



FARADAY COPPER

Faraday Copper Corp.

Management Discussion and Analysis

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian dollars)

Dated: May 7, 2026



REPORTING PERIOD AND EFFECTIVE DATE

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition of Faraday Copper Corp. (the "Company" or "Faraday") and its subsidiaries should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2026 and 2025 (the "Interim Financial Statements"), which are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Certain disclosures included in the annual financial statements prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") have been condensed or omitted, and accordingly, these Interim Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2025 and 2024 ("Annual Financial Statements").

In this MD&A, unless the context otherwise dictates, a reference to "us", "we", "our", or similar terms refers to the Company. For further information on the Company, reference should be made to its public filings on SEDAR+ at www.sedarplus.ca. All dollar amounts are in Canadian dollars, (except where otherwise noted), the presentation currency of the Company. The functional currency of the Company and its subsidiaries is disclosed in the notes to financial statements. All references to "\$", "CAD" and "dollars" refer to Canadian dollars, "US\$" and "USD" refers to United States dollars. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively.

This MD&A is prepared by management and approved by the Board of Directors as of May 7, 2026 (the "MD&A Date"). This discussion covers the three months ended March 31, 2026 and 2025 and the subsequent period up to the MD&A Date.

DESCRIPTION OF BUSINESS

Faraday was incorporated on October 21, 2014 under the Business Corporations Act (British Columbia). The Company's registered office is located at Suite 2400, 745 Thurlow Street, Vancouver, British Columbia, V6E 0C5. The Company's head office and principal address is located at 2800 - 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L2. The Company's shares are traded on the Toronto Stock Exchange and OTCQX under the symbol "FDY" and "CPPKF", respectively, and its principal business is the acquisition and development of resource properties.

Company Strategy

To create value through the technical advancement and economic viability of our copper projects by:

- Demonstrating leading health, safety, and environmental performance;
- Advancing and optimizing the Company's flagship asset, the Copper Creek Project; and
- Driving awareness and reputation through stakeholder engagements.

Highlights Year to Date

- Reported additional near-surface copper mineralization from eight drill holes at the American Eagle and Keel areas on March 24, 2026.
- Closed a non-brokered private placement with participation by a Lundin Family Trust and BHP Group Limited ("BHP"), involving the issuance of 23,810,000 common shares at a price of \$4.20 per share for aggregate gross proceeds of \$100,002,000 on March 11, 2026.
- Signed a letter of intent to acquire BHP's San Manuel property in Arizona on February 20, 2026, creating the potential for a multi-asset copper district in the USA.
- Reported near-surface copper mineralization from five drill holes in the American Eagle Area on January 22, 2026.

Upcoming Milestones

- Drill results from the ongoing Phase IV drill program at the Copper Creek Project.
- Signing definitive purchase agreements for BHP's San Manuel property in Arizona by the end of the third quarter of 2026.



Acquisition of BHP's San Manuel Property

Background

On February 20, 2026, Faraday announced it entered into a non-binding letter of intent ("LOI") with a wholly owned subsidiary of BHP in respect of a proposed transaction whereby Faraday would acquire from BHP the San Manuel property ("San Manuel"), adjacent to Faraday's Copper Creek Project located in Arizona, USA.

Under the terms of the LOI, Faraday and BHP will negotiate and, subject to obtaining all necessary approvals, enter into a definitive purchase and sale agreement containing customary terms and conditions for a transaction of this nature, whereby Faraday would acquire 100% of San Manuel (the "Proposed Transaction"). As consideration for the Proposed Transaction, Faraday would issue to BHP common shares of Faraday (the "Consideration") equivalent to a 30% interest in the issued and outstanding common shares on a fully diluted basis as of the date of closing. In addition, BHP will be granted customary investor rights provided it maintains a minimum shareholding requirement.

Strategic Rationale

- **Significant resource potential:** The combined project would have the potential to become a multi-generational copper district delivering made-in-America copper.
- **Accelerates pathway to production:** Opportunity to leverage the private land position of San Manuel to facilitate the potential for expedited copper cathode production from the combined projects.
- **Flexibility through private land and infrastructure:** Additional ~27,000 acres of private land for site facilities and access to existing regional infrastructure, including road, rail, gas and power.
- **Centralizes infrastructure and reduces environmental footprint:** The proximity of Copper Creek and San Manuel allows for the potential to leverage existing infrastructure and for future facilities to be shared between the projects, reducing the overall environmental footprint while enhancing capital efficiency.
- **The combined assets offer potential for project staging:** Prioritization of copper cathode production, followed by open pit sulphides before development of underground operations.
- **BHP to become a strategic shareholder:** BHP to join the Lundin Group as a strategic shareholder of Faraday to deliver USA copper supply through a consolidated district.

Terms of the Non-binding Letter of Intent

The LOI contemplates that, on the closing of the Proposed Transaction (the "Closing"), BHP would transfer all of its interest in San Manuel, which comprise the legacy San Manuel Copper Mine (including the San Manuel and Kalamazoo deposits, the San Manuel plant site and closed tailings storage facilities and surrounding BHP-owned land, and all related mineral estate interests), the Black Hills Quarry and the Camp Grant Quarry, and related rights and assets, and Faraday would assume all of BHP's liabilities, including all environmental and closure liabilities, related to San Manuel and issue the Consideration to BHP. Faraday would also agree to certain operational and other post-closing covenants covering international industry, environment and stakeholder engagement standards.

The Proposed Transaction would be effected pursuant to a definitive purchase and sale agreement to be negotiated between the parties. The definitive purchase and sale agreement is expected to contain other representations, warranties, covenants and conditions (including receipt of any required regulatory approvals and the approval of the Toronto Stock Exchange (the "TSX") and Faraday shareholders of the issuance of the Consideration) as are customary for a transaction of this nature.

The LOI further contemplates that, concurrently with the Closing, Faraday and BHP would enter into, among other things, an investor rights agreement, providing BHP with board nomination rights, financing participation rights, and registration rights, as well as imposing transfer restrictions, standstill obligations and voting alignment obligations on BHP on customary terms.

The LOI provides for a six-month period of reciprocal exclusivity between BHP and Faraday to pursue the Proposed Transaction, during which period the parties will each complete their confirmatory due diligence and negotiate a definitive purchase and sale agreement and other definitive transaction documentation in respect of the Proposed Transaction.

Under the LOI, BHP has agreed to, for a period of 24 months following execution of the LOI (the "Financing Participation Term"), to subscribe for 30% of any Faraday equity raise, up to a maximum aggregate subscription amount of US\$20 million over the Financing Participation Term or such other lower amount as consented to by Faraday, in each case on terms (including as to use of proceeds) reasonably acceptable to BHP. Any securities acquired by BHP in any such equity raise will be subject to a 12-month lock up on customary terms.

Closing of the Proposed Transaction will be governed by the terms of a definitive purchase and sale agreement and will be subject to Faraday shareholder approval. Closing is expected by the end of the third quarter of 2026.



Other than with respect to exclusivity, the financing participation and certain other related matters, the LOI is non-binding and there can be no assurance that the Proposed Transaction will be completed as proposed or at all. Entering into of a definitive purchase and sale agreement is subject to the completion of due diligence and the negotiation of the definitive agreement and other final documentation.

San Manuel Property Overview

The San Manuel Mine, comprising the San Manuel and Kalamazoo deposits, operated as a combined underground block cave and open pit mine. The combined operation was one of the largest underground mines in the USA during its operation, generating over 4.5 million tonnes of copper between 1955 and 1999. Historical copper production was predominantly from underground sulphide material feeding a concentrator, while notable cathode production was achieved later in the mine's operational period by mining and processing of oxide material, including in-situ recovery ("ISR"). A significant historical resource¹ and reserve² remained at closure, which are not compliant under the current standards of National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101")³.

The mineralization at San Manuel and Kalamazoo is well-understood. Sulphide mineralization occurs within Laramide porphyry intrusives and the surrounding Oracle granite. Supergene (oxide) mineralization formed later during tectonic extension. The Kalamazoo deposit is the downthrown extension of mineralization which was offset along the San Manuel fault.

Share Capital Transactions

During the three months ended March 31, 2026, the Company had the following share capital transactions:

- On February 2, 2026, the Company issued 150,000 common shares pursuant to the exercise of 150,000 warrants with an exercise price of \$0.60 per share for total proceeds of \$90,000. No amounts were previously recorded in reserves for the warrants exercised and accordingly, there was no reclassification to share capital.
- On March 11, 2026, the Company closed a non-brokered private placement financing and issued 23,810,000 common shares at a price of \$4.20 per share for gross proceeds of \$100,002,000. The Company paid total share issuance costs of \$281,521 for net proceeds of \$99,720,479.
- On March 16, 2026, the Company issued 9,725,000 common shares pursuant to the exercise of 9,725,000 stock options with exercise prices from \$0.40 to \$0.60 per share for gross proceeds of \$3,955,000. Accordingly, \$6,638,844 was transferred from the options reserve into share capital.
- On March 18, 2026, the Company issued 2,125,000 common shares pursuant to the exercise of 2,125,000 warrants with an exercise price of \$0.60 per share for total proceeds of \$1,275,000. No amounts were previously recorded in reserves for the warrants exercised and accordingly, there was no reclassification to share capital.
- On March 20, 2026, the Company issued 500,000 common shares pursuant to the exercise of 500,000 stock options with an exercise price of \$0.86 per share for total proceeds of \$430,000. Accordingly, \$410,921 was transferred from the options reserve into share capital.
- On March 23, 2026, the Company issued 200,000 common shares pursuant to the exercise of 200,000 warrants with an exercise price of \$0.60 per share for total proceeds of \$120,000. No amounts were previously recorded in reserves for the warrants exercised and accordingly, there was no reclassification to share capital.

¹ For historical resource (based on US\$0.80/lb copper constraint), reference Magma Copper Co, Annual Report on Form 10-K for the fiscal year ended December 31, 1993, filed with the USA Securities Commission on March 14, 1994.

² For historical reserve (based on US\$1.00/lb copper constraint), reference BHP Group Inc, 1999 Annual Report for the fiscal year ended May 31, 1999 entitled "Description of business and financial statements 1999" filed with the Australian Stock Exchange and also filed on Form 20-F with the USA Securities Commission.

³ While Faraday considers the historical estimates to be relevant to investors as they indicate the presence of copper mineralization, the mineral resource and reserve estimates referenced herein were calculated prior to the adoption of NI 43-101 and are provided as historical data only. The estimates were calculated using a copper price assumption of US\$0.80/lb copper and US\$1.00/lb copper, respectively, which differs significantly from current market conditions and these estimates should not be relied upon for economic evaluation and the Company is not relying on such information to make its development decisions. A qualified person has not completed the work necessary to classify the historical estimate as current mineral resources or mineral reserves and Faraday is not treating the historical estimate as current.



QUALIFIED PERSONS

The scientific and technical information contained in this MD&A has been reviewed and approved by Thomas Bissig, P. Geo, VP Exploration and Zach Allwright, P. Eng., VP Projects and Evaluations, both a “Qualified Person” as defined under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”). Both have verified the data contained herein (where possible) which included a review of the sampling analytical and test methods underlying the data, information and opinions disclosed herein.

RESOURCE PROPERTIES

As at March 31, 2026, the Company had two resource properties in the USA:

Copper Creek Project

The project is a 100% owned, large copper deposit, located ~80 road kilometres (“km”) northeast of Tucson, Arizona, and ~19 km northeast of San Manuel, Arizona. The resource area is ~3 km in length and is open in all directions. The property consists of ~80 square km of private land, patented and unpatented mining claims, and state prospecting permits. In addition, the Company controls ~26,000 acres of grazing leases which partially overlap with the claims and permits. The property is located within a historical mining district and a politically stable jurisdiction with extensive infrastructure including power, rail, roads, and access to skilled personnel.

The property is in the heart of the prolific southwestern porphyry copper region of North America at the projected intersection of a major northwest trending belt of copper deposits (Ray, Miami/Globe, Superior/Resolution, Johnson Camp) and a major east-northeast trending belt of deposits (San Manuel/Kalamazoo, Silver Bell, Lakeshore, Safford, Morenci).

The property hosts an early halo vein style porphyry copper deposit with high-grade, near-surface, breccia-hosted mineralization. Both mineralization types form the basis of the current Mineral Resource Estimate (“MRE”) prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum standards. Copper is the primary commodity, with molybdenum, silver and gold present in varying amounts associated with both types of mineralization.

On May 3, 2023, the Company announced an updated MRE and Preliminary Economic Assessment (“PEA”) for the project, with a technical report titled “Copper Creek Project NI 43-101 Technical Report and Preliminary Economic Assessment” filed on SEDAR+ on June 13, 2023.

With a total of over 260,000 m of recent and historical drilling and modest past production, significant exploration upside remains. There are over 320 known breccia occurrences mapped at the surface, of which less than 15% have been drill tested and only 17 are included in the 2023 MRE.

In the Phase II drill program, assay results confirmed the potential for gold to occur in economic concentrations in certain phases of the mineralization. Gold is not currently included in the 2023 MRE. A sampling program for potential gold inclusion in future technical studies was undertaken. The results from the Childs Aldwinkle and Copper Prince breccias, as well as the Keel underground zone, have been returned and released. The Company continues to evaluate other areas for potential inclusion of gold in future mineral resource updates.

Phase III drilling was completed in mid-April 2025 with 79 drill holes and 30,071 m of drilling. All results from the Phase III drilling have been released. The program’s framework was based on historical work, knowledge from the geological and recently updated structural model, the results from the Phase I and Phase II drill programs, geophysical and airborne spectral data sets, and economic criteria defined in the 2023 PEA base case. The focus of drilling was on the near-surface mineralization in the American Eagle, Area 51 and Rum areas.

On June 30, 2025, the Company received approval of its Exploration Plan of Operations (“EPO”) by the BLM. The BLM published the final environmental assessment, and finding of no significant impact and issued a related decision record approving the EPO. The EPO includes up to 67 drill pads located on Federal land:

- 48 drill pads in or near the American Eagle area and the southern portion of the Mammoth resource area;
- 10 drill pads in or near other existing resource areas at Old Reliable, Globe, Copper Prince and Copper Giant; and
- 9 drill pads that enable reconnaissance drilling on previously untested targets.

Phase IV drilling commenced on September 18, 2025, with a planned 40,000 m diamond drill program with the goal of building on the Company’s previous drilling success. The program will focus on the American Eagle area as well as new targets, infill, geotechnical, infrastructure, and hydrological drilling:



- ~20,000 m focused on American Eagle near-surface mineralization;
- ~10,000 m targeting oxide mineralization to increase the potential of copper cathode production; and
- ~10,000 m for new discoveries in the Copper Creek district.

The Company has reported results from metallurgical programs focused on grind size optimization that demonstrated the viability of coarse particle flotation, gold recoveries in concentrate and test work on near surface oxide mineralization.

The Company is focusing on exploration at the property while continuing to advance technical studies, environmental data gathering, and stakeholder outreach.

Contact Copper Project

The project is a 100% owned copper oxide project located in Elko County, Nevada. The project is located west of the town of Contact, Nevada. U.S. Highway 93 traverses the east side of the project along with a 138 kilovolt transmission line, between the towns of Wells and Jackpot, Nevada. The property consists of approximately 2,650 acres in 155 patented claims and approximately 4,800 acres in 294 unpatented claims.

Copper mineralization occurs as a vein hosted deposit within a granodiorite intrusion and adjacent Paleozoic sedimentary rocks. The copper content is highest in quartz veins, particularly where chalcocite is present, but grades outward into granodiorite where copper minerals occur in quartz veinlets, fracture coatings and disseminations. Mineralization consists of oxidized copper minerals such as tenorite, chrysocolla and cuprite, as well as secondary sulphides chalcocite and covellite. Primary copper minerals include chalcopyrite and bornite and occur several 100 m below surface. In addition, carbonate-replacement and skarn mineralization exists in Paleozoic sedimentary rocks near the contact to the granodiorite.

The historical MRE and technical study were published in a technical report titled “NI 43-101 Pre-Feasibility Study on the Contact Copper Project” prepared for Enxco International Ltd. by Hard Rock Consultants LLC, published October 1, 2013.

There is expected to be exploration upside with several targets that have not been drill tested including Copper Ridge, which features oxide copper mineralization with grab samples containing up to 12.4% copper.

Currently, the Company has made a strategic decision to focus on advancement of the Copper Creek Project.

USE OF PROCEEDS

On July 29, 2025, the Company closed a private placement financing (the “July 2025 Financing”) for gross proceeds of \$48,773,450. The financing includes a brokered “bought deal” private placement involving the issuance of 26,139,500 common shares at a price of \$1.10 per share for gross proceeds of \$28,753,450, and a non-brokered private placement of 18,200,000 common shares at a price of \$1.10 per share for gross proceeds of \$20,020,000, and paid total share issuance costs of \$1,809,039.

The Company intends to use, or has used, the gross proceeds from the July 2025 Financing to advance the Company’s Copper Creek project, as well as for general working capital purposes, as estimated below.

A summary of the allocation of proceeds for the July 2025 Financing is as follows:

| | July 29, 2025 |
|---|--------------------------|
| | \$ |
| Total proceeds | 48,773,450 |
| Expected allocation of net proceeds: | |
| Underwriter fees and other expenses* | 1,809,039 |
| Advancement of the Copper Creek Project* | 41,964,411 |
| General working capital expenses* | 5,000,000 |

Notes:

* Compared to amounts previously disclosed in the Amended and Restated Offering Document dated July 15, 2025, the underwriter fees and other expenses have been updated to reflect the final amounts incurred, with a corresponding decrease of \$91,366 related to the Advancement of the Copper Creek Project; and, general and working capital expenses have increased by \$1,750,000 related to due diligence costs associated with the acquisition of San Manuel, one-time office and facilities related costs and costs associated with a legacy asset in Alaska, with a corresponding decrease related to the Advancement of the Copper Creek Project.



As of March 31, 2026, approximately 45% of the proceeds from the July 2025 financing has been spent.

On March 11, 2026, the Company closed a non-brokered private placement financing ("March 2026 Financing") and issued 23,810,000 common shares at a price of \$4.20 per share for gross proceeds of \$100,002,000. The Company paid total share issuance costs of \$281,521 for net proceeds of \$99,720,479.

A summary of the allocation of proceeds for the March 2026 Financing is as follows:

| | March 11, 2026 |
|--|---------------------------|
| | \$ |
| Total proceeds | 100,002,000 |
| Expected allocation of net proceeds: | |
| Share issuance costs | 299,392 |
| Advancement of the copper projects in Pinal County, Arizona* | 91,702,608 |
| General working capital expenses | 8,000,000 |

Notes:

* Costs relate to the advancement of the Copper Creek project and the acquisition of San Manuel including due diligence, advisory fees, financial assurances, and integration costs.

Considering the current uncertainty as to the general market and competitive conditions, the Company continues to maintain its fiscally responsible approach to its mineral exploration activities. In particular, the Company continues to evaluate market conditions on an ongoing basis, with the goal of, among other things: (i) identifying the appropriate time to initiate certain business objectives, and (ii) exploring potential alternative, viable opportunities to further develop and expand the Company's business.

As such, the Company notes that there may be circumstances where, for sound business reasons, the Company may be required to reallocate funds, including due to demands for shifting focus or investment in mining exploration and/or development activities, requirements for accelerating, increasing, reducing, or eliminating initiatives in response to changes in market, regulations and/or developments in the mining sector generally and in the price of copper, unexpected setbacks, and strategic opportunities, such as partnerships, strategic partners, joint ventures, mergers, acquisitions, and other opportunities.

SUMMARY OF QUARTERLY RESULTS

All the Company's resource properties are in the exploration stage. The Company has not had revenue from inception and does not expect to have revenue in the near future. The Company's operating results are not seasonal in nature and have been mainly related to the amount of exploration activities in each quarter. The Company's quarterly performance in the latest eight quarters is as follows:

| | Q1 2026 | Q4 2025 | Q3 2025 | Q2 2025 |
|----------------------------------|------------------|----------------|----------------|----------------|
| | \$ | \$ | \$ | \$ |
| Net loss | 9,891,214 | 9,176,292 | 5,457,549 | 5,414,380 |
| Basic and diluted loss per share | 0.04 | 0.04 | 0.02 | 0.03 |
| | Q1 2025 | Q4 2024 | Q3 2024 | Q2 2024 |
| | \$ | \$ | \$ | \$ |
| Net loss | 7,820,431 | 7,280,515 | 4,341,859 | 5,426,500 |
| Basic and diluted loss per share | 0.04 | 0.04 | 0.02 | 0.03 |

Net loss

The Company's quarterly results are not typically subject to seasonality. The quarterly trend in loss for the period and loss per share is primarily driven by the Company's exploration expenses. The losses during Q3 2024 were lower than average primarily due to the timing of exploration expenditures, reduced general and administration costs, and lower share-based compensation expenditures. The losses during Q1 2026 and Q4 2025 were higher than average due to increased share-based compensation expenditure arising from RSU and Stock option issuances and increased drilling activities which increased the exploration and evaluation expenses.



Performance Summary

| | Note | Q1 2026 | Q1 2025 |
|--|------|-------------------|------------------|
| | | \$ | \$ |
| Operating expenses | | | |
| Depreciation | | 88,560 | 64,299 |
| Exploration and evaluation expenses | (a) | 10,220,794 | 6,484,508 |
| General and administration | (b) | 871,811 | 681,672 |
| Corporate development expenses | (c) | 259,439 | - |
| Professional fees and legal expenses | | 111,534 | 91,378 |
| Shareholder costs and investor relations | (d) | 140,904 | 86,563 |
| Share-based compensation | (e) | 652,018 | 384,126 |
| Travel | (f) | 133,542 | 52,353 |
| Total operating expenses | | 12,478,602 | 7,844,899 |
| Foreign exchange (gain) loss | (g) | (2,012,299) | 123,051 |
| Interest income | (g) | (575,089) | (51,813) |
| Other income | | - | (95,706) |
| Net loss | | 9,891,214 | 7,820,431 |

Q1 2026 compared to Q1 2025

- a) Exploration and evaluation expenses are higher during Q1 2026, primarily due to higher exploration, geological, and laboratory costs due to higher drill meterage with three drill rigs during Q1 2026, compared to two drill rigs operating throughout 2025, higher environmental, social, and governance costs as the Company continues to advance Copper Creek, and higher payroll costs with additional personnel.
- b) General and administration expenses are higher during Q1 2026, primarily due to general cost increases including IT and software costs, office and facilities, and personnel.
- c) Corporate development expenses are higher during Q1 2026, due to costs related to the proposed acquisition of San Manuel.
- d) Shareholder costs and investor relations expenses are higher during Q1 2026, primarily due to higher listing fees due to a higher share price and the number of shares outstanding.
- e) Share-based compensation expense increased in Q1 2026, primarily due to the issuance of new stock options and RSUs, which resulted in higher vesting during the period.
- f) Travel expenses are higher during Q1 2026, primarily due to an increase in the volume of travel and higher flight costs.
- g) Foreign exchange gain increased in Q1 2026, primarily due to a favourable Canada-USD exchange rate and higher USD-denominated investments held in term deposits, compared to Q1 2025.
- h) Interest income increased in Q1 2026, primarily reflecting higher average balances invested in short-term deposits following the private placement, compared to Q1 2025.

SOURCES AND USES OF CASH

During the three months ended March 31, 2026, cash provided by operating activities was \$1,818,073 (2025 - cash used in operating activities of \$9,253,611), cash used in investing activities was \$24,472,947 (2025 - \$222,601), and cash provided by financing activities was \$105,572,608 (2025 - \$35,200). The Company continues to incur operating costs primarily related to exploration and evaluation expenses. During the three months ended March 31, 2026, the Company raised net proceeds of \$99,702,608 (2025 - \$nil) from the issuance of common shares in a non-brokered private placement. In addition, the Company raised \$4,385,000 (2025 - \$35,200) from the exercise of stock options and \$1,485,000 (2025 - \$nil) from the exercise of warrants.

LIQUIDITY AND CAPITAL RESOURCES

The Company is a resource exploration-stage company and does not generate any revenue and has been mainly relying on equity-based financing to fund its operations. As at March 31, 2026, the Company had cash and cash equivalents of \$120,799,916 (December 31, 2025 - \$37,880,822) and current assets less current liabilities of \$131,939,454 (December 31, 2025 - \$35,424,377).



While the Company has sufficient capital resources to fund its operations for the next 12 months, it is an exploration-stage company and does not anticipate achieving positive cash flow from operations for the foreseeable future. Accordingly, the Company anticipates needing to raise additional capital to fund its long-term business objectives.

On July 29, 2025, the Company completed a private placement financing for net proceeds of \$46,964,411, which included share issuance costs of \$1,809,039. The Company intends to use the proceeds from the financing to advance the Copper Creek Project and for general working capital purposes.

On March 11, 2026, the Company completed a private placement financing for net proceeds of \$99,702,608, which included share issuance costs of \$299,392. The Company intends to use the proceeds from the financing to advance the Copper Creek Project, due diligence and integration costs related to the acquisition of San Manuel, and for general working capital purposes.

The Company will require additional financing either through equity or debt financing, sale of assets, joint venture arrangements, or a combination thereof to meet its administrative costs and to continue to explore and develop its resource properties. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company.

RELATED PARTY TRANSACTIONS

Key Management Personnel

During the three months ended March 31, 2026 and 2025, the Company incurred the following transactions with key management personnel, including the Chief Executive Officer, Chief Financial Officer, Vice President Studies & Evaluations, and Vice President of Exploration; as well as the directors of the Company.

A summary of the Company's key management personnel is as follows:

| | Q1 2026 | Q1 2025 |
|--|------------------|----------------|
| | \$ | \$ |
| Director fees included in general and administration | 56,250 | 56,250 |
| Salaries and other compensation included in general and administration | 530,086 | 502,171 |
| Share-based compensation | 422,353 | 254,332 |
| | 1,008,689 | 812,753 |

On March 16, 2026, the Company issued 9,725,000 common shares to related parties pursuant to the exercise of 9,725,000 stock options with exercise prices from \$0.40 to \$0.60 per share for gross proceeds of \$3,955,000.

On March 18, 2026, the Company issued 2,125,000 common shares to related parties pursuant to the exercise of 2,125,000 warrants with an exercise price of \$0.60 per share for total proceeds of \$1,275,000.

The Company and Fireweed ceased to be related parties as of February 27, 2025, and \$nil of fees were earned as related party income for the three months ended March 31, 2026 (2025 - \$64,082). As at March 31, 2026, \$nil was receivable from Fireweed (December 31, 2024 - \$nil).

As at March 31, 2026, the Company had \$359,320 (December 31, 2024 - \$853,572) due to related parties which comprised of amounts owing to key management personnel for services rendered. Amounts due to related parties are unsecured and non-interest-bearing with no specified terms of repayment.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at March 31, 2026 or at the date of this MD&A.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions as at March 31, 2026 or at the date of this MD&A.



CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING JUDGMENTS

The preparation of financial statements under IFRS Accounting Standards requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised.

The accounting estimates, judgements and assumptions used in the preparation of the Financial Statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.

SUBSEQUENT EVENTS

On April 6, 2026, the Company issued 80,000 common shares at a price of \$0.80 per share pursuant to the exercise of 80,000 stock options for gross proceeds of \$64,000.

On April 13, 2026, the Company issued 350,000 common shares at a price of \$0.91 per share pursuant to the exercise of 350,000 stock options for gross proceeds of \$318,500.

On April 20, 2026, the Company issued 90,000 common shares at a price of \$0.49 per share pursuant to the exercise of 90,000 stock options for gross proceeds of \$44,100.

On April 24, 2026, the Company issued 875,000 common shares at a price of \$0.60 per share pursuant to the exercise of 875,000 warrants for total proceeds of \$525,000.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are exposed to several financial and market risks, including credit, interest rate and liquidity risks. The Company may, or may not, establish active policies from time-to-time to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of cash flow of its operations would warrant such hedging activities.

Fair value of financial instruments

The fair value hierarchy established by IFRS 13 *Fair Value Measurement* has three levels to classify the inputs to valuation techniques used to measure fair value described as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

The fair values of the Company's cash and cash equivalents, accounts payable and accrued liabilities and due to related parties are equivalent to their carrying values due to their short-term nature.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk through its cash and cash equivalents. The Company mitigates its exposure to credit loss associated with cash and cash equivalents by placing its cash and cash equivalents in major financial institutions.

As at March 31, 2026, the Company held cash equivalents of \$107,598,926 in short-term deposits (December 31, 2025 - \$37,450,145) that are cashable in no more than 90 days and bear interest up to 4.14% (December 31, 2025 - 4.46%). In addition, the Company held \$25,256,071 in long-term deposits (December 31, 2025 - \$nil) with maturities more than 90 days and bear interest up to 4.24% (December 31, 2025 - nil). Interest income on short-term deposits during the three months ended March 31, 2026 was \$520,103 (2025 - \$51,813) and interest income on longer-term deposits was \$54,986 (December 31, 2025 - nil). Given the high credit quality of the financial institutions and the short-term, highly liquid nature of the term deposits, the Company assesses its exposure to credit risk to be minimal.



Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due or that it will be required to meet them at excessive cost. To mitigate the risk, the Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash and cash equivalents. The Company's cash and cash equivalents are maintained in business accounts and invested in short-term deposits that are cashable in no more than 90 days and bear interest up to 4.14% (December 31, 2025 - 4.46%). In addition, the Company holds long-term deposits with maturities between 90 and 365 days and bear interest up to 4.24% (December 31, 2025 - nil). The Company manages its liquidity risk mainly through raising funds from private placements. The Company's accounts payable and accrued liabilities are due within 90 days of March 31, 2026 and due to related parties has no specific terms of repayment. Given the Company's proactive management of working capital, the high liquidity of its term deposits, and its ability to access funds through private placements, the Company assesses its liquidity risk to be low.

The Company's operating cash requirements are continuously monitored and adjusted as input variables change. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuances, obtain project or debt financing, or enter into joint arrangements. There is no assurance that the necessary financing will be available in a timely manner.

Interest rate risk

Interest rate risk is the risk that the Company is exposed to the risk that the value of financial instruments will change due to movements in market interest rates. As at March 31, 2026, the Company did not have debt instruments exposed to variable interest rate.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

A summary of the Company's financial assets and liabilities that are denominated in US dollars and are presented in the Company's functional currency is as follows:

| | March 31, 2026 | | December 31, 2025 | |
|--|---------------------------|-------------------|----------------------|-------------|
| | US\$ | \$ | US\$ | \$ |
| Cash and cash equivalents | 34,493,107 | 48,079,942 | 18,555,485 | 25,432,148 |
| Term deposits | 18,039,962 | 25,145,903 | - | - |
| Accounts payable and accrued liabilities | (1,831,651) | (2,553,138) | (939,352) | (1,287,476) |
| | 50,701,418 | 70,672,707 | 17,616,133 | 24,144,672 |

As at March 31, 2026, a 5% change in the US dollar against the Canadian dollar would result in a \$3,533,635 impact on the net loss to the Company. The Company's foreign exchange exposure primarily relates to cash deposits held in US dollars. These funds are intended to be used to finance exploration activities for the Copper Creek Project and are expected to decrease over time as expenditures are incurred. The Company's exposure to foreign currency risk is limited to the US dollar, which is not the currency of a hyperinflationary economy.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has outstanding 292,271,075 common shares, 6,928,166 restricted stock units, 6,125,000 warrants and 1,589,000 stock options.



RISK FACTORS

The principal activity of the Company is mineral exploration, which is inherently risky. There is intensive government legislation from state, provincial, federal, municipal and aboriginal governments, surrounding the exploration for and production of minerals from our mining operations and any future production activities. Exploration and development are also capital intensive, and the Company currently has no source of income. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks and therefore constitute one of the main assets of the Company.

The Company has its cash deposited with a large, federally insured, commercial bank which it believes to be creditworthy.

For additional discussion of risk factors, please refer to the Company's annual information form for the year ended December 31, 2025, which is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.faradaycopper.com.

NON-IFRS ACCOUNTING STANDARDS AND OTHER FINANCIAL MEASURES

This MD&A may make reference to certain financial measures, including non-IFRS Accounting Standards measures that are forward-looking, non-GAAP ratios and supplementary financial measures. Management uses these financial measures for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is used by management to measure the profitability of ongoing operations and in analyzing our business performance and trends. These measures are not recognized measures under IFRS Accounting Standards, do not have a standardized meaning prescribed by IFRS Accounting Standards and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS Accounting Standards measures by providing further understanding of our results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS Accounting Standards.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Forward-looking statements in this MD&A include, without limitation, statements relating to: the proposed acquisition of the San Manuel property, including the anticipated timing of entering into definitive agreements and the expected timing of closing; the Company's strategic rationale for the proposed transaction; anticipated exploration, development and drilling programs, including the scope, timing and results of the Phase IV drill program at the Copper Creek Project; expectations regarding future mineralization, exploration upside and development potential; anticipated pathways to potential future production; the intended use of proceeds from past and future financings; the Company's ability to obtain regulatory approvals, shareholder approvals and third-party consents; future capital requirements and access to financing; and the Company's business strategy, objectives and priorities. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in

this MD&A should not be relied upon. These statements speak only as of the date of this MD&A. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- the Company's ability to complete the proposed acquisition of the San Manuel property on the terms currently contemplated or at all;
- the timely receipt of required regulatory, stock exchange and shareholder approvals;
- the availability of financing on reasonable terms;
- commodity prices; exchange rates;
- the accuracy of mineral resource estimates;
- geological interpretations;
- permitting timelines; operating and capital cost estimates;
- the availability of materials and skilled personnel; and general business, economic, market and political conditions;
- permitting and licensing risks;
- public health risks;
- negative cash flow;



- liquidity and financing risks;
- funding risk;
- exploration costs;
- uninsurable risks;
- conflicts of interest;
- government policy changes;
- ownership risks;
- community relations;
- market conditions;
- stress in the global economy;
- current global financial condition;
- exchange rate and currency risks;
- commodity prices;
- dilution risk;
- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper or other mineral commodities under exploration;
- the availability of financing for the Company's exploration and development projects on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;
- market competition;
- The accuracy of our resource estimate (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which it is based; and
- tax benefits and tax rates.

These forward-looking statements involve risks and uncertainties relating to, among other things, risks related to international operations, actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, as well as those factors discussed in the section "Risk Factors". Factors that could cause actual results to differ materially include, but are not limited to, the risk factors discussed in the section. The Company cautions that the foregoing list of important factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.