The Management Discussion and Analysis ("MD&A"), prepared as of June 29, 2026, should be read in conjunction with the Company's consolidated financial statements for the year ended February 28, 2026 of Mercado Minerals Ltd. ("Mercado" or the "Company") which were prepared in accordance with IFRS Accounting Standards.

This MD&A may contain forward-looking information (as such term is defined under applicable securities laws) in respect of various matters including upcoming events. The results or events predicted in this forward-looking information may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

Mercado Minerals Ltd. was formed on March 24, 2021, under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is Suite 615 - 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. On November 8, 2024, the Company changed its name to Mercado Minerals Ltd.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at February 28, 2026, the Company holds an interest in early-stage mineral exploration properties and the Company had not yet determined whether the Company's mineral property assets contain a deposit of minerals that is economically recoverable. The recoverability of amounts shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the properties or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainty casts significant doubt upon the Company's ability to continue as a going concern.

The Company had an accumulated deficit of $3,617,139 as at February 28, 2026, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. The consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

EXPLORATION PROJECTS

Exploration and evaluation assets are as follows:

	Porter Property	Concordia Property	Total
Acquisition Costs			
Balance, February 29, 2024	$ 102,000	$ -	$ 102,000
Additions – cash	8,000	-	8,000
Balance, February 28, 2025	110,000	-	110,000
Additions	-	3,065,117	3,065,117
Balance, February 28, 2026	110,000	3,065,117	3,175,117
Exploration Costs			
Balance, February 29, 2024	$ 209,967	$ -	$ 209,967
Geological consulting	468	-	468
Balance, February 28, 2025	210,435	-	210,435
Assaying	-	443	443
Camp costs	-	22,814	22,814
Geological consulting	-	344,470	344,470
Equipment	-	4,969	4,969
Taxes, duties, and fees	-	29,140	29,140
Travel and transportation	-	3,814	3,814
Balance, February 28, 2026	210,435	405,650	616,085
Impairment	(320,435)	-	(320,435)
Balance, February 28, 2026	**-**	**3,470,767**	**3,470,767**

Porter Property option

On March 24, 2021, the Company entered into a Purchase Option Agreement (the "Agreement") with an arms-length party (the "Optionor"). Pursuant to the Agreement, the Company has an option to acquire 100% interest in five mineral claims known as Porter Property located near Port Alberni on Vancouver Island, British Columbia, Canada (the "Claims") from the Optionor.

Under the terms of the Agreement, the Optionor has granted the Company the option to acquire all rights, title and interest within five kilometers of the five mineral claims. In addition, the Claims are subject to Net Smelter Return Royalty of 1.5% which can be purchased at any time for $1,500,000 by the Company.

Under the Agreement, the Company will make cash payments totaling $40,000 and issue 300,000 common shares as follows:

a. make a cash payment of $6,000 (the “Initial Payment”) (paid) upon execution and delivery of the Agreement;
b. make a further cash payment of $6,000 (paid) and issue 300,000 (issued) common shares on November 9, 2022, the date upon which the common shares are listed on a stock exchange in Canada (“Listing date”);
c. make a further cash payment of $8,000 (paid) within 18 months of the Listing date (as renegotiated); and
d. make a further cash payment of $20,000 on or before December 18, 2025 (unpaid).

As at February 28, 2026, the Company did not intend on continuing with its Porter property option and consequently impaired the property to $Nil and recognized an impairment of $320,435.

Concordia Silver Properties

On October 17, 2025 the Company acquired all of the outstanding share capital of Concordia Silver Company S.A. DE C.V. The acquisition includes two silver - gold mineral properties held by Concordia, Copalito and Zamora, located in Sinaloa, Mexico. Under the terms of the agreement, Mercado acquired all of the outstanding share capital of Concordia in consideration for a cash payment US$105,000 and the issuance of 6,000,000 common shares (the "Consideration Shares") to Concordia shareholders (collectively, the "Vendors"). Mercado will issue a further 2,000,000 common shares to the Vendors on the first anniversary of closing the Acquisition and a further 2,000,000 common shares to the Vendors on the second anniversary of closing the Acquisition for a total fair value of $700,000 representing shares to be issued. The Considerations Shares will be subject to restrictions on resale following issuance from which they will be release in four equal tranches every six months over a 24-month period. The Company also issued 300,000 common shares at a fair value of $52,500 to an arms-length third party who introduced the Transaction to the Company.

Copalito Project

The Copalito project presents a district scale opportunity with known and drilled silver – gold low sulphidation vein mineralization that is open for expansion. Historical third-party high-grade silver and significant gold and base metal drill intercepts include: 347 g/t silver, 0.22 g/t gold, 0.17% lead and 0.38% zinc over 13.10 m in BDH-20-004 and 125 g/t silver, 2.00 g/t gold, 0.34% lead and 0.58% zinc over 23.00 m in BDH-21-055. Mercado acquired an option to purchase seven concessions covering 2,820 Ha. Six principle known veins on the project have a cumulative strike length of over 8 km. The Copalito project is located approximately 123 km northeast of Culiacan, Sinaloa. The property has good access, moderate topography, and infrastructure nearby. The neighboring property to Copalito is McEwen Mining's "El Gallo mine" complex, located 35 km to the west.

On October 17, 2025, the Company, through its acquisition of Concordia, obtained an option agreement (the "Option Agreement") in respect of the Copalito project.

Under the Option Agreement, the Company will make cash payments as follows:

a. make a cash payment of US$50,000 once the main contract has been registered in the Public Mining Registry (paid)
b. make a further cash payment of US$100,000 on the first anniversary of the date of registration (unpaid)
c. make a further cash payment of US$300,000 on the second anniversary of the date of registration (unpaid)
d. make a further cash payment of US$550,000 on the third anniversary of the date of registration (unpaid)
e. make a further cash payment of US$700,000 on the fourth anniversary of the date of registration (unpaid)
f. make a further cash payment of US$800,000 on the fifth anniversary of the date of registration (unpaid)

US$500,000 will be reserved from the payments of any taxes or any liability to keep the mining concessions current.

Zamora Project

The Zamora project and greater area presents district scale potential that, according to available historic reports, has never been drilled. Mercado acquired four (4) concessions covering 378 Ha, which covers small scale historic underground production at Campanillas, and the right to potentially bring another 2,999 Ha of concessions back into good standing with the government, thereby securing title. If successful, Mercado will own a total of 3,377 Ha covering a cumulative strike length of over 8 km of structures with 14 historic high grade silver gold mines on them.

SELECTED ANNUAL INFORMATION

The table below sets forth selected financial data, in Canadian dollars, relating to the Company for the years ended February 28, 2026, February 29, 2025 and February 28, 2024:

	2026	2025	2024
	$	$	$
Net loss for the year	(2,571,230)	(518,191)	(190,664)
Basic and diluted loss per share	(0.06)	(0.02)	(0.01)
Total assets	9,612,819	1,056,166	321,201
Total long-term liabilities	-	-	-

The Company is in the exploration stage and, therefore, does not have revenue from operations. The Company's operating activities are dependent on the Company's working capital.

The Company's total assets as at February 28, 2026 increased substantially compared to prior years due to the closing of a financing during the year ended February 28, 2026. Please also refer to "*Exploration Projects*" for details on new properties and projects acquired during the year.

OPERATIONS

Mercado is an exploration stage company, and its properties are in the early stages of exploration and not in production. Consequently, the Company's net loss is not a meaningful indicator of its performance or potential.

The key performance driver for the Company is the acquisition and development of prospective mineral properties. By acquiring and exploring projects of technical merit, the Company increases its chances of finding and developing an economic deposit.

At this time, the Company is not anticipating profit from operations in the near future. Until such time as the Company is able to realize profits from the production and marketing of commodities from its mineral interests, the Company will report an annual deficit and will rely on its ability to obtain equity or debt financing to fund on-going operations. Additional financing will be required for additional exploration and administration costs. Due to the inherent nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities.

For the year ended February 28, 2026

The net loss for the year ended February 28, 2026 (the "Current Year") was $2,571,230, compared to a net loss for the year ended February 28, 2025 (the "Comparative Year") of $518,191. The increase in net loss between the two years was primarily due to the following:

- Management fees increased from $104,500 in the Comparative Year to $304,000 in the Current Year primarily due to additional fees for the Company's CEO and Vice-President of Corporate Development and the addition of a new CFO and Corporate Secretary in the Current Year (see Transactions with Related Parties section below);
- Travel and promotion increased from $6,244 in the Comparative Year to $191,583 in the Current Year due investor communications and shareholder activities; and
- Share-based payments increased from $209,841 in the Comparative Year to $1,410,474 in the Current Year due to the granting of additional stock options during the year.

Overall, the Company saw an increase in expenditures due to the closing of a private placement and beginning additional operations on its interest in Mexico. The increase in operating costs is in line with the Company's activities in the Current Year compared to the Comparative Year.

SUMMARY OF QUARTERLY RESULTS

For the three months ended:	February 28 2026 $	November 30, 2025 $	August 31 2025 $	May 31, 2025 $
Total revenue	-	-	-	-
Net loss	(1,833,839)	(530,545)	(112,115)	(94,731)
Loss per share	$ (0.04)	$ (0.01)	$ (0.00)	$ (0.00)

For the three months ended:	February 28, 2025 $	November 30, 2024 $	August 31 2024 $	May 31, 2024 $
Total revenue	-	-	-	-
Net loss	(359,801)	69,969	(41,774)	(46,647)
Loss per share	$ (0.01)	$ (0.01)	$ (0.00)	$ (0.00)

LIQUIDITY AND CAPITAL RESOURCES

As of February 28, 2026, the Company had $5,712,088 in cash. The Company does not have any cash flow from operations because it is an exploration-stage company and therefore equity financing has been the sole source of funds.

At February 28, 2026, the Company had working capital of $4,713,437. The Company's current assets are not sufficient to support the Company's general administrative and operating requirements on an ongoing basis for the foreseeable future. Accordingly, further financing will be required, and the Company will have to raise additional funds to continue its operations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

	For the years ended			
		February 28, 2026		February 28, 2025
Management Fees				
Chief Executive Officer	$	144,000	$	32,000
Former Chief Executive Officer		-		38,500
Chief Financial Officer		24,000		-
Former Chief Financial Officer		40,000		10,000
VP - Business Development		96,000		-
Former Director		-		24,000
Total Management Fees	$	304,000	$	104,500
Share-based payments		567,094		152,701
Total	$	871,094	$	257,201

Included in accounts payable and accrued liabilities is $51,401 (February 28, 2025 - $52,658) owed to the directors and officers of the Company. These amounts are non-interest bearing with no specific terms of repayment.

The Company also received a loan in the amount of $100,000 from a shareholder of the Company. The loan is non-interest bearing with no specific terms of repayment. The loan was repaid subsequent to year end.

COMMITMENTS

The Company does not have any significant commitments.

FOURTH QUARTER INFORMATION

During the three months ended February 28, 2026, the Company incurred a net loss of $1,833,839 due to the granting of stock options during the period. The Company also issued 5,025,000 units at a price of $0.20 per unit for gross proceeds of $1,005,000. The Company also issued 300,000 units at a price of $0.10 per unit for gross proceeds of $30,000.

SUBSEQUENT EVENTS

The Company issued 37,500 common shares for gross proceeds of $5,625 upon the exercise of 37,500 warrants.

SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of consolidated financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The Company's critical accounting estimates are disclosed in Note 3 of the audited consolidated financial statements for the year ended February 28, 2026.

FINANCIAL INSTRUMENTS

Fair value of financial instruments

International Financial Reporting Standards 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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's financial instruments include cash, accounts payable and accrued liabilities, loan payable and share subscriptions received. The carrying amounts of accounts payable and accrued liabilities approximate their respective fair values due to the short-term to maturity of these financial instruments. Cash is measured based on Level 1 of the fair value hierarchy.

Financial risk management objectives and policies

The Company's financial instruments include cash, accounts payable and accrued liabilities, loan payable and share subscriptions received. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the Company is not exposed to material currency risk, interest rate risk or other price risk. The Company's exposure to and management of market risk has not changed materially from that of the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit-quality financial institution. The Company's exposure to and management of credit risk has not changed materially from that of the prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at February 28, 2026, the Company has cash of $5,712,088, to settle current liabilities of $1,411,625 all due within 30 days of receiving the invoice including the loan payable of $100,000 that has no repayment terms but was repaid subsequent to year-end. The Company's management of liquidity risk has not changed materially from that of the prior year.

RISKS AND UNCERTAINTIES

The risk factors associated with the principal business of the Company are discussed below. Briefly, these include the highly speculative nature of the mining industry characterized by the requirement for large capital investment from an early stage and a very small probability of finding economic mineral deposits. In addition to the general risks of mining, there are country-specific risks associated with operating in a foreign country, including currency, political and economic conditions (including the outbreak of war or levying of sanctions), social, and legal risk.

Due to the nature of the Company's business and the present stage of exploration and development of its project, the Company may be subject to significant risks. Readers should carefully consider all such risks set out in the discussion below. The Company's actual exploration and operating results may be very different from those expected as at the date of this MD&A.

Exploration and Mining Risks

Resource exploration, development, and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Few properties that are explored are ultimatly developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company will rely on consultants and others for exploration and development expertise. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are:

- the particular attributes of the deposit, such as size, grade and proximity to infrastructure;
- metal prices, which are highly cyclical; and
- government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection.

The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The Company will carefully evaluate the political and economic environment in considering any properties for acquisition. There can be no assurance that additional significant restrictions will not be placed on the Company's project and any other properties the Company may acquire, or its operations. Such restrictions may have a material adverse effect on the Company's business and results of operation.

Future Profits/Losses and Production Revenues/Expenses

The Company has no history of operations and expects that its losses will continue for the foreseeable future unless and until such time as the Company's project(s) advances or any other properties the Company may acquire enter into commercial production and generate sufficient revenues to fund its continuing operations. No deposit that has yet been shown to be economic has yet been found on the Company's projects. There can be no assurance that the Company will be able to acquire any additional properties. There can be no assurance that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's project and any other properties the Company may acquire are added. The amounts and timing of expenditures will depend on:

- the progress of ongoing exploration and development;
- the results of consultants' analysis and recommendations;
- the rate at which operating losses are incurred;
- the execution of any joint venture agreements with strategic partners; and
- the acquisition of additional properties and other factors, many of which are beyond the Company's control.

The development of mineral properties will require the commitment of substantial resources to conduct the time-consuming exploration and development of the properties. There can be no assurance that the Company will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Additional Funding Requirements

Further exploration and development of the Company's project will require additional resources and funding. The Company currently does not have sufficient funds to fully explore and develop its project. Accordingly, to continue exploration and development of the Company's properties will depend upon its ability to obtain financing through debt and/or equity financing, joint ventures, or other means. There is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital.

Competitors in the Mining Industry

The mining industry is highly competitive in all of its phases. Considering the Company's current size and stage of operations, the Company faces strong competition from other mining companies, some with greater financial resources, operational experience and technical capabilities. As a result of this competition, the Company may not be able to obtain required financing and maintain personnel, technical resources or attractive mining properties on terms the Company considers acceptable.

Risks That Are Not Insurable

Hazards such as unusual or unexpected geological formations and other conditions are involved in mineral exploration and development. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure. The payment of such liabilities could result in increases in the Company's operating expenses which could, in turn, have a material adverse effect on the Company's financial position and its results of operations.

Market for Securities and Volatility of Share Price

There can be no assurance that an active trading market in the Company's securities will be established or sustained. The market price for the Company's securities could be subject to wide fluctuations. Factors such as announcements of exploration results, as well as market conditions in the industry, may have a significant adverse impact on the market price of the securities of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Environmental Matters

All of the Company's mining operations will be subject to environmental regulations, which can make operations expensive or prohibit them altogether. The Company may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development and production.

To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company.

All of the Company's exploration, development and any production activities will be subject to regulation under one or more environmental laws and regulations. Many of the regulations require the Company to obtain permits for its activities. The Company must update and review its permits from time to time, and is subject to environmental impact analyses and public review processes prior to approval of the additional activities. It is possible that future changes in applicable laws, regulations and perms or changes in their enforcement or regulatory interpretation could have a significant impact on some portion of the Company's business, causing those activities to be economically re-evaluated at that time.

Conflicts of Interest

Certain of the Company's directors and officers may serve as directors or officers of other companies or companies providing services to the Company or they may have significant shareholdings in other companies. Situations may arise where these directors and/or officers of the Company may be in competition with the Company. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arise at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Lack of Revenues; History of Operating Losses

The Company does not have any operational history or earnings and has incurred net losses and negative cash flow from its operations since incorporation. Although the Company will hope to eventually generate revenues, significant operating losses are to be anticipated for at least the next several years and possibly longer. To the extent that such expenses do not result in the creation of appropriate revenues, the Company's business may be materially adversely affected. It is not possible to forecast how the business of the Company will develop.

Reliance on Key Personnel

The Company will be dependent on the continued services of its senior management team, and its ability to retain other key personnel. The loss of such key personnel could have a material adverse effect on the Company. There can be no assurance that any of the Company's employees will remain with the Company or that, in the future, the employees will not organize competitive businesses or accept employment with companies competitive with the Company. Furthermore, as part of the Company's growth strategy, it must continue to hire highly qualified individuals. There can be no assurance that the Company will be able to attract, assimilate or retain qualified personnel in the future, which would adversely affect its business.

General Economic Conditions

Market conditions and unexpected volatility or illiquidity in financial markets may adversely affect the prospects of the Company and the value of its shares.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

General Inflationary Pressures

General inflationary pressures may affect labour and other costs, which could have a material adverse effect on the Company's financial condition, results of operations and the capital expenditures required to advance the Company's business plans. There can be no assurance that any governmental action taken to control inflationary or deflationary cycles will be effective or whether any governmental action may contribute to economic uncertainty. Governmental action to address inflation or deflation may also affect currency values. Accordingly, inflation and any governmental response thereto may have a material adverse effect on the Company's business, results of operations, cash flow, financial condition and the price of the common shares.

SHARE CAPITAL

As of the date of this MD&A, the Company had 75,951,751 common shares, 6,465,000 stock options, and 21,132,100 warrants outstanding.

QUALIFIED PERSON

Kelson Willms, the Senior Technical Advisor for Mercado Minerals Ltd., is the Qualified Person as defined under National Instrument 43-101 who reviewed and approved the scientific and technical information in this MD&A.