



FARADAY COPPER

Faraday Copper Corp.

Management Discussion and Analysis

For the three and six months ended June 30, 2026 and 2025

(Expressed in Canadian dollars)

Dated: August 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 and six months ended June 30, 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 August 7, 2026 (the "MD&A Date"). This discussion covers the three and six months ended June 30, 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

- Announced the signing of a definitive purchase and sale agreement to acquire 100% of the San Manuel Property in Arizona from a wholly-owned subsidiary of BHP Group Limited ("BHP"), on July 2, 2026 (the "San Manuel Transaction").
- Reported near-surface copper mineralization from drill holes in the American Eagle Area on June 24, 2026.
- Announced the appointment of Jeff Cornoyer as Vice President & General Manager and Cynthia Salas as Director, Human Resources, on June 1, 2026
- Reported near-surface copper mineralization from drill holes in the Globe, Copper Giant, and Marsha breccias on May 12, 2026.
- Reported additional copper mineralization from drill holes at the American Eagle and Keel areas on March 24, 2026.
- Closed a non-brokered private placement with participation by Trusts settled by the late Adolf H. Lundin and 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.
- Reported near-surface copper mineralization from 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.
- Closing the San Manuel Transaction with BHP expected by the end of the third quarter of 2026.



Acquisition of BHP's San Manuel Property

Background

On July 2, 2026, Faraday announced it entered into a definitive purchase and sale agreement (the "Agreement") with a wholly owned subsidiary of BHP whereby Faraday would acquire from BHP the San Manuel Property, adjacent to Faraday's Copper Creek Project located in Arizona, USA.

Under the terms of the Agreement, Faraday will acquire 100% of the San Manuel Property (the "Transaction"). As consideration for the San Manuel Transaction, Faraday will issue to BHP or a designated affiliate 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. Including shares issued to BHP from its participation in the C\$100 million private placement in March 2026, BHP is expected to hold approximately 138 million common shares after the closing of the Transaction. The price of common shares to be issued will be determined based on the five-day volume-weighted average price of the Company's common shares during the five trading days immediately prior to closing. In addition to the common shares, BHP will be granted customary investor rights pursuant to an investor rights agreement, provided it maintains a minimum shareholding requirement.

Strategic Rationale

- **Significant resource potential:** The combined projects are expected to become a multi-generational copper complex delivering made-in-America copper.
- **Accelerates pathway to production:** Leveraging the private land position of the San Manuel Property 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:** Shared future facilities, utilizing existing infrastructure and prioritizing use of brownfield sites, reduce 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 investor of Faraday.

Transaction Terms

The Agreement contemplates that on the closing of the San Manuel Transaction (the "Closing"), BHP will 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 (the "**San Manuel Property**"). As consideration for the purchase, Faraday will assume all liabilities, including all environmental and closure liabilities, related to San Manuel and will issue the Consideration to BHP. Faraday has also agreed to certain operational and other post-closing covenants covering customary international industry, environmental and stakeholder engagement standards.

The Agreement further contemplates that, concurrently with the Closing, Faraday and BHP will enter into, among other things, an offtake rights agreement, a water supply agreement and an investor rights agreement. The investor rights agreement will provide BHP with, among other rights and entitlements, board nomination rights, equity participation rights, and registration rights and will impose certain obligations on BHP including customary standstill, voting and transfer restrictions.

The Agreement provides for customary deal protection, including non-solicitation covenants, a "fiduciary out" permitting Faraday to consider and accept a superior proposal, matching rights in favour of BHP, and the payment of a US\$12 million termination fee in certain circumstances.

Full details regarding the terms of the Transaction are set out in the Agreement which was filed by Faraday on SEDAR+ at www.sedarplus.ca.

Transaction Conditions and Timing

Completion of the San Manuel Transaction is subject to the satisfaction (or waiver, where applicable) of customary closing conditions for a transaction of this nature, including approval by disinterested Faraday shareholders, receipt of Toronto Stock Exchange approval, other required regulatory approvals and the fulfillment of certain closing deliverables by the parties.

Subject to the receipt of all necessary approvals, the Transaction is expected to be completed by the end of the third quarter of 2026.



Board of Directors' Recommendation

After consultation with its financial and legal advisors and receiving the unanimous recommendation of the independent directors of Faraday, the Board of Directors of Faraday has unanimously approved entering into the Agreement. The Board of Directors of Faraday unanimously recommends that Faraday shareholders vote in favour of the Transaction.

TD Securities Inc. has provided a fairness opinion to the Faraday Board of Directors to the effect that, as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications stated in such opinion, the Consideration to be paid by Faraday pursuant to the Transaction is fair, from a financial point of view, to Faraday.

Voting and Support Agreements

Concurrently with the execution of the Agreement, BHP entered into voting and support agreements (the "Voting Support Agreements") with certain securityholders of Faraday, including each of the directors and officers of Faraday. Pursuant to the Voting Support Agreements, each supporting securityholder has agreed, subject to the terms thereof, to vote their common shares in favour of the approval resolution at the Meeting. The supporting securityholders party to the Voting Support Agreements hold, in aggregate, common shares representing approximately 21.88% of the issued and outstanding common shares as of the date hereof.

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 world 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 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")².

The mineralization at San Manuel and Kalamazoo is well-understood. Sulphide mineralization occurs within Laramide porphyry 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.

A technical report on San Manuel titled "Technical Report - San Manuel Property Pinal County, Arizona, prepared by independent qualified persons in accordance with NI 43-101, was filed by the Company on SEDAR+ on July 30, 2026.

Share Capital Transactions

During the six months ended June 30, 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 \$299,392 for net proceeds of \$99,720,608.
- 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.

¹ For historical resource (based on US\$0.80/lb copper constraint), reference the Company's technical report titled "Technical Report - San Manuel Property Pinal County, Arizona", filed by the Company on SEDAR+ on July 30, 2026.

² While Faraday considers the historical estimates to be relevant to investors as they indicate the presence of copper mineralization, the mineral resource 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 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.



- 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.
- On April 6, 2026, the Company issued 80,000 common shares pursuant to the exercise of 80,000 stock options with exercise prices from \$0.80 per share for gross proceeds of \$64,000. Accordingly, \$52,005 was transferred from the options reserve into share capital.
- On April 13, 2026, the Company issued 350,000 common shares pursuant to the exercise of 350,000 stock options with exercise prices from \$0.91 per share for gross proceeds of \$318,500. Accordingly, \$287,645 was transferred from the options reserve into share capital.
- On April 20, 2026, the Company issued 90,000 common shares pursuant to the exercise of 90,000 stock options with exercise prices from \$0.49 per share for gross proceeds of \$44,100. Accordingly, \$32,273 was transferred from the options reserve into share capital.
- On April 24, 2026, the Company issued 875,000 common shares pursuant to the exercise of 875,000 warrants with an exercise price of \$0.60 per share for total proceeds of \$525,000. No amounts were previously recorded in reserves for the warrants exercised and accordingly, there was no reclassification to share capital.
- On May 12, 2026, the Company issued 27,500 common shares to settle 27,500 RSUs. The fair value of common shares issued was \$23,598 and no common shares were withheld in lieu of withholding taxes.
- On May 13, 2026, the Company issued 150,000 common shares pursuant to the exercise of 150,000 stock options with exercise prices from \$0.40 per share for gross proceeds of \$60,000. Accordingly, \$103,414 was transferred from the options reserve into share capital.
- On June 8, 2026, the Company issued 250,000 common shares pursuant to the exercise of 250,000 warrants with an exercise price of \$0.60 per share for total proceeds of \$150,000. No amounts were previously recorded in reserves for the warrants exercised and accordingly, there was no reclassification to share capital.

QUALIFIED PERSONS

The scientific and technical information contained in this MD&A has been reviewed and approved by Thomas Bissig, P. Geo, VP Geology and Zach Allwright, P. Eng., VP Technical Services, both a “Qualified Person” as defined under 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 June 30, 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 in September 2025 with the primary objective of open pit resource definition, which was completed. With the proposed acquisition of the San Manuel Property, drilling was paused on June 20, 2026, with 88 drill holes and 22,510 m of drilling having been completed. To date, the Company has released results from 15,050 m drilled in 53 holes. The assay results for additional completed drill holes will be released as they are received, analyzed and confirmed by the Company.

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 resource expansion 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 is hosted in veins crosscutting 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, malachite, 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 June 30, 2026, approximately 75% 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 \$299,392 for net proceeds of \$99,702,608.

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:

	Q2 2026	Q1 2026	Q4 2025	Q3 2025
	\$	\$	\$	\$
Net loss	13,962,985	9,891,214	9,176,292	5,457,549
Basic and diluted loss per share	0.05	0.04	0.04	0.02

	Q2 2025	Q1 2025	Q4 2024	Q3 2024
	\$	\$	\$	\$
Net loss	5,414,380	7,820,431	7,280,515	4,341,859
Basic and diluted loss per share	0.03	0.04	0.04	0.02

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 Q2 2026, 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	Q2 2026	Q2 2025	YTD 2026	YTD 2025
				\$	\$
Operating expenses					
Depreciation		96,740	66,546	185,300	130,845
Exploration and evaluation expenses	(a)	11,730,961	4,146,179	21,951,755	10,630,687
General and administration	(b)	1,658,463	585,980	2,530,274	1,267,652
Corporate development costs	(c)	1,535,031	-	1,794,470	-
Professional fees and legal expenses		229,474	105,301	341,008	196,679
Shareholder costs and investor relations	(d)	571,176	166,912	712,080	253,475
Share-based compensation	(e)	615,782	462,678	1,267,800	846,804
Travel		194,959	26,867	328,501	79,220
Total operating expenses		16,632,586	5,560,463	29,111,188	13,405,362
Foreign exchange (gain) loss	(f)	(1,870,677)	49,672	(3,882,976)	172,723
Interest income	(g)	(798,924)	(195,755)	(1,374,013)	(247,568)
Other income		-	-	-	(95,706)
Net loss		13,962,985	5,414,380	23,854,199	13,234,811

Q2 2026 compared to Q2 2025

- Exploration and evaluation expenses are higher during Q2 2026, primarily due to higher exploration, geological, and laboratory costs resulting from higher drill meterage with three drill rigs for most of Q2 2026, compared to two drill rigs operating throughout Q2 2025, higher environmental, social, and governance costs as the Company continues to advance Copper Creek, and higher payroll costs with additional personnel.
- General and administration expenses are higher during Q2 2026, primarily due to an increase in British Columbia Employer Health Taxes associated with stock option exercises, and general cost increases including IT and software costs, office and facilities, and personnel.



- c) Corporate development costs during Q2 2026 are related to the proposed acquisition of the San Manuel Property.
- d) Shareholder costs and investor relations expenses are higher during Q2 2026, primarily due to higher listing fees resulting from an increase in the Company's share price and the number of shares outstanding, and higher advisory service costs.
- e) Share-based compensation expenses are higher in Q2 2026, primarily due to a higher number and value of restricted share units and stock options that were vesting compared to Q2 2025.
- f) Foreign exchange gain is higher in Q2 2026, primarily due to a favourable Canada-USD exchange rate and higher USD-denominated cash and term deposits held compared to Q2 2025.
- g) Interest income is higher in Q2 2026, primarily reflecting an increase in average cash balance and term deposits following the private placement compared to Q2 2025.

YTD 2026 compared to YTD 2025

- a) Exploration and evaluation expenses are higher during YTD 2026, primarily due to higher exploration, geological, and laboratory costs resulting from higher drill meterage with three drill rigs operating for most of YTD 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 YTD 2026, primarily due to an increase in British Columbia Employer Health Taxes associated with stock option exercises to general cost increases including IT and software costs, office and facilities, and personnel.
- c) Corporate development costs are related to the proposed acquisition of the San Manuel Property.
- d) Shareholder costs and investor relations expenses are higher during YTD 2026, primarily due to higher listing fees resulting from an increase in the Company's share price and the number of shares outstanding, and higher advisory service costs compared to YTD 2025.
- e) Share-based compensation expenses are higher during YTD 2026, primarily due to a higher number and value of restricted share units that were vesting compared to YTD 2025.
- f) Foreign exchange gain is higher YTD 2026, primarily due to a favourable Canada-USD exchange rate and higher USD-denominated cash and term deposits held compared to YTD 2025.
- g) Interest income is higher during YTD 2026, primarily reflecting an increase in average cash balance and term deposits following the private placement compared to YTD 2025.

SOURCES AND USES OF CASH

During the six months ended June 30, 2026, cash used in operating activities was \$22,364,851 (2025 - cash used in operating activities of \$14,422,428), cash used in investing activities was \$30,419,022 (2025 - \$259,507), and cash provided by financing activities was \$106,734,208 (2025 - \$35,200). The Company continues to incur operating costs primarily related to exploration and evaluation expenses. During the six months ended June 30, 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, during the six months ended June 30, 2026, the Company raised \$4,871,600 (2025 - \$35,200) from the exercise of stock options, and \$2,160,000 (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 June 30, 2026, the Company had cash and cash equivalents of \$94,219,204 (December 31, 2025 - \$37,880,822) and current assets less current liabilities of \$119,707,612 (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 the San Manuel Property, 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 and six months ended June 30, 2026 and 2025, the Company incurred the following transactions with key management personnel, including the Chief Executive Officer, Chief Financial Officer, Vice President Technical Services, and Vice President Geology; as well as the directors of the Company.

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

	Q2 2026	Q2 2025	YTD 2026	YTD 2025
			\$	\$
Director fees included in general and administration	56,250	56,250	112,500	112,500
Salaries and other compensation included in general and administration	540,453	504,435	1,070,539	1,006,606
Share-based compensation	365,677	38,778	788,030	293,110
	962,380	599,463	1,971,069	1,412,216

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 six months ended June 30, 2026 (2025 - \$64,082). As at June 30, 2026, \$nil was receivable from Fireweed (December 31, 2025 - \$nil).

As at June 30, 2026, the Company had \$589,264 (December 31, 2025 - \$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 June 30, 2026 or at the date of this MD&A.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions as at June 30, 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 July 2, 2026, the Company entered into a definitive purchase and sale agreement with a wholly owned subsidiary of BHP Group Limited to acquire a 100% interest in the San Manuel Property, located adjacent to the Company's Copper Creek Project in Arizona, USA. The San Manuel Property includes the legacy San Manuel Copper Mine, including the San Manuel and Kalamazoo deposits, the San Manuel plant site, closed tailings storage facilities, surrounding BHP-owned land, the Black Hills Quarry, the Camp Grant Quarry, and related rights and assets. As consideration for the acquisition, the Company has agreed to issue common shares to BHP equivalent to a 30% interest in the Company's issued and outstanding common shares on a fully diluted basis as of the closing date. The price of common shares to be issued will be determined based on the five-day volume-weighted average price of the Company's common shares during the five trading days immediately prior to closing. The San Manuel Transaction is expected to close by the end of the third quarter of 2026.

On July 31, 2026, the Company issued 500,000 common shares at a price of \$0.60 per share pursuant to the exercise of 500,000 warrants for total proceeds of \$300,000.

On August 5, 2026, the Company issued 1,125,000 common shares at a price of \$0.60 per share pursuant to the exercise of 1,125,000 warrants for total proceeds of \$675,000.

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, term deposits, 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 June 30, 2026, the Company held cash equivalents of \$92,075,054 in short-term deposits (December 31, 2025 - \$37,450,145) that are cashable in no more than 90 days and bear interest up to 4.18% (December 31, 2025 - 4.46%). In addition, the Company held \$32,013,001 in term deposits (December 31, 2025 - \$nil) with maturities between 90 and 365 days and bear interest up to 3.80% (December 31, 2025 - nil). Interest income on short-term deposits during the three and six months ended June 30, 2026 was \$509,538 and \$1,029,641, respectively (2025 - \$195,755 and \$247,568, respectively) and interest income on longer-term deposits during the three and six months ended June 30, 2026 was \$289,386 and \$344,372, respectively (2025 - \$nil and \$nil, respectively). 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 4.18% (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 3.80% (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 June 30, 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 fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As at June 30, 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:

	June 30, 2026		December 31, 2025	
	US\$	\$	US\$	\$
Cash and cash equivalents	41,190,321	58,531,446	18,555,485	25,432,148
Term deposits	22,450,635	31,902,352	-	-
Accounts payable and accrued liabilities	(2,712,517)	(3,854,487)	(939,352)	(1,287,476)
	60,928,439	86,579,311	17,616,133	24,144,672

As at June 30, 2026, a 5% change in the US dollar against the Canadian dollar would result in a \$4,328,966 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 294,323,575 common shares, 6,958,866 restricted stock units, 4,250,000 warrants, and 1,439,000 stock options.



MATERIAL ACCOUNTING POLICIES

These Interim Financial Statements were prepared using accounting policies consistent with those described in the Annual Financial Statements.

The Company has not early adopted any new accounting standard, interpretation or amendment that has been issued but is not yet effective.

In preparing these Interim Financial Statements, the Company applied the same significant judgements in applying its accounting policies and is exposed to the same sources of estimation uncertainty as disclosed in its Annual Financial Statements.

New IFRS Accounting Standards adopted during the period

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 *Financial Instruments* "IFRS 9" and IFRS 7 *Financial Instruments: Disclosures* "IFRS 7")

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 and related disclosure requirements in IFRS 7. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the 'solely payments of principal and interest' criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The Company adopted these amendments to IFRS 9 and IFRS 7 effective January 1, 2026 and is in compliance with the amended requirements. The adoption of these amendments did not result in any material changes to the Company's financial position, results of operations, presentation, or related disclosures.

New IFRS Accounting Standards and interpretations not yet applied

IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18")

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its 'operating profit or loss'. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Company is currently assessing the effects of IFRS 18 on the financial statements.

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 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 and the Company's management information circular dated July 22, 2026, both of which are 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, 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 timeframe currently contemplated or at all;
- the Company's ability to integrate the San Manuel Property with the Copper Creek Project;
- the Company's ability to manage the associated environmental and closure obligations, realize anticipated strategic and operational benefits, and advance the combined assets in accordance with current expectations;
- 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 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.