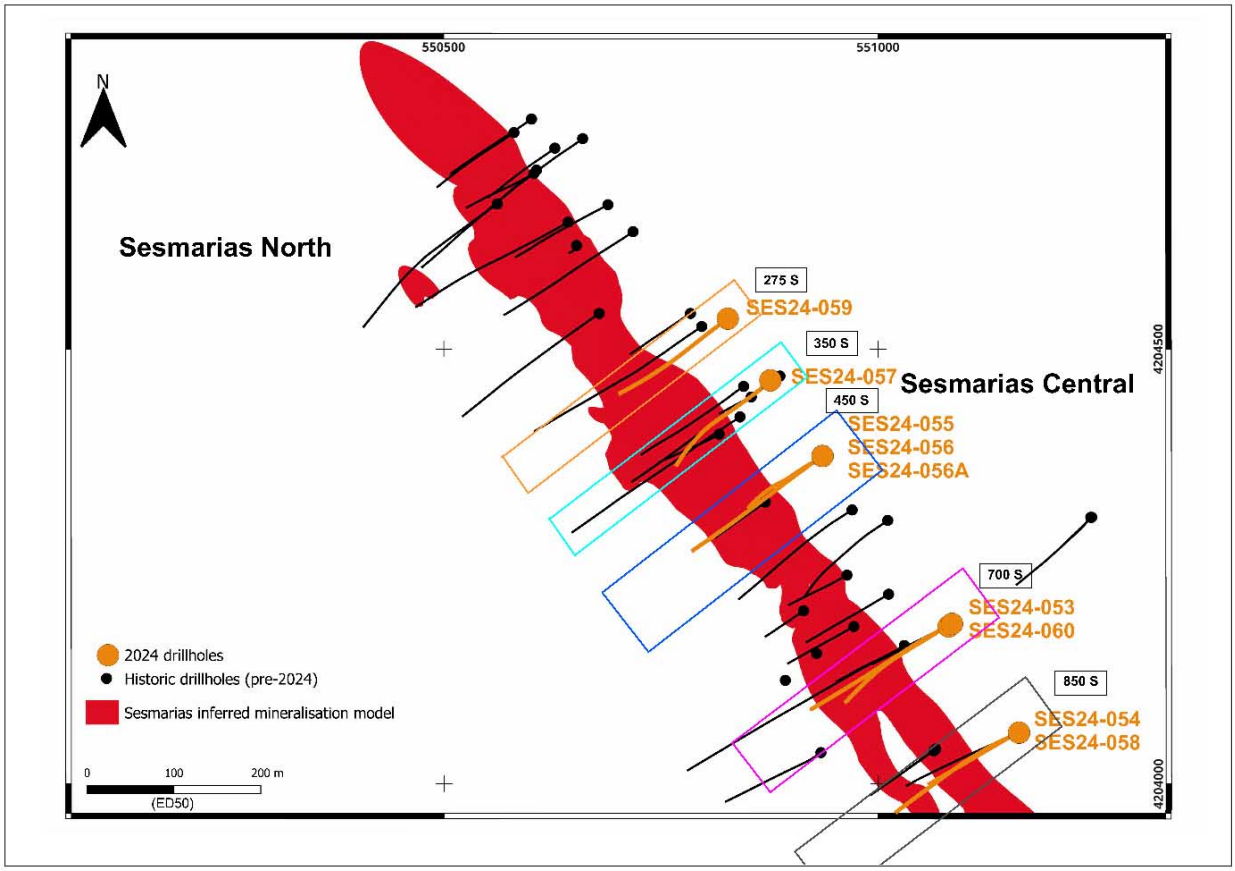


Figure 1. Location of 2024 drilling in the SES Central area.

Results from the drilling included one excellent high-grade intercept in SES24-054, crossing the targeted hinge zone at a depth of around 400 meters, two moderate-grade intercepts in SES24-053 and SES24-055 that passed over the hinge zone and cut into the west limb of the Sesmarias synform, and another moderate-grade intercept in SES24-059 that passed through the east limb of the synform and into the hinge zone. SES24-057 passed under the hinge zone through weak stockwork sulfide mineralization. Both SES24-058 and SES24-060 passed close

under the synform through weak to moderate stockwork and replacement sulfide mineralization, but neither hole was sampled. Finally, SES24-056/056A, due to difficult drilling conditions, passed well under the hinge zone and was not mineralized. Highlights of the results follow. Note that results for SES24-053 and SES24-054 were published previously (NR -- September 19, 2024).

SES24-053: 9.15 m @ 0.40% Cu; 6.11% Pb+Zn; 0.23 g/t Au; and 50.50 g/t Ag.

SES24-054: 28.60 m @ 1.68% Cu; 7.17% Pb+Zn; 0.22 g/t Au; and 73.90 g/t Ag.

SES24-055: 21.60 m @ 0.55% Cu; 1.23% Pb+Zn; 0.56 g/t Au; and 18.55 G/t Ag.

SES24-056/056A: no significant intercepts.

SES24-057: 34.05 m @ 0.11% Cu; 0.26% Pb+Zn; 0.11 g/t Au; 1.68 g/t Ag.

SES24-058: 21.90 m of weak stockwork/replacement mineralization; no samples.

SES24-059: 141.00 m @ 0.31% Cu; 1.97% Pb+Zn; 0.45 g/t Au; 19.74 g/t Ag.

SES24-060: 16.00 m of weak stockwork/replacement mineralization; no samples.

2024 Sesmarias DDH Intercepts

Drill hole ID	From (m)	To (m)	Intercept (m)	Cu (%)	Pb (%)	Zn (%)	Pb+Zn(%)	Au (g/t)	Ag (g/t)	Comments
SES24-053	**439.70**	**452.85**	**13.15**	**0.31**	**1.57**	**3.00**	**4.57**	**0.18**	**38.40**	Passed over hinge zone; cut lower part
Incl.	439.70	448.85	9.15	0.40	2.09	4.02	6.11	0.23	50.50	of the west limb
SES24-054	**377.20**	**418.40**	**41.20**	**1.59**	**1.71**	**3.36**	**5.07**	**0.21**	**54.90**	
Incl.	377.20	405.80	28.60	1.68	2.42	4.75	7.17	0.22	73.90	
Incl.	385.80	393.80	8.00	1.90	4.98	9.78	14.76	0.10	131.30	Hinge Zone and east limb
And Incl.	402.80	405.80	3.00	0.39	5.10	9.45	14.55	0.42	94.77	
And Incl.	405.80	412.40	6.60	2.19	0.17	0.35	0.52	0.30	20.32	
SES24-055	**502.40**	**524.00**	**21.60**	**0.55**	**0.60**	**0.63**	**1.23**	**0.56**	**18.55**	Passed over hinge zone; cut lower part
Incl.	508.40	515.40	7.00	0.68	0.45	0.51	0.96	0.53	16.06	of the west limb
SES24-056/056A				No significant intercepts						Passed well under hinge zone
SES24-057	**498.80**	**532.85**	**34.05**	**0.11**	**0.06**	**0.20**	**0.26**	**0.11**	**1.68**	Weak stkwk intercept -- below hinge
SES24-058	**372.30**	**394.20**	**21.90**	Weak stkwk and bedded sulfide mineralization						Passed below hinge zone -- Not sampled
SES24-059	**392.00**	**533.00**	**141.00**	**0.31**	**0.55**	**1.42**	**1.97**	**0.45**	**19.74**	Total sulfide + stkwk intercept
Zone 1	392.00	420.00	28.00	0.38	0.87	2.69	3.56	0.70	29.50	
incl.	394.00	415.00	21.00	0.41	1.06	3.23	4.29	0.82	34.57	1st massive sulfide intercept
and incl.	407.00	415.00	8.00	0.34	1.46	4.77	6.23	0.96	34.99	
Zone 2	436.30	487.50	51.20	0.42	0.73	1.68	2.41	0.63	26.29	
Highest copper zone	442.00	450.00	8.00	0.79	0.70	1.86	2.56	0.41	28.04	2nd massive sulfide intercept
Highest polymetallic zone	458.00	467.00	9.00	0.55	1.37	3.29	4.66	0.85	44.20	
Zone 3	495.00	500.00	5.00	0.30	0.20	0.68	0.88	0.29	9.62	3rd massive sulfide intercept
Zone 4	505.00	524.20	19.20	0.33	0.53	1.23	1.76	0.26	15.26	4th massive sulfide intercept
Highest copper zone	510.00	519.00	9.00	0.45	0.43	1.39	1.82	0.36	18.81	
Zone 5	555.50	564.00	8.50	0.61	0.20	0.45	0.65	0.28	9.65	5th massive sulfide intercept
SES24-060	384.00	402.00	16.00	Weak stkwk and bedded sulfide mineralization						Passed below hinge zone -- Not sampled

Table 1. Mineral intercept results from 2024 drilling at Sesmarias.

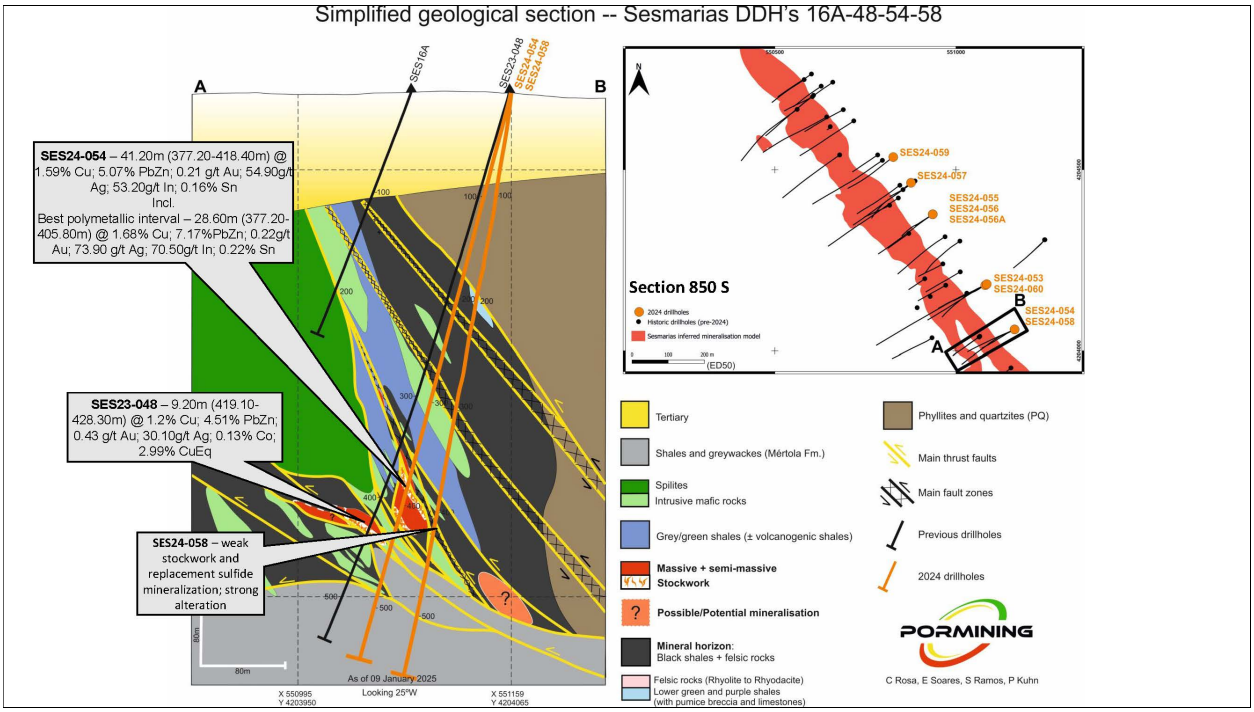


Figure 2. High-grade results from SES24-054 highlight Section 850 S. We drilled SES24-058 too steeply and closely missed the bottom of the hinge zone, based on visual review of the intensity of alteration and sulfide mineralization in black shale and volcanogenic sediments at target depth. 1-2 more holes to the south should be considered to extend the high-grade zone.

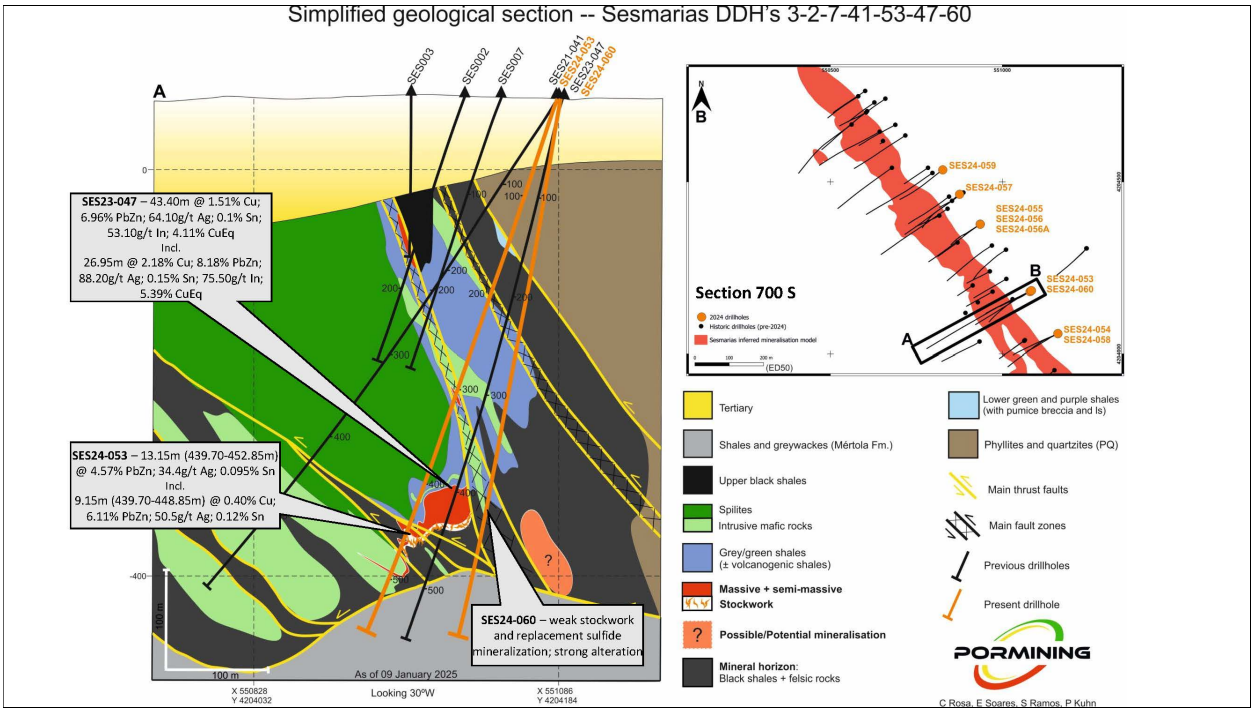


Figure 3. Section 700 S covers SES23-047, with similar mineralization as seen in SES24-054. The intercepts in 047 and 054 suggest a present strike length of more than 150 meters of the high-grade

polymetallic mineralization. A 75-meter step out to the north should be a next step. We drilled SES24-060 significantly under the hinge zone, yet still crossed weak stockwork and replacement sulfide mineralization in altered black shale and volcanogenic sediments.

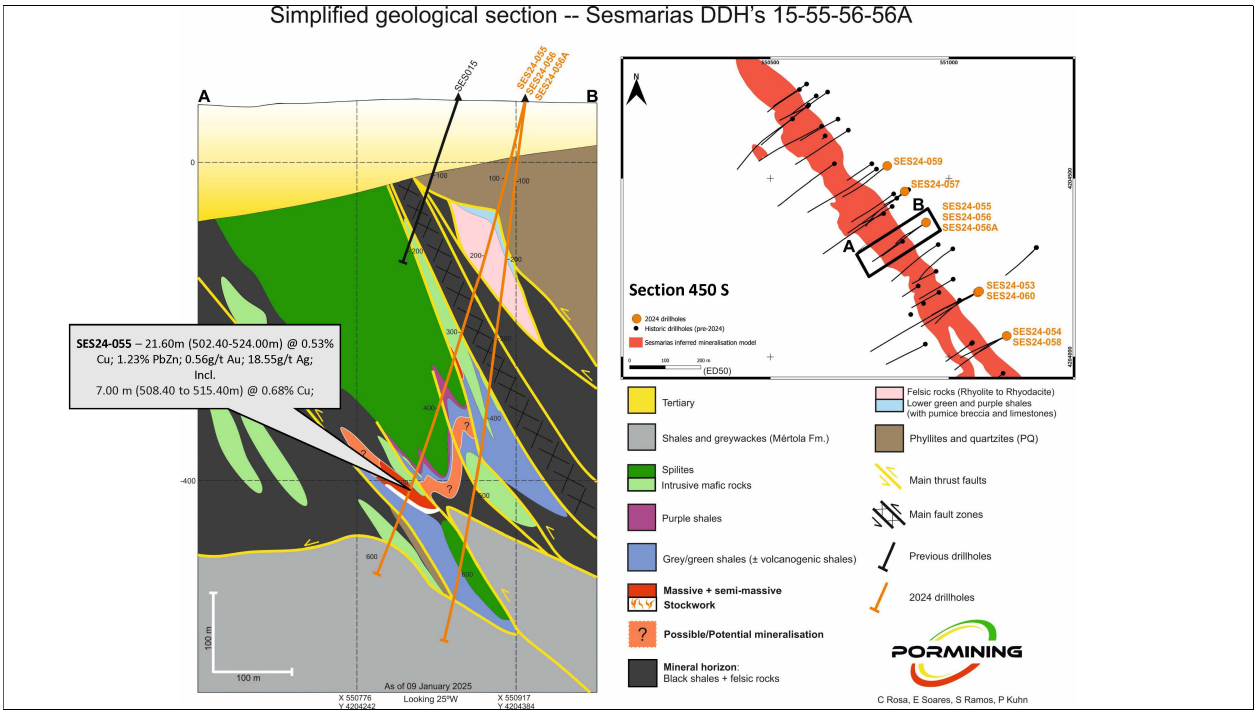


Figure 4. Section 450 S shows SES24-055 crossed well over the hinge zone, but intersected mineralization in the west limb of the synform. SES24-056/056A crossed under the hinge zone, but extremely difficult drilling conditions caused the hole to veer steeply away from the target. Another hole, between 055 and 056/056A should be considered.

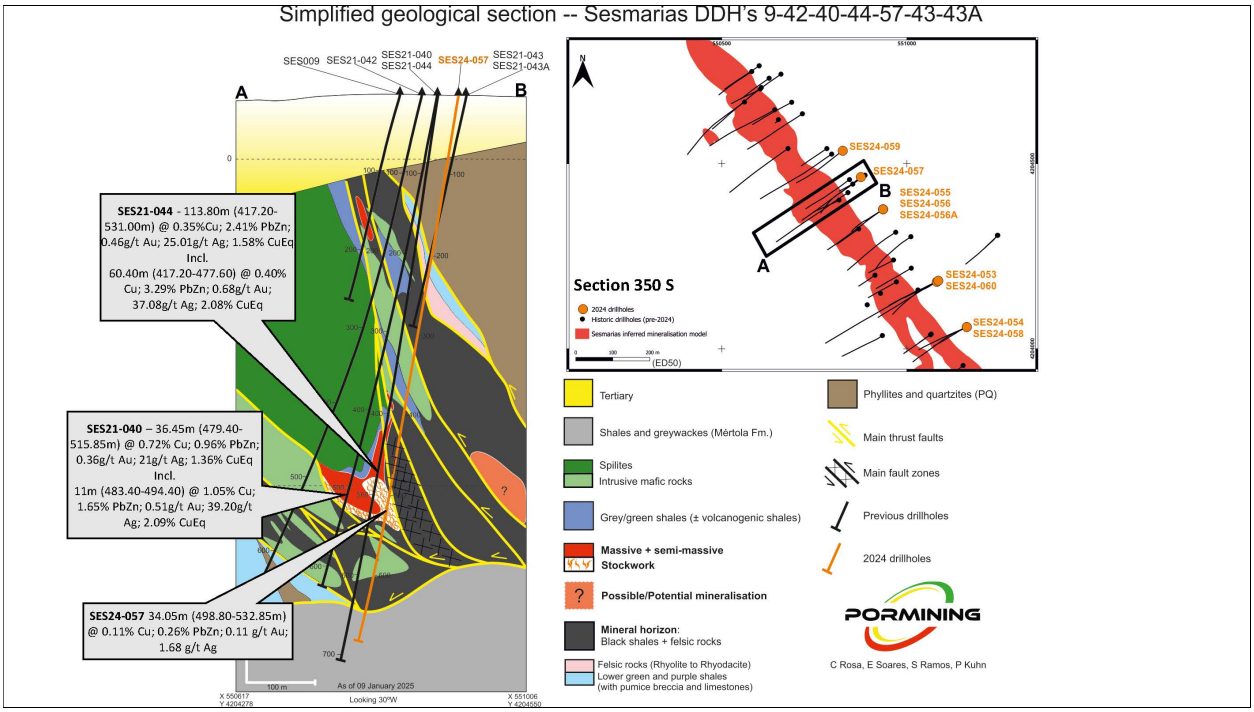


Figure 5. Section 350 S suggests that the hinge zone is present, but the grade is not so high. SES21-40 cut higher copper values in the lower part of the west limb, while SES24-057 intersected low copper values slightly below the hinge of the synform. Structural relationships in this section and in 450 S indicate more structural displacement of the target than expected, leading to missing the heart of the hinge zone in these two sections.

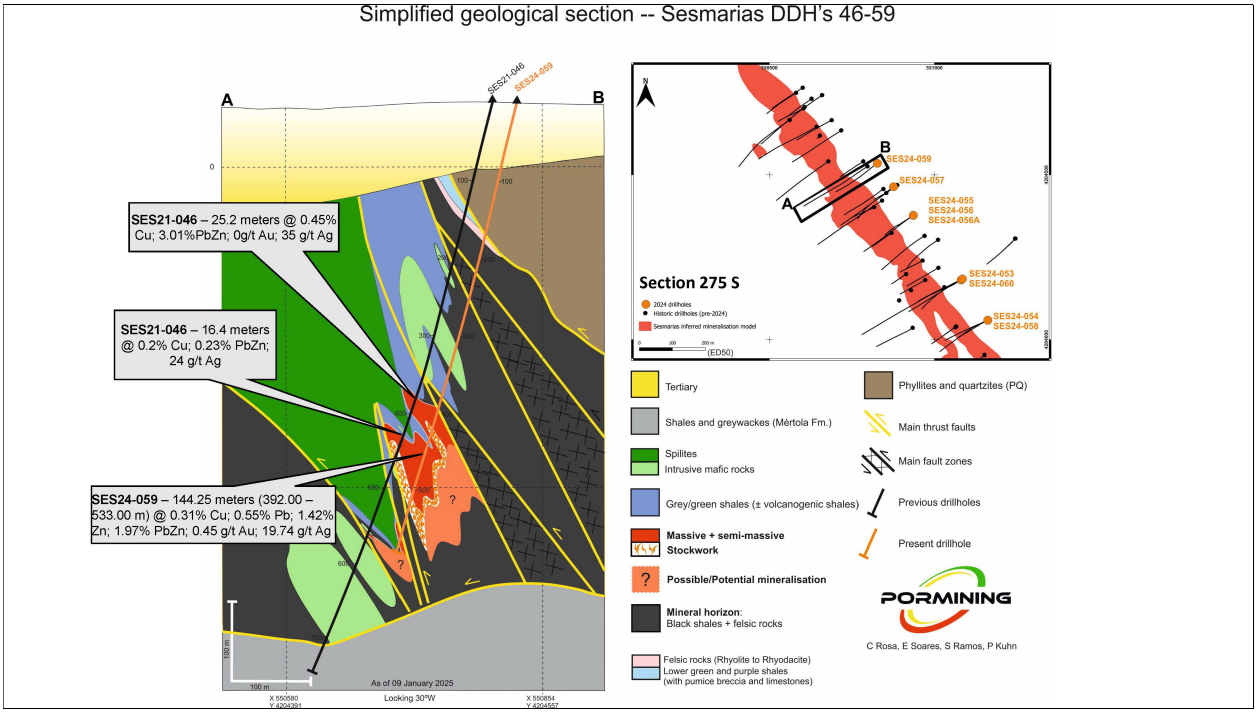


Figure 6. Section 275 S shows robust, but medium-grade mineralization, particularly in SES24-059. At least one more hole should be considered below 059, as shown in this section.

On July 9, 2025, the Company announced that it formally submitted a Mining License Application ("MLA"), along with all necessary documentation, covering its 100%-owned Sesmarias copper-zinc VMS project located in the northern portion of the Iberian Pyrite Belt ("IPB") of Portugal. The Portuguese Mining Bureau, Direção-Geral de Energia e Geologia ("DGEG"), will now take the necessary time to review the submitted documentation, and as is usually the case, may request further clarifications and/or additional documentation before a decision on granting the license is made.

The Company is concentrating on engaging a mining partner to move the program forward, and will continue to work towards a suitable partnering arrangement in the upcoming months.

3(b) Kosovo

The Company's senior Kosovo management has long-term experience with the democratically-elected Kosovo government, with the United Nations and European Union administrators of the pre-independent country, and with the metallogeny and mineral deposits of the region. Until recently, there has been little modern, systematic exploration performed in Kosovo to date, leaving an opportunity for successful prospect and project generation.

Slivova

The original Slivova (originally called Slivovo) exploration license is located approximately 15 km southeast of the capital Prishtine. The Company's geologists first discovered an outcropping gossan zone, 200 meters long x 100 meters wide x 75 meters in elevation, near the village of Pester in late 2011.

Byrnecut International Limited ("Byrnecut") earned an 85% interest in the Slivovo property after forwarding $2,834,986 (€2,000,000) for the Slivovo property to the Company and completing a Preliminary Feasibility Study ("PFS") by April 10, 2017. Byrnecut and the Company set up a joint venture entity known as Peshter Mining J.S.C. ("Peshter Mining") to reflect the 85:15 ownership and transferred the Slivovo license into Peshter Mining with Byrnecut being the operator. Avrupa's interest in Peshter Mining was subsequently diluted to below 10%, resulting in the Company's interest in Peshter Mining being converted into a 2% Net Smelter Return.

During fiscal 2020, Byrnecut decided not to proceed with advancing Slivovo. Rather than dropping the license and potentially allowing a third party to stake the open land, Innomatik Exploration Kosovo LLC ("IEK"), Byrnecut and Peshter Mining entered into a binding term sheet (the "TS") whereby the parties set out the terms on which Peshter Mining would surrender the existing tenements, thereby enabling IEK to apply, as sole beneficial owner, for one or more tenements over the entirety of the tenement area.

As consideration for Byrnecut ensuring that Peshter Mining complies with its obligations under the TS, IEK must pay to Byrnecut milestone cash payments totaling €375,000 and milestone gold payments totaling 850 troy ounces of gold as follows:

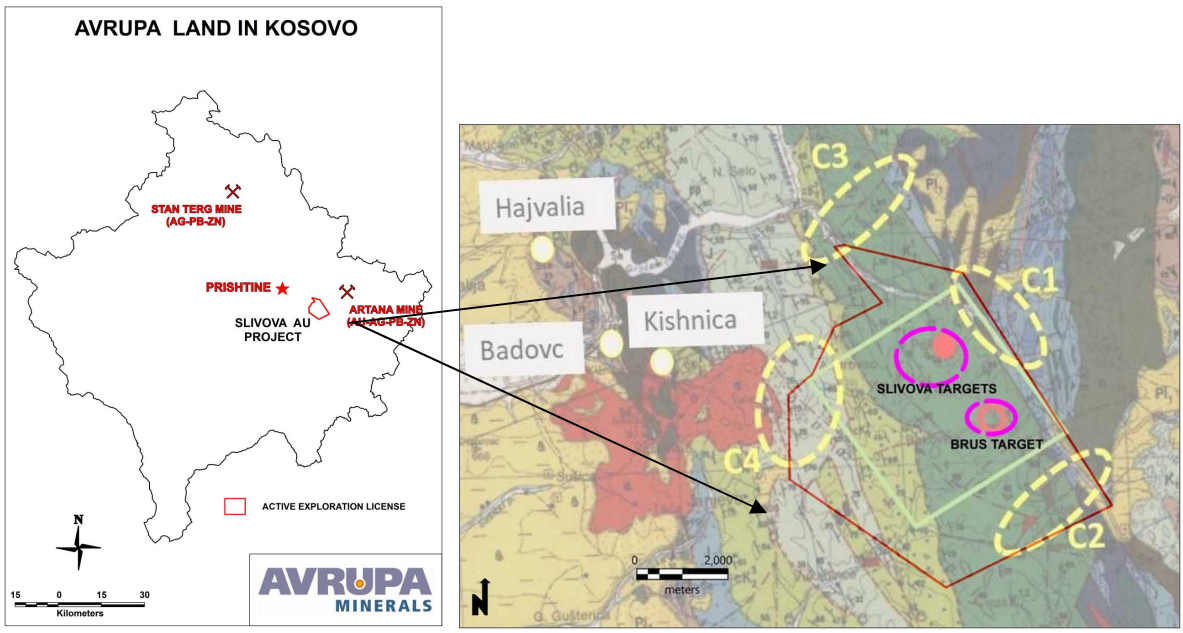
Cash

- €125,000 within 30 days of the first to occur of the completion of a positive bankable feasibility study or the board of directors of IEK making a decision to proceed with the development of a commercial mining operation in respect of all or any part of the tenement area;
- €125,000 within 30 days of issue of a mining license in respect of all or any party of the tenement area; and
- €125,000 within 30 days of commencement of construction of a mine within the tenement area.

Gold

- 100 troy ounces within 30 days of commencement of commercial production ("CCP");
- 175 troy ounces within 30 days of the one-year anniversary of CCP;
- 250 troy ounces within 30 days of the two-year anniversary of CCP; and
- 325 troy ounces within 30 days of the three-year anniversary of CCP.

On May 26, 2022, the Company announced that it received a new 7-year exploration permit covering the Slivova gold prospect and potential extensions. Efforts to secure a joint venture partner to help push the exploration program forward are ongoing.



Figures 1 and 2. Maps showing location of Slivova in Kosovo, along with target areas to be upgraded. New license is shown as a red polygon. The names in northwest quadrant are historic Trepça base metal mines.

On August 24, 2022, and subsequently confirmed via a Definitive Agreement (the "Agreement") on May 2, 2023, the Company and Western Tethyan Resources ("WTR") entered into an agreement in respect of the Slivova project. WTR is a private exploration company and is 76%

owned by London AIM-listed Ariana Resources PLC. Pursuant to the Agreement, WTR can earn up to an 75% interest in the Slivova project.

The Terms of the Agreement are as follows:

Date/Period	Expenditures	Option Payment	Earn-In %
On September 1, 2022 (Effective Date)	None	€35,000 (received)	
On or before March 1, 2023	€100,000 (spent)	None	
On March 1, 2023	None	€35,000 (received)	
On or before September 1, 2023	€150,000 (spent)	€30,000 (received)	
On or before December 31, 2024 *	€650,000 (spent)	None	51% (Stage 1)
On or before December 31, 2025 **	€1,000,000	None	75% (Stage 2)

*In June 2024, the Agreement was amended and the completion date for the expenditure of €650,000 was extended from September 1, 2024 to December 31, 2024.
**The Company and WTR are working with the Kosovo government to renew the Slivova license and once the Kosovo government has approved such, the two parties will amend the earn-in date for Stage 2 of the Agreement.

During Stage 1, the expenditures will be in respect of payments for exploration, drilling, baseline environmental and social surveys, and other payments to landowners. As of December 31, 2024, WTR completed the Stage 1 by funding a total of €819,014 on the Slivova project and unconditionally earned the 51% interest in AVUK. On January 31, 2025, 51% interest was transferred to WTR, leaving the Company recognizing $1 as its 49% interest in AVUK as "Investment in AVU Kosova LLC".

On April 3, 2025, the Company announced that WTR completed a 3-hole, 786.4-meter drilling project to test for further down-plunge extension of gold-silver mineralization in the main gossan zone and at the Dzemajl satellite deposit, located about 800 meters southwest of the main zone. Results were pending.

With the finish of the drilling program, WTR has also completed Phase 1 of the earn-in work program by fully spending the required €800,000 to hold 51% of the Project, under the Option Agreement, dated September 7, 2022 (see news release Slivova Option).

WTR may now increase its holding to 75% in AVU Kosova in two further phases over the next three years by making additional exploration expenditures totaling €1 million, completing an Environmental Impact Study ("EIS") and a Feasibility Study ("FS") for the Project, and by making the required mining license application to the Kosovo mining authorities.

The next two phases include:

- After completion of the first phase (51%) of the earn-in agreement, WTR will invest a further €1 million in Phase 2 for an NI 43-101 resource estimate and commencement of a full Environmental Impact Study ("EIS") to reach the 75% level of the option agreement.
- To gain 75%, WTR must complete the EIS, FS, and Mining License application in the fourth and fifth years from the effective date (2026-2027) in Phase 3.

Phase 4 of the Option Agreement includes certain milestone and success payments to a previous joint venture partner, Byrnecut International Ltd:

- €125,000 in cash within 30 days of the first to occur of: 1) Completion of a positive FS (minimum 15% IRR) or; 2) Avrupa or related party making a decision to proceed with development of a mining operation within the license area;
- €125,000 within 30 days of issuance of a mining license for the Project, and
- €125,000 within 30 days of commencement of mine construction within the license area;
- 100 troy ounces of gold within 30 days of commencement of commercial production ("CCP"), then increasing by 75 troy ounces per year until and including the third anniversary of commercial production when 325 troy ounces will be delivered.

During Phase 5, Avrupa participates in mine construction or dilutes to a 1% NSR.

While the ownership change in AVUK was registered properly, in accordance with Mining Law regulations, and in a timely manner at ICMM, unforeseen delays in the approval of this formal registration resulted in the lapse of the Slivova exploration license at the end of business on May 16, 2025. To cover the expiration of the license, ICMM legal department informally indicated that AVUK should re-apply for the exact same Slivova area at the start of business on May 19, 2025. On behalf of AVUK, WTR legal representation agreed to the informal recommendation, and the application for the new Slivova license was successfully completed and registered in the ICMM system. Application for exploration areas is registered at ICMM on a "first come-first served" basis, thus continuity of tenure was secured for the Slivova Project. Full processing of the application is expected in the coming 3-5 months, according to the Mining Law regulations.

In the meantime, according to principals of Ariana and WTR, WTR will continue to plan for "the next stage of technical work on the Slivova Project to advance it to the feasibility stage.

On February 2, 2026, the Company announced that work at Slivova is currently on hold until the exploration license can be re-issued by the ICMM. With a new, majority government recently elected in the country, the Company expects a return to proper licensing activity by ICMM in the near future. Once the license is re-issued, the Company will work with partner WTR to resume normal exploration and development activity at Slivova.

3(c) Finland

On December 14, 2021, the Company signed a binding letter agreement (the "Letter Agreement") with Dutch holding company, Akkerman Exploration B.V. (**"AEbv"**), to acquire 100% ownership of Akkerman Finland OY **("AFOy").** Finnish-registered AFOy now owns seven mineral reservations and exploration permits in the past-producing and highly prospective Vihanti-Pyhäsalmi VMS district in central Finland. Deposits in this belt are similar, though much older than those found in the Iberian Pyrite Belt where the Company is currently working in southern Portugal. All of the areas are in the "exploration permit" application process or have been granted the permit. As the license areas are defined and the application process is underway, the Company oversees detailed systematic data compilation and review, historic drill core review, basic surface geochemical exploration, and new drill targeting in preparation for

drilling when the license applications are approved. Early in 2022, the Company made its first exploration permit application for an area within the Kolima Reservation. The process is underway, and the Company estimates that it may take upwards of 12 months to gain approval from the Finnish government, through a normal and well-defined set of regulations.

In addition to the massive sulfide reservations, the acquisition includes an eighth reservation held by AFOy covering under-explored gold targets in a greenstone belt-hosted, major shear zone located along strike from the Oijärvi gold project recently purchased by Gold Line Resources Ltd. (now Goldsky Resources) from Agnico Eagle Mines Limited.

Acquisition Terms

The Company can earn an initial 49% of AFOy in Stage One by issuing 1,470,000 common shares (issued), paying €150,000 (paid) and depositing €200,000 (paid) into an account dedicated for first year exploration expenditures.

As a Stage Two earn-in, the Company had the option acquire the remaining 51% of AFOy. The option to acquire the additional 51% expired on March 3, 2023.

The Company and AEbv formed a technical committee comprising of one representative from each party, with AEbv's representative having the casting vote.

The Letter Agreement was superseded by the Share Purchase Agreement ("Agreement") on February 25, 2022. The Company paid €10,000 upon signing of the Letter Agreement.

Projects

Initially there were four projects in the program: Kangasjärvi, Kolima, Säviä copper-zinc reservations in the Pyhäsalmi Mining District, and the Yli-li gold reservation in an under-explored greenstone belt located to the north of the Pyhäsalmi area. Initial work and review led to the dropping of the Säviä reservation due to problematic land access and eventual difficult access to known mineralization. As of the end of year 2024, the joint venture held two exploration permits covering known massive sulfide deposits (Kangasjärvi and Hallaperä), an application over a massive sulfide deposit (Rauhala), and an exploration permit covering a massive sulfide target (Kolima) that has been approved by the mining bureau, but not yet issued due to appeals court handling of the process.

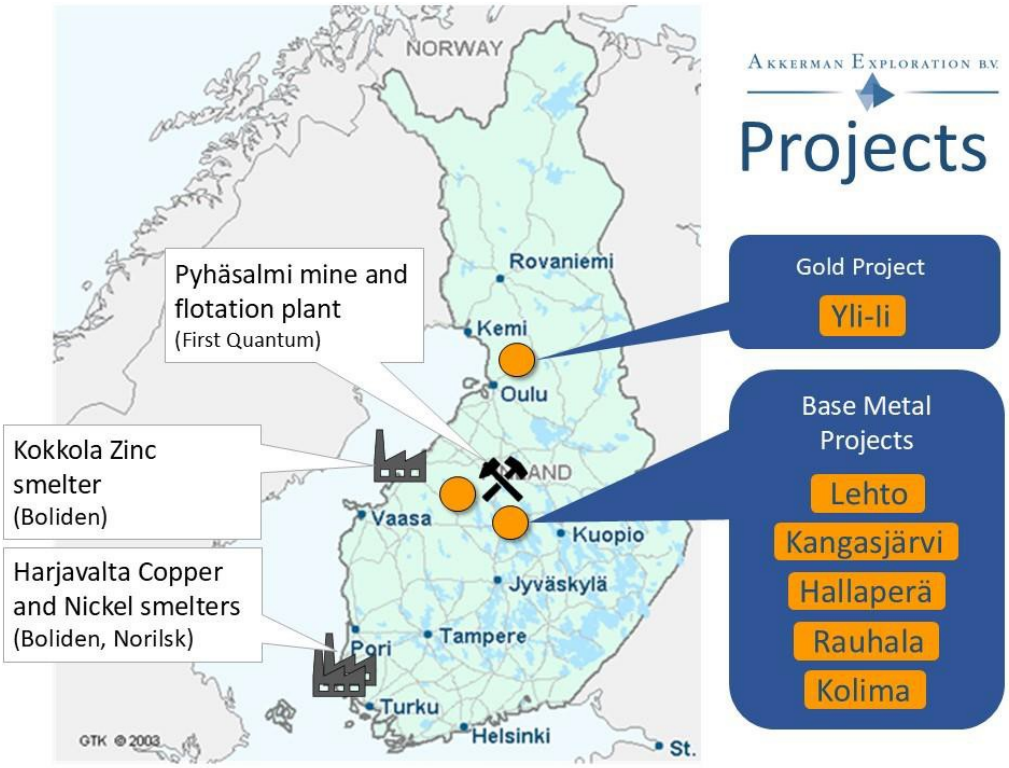


Figure 1. General location of AFOy project areas in Central Finland, as of the end of year 2024.

a) Kolima

The 187 km^2 Kolima reservation covers a target zone comprised of a thick layer of mineralized distal-type volcanics containing thin beds and layers of zinc-rich massive sulfide mineralization in some areas. The Geological Survey of Finland (GTK) discovered and explored the area in the period from 1956 to 1983. The GTK found zinc mineralization in an area two kilometers long and 200 to 400 meters wide within strongly altered metasediments and fine-grained volcanic rocks. GTK drilled 70 holes and detected widespread, polymetallic sulfide mineralization occurring as fine disseminations and thin layers of semi-massive sulfides. Generally, it seems that the currently-known mineralization represents distal-style metals' deposition within a larger VMS system that has not yet been discovered. Numerous mineralized boulders containing anomalous gold and copper are present around the site.

AFOy completed a helicopter-supported SkyTEM geophysical survey over the mineralized area of the reservation. Preliminary analysis of the data by AFOy did not suggest any obvious targeting. However, recently-completed detailed review of the data by AFOy and AVU outlined subtle anomalism over southern extension of the known volcanics-hosted mineral trend and also outlined a deeper (175 meters), strong geophysical target in a trend of the volcanic rocks parallel to those that host the known zinc mineralization. There is no reported previous exploration along this second trend, located a few kilometers west of the known zinc showings.

On May 11, 2023, the Company reported that Tukes also approved the Kolima application (total area of 8.4 km²), but three appeals which must be reviewed before an exploration license can

be granted were filed. Consequently, AFOy and Avrupa decided to temporarily suspend exploration work at Kolima until the outcome of the court proceedings is established.

b) Kangasjärvi

The 203 km^2 reservation covers the Kangasjärvi deposit, a satellite deposit of the Pyhäsalmi mine, located about 25 kilometers to the north of the site. The massive sulfide was exposed at the surface, and Outokumpu mined 1-9% zinc material from the Kangasjärvi open pit in 1984-85 down to <100 meters from the surface. Exploration drilling by Outokumpu intersected massive sulfides down to 250 meters depth beneath the pit, but did not attempt deeper drilling, leaving the deposit open at depth, as well as along strike.

In 1983, GTK estimated a small historic, non NI 43-101 compliant, resource in two separate lenses: 1) 393,000 tonnes of 5.3% zinc, and 2) 159,960 tonnes of 6.0% zinc. Later Outokumpu reported an estimated mineral resource of approximately 300,000 tonnes of 5.4% zinc. Records in 1987 indicate that Outokumpu mined about 86,000 tonnes of 5.12% zinc. There is also reported anomalous copper, silver, and gold in the deposits.

On May 11, 2023, the Company reported that Tukes granted the Kangasjärvi exploration permit, totaling 18.32 km^2.

In addition to the Kangasjärvi deposit, there are at least three other mineral occurrences within the reservation area. Little work of any sort has been completed anywhere on the reservation for at least 20 years, even though there are historic drill holes throughout the district.

Basic exploration work, continued review of historic core and geophysical data, and modeling of SkyTEM data from the Kangasjärvi license suggest an outstanding un-drilled target close to the old Kangasjärvi Mine. The joint venture made plans for drilling at the target in 2024.

On December 18, 2024, the Company announced drilling results at Kangasjärvi. AFOy completed two holes in the Kangas Main EM target area, totaling 709.3 meters. A third hole, testing the Kangas North EM anomaly was postponed due to terrain access issues.

Drilling cut stringer-type and semi-massive sulfide mineralization in both holes, and samples returned anomalous values over short intervals for base and precious metals, but did not reach ore-grade levels. The highest single 1-meter values for each of the base and precious metals included: 0.24% Cu; 0.25% Zn; 5.92 g/t Ag; and 0.27 g/t Au. These results confirm that the newly-discovered stockwork zone underneath the Kangasjärvi deposit is predominantly pyrite and/or pyrrhotite.

The extent and depth of the two holes preclude any real conclusions on the size and shape of the feeder zone, nor any potential metals' zonation within the mineral system. Re-interpreting the original geophysical data is underway, with the goal of targeting a higher-temperature, potentially more copper-rich core zone. Further follow-up drilling will be required in the Main Kangasjärvi anomaly, as well as scout drilling at the untested Kangas North geophysical anomaly.

Subsequently, the Company reduced the size of the Kangasjärvi exploration permit to 8.51 km², in order to save on total amount of landowner payments.

On January 27, 2025, the Company announced the acquisition of two new exploration permits within sight of the Pyhäsalmi Mine headframe through its partnership with AFOy. AFOy acquired the permits from Pyhäsalmi Mine Oy ("PMO"). In addition, both parties have agreed to collaborate in the ongoing exploration around the renowned Pyhäsalmi massive sulfide deposit, mined since 1969. The search is aimed at potential ore extensions and satellite deposits.

As part of the collaboration, PMO transferred its Komunneva and Lehto exploration permits to AFOy. Both parties signed a sales and purchase agreement on November 21, 2024. The agreement allows for AFOy to undertake generative exploration work within the permit boundaries, and if successful, potentially turn to PMO for partnering at later stages of exploration and development of a new mineral body. The initial cost to AFOy was nominal.

These two permits are located directly east of the Mining Concession and cover the presumed lateral extension of the mineral horizon over several kilometers (see Figure 2). AFOy combined the two permit applications into one, the Greater Lehto permit application, and re-submitted the request to the Finnish mining bureau, TUKES.

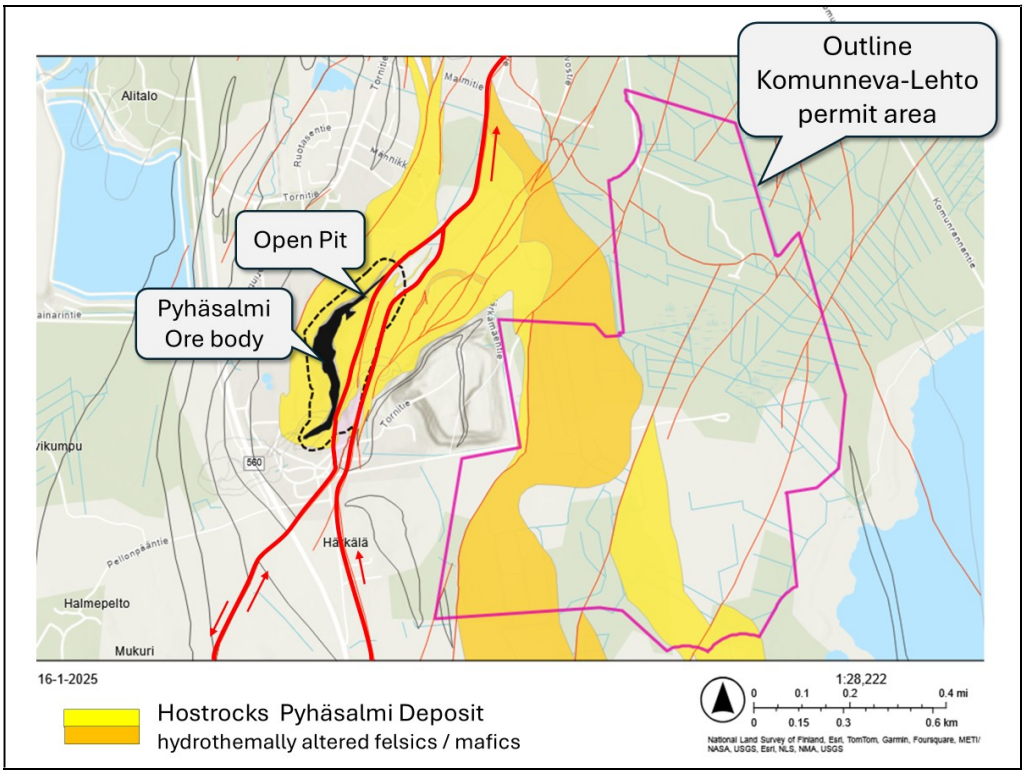


Figure 2. Location map of the Komunneva-Lehto permit application area.

Work will initially rely on the enormous database generated during decades of earlier studies, challenged by the structural complexity and large depth extent of the mineralization system (>1.5km). Despite the large amount of drilling to date, there are still a number of untested,

prospective targets. These targets remain relevant, as the mining operation at Pyhäsalmi has not yet reached the end of its operating lifetime. Pyhäsalmi Mine Oy ("PMO") continues to process pyrite-rich waste for use in the fertilizer business and advance the process of shuttering the
mine.

PMO previously studied these permit areas as part of its Near-Mine exploration program involving multiple geophysical surveys and drilling. Results to date confirm presence of intense alteration and mineralization along the interpreted lateral extension of the mineral horizon. Historic scout drilling cut anomalous zinc, copper and precious metals' values in 16 of the 46 holes drilled. AFOy initiated re-analysis of all historic data and information made available as part of the tenement transfers.

Meanwhile, PMO will focus its present ongoing exploration efforts on its Pyhäsalmi Mining Concession area and within a new exploration permit area located immediately to the south of the Mining Concession.

On August 20, 2025, the Company announced that Akkerman Finland Oy acquired a second exploration permit located adjacent to the Pyhäsalmi Mine, this one being on the south side of the mine license, and within sight of the mine's headframe. AFOy now holds an exploration portfolio consisting of seven copper-zinc exploration permits (covering six project areas) in the Pyhäsalmi Mining District and one gold exploration permit in the Oijärvi Greenstone Belt.

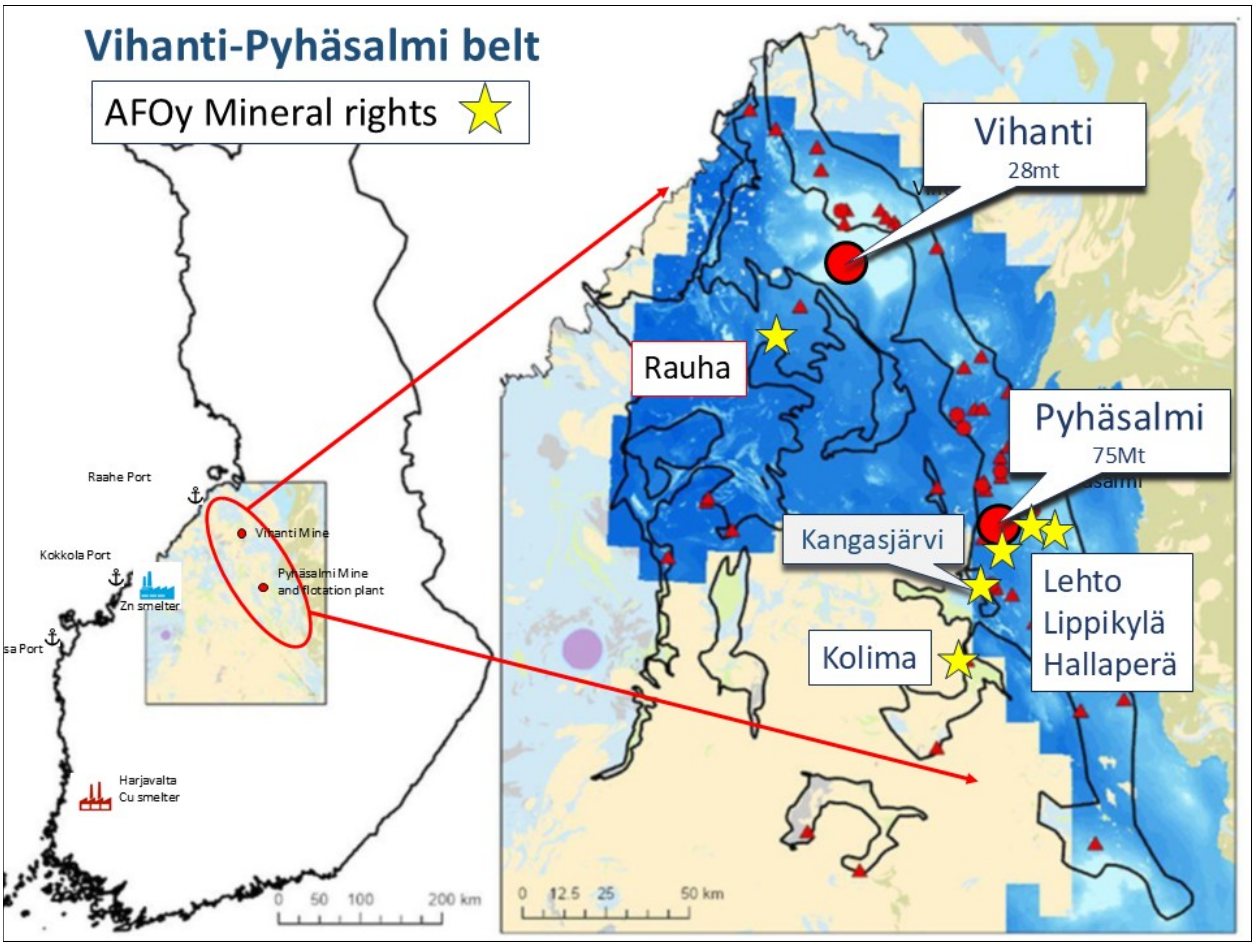


Figure 3. AFOy properties in the Vihanti-Pyhäsalmi Mining District, Central Finland. Total geological resource at Pyhäsalmi Mine reported in 2015 as 75.7mt @ 0.9% Cu, 1.9% Zn, 0.4 g/t Au, and 14.1 g/t Ag. Total production at Vihanti Mine (1954-1992) reported as 28mt @ 5.12% Zn, 0.48% Cu, 0.36% Pb, 25 ppm Ag, and 0.49 ppm Au.

The new Lippikylä exploration permit covers 2.4 square kilometers, and is located just south of the Pyhäsalmi Mine. AFOy acquired the permit from Inmet Finland Oy ("IFO"), a 100%-owned subsidiary of First Quantum Minerals ("FQM") and parent company of Pyhäsalmi Mine Oy ("PMO"). The agreement allows for AFOy to undertake generative exploration work within the permit boundaries, and if successful, potentially turn to PMO for partnering at later stages of exploration and development of a new mineral body. The initial cost to AFOy was nominal.

This purchase forms part of a continuing collaboration between AFOy and the Pyhäsalmi Mine covering ongoing exploration around the 75mt Pyhäsalmi zinc-copper massive sulfide deposit, mined from 1962 to 2022, producing more than 60mt of zinc and copper ore (as of 2017). AFOy is directing exploration towards potential extension(s) of the historic Pyhäsalmi mineralization and possible satellite deposits.

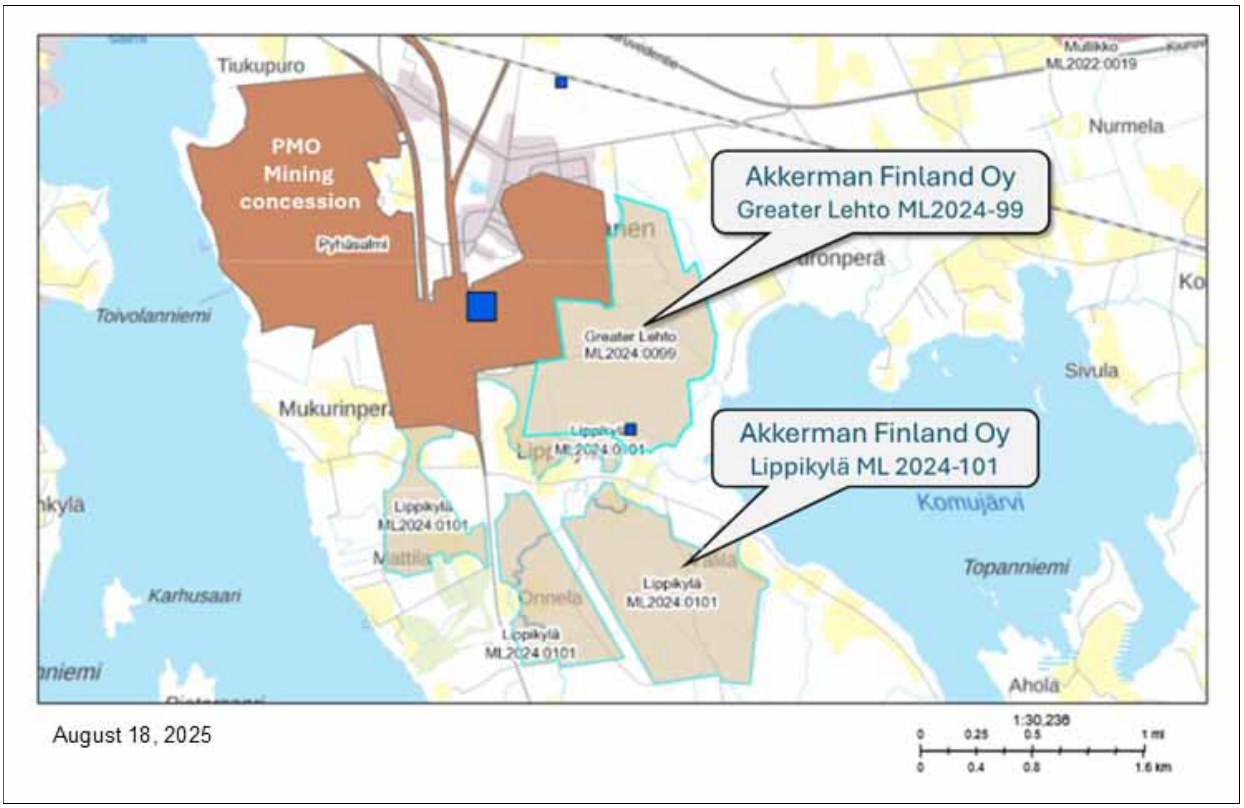


Figure 4. Outline of AFOy exploration permits adjacent to the Pyhäsalmi Mine.

IFO acquired the license in Q4 2024, ostensibly to follow-up untested gravity anomalies discovered during an extensive internal review of all historic exploration data by company geologists. IFO tested one of the gravity anomalies during Q1 2025 with a single 500-meter drill hole. The drill hole cut two mineralized horizons of intensely altered felsic volcanics with anomalous zinc and copper content in an area which had been previously believed to contain sterile mafic volcanics that overlie the Pyhäsalmi deposit. The source of the gravity anomaly remains unclear, and the results point to increased possibility for a blind satellite deposit(s) in the Lippikylä area.

The two property acquisitions included all available historic data related to the exploration permits. Review of the data, along with discussion between AFOy and FQM/PMO, suggests at least five drill-ready targets, two on the Lehto property and three on the Lippikylä permit.

- **Greater Lehto area**
  - Two untested Titan-24 anomalies (1km E, 2km NE of the Mine)
  - Significant mineral intercepts in nearby drill holes
    - PYS 129B — 26m @ 1.6% Zn, incl. 2m @ 12% Zn
    - R2224 — 2m @ 3.2% Cu in 129m of sulfide min.
- **Lippikylä area**
  - Three incompletely tested residual gravity anomalies: Iso-Lippi, Pieni-Lippi and Vanha-Lippi
  - LIPDD 001 cut strong altered felsic volcanics with anomalous zinc, in area previously believed to host sterile mafic volcanics
- **Status**: AFOy has 5 drill-ready targets within 2km of a +70Mt massive sulfide deposit, together offering a unique opportunity to make a successful new discovery

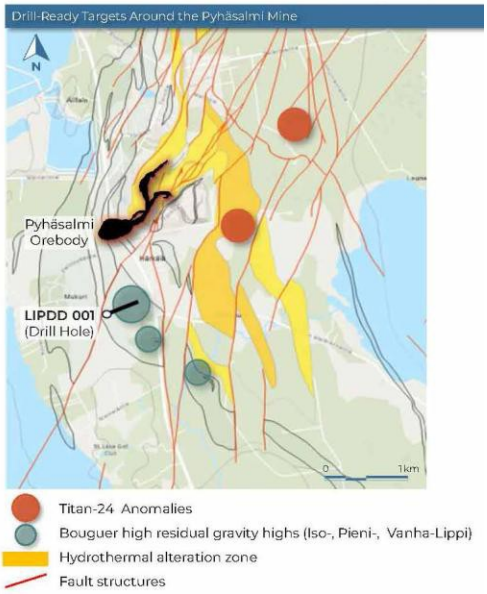


Figure 5. Location of three gravity anomalies within the Lippikylä permit (green) and two Titan-24 geophysical anomalies within the Greater Lehto permit (red). Drill results are from the historic PMO database, are non NI43-101 compliant, and for example only. FQM geologists used the historic drilling and geophysical data to compile potential drill targets in the two permit areas. Figure courtesy of IA Metals Research.

After consolidation and review of the historic data, AFOy will plan for follow-up drilling on Pyhäsalmi and Lehto permits. Details of program will be based on consideration of the data, drill core observations, discussions with PMO, and overall internal AFOy interpretations.

On October 8, 2025, the Company reported that it acquired more exploration ground in the prolific Vihanti-Pyhäsalmi VMS District of Central Finland through its Finland-domiciled partnership, AFOy. AFOy expanded its holdings in the District with a new exploration area reservation, KKS (VA2025-0043), that totals 18.6 km^2 in area, covering three historic VMS prospects: Kurpas, Kaskela and Sirviö. AFOy now holds eight copper-zinc exploration permits covering seven separate target areas in the District, in various stages of granting by the Finnish government, and one gold exploration permit in the Oijärvi Greenstone Belt.

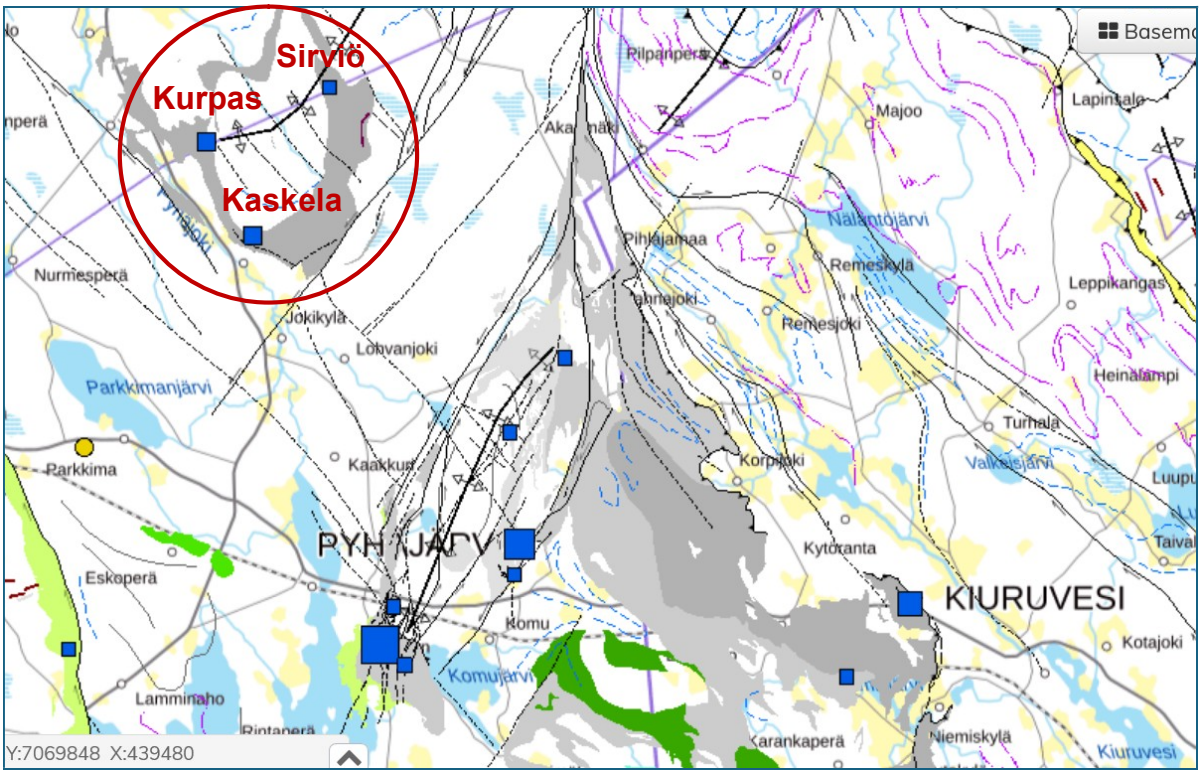


Figure 6. Regional setting of the KKS Project area (red circle), located 20-30 km NNW of the Pyhäsalmi Mine complex.

Outokumpu discovered mineralization at the Kurpas location in the early 1960's, and worked the prospect intermittently through the end of the 1980's. Limited drilling to 150 meters depth outlined several lenses of massive sulfide mineralization along a strike length of 700 meters of strongly altered, typical volcano-sedimentary host rocks. No further work is known since that time.

Outokumpu discovered mineralization at the Kaskela site beneath an airborne EM anomaly in 1985. They discovered two massive sulfide lenses, along a strike length of 1.2 kilometers within a 5-km strike length of potentially mineralized volcano-sedimentary host rocks. Limited drilling to a vertical depth of 100 meters outlined the zones of mineralization. Outokumpu returned several times in the early 1990's before dropping the prospect. Belvedere Resources claimed the area in 2000 and worked intermittently between 2000 and 2002 before leaving the area. No further work is known since that time.

The Geological Survey of Finland (GTK) reviewed the area intermittently from 1970 to 2001. Outokumpu discovered shallow copper-zinc mineralization in 1986 at Kaskela and in 1989 at Kurpas in volcanogenic massive sulfide layers extending over several 100's of meters at the prospects. Best results from limited, shallow drilling returned the following narrow intercepts:

Prospect	Width (m)	Cu Grade (%)	Zn Grade (%)
Kurpas	1.0	**2.4**	-
	2.0	**1.2**	-

	0.2 – 0.8	-	**2-8**
Kaskela	5.1	-	**6.1**
	1.5	-	**8.8**
	0.7	**2.4**	-

Table 2. Drilling information collected from public (translated to English) Mineral Deposit Reports prepared by the Geological Survey of Finland: 542—Kaskela and 543—Kurpas.

Follow-up exploration by Outokumpu Oy and Belvedere Resources Ltd., aimed at potential extensions of the mineralization, did not yield hoped-for results. Both companies discontinued exploration work in the area by 2005, and as a result, no further work has been attempted over the past 20 years.

Importantly, as in much of the Vihanti-Pyhäsalmi District, there has been no exploration at all in the deeper parts (> 200 meters) of the prospective volcano-sedimentary sequence around KKS, except for the deep success at Pyhäsalmi, itself. AFOy plans to screen the depth potential with geophysical tools including airborne deep-EM and detailed magnetics.

c) Hallaperä

AFOy officially acquired the Hallaperä exploration license in the past year. The license covers a known massive sulfide deposit discovered by Outokumpu in 1967. The deposit is 1,500 meters long and ranges from two to 18 meters thick. It remains open at depth below 200 meters from the surface. The most recent drilling, in 1990, cut 1.85 meters @ 1.72% Cu, 1.7 g/t Au, and 44 g/t Ag, with no further work completed since that time.

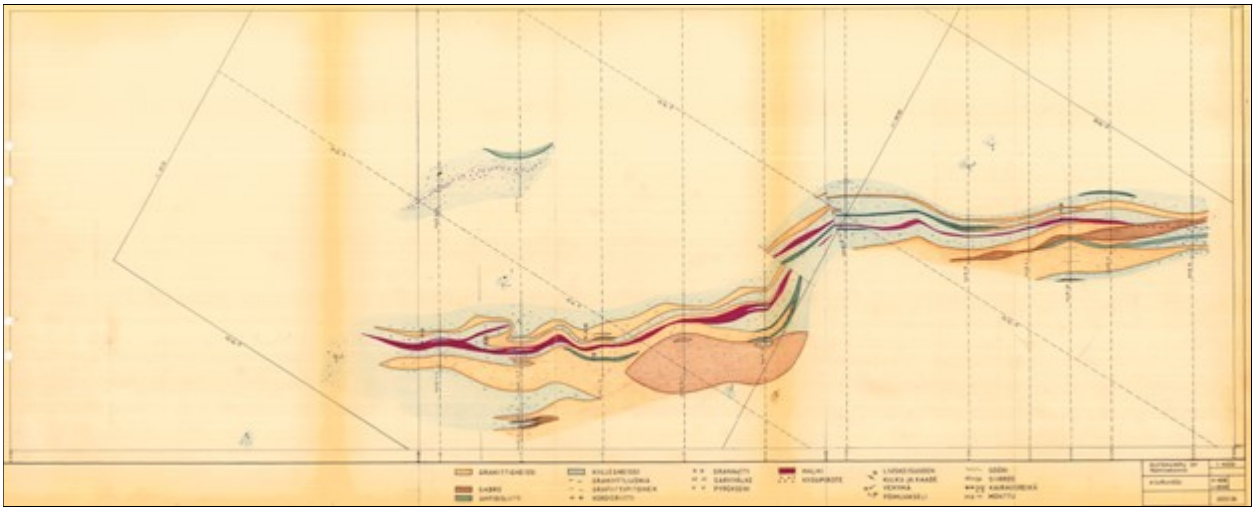


Figure 7. Copy of the original geological map of the Hallaperä VMD deposit.

d) Rauha

The Finnish mining bureau recently awarded an exploration permit to AFOy for another license covering a massive sulfide deposit near the historic Vihanti Mine. The Rauhala deposit was discovered in 1985 by the Finnish Geological Survey (GTK), and later worked by Outokumpu

Oy. It measures nearly 600 meters long and 350 meters wide and averages about 2 meters thick, as presently known. Virtually no work on the deposit has been completed in the past 20-25 years.

On April 8, 2025, the Company reported progress with internal studies covering the Rauhala massive sulfide deposit, located near the historic Vihanti Mine in the Vihanti-Pyhäsalmi Mining District in central Finland. AFOy is advancing five massive sulfide projects in the district, including Rauhala.

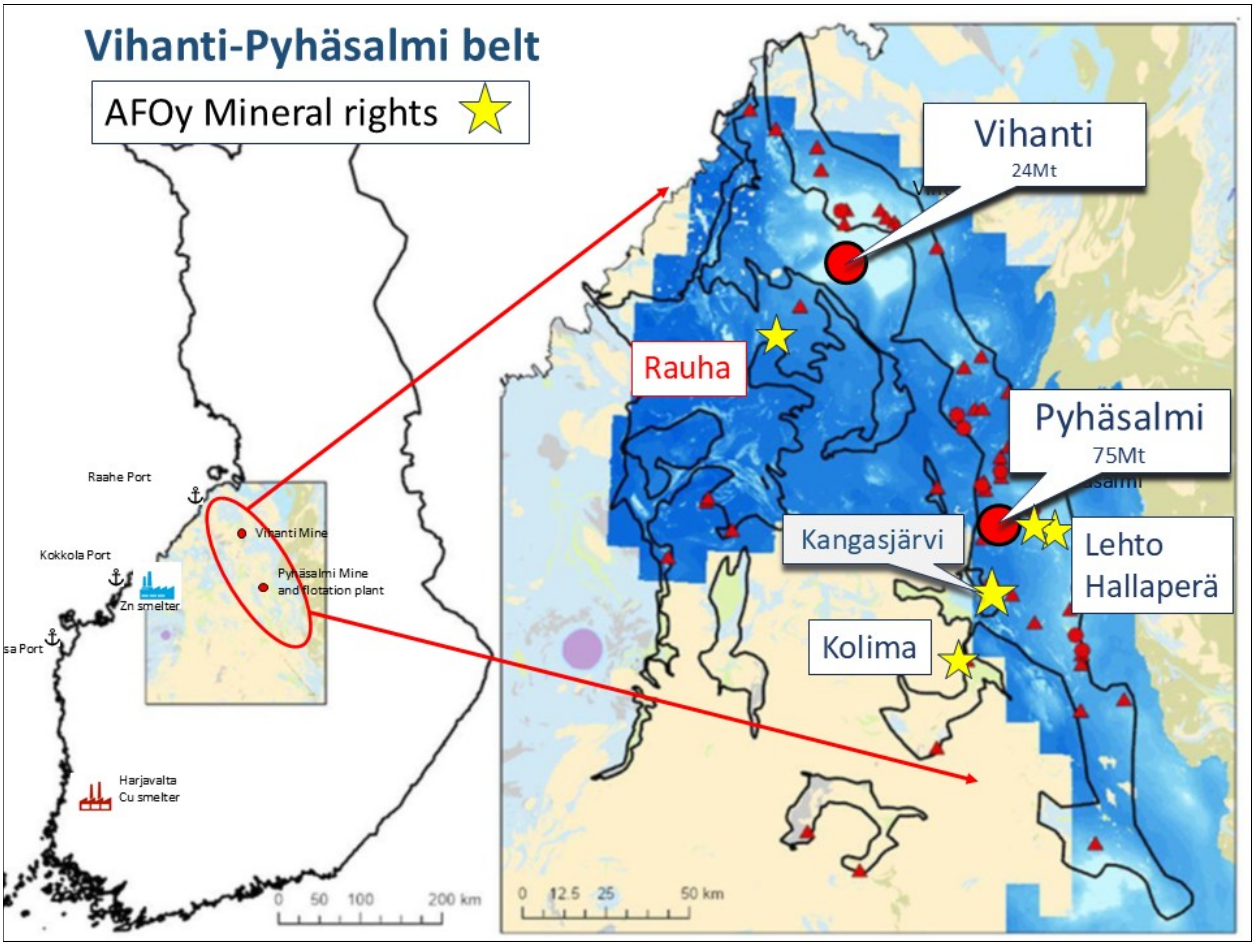


Figure 8. Location of the Rauha mineral rights package, covering the Rauhala massive sulfide deposit in the Vihanti-Pyhäsalmi Mining District.

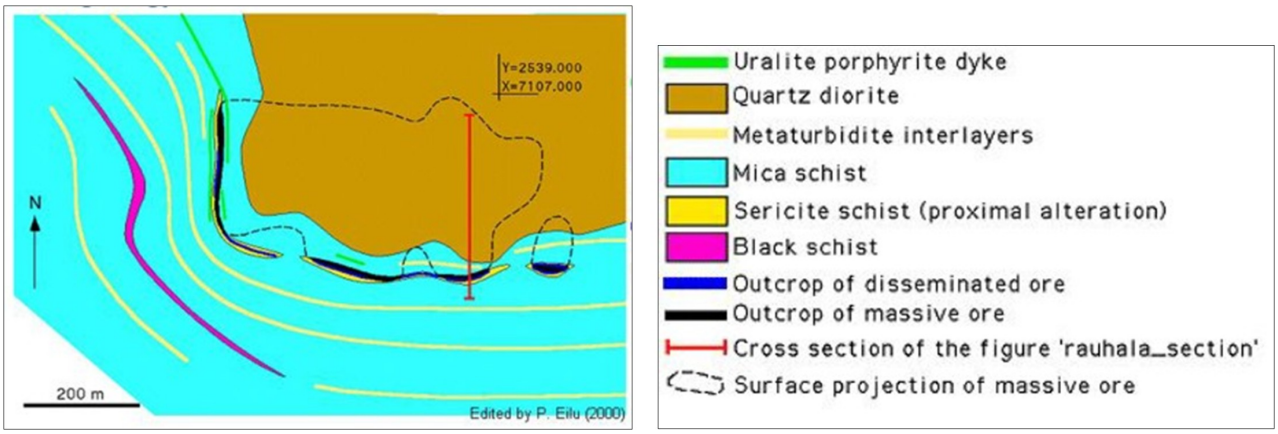
According to AEbv research, compilation, and recent reporting, the Rauhala deposit is a small, high-grade, sediment-hosted massive sulfide deposit located southwest of the historic Vihanti Mine in Central Finland. The Geological Survey of Finland discovered the deposit in 1985 and outlined mineralization with 61 drill holes. The mining company Outokumpu Oy took over the project in 1987, drilled nine more infill holes and in 1988 reported an in-house, non-NI 43-101 compliant geological resource* of 880,500 mt @ 1.6% copper, 6.1% zinc, 1% lead, 0,5 g/t gold, and 49 g/t silver. Reference to the private report (in Finnish) may be found at: 1988 Outokumpu report.

**Note:* *The historic resource estimate quoted above is historical in nature and not NI 43-101 compliant. It was compiled and reported by Outokumpu Oy during its operation (1988). This in-house estimate is historical in nature and should not be relied upon, however, it does suggest indications of mineralization on the property. The Qualified Person has not done sufficient work to classify the estimate as current Mineral Resources, and Avrupa is not treating this historical estimate as current Mineral Resources.*

Outokumpu continued detailed studies for another six years, completing 22 more drill holes, metallurgical tests, and underground mine design works, but not the possibility of initial open pit mining. No work was attempted concerning the possibility of significant gold mineralization in the deposit. The government granted a mining concession to Outokumpu in 1992, but the company did not do any further work at the Rauhala deposit.

AFOy acquired the Rauhala deposit mineral rights in 2023 after a moratorium of the mining concession area expired. In November 2024, AFOy acquired further rights covering potential mineral extensions around the deposit from Pyhäsalmi Mine Oy. AFOy followed this by retrieving, compiling, and analyzing all historic data covering the deposit, including information and geochemical analyses for all 92 drill holes and 2,380 assays from the core samples. Compilation of the data produced the following conclusions:

- The deposit is a tabular layer of massive and disseminated sulfides containing base and precious metals.
- Mineralization is sediment-hosted. There are no associated volcanic units.
- Thickness of the layer varies from 0.5 meters to 12 meters, with an average of 3.6 meters.
- The mineral horizon sub-outcrops below a thin layer of till (which ranges to 20 meters thick), and dips 30°.
- So far, 81 of the 92 holes drilled define an area of 300 meters x 600 meters, drilled to a depth of 210 meters below the surface.
- The main questions remain whether the deposit extends beyond the area studied by Outokumpu, both laterally and at depth, and whether there is a mineralized feeder zone below the deposit.



Figures 9a and 9b. Plan view and known surface projection of the of the Rauhala deposit (GTK edited by P. Eilu, 2000)

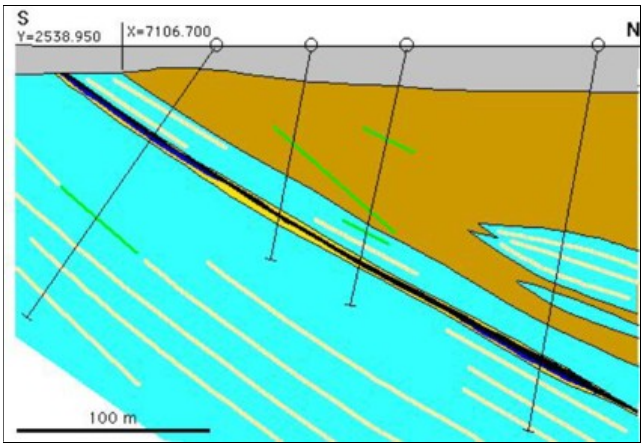


Figure 10. Typical section through Rauhala deposit (see section location in Figure 2a; GTK edited by P.Eilu, 2000).

Avrupa and AEbv would develop a work plan for the coming field season that will include further geophysical studies and follow-up drilling to attempt to expand the volume of the mineralized zone. Work will concentrate on lateral and down-dip expansion potential of the known lens, exploration for possible feeder zone, review of the gold potential in and around the deposit, and the possibility of further lenses of mineralization around the permit area. The project is open for joint venture opportunities.

e) Yli-li

The 332 km^2 Yli-li gold reservation covers 30 kilometers strike length of the southern extension of the Oijärvi greenstone belt and major shear zone. Currently First Nordic Metals Corp. (now Goldsky Resources) operates the Oijärvi gold project where they plan a magnetics survey to outline further targets parallel to and along strike of the known mineralization, followed by drilling to assess the new targets. In 2013, Agnico Eagle reported an inferred mineral resource estimate at Kylmäkangas of 1.9 MT at 4 g/t Au and 31 g/t Ag, containing approximately 250,000 ounces of gold and 1.9 million ounces of silver.

Figure 11. Location of Yli-Ii reservation. Note proximity to Kylmäkangas gold deposit.

GTK first explored the southern extension of the Oijärvi shear zone, covered by the reservation, from 2001 to 2014. Initial studies turned up gold-in-till anomalies over intensely sheared and altered rocks. Limited drilling resulted in one intercept of 3 g/t gold over two meters at the Kupsusselkä prospect. Given these promising early-stage results, there is clearly need for wider-scale systematic exploration program to determine the best targets within the area.

The Company's exploration expenses for the year ended December 31, 2025 and the cumulative exploration expenses since acquisition of MAEPA and Innomatik are:

	Portugal		Kosovo		Others	
	Alvalade	Others	Slivova	Others		Total
Exploration and evaluation assets						
Acquisition costs						
As of January 1, 2025	$ 167,920	$ -	$ -	$ -	$ -	$ 167,920
As of December 31, 2025	$ 167,920	$ -	$ -	$ -	$ -	$ 167,920
Mineral exploration expenses for the year ended December 31, 2025						
Depreciation	$ 2,901	$ -	$ -	$ -	$ -	$ 2,901
Geological salaries and consulting	197,944	-	-	-	-	197,944
Insurance	3,261	-	-	-	-	3,261
Office and administrative fees	6,685	-	-	-	-	6,685
Rent	53,146	-	-	-	-	53,146
Site costs	11,330	-	-	-	-	11,330
Travel	4,082	-	-	-	-	4,082
Reimbursements from optionees	(71,740)	-	-	-	-	(71,740)
	$ 207,609	$ -	$ -	$ -	$ -	$ 207,609
Cumulative mineral exploration expenses since acquisition						
Assaying	$ -	$ -	$ 297,975	$ 65,936	$ 10,846	$ 374,757
Concession fees and taxes	361,864	693,608	23,469	206,975	4	1,285,920
Depreciation	20,079	98,722	-	-	-	118,801
Drilling	610,197	472,513	1,180,217	-	-	2,262,927
Geological salaries and consulting	6,812,295	6,317,147	170,571	720,879	12,359	14,033,251
Geology work	-	32,377	891,582	402,515	364,525	1,690,999
Insurance	29,236	52,112	14,604	15,007	-	110,959
Legal and accounting	1,020	1,244	58,158	13,958	-	74,380
Office and administrative fees	260,957	279,739	83,665	101,624	68,446	794,431
Rent	659,230	596,896	53,787	88,221	20,560	1,418,694
Report	-	-	39,999	-	-	39,999
Site costs	207,167	244,377	189,450	194,582	8,865	844,441
Travel	250,376	247,277	63,047	22,478	15,326	598,504
Trenching and road work	-	-	34,339	-	-	34,339
Reimbursements from optionees	(9,830,189)	(4,890,826)	(3,022,135)	(45,158)	-	(17,788,308)
	$ (617,768)	$ 4,145,186	$ 78,728	$ 1,787,017	$ 500,931	$ 5,894,094

4. Risks and Uncertainties

The Company is engaged in the exploration for mineral deposits. These activities involve significant risks which even with careful evaluation, experience and knowledge may not, in some cases, be eliminated. The Company's success depends on a number of factors, many of which are beyond its control. The primary risk factors affecting the Company include inherent risks in the mining industry, metal price fluctuations and operating in foreign countries and currencies.

Inherent risks within the mining industry

The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that will affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure and use, environmental protection and reclamation and closure obligations could also have a profound impact on the economic viability of a mineral deposit.

Mining activities also involve risks such as unexpected or unusual geological operating conditions, floods, fires, earthquakes, other natural or environmental occurrences and political and social instability. 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 for other reasons. The Company does not currently maintain insurance against political or environmental risks. Should any uninsured liabilities arise, they could result in increased costs, reductions in profitability, and a decline in the value of the Company's securities.

There is no assurance at this time that the Company's current mineral properties will be economically viable for development and production.

Prices for metals

Metals prices are subject to volatile price fluctuations and have a direct impact on the commercial viability of the Company's exploration properties. Price volatility results from a variety of factors, including global consumption and demand for metals, international economic and political trends, fluctuations in the US dollar and other currencies, interest rates, and inflation. The Company has not hedged any of its potential future metal sales. The Company closely monitors metal prices to determine the appropriate course of action to be taken by the Company.

Foreign currency risks

The Company uses the Canadian dollar as its measurement and reporting currency, and therefore fluctuations in exchange rates between the Canadian dollar and other currencies may affect the results of operations and financial position of the Company. The Company does not currently have any foreign currency or commercial risk hedges in place.

The Company raises the majority of its equity financings in Canadian dollars while foreign operations are predominately conducted in Euros and US dollars. Fluctuations in the exchange rates between the Canadian dollar and Euros may impact the Company's financial condition.

Risks Associated with Foreign Operations

The Company's investments in foreign countries such as Portugal, Finland and Kosovo carry certain risks associated with different political, business, social and economic environments. The Company is currently evaluating various commodities in Portugal, Finland and Kosovo, but will undertake new investments only when it is satisfied that the risks and uncertainties of operating in different cultural, economic and political environments are manageable and reasonable relative to the expected benefits.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance and regulatory characteristics of property rights in certain foreign countries.

Future government, political, legal or regulatory changes in the foreign jurisdictions in which the Company currently operates or plans to operate could affect many aspects of the Company's business, including title to properties and assets, environmental protection requirements, labor relations, taxation, currency convertibility, repatriation of profits or capital, the ability to import necessary materials or services, or the ability to export produced materials.

5. Impairment of Long-lived Assets

The Company completed an impairment analysis as at December 31, 2025 and concluded that no other impairment charge was required because:

- the Company capitalized only its acquisition costs of MAEPA;
- there have been no significant changes in the legal factors or climate that affects the value of the properties in Portugal, Finland and Kosovo;
- all properties in Portugal, Finland and Kosovo remain in good standing; and
- the Company and its joint-venture partner intend to continue its exploration and development plans on the property.

6. Material Financial and Operations Information

6(a) Selected Annual Financial Information

Selected Annual Information

	Year Ended December 31, 2025	Year Ended December 31, 2024	Year Ended December 31, 2023
Total revenues	$ -	$ -	$ -
General and administrative expenses	391,554	392,621	438,456
Net loss for the year	275,016	46,630	56,781
Loss per share	0.00	0.00	0.00
Total assets	1,839,599	1,248,877	956,812
Total long-term financial liabilities	160,890	-	-
Cash dividends declared – per share	N/A	N/A	N/A

6(b) Summary of Quarterly Results

The following is a summary of the Company's financial results for the last eight quarters:

	Three months ended			
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Total Revenues	$ -	$ -	$ -	$ -
(Loss) income before other items	$ (224,671)	$ (104,917)	$ (201,028)	$ (68,547)
Net (loss) income	$ (163,942)	$ (172,319)	$ 140,973	$ (79,728)
(Loss) earnings per share	$ (0.00)	$ 0.00	$ (0.00)	$ (0.00)

	Three months ended			
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Total Revenues	$ -	$ -	$ -	$ -
(Loss) income before other items	$ (7,434)	$ 26,573	$ (20,061)	$ (5,284)
Net (loss) income	$ (5,990)	$ 24,069	$ (54,333)	$ (10,376)
(Loss) earnings per share	$ (0.00)	$ 0.00	$ (0.00)	$ (0.00)

6(c) Review of Operations and Financial Results

For three months ended December 31, 2025 and three months ended December 31, 2024

During the three months ended December 31, 2025, the Company reported a loss of $163,942 ($0.00 loss per share) (2024 – $5,990 ($0.00 loss per share)).

Excluding the non-cash bad debt recovery of $Nil (2024 - $39) and depreciation of $Nil (2024 – $368), the Company's general and administrative expenses amounted to $63,581 during the three months ended December 31, 2025 (2024 – $110,551), a decrease of $46,970 from the three months ended December 31, 2025 mainly as a result of the decrease in (a) consulting fees, wages and benefits of $21,925 (2024 - $45,531) and (b) professional fees of $14,501 (2024 - $43,060).

During the three months ended December 31, 2025, the Company expensed exploration costs totaling $44,428 on Alvalade in Portugal. During the three months ended December 31, 2024, the Company expensed exploration costs totaling $18,827 including $9,053 on Alvalade in Portugal and $9,774 on Slivova in Kosovo.

During the three months ended December 31, 2025, the Company recorded a loss of investment in AFOy of $25,807 (2024 – an income of investment of $1,581) for its share of operating income in AFOy.

During the three months ended December 31, 2025, the Company recorded a gain on acquiring PorMining of $93,502 (2024 –$Nil) and a loss on derecognition of AVU Kosova LLC of $6,967 (2024 - $Nil).

For the year ended December 31, 2025 and years ended December 31, 2024 and 2023

During the year ended December 31, 2025, the Company reported a loss of $275,016 ($0.00 loss per share) (2024 – $46,630 ($0.00 loss per share); 2023 – $56,781 ($0.00 loss per share)).

Excluding the non-cash bad debt recovery of $Nil (2024 - $17,091; 2023 - bad debt expenses of $12,934) and depreciation of $Nil (2024 - $1,464; 2023 - $1,775), the Company's general and administrative expenses amounted to $391,554 during the year ended December 31, 2025 (2024 - $392,621; 2023 - $438,456), a decrease of $1,067 from the year ended December 31, 2024 as a result of the decrease in (a) consulting fees, wages and benefits (from 2024's $192,547 to 2025's $182,297) and (b) investor relations (from 2024's $51,798 to 2025's $36,630).

During the year ended December 31, 2025, the Company expensed exploration costs totaling $279,349 on Alvalade in Portugal. During the year ended December 31, 2024, the Company expensed exploration costs totaling $61,616 including $33,260 on Alvalade in Portugal and $28,356 on Slivova in Kosovo. During the year ended December 31, 2023, the Company expensed exploration costs totaling $66,492 including $27,561 on Alvalade in Portugal and $38,931 on Slivova in Kosovo.

During the year ended December 31, 2025, the Company recorded a loss of investment in AFOy of $68,531 (2024 - $40,257; 2023 - $27,569) for its share of operating loss in AFOy.

During the year ended December 31, 2025, the Company recorded a gain on acquiring PorMining of $399,712 (2024 – $Nil; 2023 – $Nil) and a loss on derecognition of AVU Kosova LLC of $6,967 (2024 - $Nil; 2023 – $Nil).

6(d) Liquidity and Capital Resources

As at December 31, 2025, the Company had a working capital of $316,969 (December 31, 2024 – $76,740). With respect to working capital, $493,359 was held in cash (December 31, 2024 - $141,011). The increase in cash was mainly due to (a) net proceeds from financing activities of $548,764; (b) net cash acquired from acquisition of PorMining $220,712; while being offset by (c) the general administrative expenses and exploration work expense totaling $413,175; and (d) loss on cash from derecognition of a former subsidiary of $3,164, and loss on derecognition of investment in PorMining of $789.

On December 29, 2025, the Company completed a non-brokered private placement by issuing 11,400,000 units (“Unit”) at a price of $0.05 per Unit for gross proceeds of $570,000. Each Unit consists of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.075 per common share until December 29, 2028. The warrants were ascribed a value of $240,996. The Company incurred share issue costs in the amount of $26,977 in connection with the financing.

As of the date of this MD&A, the Company has no outstanding commitments. The Company has not pledged any of its assets as security for loans and is not subject to any debt covenants.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company’s current treasury and the future cash flows from warrants and options, along with the planned developments within the Company as well as with its JV partner will allow its efforts to continue throughout 2026. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

6(e) Disclosure of Outstanding Share Data

The authorized share capital of the Company consists of an unlimited number of common shares without par value. As at December 31, 2025, the Company’s share capital was $11,469,934 (December 31, 2024 - $11,167,907) representing 76,074,754 common shares (December 31, 2024 – 64,674,754 common shares).

Stock option transactions and the number of stock options are summarized as follows:

Expiry date	Exercise price	December 31, 2024	Granted	Exercised	Expired/ cancelled	December 31, 2025
March 14, 2027	$0.08	1,575,000	-	-	-	1,575,000
Options outstanding		1,575,000	-	-	-	1,575,000
Options exercisable		1,575,000	-	-	-	1,575,000
Weighted average exercise price		$0.08	$Nil	$Nil	$Nil	$0.08

The continuity of warrants for the year ended December 31, 2025 is as follows:

Expiry date	Exercise price	December 31, 2024	Issued	Exercised	Expired	December 31, 2025
February 28, 2025	$0.125	16,666,667	-	-	(16,666,667)	-
September 5, 2027	$0.100	10,000,000	-	-	-	10,000,000
December 29, 2028	$0.075	-	11,400,000	-	-	11,400,000
Outstanding		26,666,667	11,400,000	-	(16,666,667)	21,400,000
Weighted average exercise price		$0.116	$0.075	$Nil	$0.125	$0.087

If the remaining options and warrants were exercised, the Company's available cash would increase by $1,981,000.

As of the date of this MD&A, there were 76,074,754 common shares issued and outstanding and 99,049,754 common shares outstanding on a diluted basis.

6(f) Commitment and Contingency

Property deposit:

As of December 31, 2025, the Company had a total of $160,890 (€100,000) (2024 - $Nil (€Nil)) of cash pledged for its Alvalade exploration license in Portugal. This advance to the Portuguese regulatory authorities is refundable to the Company, subject to completion of the work obligations described in the exploration license application. Upon DGEG released the guarantee of $160,300 (€100,000) that Sandfire MATSA put in as part of the Phase I – First Option obligation, this amount will be returned to Sandfire MATSA.

Tax deposits:

In November 2018, MAEPA paid €56,505 ($88,201) in lieu of bank guarantees of €77,918 ($121,625) to the Directora de Finanças de Braga in Portugal. This amount was comprised of €51,920 ($81,044) in respect of stamp tax and €4,585 ($7,157) in respect of VAT. The stamp tax portion relates to the interpretation that intercompany advances received by MAEPA are financing loans and, accordingly, are subject to stamp tax. The VAT portion relates to certain invoices for vehicle usage and construction services. As of December 31, 2019, the Company estimated that the judicial review process would take approximately one year for the VAT claim and three to five years for the stamp tax claim and that the likelihood of success for each was 50%. As a result, tax deposits were written down by $41,200 (€28,252) during the year ended December 31, 2019. During 2020, the judicial review ruled that approximately €1,971 VAT remained to be paid while the rest were annulled. The Company accepted this ruling. On April 8, 2026, the trial regarding the stamp tax was held and the Company filed the written material on April 28, 2026.

6(g) Off-Balance Sheet Arrangements

None.

6(h) Transactions with Related Parties

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the year ended December 31, 2025

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Other expenses	Share-based payments	Total
Paul W. Kuhn [(b)] Chief Executive Officer, Director	$ 150,000	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ 150,000

For the year ended December 31, 2024

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Other expenses	Share-based payments	Total
Paul W. Kuhn [(b)] Chief Executive Officer, Director	$ 150,000	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ 150,000

For the year ended December 31, 2023

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Other expenses	Share-based payments	Total
Paul W. Kuhn [(b)] Chief Executive Officer, Director	$ 150,000	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ 150,000

Related party assets / liabilities

		Years ended			Amounts due to:	
	Services / Advances	December 31, 2025	December 31, 2024	December 31, 2023	As at December 31, 2025	As at December 31, 2024
Pacific Opportunity Capital Ltd. [(a)]	Rent, loan, management, accounting, marketing and financing services	$ 115,400	$ 122,400	$ 111,700	$ 147,794	$ 74,864
Paul W. Kuhn [(b)]	Consulting and share-based payment	$ 150,000	$ 150,000	$ 150,000	$ Nil	$ Nil
Mark T. Brown [(d)]	Expense reimbursement	$ Nil	$ Nil	$ Nil	$ 2,535	$ 380
TOTAL:		$ 265,400	$ 272,400	$ 261,700	$ 150,329	$ 75,244
					Amounts due from:	
Paul W. Kuhn [(b)]	Consulting services	$ Nil	$ Nil	$ Nil	$ 242,004 [(c)]	$ 154,292 [(c)]

(a) Pacific Opportunity Capital Ltd., a company controlled by a director of the Company.
(b) Paul L. Nelles is a director of Innomatik.
(c) On June 1, 2019, the Company entered into a Contract for Services (the "Contract") with a contractor to serve as the Company's president and chief executive officer. The contractor is responsible for providing technical oversight and guidance, establishing corporate goals and objectives and setting and implementing corporate strategies. Pursuant to the Contract:
    - The contractor will receive a fee of $12,500 per month and a rent allowance of €4,000 for the first four months;

- If the Company is substantially sold or has a change of control (as defined), the contractor will receive a payment equal to two years of fees; and
- The contract remains effective until terminated in writing by either the Company or the contractor. The Company may terminate the contract at any time without notice or payment in lieu thereof for cause or at any time without cause by providing six months' written notice or by paying the contractor in lieu of notice. The contractor may terminate the contract at any time by providing the Company with three months' written notice.

(d) This amount relates to PorMining paying Paul Kuhn for his technical services consulting in excess of the Contract (defined above in (c)). Such amount will be sued to offset and reduce the Company's monthly fee payable to Paul Kuhn per the Contract.

(e) Mark T Brown is a director of the Company.

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of the consideration established and agreed to by the related parties. The amounts due to related parties are unsecured, non-interest bearing and payable on demand.

6(i) Financial Instruments

The fair values of the Company's cash, other receivables, advance to related party, due from optionee, accounts payables and accrued liabilities and due to related parties approximate their carrying values because of the short-term nature of these instruments.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest risk, equity market price risk and currency risk.

(a) Credit risk

Credit risk exposure primarily arises with respect to the company's cash, amounts receivable from an optionee and a related party. The risk exposure is limited because the Company places its instruments in banks of high credit worthiness in Canada, Portugal and Kosovo and continuously monitors the collection of other receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

As at December 31, 2025, the Company had cash of $493,359 (December 31, 2024 - $141,011), sales tax receivables of $21,113 (December 31, 2024 - $9,986) and other receivables of $17,247 (December 31, 2024 - $10,897) to settle current liabilities of $293,108 (December 31, 2024 - $125,315).

Accounts payable and accrued liabilities are due within the current operating period.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(d) Equity market price risk

The Company is exposed to price risk with respect to equity market prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to finance due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

(e) Currency risk

The Company's property interests in Portugal, Finland and Kosovo make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary assets of $13,700 dominated in Euros. A 1% change in the absolute rate of exchange in US dollars and Euros would affect its net income by $5,100.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any financial instruments that are measured at fair value.

6(j) Management of Capital Risk

The Company manages its cash, common shares, warrants and share purchase options as capital. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust

the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents held.

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry out its exploration and operations in the near term.

7. Subsequent Events

None other than disclosed already in other sections.

8. Policies and Controls

8(a) Significant Accounting Policies and Estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant judgments

- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent, management considered both the funds from financing activities and the currency in which goods and services are paid for. The functional currency of its wholly-owned subsidiaries in Europe is the Euro as management considered the currencies which mainly influence the cost of providing goods and services in those subsidiaries. The Company chooses to report in Canadian dollar as the presentation currency;
- The assessment of indications of impairment of each mineral property and related determination of the net realized value and write-down of those properties where applicable;
- The determination that the Company will continue as a going concern for the next year; and

- The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting.
    - The Company's interest in AFOy is less than 50%, therefore it does not have the current ability to control the key operating activities of the company. However, pursuant to the Share Purchase Agreement entered into by the companies, the board of directors of AFOy is comprised of one director appointed by the Company and one director by AEBv. Despite the operator being AEBv, the Company provides the necessary funding as part of the earn-in and therefore can influence AFOy's annual budgets and exploration programs. Management has determined that the Company has significant influence over AFOy and accordingly, the investment in AFOy is accounted for as an investment in associate.
    - The Company's interest in AVU Kosova LLC is less than 50%, therefore it does not have the current ability to control the key operating activities of the company. Management has determined that the Company has significant influence over AVU Kosova LLC and accordingly, the investment in AVU Kosova LLC is accounted for as an investment in associate.

Significant estimates

- The estimate that 50% of the tax deposits will be recovered within one to two years.

8(b) Future Accounting Pronouncements

There were no new accounting standards and interpretations which have material impact on adoption during the year ended December 31, 2025.

Pronouncements that are not applicable or that do not have a significant impact on the Company have not been included in these condensed consolidated interim financial statements.

8(b) Changes in Internal Controls over Financial Reporting ("ICFR")

Changes in Internal Control Over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Disclosure Controls and Procedures

The Company's CEO and CFO are responsible for establishing and maintaining the Company's disclosure controls and procedures. Management, including the CEO and CFO, have evaluated the procedures of the Company and have concluded that they provide reasonable assurance that material information is gathered and reported to senior management in a manner appropriate to ensure that material information required to be disclosed in reports filed or submitted by the Company is recorded, processed, summarized and reported within the appropriate time periods.

While management believes that the Company's disclosure controls and procedures provide reasonable assurance, they do not expect that the controls and procedures can prevent all errors, mistakes, or fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

9. Information on the Board of Directors and Management

Directors:
Mark T. Brown, B.Comm, CPA, CA
Paul Kuhn, M.Sc., P. Geo, SME Registered Member, QP
Paul Dircksen, M.S.
Dr. Paul Nelles
Frank Högel

Audit Committee members:
Mark T. Brown (Chair), Paul Dircksen and Frank Högel

Management:
Paul Kuhn, M.Sc. – Chief Executive Officer, President
Winnie Wong, CPA, CA – Chief Financial Officer and Corporate Secretary