



**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025**

**(Unaudited)**

*(Expressed in thousands of United States Dollars)*

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Expressed in thousands of United States dollars)

	Note	June 30, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		\$ 17,266	\$ 8,249
Marketable securities		124	91
Amounts receivable		141	117
Due from Nuton	8	-	4,747
Prepaid expenses		1,726	377
Inventory	3	5,132	2,108
		<u>24,389</u>	<u>15,689</u>
<b>Property, plant and equipment</b>	4	<b>187,838</b>	111,910
<b>Restricted cash</b>	5	<b>10,564</b>	10,333
<b>Total Assets</b>		<u><b>\$ 222,791</b></u>	<u><b>\$ 137,932</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	6	\$ 2,626	\$ 3,735
Accounts payable and accrued liabilities - Nuton	7	23,991	11,595
Amounts due to related parties	14	144	145
Nuton stage 2 payable	8	66,314	14,975
Nuton deferred income and revenue	8	10,584	1,661
Insurance liabilities		123	138
Derivative liabilities	9, 13	7,546	2,609
Interest on debentures	12	-	600
Debt	11	13,550	3,090
		<u>124,878</u>	<u>38,548</u>
<b>Accounts payable and accrued liabilities</b>	6	<b>68</b>	124
<b>Debentures</b>	12	<b>5,870</b>	4,708
<b>Debt</b>	11	<b>-</b>	11,357
<b>Nuton stage 2 payable</b>	8	<b>32,523</b>	23,448
<b>Nuton deferred income and revenue</b>	8	<b>17,469</b>	9,959
<b>Derivative liabilities</b>	9	<b>69,834</b>	56,774
<b>Asset retirement obligation</b>	10	<b>16,014</b>	14,916
<b>Total liabilities</b>		<b>266,656</b>	159,834
<b>Equity</b>			
Capital Stock	13	116,135	112,828
Other equity reserves	13	14,641	14,532
Deficit		(173,812)	(148,433)
Accumulated other comprehensive loss		(829)	\$ (829)
<b>Total Equity</b>		<u><b>(43,865)</b></u>	<u><b>(21,902)</b></u>
<b>Total Liabilities and equity</b>		<u><b>\$ 222,791</b></u>	<u><b>\$ 137,932</b></u>

*See note 1 - Nature of Operations and Going Concern*

Approved on August 13, 2025 on behalf of the Board of Directors:

/signed/	/signed/
<u>Jason Howe</u>	<u>Fred DuVal</u>
Chair of the Audit Committee	Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in thousands of United States dollars, except for shares and per share amounts)

	Note	Three months ended June 30,		Six months ended ended June 30,	
		2025	2024	2025	2024
<b>Revenue</b>					
Copper Revenue		\$ -	\$ (613)	\$ (406)	\$ (952)
Cost of sales	14	(276)	1,191	1,050	2,780
<b>Loss from mine operations</b>		<b>\$ (276)</b>	<b>\$ 578</b>	<b>644</b>	<b>1,828</b>
<b>Operating Expenses</b>					
Evaluation and permitting		962	55	982	119
Office and administration		40	91	146	288
Professional fees		179	124	272	264
Directors and officers fees		(29)	381	393	816
Investor relations		72	32	220	94
Share-based compensation	13	39	70	109	170
Regulatory fees		22	5	38	21
Depreciation		56	24	96	66
<b>Total Operating Expenses</b>		<b>1,341</b>	<b>\$ 782</b>	<b>2,256</b>	<b>1,838</b>
<b>Other Items</b>					
Loss (gain) on derivative at fair value	9	(1,254)	12,789	17,397	20,825
Financing expense	16	1,108	1,125	2,170	2,172
Interest income		(415)	(41)	(576)	(89)
(Gain) loss on foreign exchange		423	(1)	413	(1)
Fair value loss on Nuton Stage 2 payable		3,377	-	5,156	-
Gain on Extinguishment of Debt	11	(621)	-	(1,126)	-
Other income		(737)	(111)	(955)	(312)
<b>Total Other Items</b>		<b>1,881</b>	<b>\$ 13,761</b>	<b>22,479</b>	<b>22,595</b>
<b>Loss and comprehensive loss for the period</b>		<b>\$ 2,946</b>	<b>\$ 15,121</b>	<b>\$ 25,379</b>	<b>\$ 26,261</b>
<b>Loss per common share:</b>					
Basic and Diluted		\$ 0.01	\$ 0.05	\$ 0.08	\$ 0.08
Weighted average number of common shares outstanding:					
Basic and Diluted	13	332,586,774	315,415,858	332,586,774	315,415,858

The accompanying notes are an integral part of these condensed consolidated interim financial statements

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Expressed in thousands of United States dollars, except for shares and per share amounts)

	Note	Six months ended	
		Ended June 30,	
		2025	2024
<b>CASH FLOWS RELATED TO OPERATING ACTIVITIES</b>			
Loss for the year		\$ (25,379)	\$ (26,261)
Items not affecting cash:			
Loss on derivative at fair value	9,13	17,997	20,825
Depreciation		111	97
Accretion of asset retirement obligation		422	317
Share-based compensation	13	109	177
Financing expense	11,12	656	619
Gain on marketable securities		(33)	(47)
Gain on disposal		-	(10)
Gain on foreign exchange		-	(1)
Deferred income		(947)	(102)
Gain on extinguishment of debt		(1,126)	-
Fair value movement on Nuton Stage 2 payable		5,156	-
Fair Value Movement on Conversion Option		341	-
Non-cash working capital item changes:			
Receivables		(24)	23
Nuton receivables	8	-	(982)
Prepaid expenses		(1,349)	(107)
Inventory		(3,024)	(48)
Accounts payable and accrued liabilities		(1,165)	99
Amounts due to related parties		(1)	-
Insurance liabilities		(15)	154
<b>Net cash used by operating activities</b>		<b>(8,271)</b>	<b>(5,247)</b>
<b>CASH FLOWS RELATED TO INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(252)	-
Restricted cash		(231)	-
Nuton stage 1 funds received		-	6,030
Nuton stage 1 project expenditure		-	(1,284)
Nuton stage 2 project expenditure	8	(58,474)	-
<b>Net cash provided (used) by investing activities</b>		<b>(58,957)</b>	<b>4,746</b>
<b>CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>			
Proceeds from share issuance		3,654	-
Share issuance costs	13	(285)	-
Nuton stage 2 funds received	8	70,144	-
Nuton Gunnison Sulfide Viability stage 1 funds received		3,000	-
Nebari principal payments		(206)	(206)
<b>Net cash (used) provided by financing activities</b>		<b>76,307</b>	<b>(206)</b>
<b>Net change in cash and cash equivalents</b>		<b>9,079</b>	<b>(707)</b>
<b>Effect of foreign exchange on cash and cash equivalents</b>		<b>(62)</b>	<b>1</b>
<b>Cash and cash equivalents, beginning of year</b>		<b>8,249</b>	<b>6,113</b>
<b>Cash and cash equivalents, end of period</b>		<b>\$ 17,266</b>	<b>\$ 5,407</b>
<b>Supplemental cash flow disclosures:</b>			
Interest paid		\$ 1,084	\$ 1,224

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024**

(Expressed in thousands of United States dollars, except for shares and per share amounts)

	<b>Capital Stock</b>		<b>Other Equity Reserves</b>	<b>Deficit</b>	<b>Accumulated Other Comprehensive Loss</b>	<b>Total</b>
	<b>Number of Common shares</b>	<b>Amount</b>				
<b>Balance, December 31, 2023</b>	315,415,858	\$ 112,828	\$ 14,205	\$ (156,927)	\$ (829)	(30,723)
Share-based compensation	-	-	177	-	-	177
Loss for the period	-	-	-	(26,261)	-	(26,261)
<b>Balance, June 30, 2024</b>	<b>315,415,858</b>	<b>\$ 112,828</b>	<b>\$ 14,382</b>	<b>\$ (183,188)</b>	<b>\$ (829)</b>	<b>\$ (56,807)</b>
<b>Balance, December 31, 2024</b>	315,415,858	\$ 112,828	\$ 14,532	\$ (148,433)	\$ (829)	\$ (21,902)
Stock issuance (note 13)	17,170,916	3,592	-	-	-	3,592
Share issuance costs (note 13)	-	(285)	-	-	-	(285)
Share-based compensation	-	-	109	-	-	109
Loss for the period	-	-	-	(25,379)	-	(25,379)
<b>Balance, June 30, 2025</b>	<b>332,586,774</b>	<b>\$ 116,135</b>	<b>\$ 14,641</b>	<b>\$ (173,812)</b>	<b>\$ (829)</b>	<b>\$ (43,865)</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

---

**1. NATURE OF OPERATIONS AND GOING CONCERN**

Gunnison Copper Corp. (formerly Excelsior Mining Corp.) (“Gunnison” or the “Company”) was incorporated under the laws of the Province of British Columbia, Canada on June 9, 2005 and trades on the Toronto Stock Exchange under the symbol “GCU”. The address of the Company’s registered office is Suite 2400, 1055 West Georgia Street, Vancouver, BC, Canada V6E 3P3.

The principal business of Gunnison is the acquisition, exploration and development of copper mineral properties and the construction and operation of copper mines in Arizona, USA. The Company is focused on the development of the Gunnison Copper Project which is designed to be a large-scale open pit operation producing finished copper cathodes. In addition, Gunnison is also undertaking leachpad construction to allow for the expansion and restart of the Johnson Camp Mine (“JCM”) in partnership with Nuton LLC (“Nuton”), a Rio Tinto Venture, to demonstrate the use of its sulfide copper heap leaching technology (“Nuton Technologies”). Cash flow generated from the Johnson Camp Mine, after payback of construction and start-up costs, will be used to support the development of the Gunnison project.

*Going concern*

These consolidated interim financial statements have been prepared on the going-concern basis, which assumes that the Company will be able to realize its assets and liabilities in the normal course of business as they come due in the foreseeable future.

During the six month period ended June 30, 2025, the Company incurred a net loss of \$25,379 that included a non-cash loss on the Triple Flag stream derivative of \$17,181. At June 30, 2025, the company had negative working capital (current assets less current liabilities) of (\$100,489), including a cash and cash equivalents balance of \$17,266. The working capital includes \$102,799 in current liabilities and nil in accounts receivable that are funded by Nuton. The net amount funded by Nuton is only repayable from the sale of copper produced at the Johnson Camp Mine. In addition, working capital includes \$6,730 in current liabilities that represents the value of JCM copper deliverable to Triple Flag under the stream agreement. If no copper was produced at the Johnson Camp Mine, the amount deliverable to Triple Flag would not be payable by the Company. As a result, neither the Nuton or Triple Flag related working capital amounts can impact the Company’s immediate ability to continue as a going concern. Finally, the Nebari debt of \$13,550 has been classified as current based on the maturity date of June 30, 2026 (refer to Note 11).

Pursuant to the Stream Agreement, the Company is required to maintain a leverage ratio of 3.5:1.0. The leverage ratio is calculated as the ratio of indebtedness of the Company to net income (adjusted for certain items). On November 30, 2023, the Company and Triple Flag executed an amendment to the Stream Agreement which suspends the applicability of the leverage until June 30, 2026 (the “Leverage Ratio Grace Period”) to accommodate the extension of the Nebari loan due date.

On May 21, 2024, the Company received a \$5,000 payment from Nuton as a result of its election to proceed with the Stage 2 Work Program (Note 8). Since May 15, 2024, the Company has received an additional \$100,096 from Nuton for costs associated with the Stage 2 Work Program, the goal of which is to resume mining at JCM using the Nuton copper heap leaching technologies. Progress on Nuton Stage 2 construction is continuing with further funding from Nuton for the Stage 2 Work Program expected through 2030.

On March 13, 2025, the Company received \$3,000 from Nuton for a Stage 1 viability testing program of Nuton Technologies on sulfide mineralization at the Gunnison Open Pit (the "Stage 1 Gunnison Program"). The Stage 1 Gunnison Program will involve the collection and testing of samples from drill core from the Gunnison Copper Project. The samples will be analyzed by Nuton for the purpose of determining the suitability of the Gunnison Copper Project with Nuton Technologies.

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

---

On April 7, 2025, the Company closed a non-brokered private placement (the "2025 Offering") for aggregate gross proceeds of CAD\$5.15 million through the issuance of 17,170,916 units (the "2025 Units"), with each 2025 Unit consisting of one common share and one-half of one common share purchase warrant (each full common share purchase warrant, a "2025 Warrant") at a price of CAD\$0.30 per 2025 Unit. Each full 2025 Warrant shall entitle the holder thereof to acquire one additional common share at a price of CAD\$0.45 for a period of twenty-four (24) months from the closing date of the 2025 Offering.

On April 17, 2025, the Company received \$45,224 in funding from Nuton for upcoming Stage 2 construction costs.

On April 24, 2025, the Company entered into a Second Amended and Restated Credit Agreement (the "Second ARCA") that amends the outstanding loan agreement with Nebari. The Second ARCA provides for, amongst other matters, a suspension of principal amortization from February 1, 2025 until January 1, 2026, provide for potential partial conversion to equity of up to US\$6.25 million of the principal amount at a price equal to US\$0.2097 (converted from Cdn\$0.30), and provide for a mechanism to repay a portion of the principal amount of the loan agreement with proceeds expected to be received from sale of the previously announced 48C tax credits and through a potential refinancing process and provide for an extension of the maturity date (the "Nebari Amendments"). The Company is required to maintain a \$1,000 minimum cash balance (net of cash provided by Nuton for the Stage 2 Work Program), as a covenant condition to the Nebari Natural Resources Credit Fund I LLP ("Nebari") outstanding debt (Note 11). The Company is in compliance with the covenants as at June 30, 2025.

Excluding further funding from Nuton for the Stage 2 work program, the expected 48C funding and the refinancing of the Second ARCA, prior to June 2026, the Company's cash flow projection indicates the potential to default at the maturity date in June 2026 unless additional financing is obtained. If there is a default, the Second ARCA allows a 60-day cure period. As a result, there remain conditions that represent a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Refer to Note 11: Debt for further details.

Nuton and Gunnison will work within the parameters of the Tax Partnership Agreement to potentially allow for a portion of realized cash proceeds from the sale of 48C tax credits to be distributed to Gunnison to retire a significant portion, or all of, the Nebari debt, which will benefit the Stage 2 Work Program by reducing Gunnison's debt service obligations. The receipt of the 48C tax credit is subject to Certification as outlined in IRS Notice 2023-44. There is no certainty that the conditions to the receipt of the 48C tax credit will be satisfied.

The Company has been successful in obtaining significant equity and other financings since inception and intends to continue financing its future requirements through future mining of the existing JCM pits and a combination of equity, debt, or other arrangements, including the funding provided by Nuton. However, there can be no assurance that the Company will be able to obtain the necessary financing. The Condensed Consolidated Interim Financial Statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

## **2. BASIS OF PRESENTATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES**

### **a. Statement of compliance**

The Company prepares the annual consolidated financial statements in accordance with International Financial Reporting Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**

(Expressed in thousands of United States dollars)

---

These condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS Accounting Standards for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2024.

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2024.

All dollar figures are expressed in United States dollars unless otherwise indicated. Canadian dollars are expressed as "CAD\$".

**b. Estimation uncertainty and judgments in applying the Company's accounting policies**

The preparation of the condensed consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the periods reported. A summary of the Company's critical estimates and judgments is provided in Note 2, Basis of Presentation and Summary of Material Accounting Policies, of the audited consolidated financial statements for the year ended December 31, 2024 and 2023.

**3. INVENTORY**

The summary for inventory as at June 30, 2025, and December 31, 2024 are summarized below.

	<b>June 30, 2025</b>		December 31, 2024
Materials & Supplies	\$ 2,421	\$	1,530
Copper in solution	125		105
Finished goods	123		473
Stockpile ore	2,463		-
	<b>\$ 5,132</b>	<b>\$</b>	<b>2,108</b>

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

**4. PROPERTY, PLANT AND EQUIPMENT**

	Land & Mineral Properties	Plant	Vehicles & Mobile Equipment	Office Equipment & Capitalized Leases	Gunnison Construction in Progress	Johnson Camp Mine Construction in Progress	Total
<b>Cost</b>							
At January 1, 2024	14,003	12,242	584	993	44,933	34,536	107,291
Transfers	-	-	-	-	(848)	848	-
Additions	-	-	-	25	-	38,329	38,354
Mining	-	-	-	358	-	-	358
Change in Asset Retirement Obligation Estimate	6,288	-	-	-	-	-	6,288
Land Options	1,000	-	-	-	-	-	1,000
Impairment	(11,316)	-	-	-	(27,641)	-	(38,957)
Disposals	-	-	-	(10)	-	-	(10)
At December 31, 2024	<u>9,975</u>	<u>12,242</u>	<u>584</u>	<u>1,366</u>	<u>16,444</u>	<u>73,713</u>	<u>114,324</u>
<b>Accumulated Depreciation</b>							
At January 1, 2024	(824)	(114)	(563)	(711)	-	(177)	(2,389)
Depreciation	-	-	(21)	(113)	-	(29)	(163)
Impairment	129	-	-	-	-	-	129
Disposals	-	-	-	9	-	-	9
At December 31, 2024	<u>(695)</u>	<u>(114)</u>	<u>(584)</u>	<u>(815)</u>	<u>-</u>	<u>(206)</u>	<u>(2,414)</u>
<b>Net carrying amount</b>	<b><u>9,280</u></b>	<b><u>12,128</u></b>	<b><u>-</u></b>	<b><u>551</u></b>	<b><u>16,444</u></b>	<b><u>73,507</u></b>	<b><u>111,910</u></b>
<b>Cost</b>							
At January 1, 2025	9,975	12,242	584	1,366	16,444	73,713	114,324
Additions	-	40	198	14	-	75,111	75,363
Change in Asset Retirement Obligation Estimate	676	-	-	-	-	-	676
At June 30, 2025	<u>10,651</u>	<u>12,282</u>	<u>782</u>	<u>1,380</u>	<u>16,444</u>	<u>148,824</u>	<u>190,363</u>
<b>Accumulated Depreciation</b>							
At January 1, 2025	(695)	(114)	(584)	(815)	-	(206)	(2,414)
Depreciation	-	-	(15)	(96)	-	-	(111)
Disposals	-	-	-	-	-	-	-
At June 30, 2025	<u>(695)</u>	<u>(114)</u>	<u>(599)</u>	<u>(911)</u>	<u>-</u>	<u>(206)</u>	<u>(2,525)</u>
<b>Net carrying amount</b>	<b><u>9,956</u></b>	<b><u>12,168</u></b>	<b><u>183</u></b>	<b><u>469</u></b>	<b><u>16,444</u></b>	<b><u>148,618</u></b>	<b><u>187,838</u></b>

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

**5. RESTRICTED CASH**

As of June 30, 2025, the Company has restricted cash deposits of \$10,564 (December 31, 2024 - \$10,333) as collateral to secure the issuance of reclamation bonds.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>June, 30 2025</u>	<u>December 31, 2024</u>
Accounts payable and accrued liabilities	\$ 587	\$ 3,616
Due to Nuton	1,910	-
Lease Liabilities	129	119
	<u>\$ 2,626</u>	<u>\$ 3,735</u>
Disclosed as non-current		
Accounts payable and accrued liabilities	\$ 68	\$ 124
	<u>\$ 68</u>	<u>\$ 124</u>

Accounts payable and accrued liabilities include the Company's current and non-current obligations to suppliers of goods or services acquired on trade credit for goods received or services provided that have been invoiced but not yet paid. Due to Nuton of \$1,910 is for cash collateral paid by Nuton for Gunnison Copper Project environmental bonding. Lease liabilities include capitalized lease obligations and employee-related accruals include estimated amounts for goods or services received but not yet invoiced by the supplier, as well as obligations that increase throughout the year and are settled at points in time.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – NUTON**

	<u>June, 30 2025</u>	<u>December 31, 2024</u>
Accounts payable - Project	\$ 13,936	\$ 2,912
Accrued liabilities - Project	10,055	8,683
	<u>\$ 23,991</u>	<u>\$ 11,595</u>

**8. NUTON PROJECT**

Johnson Camp Mine – Stage 1

On July 31, 2023, the Company entered into an Option Agreement (the "Option Agreement") with Nuton to further evaluate the use of its Nuton™ copper heap leaching technologies at Gunnison's Johnson Camp mine in Cochise County, Arizona. Under the Option Agreement, Gunnison remains the operator and Nuton funds Gunnison's costs associated with a two-stage work program at JCM. Nuton provided \$3,000 to Excelsior for Stage 1 costs and a payment of \$2,000 for an exclusive option to form a joint venture with Excelsior over the Johnson Camp Mine after the completion of Stage 2. The \$2,000 has been applied against the capitalized costs related to JCM as the benefit of the payment will be recognized over the life of the mine.

Under the terms of the Option Agreement, the Stage 1 work program involved Gunnison completing diamond drilling, engineering, permitting activities, and project execution planning. Nuton completed mineralogy, predictive modeling, engineering, and other test work. The Stage 1 work program was completed during 2024.

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

Johnson Camp Mine – Stage 2

*Infrastructure Payment*

On May 15, 2024, Nuton elected to proceed to Stage 2 of the existing option agreement. Nuton made a non-refundable \$5,000 payment to the Company for the non-exclusive access to existing infrastructure at the Johnson Camp mine for the Stage 2 work program. Nuton is also responsible for funding all of Gunnison's costs associated with Stage 2. The full Stage 2 work program is anticipated to take up to 69 months, and, if successful, will demonstrate key elements of the Nuton technologies at industrial scale. Stage 2 includes construction of the leachpad and related infrastructure, mining and heap leach processing, refurbishment of the SX/EW plant, and production of finished copper cathode. Nuton, in its sole and absolute discretion may elect to terminate the Option Agreement by providing appropriate notice to the Company in accordance with the terms of the Option Agreement.

The Company has accounted for the \$5,000 as deferred income and will amortize the amount over the 73 months anticipated for the Stage 2 program on a straight-line basis. The Company is proceeding based on milestones related to engineering and mobilization, infrastructure and construction, mining, leaching, copper production and post-leach rinsing. During the period, the Company recognized income of \$205, relating to the amortization of the \$5,000 infrastructure access payment received.

<b>Nuton Stage 2 - Deferred Income (Infrastructure Payment)</b>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
<b>Balance, beginning of period</b>	\$ 4,486	\$ -
Nuton access rights	-	5,000
Deferred income	(411)	(514)
<b>Balance, end of period</b>	<b>\$ 4,075</b>	<b>\$ 4,486</b>
<i>Current</i>	822	822
<i>Non current</i>	3,253	3,664

*Stage 2 Funding*

The Company also receives from Nuton quarterly pre-payments based on the approved work program budget for Stage 2. Each time Stage 2 proceeds are received as advances or additional attributable costs are incurred by Nuton directly (Nuton managed costs), a Stage 2 project payable is recognized at fair value, with a residual amount allocable to deferred mine processing service revenue (representing the estimated selling price, including margin for mine processing services relating to the demonstration of Nuton's technology). The borrowing is subsequently accounted for at fair value through profit and loss. The deferred mine processing service revenue is amortized over the expected payback schedule, based on units of production. Stage 2 construction costs are capitalized to construction in progress and subsequently transferred to the relevant property, plant and equipment category once assets are ready for their intended use. Nuton shall receive 100% of the net revenue generated from commercial quantities of copper products produced from JCM as a result of the Stage 2 work program, until recoupment of the Stage 2 work program funding (subject only to payments by the Company owing under any existing royalty or streaming obligations). Once and if the Stage 2 work program funding is repaid, the Company retains any additional copper revenue. The assumptions used in the measurement of the liability are the Johnson Camp Mine life of mine production schedule and expectations including expansion plans and the discount rate.

During the six months ended June 30, 2025, \$65,398 in cash was received. Nuton controlled costs of \$9,075 were incurred by Nuton for offsite development and assembly of specialized equipment that will be installed at Johnson Camp Mine. Both the Nuton controlled costs and the due from Nuton costs are recoverable by Nuton from the sales revenue of Johnson Camp Mine. The total change in Nuton Stage 2 Payable, including cash received by the Company, Nuton controlled costs, and costs due from Nuton, was \$33,589. Management determined the fair value

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**

(Expressed in thousands of United States dollars)

of the Stage 2 project payable at each cash flow inception using a discount rate of 17.75% to be \$43,003 with the residual amount of \$14,381 being recognized as deferred revenue liability. The deferred revenue liability represents the benefit received from the 0% financing for Gunnison management's time and effort operating the Johnson Camp Mine and will be amortized over the remaining Stage 2 program on a units of production basis. A fair value loss was recognized through profit and loss of \$5,156 was recognized based on the revaluation of the Nuton Stage 2 Payable to fair value at June 30, 2025 (\$1,779 for the three months ended March 31, 2025).

Management and Nuton have agreed that Nuton will fund agreed upon direct and indirect costs of the Company for the Stage 2 Work Program pursuant to an approved by Nuton budget from May 15, 2024 for the duration of the Stage 2 Work Program. This has resulted in a decrease in the general and administrative costs of the company when compared to prior periods.

<b>Nuton Stage 2 Payable</b>	<b>June 30, 2025</b>
<b>Balance, beginning of period</b>	\$ 38,423
Recognized during the period	55,258
Fair value loss on Nuton Stage 2 payable	5,156
<b>Balance, end of period</b>	<b>\$ 98,837</b>
<i>Current</i>	66,314
<i>Non current</i>	32,523

<b>Nuton Stage 2 - Deferred revenue</b>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
<b>Balance, beginning of period</b>	\$ 7,134	\$ -
Recognized on inception	14,381	7,134
<b>Balance, end of period</b>	<b>\$ 21,515</b>	<b>\$ 7,134</b>
<i>Current</i>	8,907	839
<i>Non current</i>	12,608	6,295

Gunnison Sulfide Viability – Stage 1

On March 13, 2025, the Company received \$3,000 from Nuton for a Stage 1 viability testing program of Nuton Technologies on sulfide mineralization at the Stage 1 Gunnison Program.

The Company has accounted for the \$3,000 as deferred income and will amortize the amount over the 22 months anticipated for the Stage 1 program on a straight-line basis. During the period, the Company recognized income of \$536, relating to the amortization of the \$3,000 payment received.

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

<b>Gunnison Sulfide Viability - Stage 1 - Deferred Income</b>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
<b>Balance, beginning of period</b>	\$ -	\$ -
Recognized on inception	3,000	-
Deferred income	(536)	-
<b>Balance, end of period</b>	<b>\$ 2,464</b>	<b>\$ -</b>
<i>Current</i>	855	-
<i>Non current</i>	1,609	-

**9. DERIVATIVE LIABILITIES**

On October 30, 2018 the Company entered into an agreement for a \$75,000 project financing package (collectively, the “Financing”) with Triple Flag Mining Finance Bermuda Ltd. (“Triple Flag”) for the purposes of developing the Gunnison Copper Project. The Financing consisted of a \$65,000 copper metal stream (the “Stream”) and a concurrent \$10,000 private placement of common shares of Gunnison (the “Equity Placement”).

Under the terms of the metals purchase and sale agreement (the “Stream Agreement”) between Triple Flag and Gunnison and its subsidiaries, Excelsior Arizona and Excelsior JCM, Triple Flag paid \$65,000 against the future sale and delivery by Excelsior Arizona of a percentage of the refined copper production generated from the mining of oxide mineralization from Gunnison’s Projects owned at the time of executing the Stream Agreement. Gunnison will sell to Triple Flag a percentage of refined copper at a price equal to 25% of the copper spot price. The exact percentages of copper production to be sold to Triple Flag varies according to the total production capacity, based on a sliding scale.

The percentages applicable at certain production levels are detailed in the table below.

<u>Scenario Description</u>	<u>Stage 1 (25M lbs/yr)</u>	<u>Stage 2 (75M lbs/yr)</u>	<u>Stage 3 (125M lbs/yr)</u>
Stage 1 Upfront Deposit	16.50%	5.75%	3.50%

The stream obligation is recorded at fair value at each statement of financial position date as the Company has determined that the stream obligation is a derivative liability carried at fair value through profit or loss (FVTPL).

As at June 30, 2025 the fair value of the stream obligation was valued using a Monte Carlo simulation model. The significant assumptions developed by management used in the Monte Carlo simulation model included: the London Metal Exchange (LME) copper forward price curve, the long-term copper price volatility of 25.52% (December 31, 2024 – 20.86%), a discount rate which factors in the Company’s credit spread of 7.47% (December 31, 2024 – 7.17%) and the Johnson Camp Mine and Gunnison Copper Project life of mine production schedules and expectations including expansion plans and weighted probability of successfully achieving the production schedules.

The Monte Carlo simulation model was prepared by an independent valuation specialist and the life of mine production schedules and expectations including expansion plans are based on the information compiled by qualified persons. The mine production assumptions used are as follows: (a) Gunnison Copper Project stream deliveries based on the open pit PEA published in Q4 2024 beginning in 2031 for an 18 year mine life with a probability weighting; (b) Johnson Camp Mine Stage 2 mine production beginning in 2025 for a five year mine life with a probability weighting, and (c) Johnson Camp Mine post-stage 2 production for a 13 year mine life with a probability weighting.

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

The following table summarizes the fair value of the derivative liabilities during the period ended June 30, 2025:

<b>Stream</b>	<b>June 30, 2025</b>
<b>Fair value at December 31, 2024</b>	\$ 59,383
Loss during the period	17,181
<b>Fair Value at June 30, 2025</b>	<b><u>\$ 76,564</u></b>
<i>Current</i>	6,730
<i>Non current</i>	69,834

As at June 30, 2025, the current portion of the stream derivative liabilities is \$6,730 based upon the production schedules and other inputs used in the valuation.

**10. ASSET RETIREMENT OBLIGATION**

The Company's ARO represents management's best estimate of the present value of costs that are expected to be incurred for mine closure and reclamation and rehabilitation costs for the previously pursued In-Situ Leaching Wellfield and JCM. The primary assumptions that affect the present value calculation are the inflation rate and the discount rate. For the update prepared as of June 30, 2025, the Company used a long term inflation rate of 2.0% (December 31, 2024 – 2.0%) and a discount rate of 4.79% (December 31, 2024 – 4.86%) in calculating the present value of the obligation. The current inflation rate used is based on target inflation rates set by the Federal Reserve. The discount rate is based on the treasury bond index.

As of June 30, 2025 the Company reviewed the assumptions used in the present value calculation for the projects and adjusted the obligation to \$16,014. The update resulted in a net increase, primarily due to changes in rates and accretion of \$422.

For Gunnison Copper Project, the estimated undiscounted reclamation obligation related to the wellfield is \$3,566 (December 31, 2024 - \$3,566). The costs and activities are expected to begin in 3.5 years. As of June 30, 2025, the discounted reclamation obligation is \$3,355.

For Johnson Camp Mine, the estimated undiscounted reclamation obligation is \$19,084 (December 31, 2024 - \$18,634). The costs and activities related to the leach pads are expected to begin the year after the final year of mine life and the other activities are expected to begin three years after the final year of mine life. The mine is expected to commence production in 2025 and is assumed to have a 15-year mine life. As of June 30, 2025, the discounted reclamation obligation is \$12,241

Changes in the ARO for the year ended June 30, 2025 and the year ended December 31, 2024 are summarized below.

<b>Asset Retirement Obligation</b>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
<b>Balance, beginning of period</b>	\$ 14,916	\$ 8,097
Change in Estimate	676	6,288
Accretion Expense	422	531
<b>Balance, end of period</b>	<b><u>\$ 16,014</u></b>	<b><u>\$ 14,916</u></b>

## **11. DEBT**

### **Nebari Credit Facility**

On February 28, 2025, the Company and Nebari entered into a binding term sheet outlining additional amendments to the Amended and Restated Credit Agreement (“ARCA”). Subsequently, on April 24, 2025, both parties entered into the Second ARCA to formalize these amendments. The amendments provide for, amongst other matters, a suspension of principal amortization from February 1, 2025 until January 1, 2026, potential partial conversion to equity of up to US\$6.25 million of the principal amount at a price equal to US\$0.2097 (changed from Cdn\$0.30) (the “Conversion Price”), and a mechanism to repay a portion of the principal amount of the Second ARCA with proceeds to be received from sale of the previously announced 48C tax credits and through a potential refinancing process provide for an extension of the maturity date.

Management of the Company evaluated the terms of the Second ARCA with Nebari and determined it to be a substantial modification of the terms of the existing debt facility, and therefore accounted for the change in terms as an extinguishment of the original liability and the recognition of a new financial liability. A gain on extinguishment of the original debt of \$505 was recognized in the condensed consolidated interim statement of loss.

The Second ARCA is comprised of a host loan and an embedded derivative liability related to the conversion option. The conversion option was determined to be an embedded derivative as the value of the conversion option changes in response to the Company’s share price and foreign exchange movements and therefore is not convertible into shares of the company on a fixed for fixed basis. The fair value of the Second ARCA in total was determined to be \$13,750 at February 28, 2025, and the fair value of the conversion option was determined to be \$280. The fair value of the conversion option was deducted from the aggregate fair value of the Second ARCA in arriving at the fair value of the host debt. The debt host liability is subsequently measured at amortized cost.

On March 27, 2025, the Company signed a side letter agreement with Nebari fixing the Conversion Price at CAD\$0.30 per share. On execution of the Second ARCA on April 23, 2025, the conversion price became US\$0.2097. This resulted in the conversion option being fixed on April 23, 2025. The Company elected to treat this as an extinguishment of the liability as at April 23, 2025. The fair value at that time was \$621 which has been recognized as a gain on extinguishment of debt.

Changes in the debt for the three months ended June 30, 2025, and the year ended December 31, 2024, are summarized below.

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

<b>Debt</b>	<b>Debt</b>	<b>Conversion Option</b>	<b>Total</b>
<b>Balance, beginning of period</b>	\$ 14,447	\$ -	\$ 14,447
Recognized on Inception	14	-	14
Principal Repayment	(206)	-	(206)
Extinguishment of Debt	(14,255)	-	(14,255)
Issuance of new debt	13,470	280	13,750
<b>Balance at February 28, 2025</b>	<b>\$ 13,470</b>	<b>\$ 280</b>	<b>\$ 13,750</b>
Change in fair value of conversion option	-	328	328
Accretion expense	20	-	20
<b>Balance at March 31, 2025</b>	<b>\$ 13,490</b>	<b>\$ 608</b>	<b>\$ 14,098</b>
Change in fair value of conversion option	-	13	13
Accretion expense	-	-	-
<b>Balance at April 23, 2025</b>	<b>\$ 13,490</b>	<b>\$ 621</b>	<b>\$ 14,111</b>
Change in fair value of conversion option	-	(621)	(621)
Accretion expense	60	-	60
<b>Balance at June 30, 2025</b>	<b>\$ 13,550</b>	<b>\$ -</b>	<b>\$ 13,550</b>
<i>Current</i>	13,550	\$ -	13,550
<i>Non current</i>	-	-	-

## 12. DEBENTURES

On February 9, 2023, the Company closed a Debenture Offering (“First Debenture Offering”) and issued \$3,000 principal amount of debentures. The terms of the debentures include:

- a maturity date of three years from the date of closing (the “First Debenture Maturity Date”), with the principal amount, together with any accrued and unpaid interest, payable on the First Debenture Maturity Date, unless earlier converted in accordance with the terms;
- the debentures bear interest at the rate of 10% per annum, which interest will be payable on the Maturity Date of September 30, 2026, unless earlier converted into common shares of the Company (“Common Shares”)
- the principal amount of the debentures is convertible into Common Shares at the option of the holder at a conversion price of USD\$0.19 per Common Share;
- the accrued and unpaid interest is convertible into Common Shares at a conversion price equal to the volume weighted average price of the Common Shares on the Toronto Stock Exchange for the five trading days prior to the date of conversion at the option of the holder; and
- the debentures are unsecured.

The First Debenture Offering was accounted for as a compound financial instrument with a debt host and equity conversion feature. On initial recognition, the fair value of the liability component was determined to be \$2,128 with an effective interest rate of 21.2%, and the equity component was measured as the residual amount of \$872.

On December 14, 2023, the Company amended the First Debenture Offering maturity date to September 30, 2026. The impact of the amendment decreased the carrying value of the liability component, resulting in a gain on modification of \$263. The effective interest rate is 21.2%.

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

On December 14, 2023, the Company closed a Second Debenture Offering (the “Second Debenture Offering”) and issued \$2,400 principal amount of debentures. The terms of the debentures include:

- a maturity date of September 30, 2026 (the “Second Debenture Maturity Date”) and the principal amount, together with any accrued and unpaid interest, will be payable on the Second Debenture Maturity Date, unless earlier converted in accordance with their terms;
- the debentures bear interest at the rate of 10.5% per annum plus the Rate Supplement, which interest will be payable on the Second Debenture Maturity Date, unless earlier converted into Common Shares;
- subject to the receipt of disinterested shareholder approval from the holders of the Common Shares at a duly and validly called meeting (the “Shareholder Approval”), the principal amount of the debenture is convertible into Common Shares at the option of the holder (or at the option of the Company on 30 days prior notice) at a conversion price of USD\$0.11405 per Common Share;
- subject to receipt of the Shareholder Approval, the accrued and unpaid interest is convertible into Common Shares at a conversion price equal to the volume weighted average trading price on the Toronto Stock Exchange for the five trading days prior to the date of conversion; and
- the debentures are unsecured.

The Shareholder Approval was received at the Company’s Annual General Meeting held on June 18, 2024.

The Second Debenture Offering was accounted for as a compound financial instrument with a debt host and equity conversion feature. On initial recognition, the fair value of the liability component was determined to be \$2,011 with an effective interest rate of 19.6%, and the equity component was measured as the residual amount of \$389. The amendment of the Nebari debt includes cross party agreements that defers the interest payments on the debentures to September 30, 2026.

Changes in the debentures for the six months ended June 30, 2025, and the year ended December 31, 2024, are summarized below.

<b>Debentures</b>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
<b>Balance, beginning of period</b>	\$ 5,308	\$ 4,330
Accretion	562	978
<b>Balance at April 23, 2025</b>	<b>\$ 5,870</b>	<b>\$ 5,308</b>
<i>Current</i>	-	600
<i>Non current</i>	5,870	4,708

### 13. CAPITAL STOCK AND OTHER EQUITY RESERVES

#### Common Shares

The authorized share capital of the Company consists of an unlimited number of common shares with no par value and an unlimited number of non-voting common shares with no par value. As of June 30, 2025, there were 332,586,774 common shares outstanding and nil non-voting common shares outstanding.

On April 7, 2025, the Company closed a non-brokered private placement for aggregate gross proceeds of CAD\$5.15 million (the “April 2025 Offering”) through the issuance of 17,170,916 units (each an “April 2025 Unit”), with each 2025 April 2025 Unit consisting of one common share and one-half of one common share purchase warrant at a price of CAD\$0.30 (each a “April 2025 Warrant”). Each full April 2025 Warrant shall entitle the holder

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**

(Expressed in thousands of United States dollars)

thereof to acquire one additional common share at a price of CAD\$0.45 for a period of twenty-four (24) months from the closing date of the April 2025 Offering. The warrants have been accounted for as a derivative liability and valued using a Black Scholes model. At the time of issuance, the warrants were valued at \$599. At June 30, 2025, the warrants were valued at \$816, a corresponding loss of \$216 has been recognized in the financial statements. Share issuance costs associated with the private placement were \$285.

There were no dilutive shares for the period ended June 30, 2025 (December 31, 2024 – nil).

Stock Options

The Company’s stock option plan (the “Plan”) provides for the grant of incentive stock options to employees, consultants, officers, and directors of the Company. The Plan reserves for issuance, along with the Company’s other Security-Based Compensation Plans, a maximum of 10% of the issued and outstanding Common Shares at the time of a grant of options.

Options granted under the Plan have a maximum term of ten years. The exercise price of the options is determined by the Board of Directors and is not less than the closing price of the common shares on the last trading day prior to the date the options are granted. The vesting terms are at the Board of Directors’ discretion.

The Plan is an evergreen plan which provides that if any option has been exercised, then the number of common shares into which such option was exercised shall become available to be issued upon the exercise of options subsequently granted under the Plan. The Plan will operate in conjunction with the Restricted Share Unit Plan (the “RSU Plan”) and the Performance Share Unit Plan (the “PSU Plan”). The Stock Option Plan, RSU Plan and PSU Plan are collectively referred to as the “Security-Based Compensation Plans”.

The following is a summary of stock option activity for the six months period ended June 30, 2025, and the year ended December 31, 2024:

	<b>Number of Options</b>	<b>Weighted average Exercise Price (CAD\$)</b>
<b>Outstanding, December 31, 2023</b>	18,820,000	\$ 0.53
Granted	3,500,000	\$ 0.15
Expired	<u>(3,245,000)</u>	\$ 1.02
<b>Outstanding, December 31, 2024</b>	<b>19,075,000</b>	\$ 0.38
Granted	13,595,000	\$ 0.30
Expired	<u>(5,590,000)</u>	\$ 0.58
<b>Outstanding, June 30, 2025</b>	<b>27,080,000</b>	\$ 0.30
Exerciseable, June 30, 2025	10,060,000	\$ 0.30

During the six months period ended June 30, 2025 no stock options were exercised.

As of June 30, 2025 the following stock options were outstanding and exercisable:

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

<b>Outstanding</b>	<b>Exercisable</b>	<b>Exercise Price</b>		<b>Remaining</b>	<b>Expiry Date</b>
				<b>life (years)</b>	
800,000	-	CAD\$	\$ 0.730	0.12	Tuesday, August 12, 2025
100,000	100,000	CAD\$	\$ 0.800	0.14	Tuesday, August 19, 2025
235,000	235,000	CAD\$	\$ 0.820	0.69	Sunday, March 8, 2026
50,000	50,000	CAD\$	\$ 0.270	0.72	Friday, March 20, 2026
300,000	300,000	CAD\$	\$ 0.740	0.75	Tuesday, March 31, 2026
635,000	635,000	CAD\$	\$ 0.410	1.50	Thursday, December 31, 2026
650,000	650,000	CAD\$	\$ 0.270	1.84	Sunday, May 2, 2027
500,000	500,000	CAD\$	\$ 0.270	2.66	Monday, February 28, 2028
200,000	200,000	CAD\$	\$ 0.230	1.84	Sunday, May 2, 2027
6,515,000	6,515,000	CAD\$	\$ 0.260	2.59	Tuesday, February 1, 2028
3,500,000	875,000	CAD\$	\$ 0.150	4.18	Monday, September 3, 2029
10,595,000	-	CAD\$	\$ 0.300	4.77	Sunday, April 7, 2030
3,000,000	-	CAD\$	\$ 0.300	4.87	Tuesday, May 14, 2030
<b>27,080,000</b>	<b>10,060,000</b>				

The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for the risk-free interest rate, dividend yield, expected volatility, forfeiture rate, and expected life of the options. The Company recognized share-based compensation costs of \$109 for the six months ended June 30, 2025 (June 30, 2024 - \$177) of which \$1 (June 30 - \$7) was included in cost of sales. The Company recognized share-based compensation costs of \$39 for the three months ended June 30, 2025 (June 30, 2024 - \$70) of which nil (June 30, 2024 - \$3) was included in cost of sales.

**14. EXPENSES BY NATURE**

The summary for cost of sales for the three months ended June 30, 2025 and 2024 are summarized below.

	<b>Three months ended June 30</b>		<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Direct production costs	\$ (311)	\$ 437	\$ 68	\$ 1,258
Royalties and selling costs	-	117	304	180
Employee compensation and benefits	25	621	391	1,304
Inventory Valuation Adjustment	-	-	272	-
Share-based compensation	-	3	1	7
Depreciation	10	13	14	31
<b>Cost of Sales</b>	<b>\$ (276)</b>	<b>\$ 1,191</b>	<b>\$ 1,050</b>	<b>\$ 2,780</b>

**15. RELATED PARTY TRANSACTIONS**

Related parties and related party transactions are summarized below.

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consists of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and President, SVP Business Development, SVP/Chief Financial Officer, and Corporate Secretary.

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

Remuneration attributed to key management personnel is summarized as follows:

	<b>Six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Salaries, fees and benefits	\$ 499	\$ 816
Share-based compensation	10	151
<b>Total</b>	<b>\$ 509</b>	<b>\$ 967</b>

Salaries, fees and benefits to key management includes all salaries, bonuses, fees, and other employment benefits, pursuant to contractual employment agreements, consultancy or management services arrangements.

As of June 30, 2025, amounts accrued and due to key management personnel and other related parties include the following:

- Directors and Officers - \$144 (December 31, 2024 - \$145)

**16. FINANCING EXPENSES**

Financing expenses for the six months ended June 30, 2025 and 2024 are summarized below.

<b>Financing Expenses</b>	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Nebari debt interest	\$ 501	\$ 600	\$ 1,078	\$ 1,200
ARO accretion	252	193	422	317
Debenture accretion	290	236	562	461
Nebari debt accretion	58	82	94	159
Insurance financing interest	3	9	6	24
Capital lease interest	4	5	8	11
<b>Total</b>	<b>\$ 1,108</b>	<b>\$ 1,125</b>	<b>\$ 2,170</b>	<b>\$ 2,172</b>

**17. SEGMENTED INFORMATION**

The Company operates in two reportable operating segments in the United States: (a) Gunnison Copper Project and (b) Johnson Camp Mine cash generating units. Corporate and other activities include the Company's exploration activities. Corporate activities are not considered a segment and are included as a reconciliation to total consolidated results. Accounting policies for each reported segment are the same as those of the Company. Results from operating activities represents the profit earned by each segment without allocation of corporate costs. This is the measure reported to the chief operating decision-maker, Gunnison's President and Chief Executive Officer, for the purposes of resource allocation and the assessment of segment performance. Total assets and liabilities do not reflect intercompany balances, which have been eliminated on consolidation.

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

<b>Three months Ended June 30, 2025</b>					
	<b>Gunnison Copper</b>	<b>Johnson</b>	<b>Corporate</b>	<b>Total</b>	
	<b>Project</b>	<b>Camp Mine</b>	<b>&amp; Other</b>		
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Cost of Sales	-	(276)	-	-	(276)
Gross Profit (loss) from Mine Operations	-	(276)	-	-	(276)
Operating Expenses	1,062	(341)	620		1,341
Operating Profit (loss)	1,062	(617)	620		1,065
Loss (gain) on derivative at fair value	(406)	(848)	-		(1,254)
Financing expense	-	(299)	1,407		1,108
Interest income	-	(380)	(35)		(415)
Unrealized gain on foreign exchange	-	-	423		423
Fair value loss on Nuton Stage 2 payable	-	3,377	-		3,377
Gain on Extinguishment of Debt	-	-	(621)		(621)
Other (income)	(276)	(432)	(30)		(738)
Net Income (loss) for the year	\$ 380	\$ 1,349	\$ 1,764	\$ -	\$ 2,945

<b>Six months Ended June 30, 2025</b>					
	<b>Gunnison Copper</b>	<b>Johnson</b>	<b>Corporate</b>	<b>Total</b>	
	<b>Project</b>	<b>Camp Mine</b>	<b>&amp; Other</b>		
Revenue	\$ -	\$ (406)	\$ -	\$ -	\$ (406)
Cost of Sales	-	1,050	-	-	1,050
Gross Profit (loss) from Mine Operations	-	644	-	-	644
Operating Expenses	1,071	(219)	1,404		2,256
Operating Profit (loss)	1,071	425	1,404		2,900
Loss (gain) on derivative at fair value	7,491	9,906	-		17,397
Financing expense	-	490	1,680		2,170
Interest income	-	(525)	(51)		(576)
Unrealized gain on foreign exchange	-	-	413		413
Fair value loss on Nuton Stage 2 payable	-	5,156	-		5,156
Gain on Extinguishment of Debt	-	-	(1,126)		(1,126)
Other (income)	(276)	(650)	(30)		(956)
Net Income (loss) for the year	\$ 8,286	\$ 14,802	\$ 2,290	\$ -	\$ 25,378

<b>June 30, 2025</b>					
	<b>Gunnison Copper</b>	<b>Johnson</b>	<b>Corporate</b>	<b>Total</b>	
	<b>Project</b>	<b>Camp Mine</b>	<b>&amp; Other</b>		
Cash	\$ 1,860	\$ 11,952	\$ 3,454	\$ -	\$ 17,266
Current Assets	1,863	18,292	4,234		24,389
Property, plant and equipment	16,448	171,234	156		187,838
Total Assets	18,363	200,743	3,685		222,791
Current Liabilities	191	109,445	15,242		124,878
Total Liabilities	36,955	208,491	21,210		266,656

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

<b>Three months Ended June 30, 2024</b>						
	<b>Gunnison Copper</b>		<b>Johnson</b>		<b>Corporate</b>	
	<b>Project</b>		<b>Camp Mine</b>		<b>&amp; Other</b>	
					<b>Total</b>	
Revenue	\$	-	\$	(613)	\$	-
Cost of Sales		-		1,191		-
Gross Profit (loss) from Mine Operations		-		578		-
Operating Expenses		7		114		661
Operating Profit (loss)		7		692		661
Loss (gain) on derivative at fair value		5,443		7,346		-
Financing expense		(225)		889		461
Interest income		46		(1)		(86)
Unrealized gain on foreign exchange		-		-		(1)
Fair value loss on Nuton Stage 2 payable		-		-		-
Gain on Extinguishment of Debt		-		-		-
Other (income)		-		(111)		-
Net Income (loss) for the year	\$	5,271	\$	8,815	\$	1,035
					\$	15,121

<b>Six months Ended June 30, 2024</b>						
	<b>Gunnison Copper</b>		<b>Johnson</b>		<b>Corporate</b>	
	<b>Project</b>		<b>Camp Mine</b>		<b>&amp; Other</b>	
					<b>Total</b>	
Revenue	\$	-	\$	(952)	\$	-
Cost of Sales		-		2,780		-
Gross Profit (loss) from Mine Operations		-		1,828		-
Operating Expenses		55		272		1,511
Operating Profit (loss)		55		2,100		1,511
Loss (gain) on derivative at fair value		8,818		12,007		-
Financing expense		-		1,711		461
Interest income		-		(3)		(86)
Unrealized gain on foreign exchange		-		-		(1)
Fair value loss on Nuton Stage 2 payable		-		-		-
Gain on Extinguishment of Debt		-		-		-
Other (income)		-		(312)		-
Net Income (loss) for the year	\$	8,873	\$	15,503	\$	1,885
					\$	26,261

<b>December 31, 2024</b>						
	<b>Gunnison Copper</b>		<b>Johnson</b>		<b>Corporate</b>	
	<b>Project</b>		<b>Camp Mine</b>		<b>&amp; Other</b>	
					<b>Total</b>	
Cash	\$	483	\$	6,804	\$	962
Current Assets		483		14,194		1,012
Property, plant and equipment		16,444		95,462		4
Total Assets		16,927		117,145		3,860
Current Liabilities		92		34,268		4,188
Total Liabilities		29,358		109,914		20,562

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

---

## **18. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments based on the funds available to the Company, in order to support the acquisition, exploration and evaluation, and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In the management of capital, the Company considers components of equity and debt.

The properties in which the Company currently has an interest are in the development and production ramp up stage. The Company has previously obtained financing for the development and construction and ramp up activities of the Gunnison Copper Project in the form of the Stream, Equity Placements, and Debentures discussed in notes 8, 12 and 13. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

In accordance with the Second ARCA the Company is required to maintain a minimum cash balance of \$1,000 (net of cash provided by Nuton for the Stage 2 Work Program). The minimum cash balance is defined in the Second ARCA to include cash and cash equivalents, plus accounts receivable from the sale of copper cathode and copper cathode inventory as reported on the Company's balance sheet. In the event that the minimum cash balance is less than \$1,000 at any monthly reporting date then there is a 60-day cure period allowed.

## **19. FINANCIAL INSTRUMENTS**

The Company has exposure to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk from its use of financial instruments.

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Risk management is the responsibility of management and is carried out under policies approved by the Board of Directors. Material risks are monitored and are regularly discussed with the Audit Committee and Board of Directors.

### Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates and interest rates will affect the Company's cash flows or value of its financial instruments.

### *Currency risk*

The Company is subject to currency risk on financial instruments which are denominated in currencies that are not the same as the functional currency of the entity that holds them. Exchange gains and losses relating to these financial instruments would impact earnings (loss).

The Company is exposed to currency risk through cash and cash equivalents, accounts payable and accrued liabilities which are denominated in CAD\$. The balances in these accounts are not significant, therefore, the Company's exposure to currency risk is considered minimal. The Company has not hedged its exposure to currency fluctuations at this time.

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

---

*Interest rate risk*

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents and the stream obligation. The Company's current policy is to invest excess cash in guaranteed investment certificates issued by its Canadian banking institution. The Company periodically monitors the investment it makes and is satisfied with the credit ratings of its banks.

The Company's outstanding debt obligations are at fixed interest rates (except the Nebari loan and Second Debenture Offering - see below) and accounted for on the basis of amortized cost. Therefore, the carrying value of the Company's debt is not exposed to changes in market interest rates. The Nebari loan and Second Debenture Offering are fixed at 10.5% per annum plus the greater of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months or 1.5%.

A 1% increase in the rate supplement for the Nebari loan would increase interest payments \$8/mo, whereas a 1% decrease in the rate supplement would decrease the Nebari interest payments \$8/mo.

A 1% increase in the rate supplement for the Second Debenture Offering would increase interest payments \$2/mo, whereas a 1% decrease in the rate supplement would decrease the Second Debenture Offering interest payments \$2/mo.

*Commodity price risk*

The Company is subject to commodity price risk from fluctuations in the market prices for copper. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of metal substitutes, inflation, and political and economic conditions. The financial instrument impacted by commodity prices is the Stream obligation.

A 10% increase in the market price of copper would increase derivative liabilities by \$3,810, whereas a 10% decrease in the market price of copper would decrease derivative liabilities by \$4,560.

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's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents, and restricted cash.

The Company limits its exposure to credit risk on financial assets through investing its cash and cash equivalents with reputable North American financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of its financial assets and liabilities. Cash flow forecasting is performed regularly. The Company also holds surety bonds to support future environmental obligations. Liquidity is further discussed in note 1 – Nature of Operations and Going Concern.

The Company has the following guaranteed commitments and contractual obligations as of June 30, 2025:

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

<u>Contractual Obligations</u>	<u>Total</u>	<u>Less than 1</u>			
		<u>year</u>	<u>1-3 years</u>	<u>4-5 years</u>	<u>After 5 years</u>
Accounts Payable and Accrued Liabilities	\$ 26,488	\$ 26,488	\$ -	\$ -	\$ -
Nuton Stage 2 payable	98,837	66,314	32,523	-	-
Lease Liabilities	197	129	68	-	-
Insurance Liabilities	123	123	-	-	-
Debentures	5,870	-	5,870	-	-
Debt	13,550	13,550	-	-	-
Total Contractual Obligations	<u>\$ 145,065</u>	<u>\$ 106,604</u>	<u>\$ 38,461</u>	<u>\$ -</u>	<u>\$ -</u>

As of June 30, 2025, the Company has cash and cash equivalents of \$17,266 to settle current liabilities of \$124,877, which includes \$66,314 in Nuton payables based off the current copper production forecast and \$23,991 in Accounts Payables related to Nuton project costs.

Fair value estimation

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the Company is able to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

The carrying values of cash and cash equivalents, receivables, restricted cash, accounts payable and accrued liabilities, debt and amounts due to related parties approximate their fair values due to the short-term maturity of these financial instruments. Derivative liabilities and Nuton Stage 2 payable are Level 3.

<b>As of June 30, 2025</b>	<b>Carrying value</b>		<b>Fair Value</b>	
	<b>FVTPL</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Liabilities</b>				
Derivative liabilities	\$ 77,380	\$ -	\$ -	\$ 77,380
Nuton Stage 2 payable	98,837	-	-	98,837
	<u>\$ 176,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,217</u>

**20. SUBSEQUENT EVENTS**

On July 18, 2025, the Company announced that it has closed a non-brokered private placement (the "July 2025 Offering") for aggregate gross proceeds of CAD\$8.7 million through the issuance of 28,874,100 units of the Company (each, a "July 2025 Unit") at a price of CAD\$0.30 per July 2025 Unit. Each July 2025 Unit consists of one common share of the Company and one common share purchase warrant (each, a "July 2025 Warrant"). Each July 2025 Warrant entitles the holder thereof to purchase one Common Share at a price of CAD\$0.45 at any time on or before July 18, 2028. The net proceeds will be used to support and fund additional follow on work related to the

**GUNNISON COPPER CORP. (Formerly Excelsior Mining Corp.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(Expressed in thousands of United States dollars)

---

High Value Add Work Program at the Gunnison Copper Project, begin long lead time drilling and metallurgical testing that will be incorporated in a pre-feasibility study for the Gunnison Copper Project, as well as fund US head office general and administrative expenses ("**G&A**") for an additional 12 months (April 2026 to March 2027). U.S. head office G&A for the next 9 months to March 2026 will be funded from existing working capital. The July 2025 Units were sold to purchasers resident in Canada pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 - Prospectus Exemptions, as amended by Coordinated Blanket Order 45-935 - Exemptions from Certain Conditions of the Listed Issuer Financing Exemption.

On July 9, 2025, the Company received \$50,138 in funding from Nuton for upcoming Stage 2 construction costs.



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025**

## INTRODUCTION

This Management's Discussion and Analysis ("MD&A") relating to the results of operations and financial position of Gunnison Copper Corp. (formerly Excelsior Mining Corp.) and its subsidiaries ("Gunnison" or the "Company") is prepared as of August 13, 2025. The MD&A supplements and complements Gunnison's unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended June 30, 2025 (the "Consolidated Financial Statements"). Comparison of the financial results in this MD&A is provided to the financial results for the three and six months ended June 30, 2024 or the year ended December 31, 2024. Other relevant documents to be read with this MD&A include the most recent Annual Information Form ("AIF"). The AIF is not incorporated by reference. These documents are available on the Company's website at [www.gunnisoncopper.com](http://www.gunnisoncopper.com), and on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The condensed consolidated interim financial statements do not include all the information required for full annual financial statements. The accounting policies applied in the condensed consolidated interim financial statements are consistent with those applied in the Company's audited annual consolidated financial statements unless otherwise disclosed. All dollar amounts in this MD&A are expressed and presented in thousands of United States dollars (except per share amounts and unless otherwise noted). Canadian dollars are expressed as "CAD".

Readers are cautioned that this MD&A contains forward-looking statements and that actual events may vary from Management's expectations. Readers are encouraged to read the "Cautionary Statements" section presented later in this MD&A including the factors described in "Risk Factors" and "Forward-Looking Information".

The Board of Directors of Gunnison Copper Corp. has approved the disclosure contained in this MD&A as of August 13, 2025.

## OUR PURPOSE

Gunnison exists to develop and operate copper mines in Southern Arizona to produce fully Made in America finished copper cathode to supply American energy, defense, and manufacturing supply chains. Gunnison proudly hires locally, purchases locally, and sells its products in America. Gunnison invests in its employees, their families, and the communities around it. Gunnison operates safely and responsibly with a focus on technology and positive societal impact, while also emphasizing long-term value creation for stakeholders.

## OUR BUSINESS

Gunnison was incorporated under the laws of the Province of British Columbia, Canada on June 9, 2005 and trades on the Toronto Stock Exchange denominated in CAD under the symbol "GCU" and in over-the-counter markets denominated in USD under the symbol "GCUMF". The address of the Company's registered office is Suite 2400, 1055 West Georgia Street, Vancouver, BC, Canada V6E 3P3. The operational headquarters and senior management team is located in Arizona, USA.

Gunnison is a multi-asset pure-play copper developer and expected producer that has the largest land position in the Cochise Mining District (the district), containing 12 known deposits within an 8 km economic radius, in the Southern Arizona Copper Belt.

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

Gunnison's flagship asset, the Gunnison Copper Project has a measured and indicated mineral resource containing over 831 million tons with a total copper grade ("TCu") of 0.31% (measured mineral resource of 191.3 million tons at 0.37% TCu and indicated mineral resource of 640.2 million tons at 0.29% TCu), and a preliminary economic assessment ("PEA") yielding positive economics including an NPV at 8% of \$1.3 billion, Internal Rate of Return ("IRR") of 20.9%, and payback period of 4.1 years. It is being advanced as a conventional operation with open pit mining, heap leach, and SX/EW refinery to produce finished copper cathode on-site with direct rail link. The Gunnison Copper Project was previously configured to use In-Situ Leaching but the approach was changed to open pit in December 2024 to maximize the value of the Project. The installed In-Situ wellfield equipment is in care and maintenance and the Company remains in compliance with all permits to preserve optionality prior to construction of the open pit.

The Gunnison Copper Project PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the conclusions reached in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

In addition, Gunnison's Johnson Camp Mine, which is under construction for the expansion and restart of operations, with first copper production expected in Q3 2025, is fully funded by Nuton LLC ("Nuton"), a Rio Tinto Venture, with a production capacity of up to 25 million lbs of finished copper cathode annually. The construction and restart of the Johnson Camp Mine is fully funded by Nuton LLC for the purpose of demonstrating their proprietary sulfide leaching technology.

Other deposits controlled by Gunnison in the district, with potential to be economic satellite feeder deposits for Gunnison Copper Project infrastructure, include Strong and Harris, South Star, and eight other deposits.

## OVERALL PERFORMANCE

### HIGHLIGHTS

Year to date, Gunnison continues to build momentum after the pivot of the flagship Gunnison Copper Project to an open pit development plan and commencement of construction for the expansion and restart of the Johnson Camp Mine in partnership with Nuton LLC:

- Received the backing and support of US Government for Johnson Camp Mine in January 2025 to produce Made in America copper for American supply chains via \$13.9M allocation of 48C tax credits under the Inflation Reduction Act. Once construction is complete, and the Johnson Camp Mine assets are placed into service, the Certification process will commence. As disclosed below, a portion of the cash proceeds realized from the potential sale of 48C tax credits are expected to be allocated to Gunnison
- Entered into a Collaboration Agreement with Nuton LLC in February 2025 to assess the viability of their technology to potentially process the Gunnison Copper Project sulfide resources and examine a potential extension for Gunnison sulfide resources to Stage 2 in exchange for \$3M in non-dilutive non-refundable cash funding
- Entered into a binding term sheet with Nebari Natural Resources Credit Fund I LP (Nebari) in February 2025 to defer all principal payments from February to December 2025, reducing 2025 principal payments by \$2.8M, and provide a pathway to repay up to \$8M of the outstanding principal through realized cash proceeds from the potential sale of 48C tax credits during 2025 and refinance the remaining principal to 2029. On April 24, 2025, the Company and Nebari entered into a Second Amended and Restated Credit Agreement (the "Second ARCA") which supersedes the binding term sheet. \$6.25M of the debt is convertible under the binding term sheet and ARCA into common shares of the Company
- On April 7, 2025, the Company closed its non-brokered private placement (the "**April 2025 Offering**") for aggregate gross proceeds of C\$5.15 million through the issuance of 17,170,916 units (the "**April 2025 Units**"),

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

with each April 2025 Unit consisting of one common share and one-half of one common share purchase warrant (each full common share purchase warrant, an "**April 2025 Warrant**") at a price of C\$0.30 per April 2025 Unit. Each full April 2025 Warrant shall entitle the holder thereof to acquire one additional common share at a price of C\$0.45 for a period of twenty-four (24) months from the closing date of the April 2025 Offering

- On April 14, 2025 the Company announced that the high-value-add ("HVA") work programs commenced at the Gunnison Copper Project including mobilization of the drill rig. The programs are expected to take 3-6 months to complete and consist of Gravel By-Product Revenue, Limestone By-Product Revenue, Mineralized Material Sorting, Sulfide Investigation, and Permitting activities
- Mr. Jason Howe and Mr. Joseph Gallucci have joined the Board of Directors and Jason Howe was appointed as the new Audit Committee Chair. The new appointments are consistent with the Company's continuing effort to add leaders from the mining community with production and finance experience as the Johnson Camp Mine targets copper production in Q3, 2025 and the Gunnison Copper Project advances the open pit development plan
- On June 9, 2025 the Company provided an update on progress at JCM noting that: (i) mining of mineralized material had commenced; (ii) material was being stockpiled in advance of the completion of the leach pads; (iii) Leach pad Phase-1 was complete; and (iv) Phase-2 leach pad was expected in the near term
- On June 17, 2025, the Company provided an update on the HVA. An experienced consulting firm has been engaged to investigate the viability of marking gravel and limestone by-products from the Gunnison open pit. In support of the mineralized material sorting plan, drilling of all 3 holes totaling 3,899 feet targeting oxide mineralization in the Martin and Abrigo formations were completed in May. The mineralized material sorting plan has been completed, and testing is scheduled for August 2025. Trinity Consultants (Air Quality Permit) and Clear Creek (APP) have been engaged and have produced drafts for the permitting process. The Company is also advancing the collection of samples to initiate metallurgical test work to test for the suitability of sulfide leaching technology at Gunnison
- On July 9, 2025, the Company received \$50,138 in funding from Nuton for upcoming Stage 2 construction costs
- On July 18, 2025, the Company announced that it has closed a non-brokered private placement (the "**July 2025 Offering**") for aggregate gross proceeds of C\$8.7 million through the issuance of 28,874,100 units of the Company (each, a "**July 2025 Unit**") at a price of C\$0.30 per July 2025 Unit. Each July 2025 Unit consists of one common share of the Company and one common share purchase warrant (each, a "**July 2025 Warrant**"). Each July 2025 Warrant entitles the holder thereof to purchase one Common Share at a price of C\$0.45 at any time on or before July 18, 2028. The net proceeds will be used to fund additional and follow on work related to the High Value Add Work Program at the Gunnison Copper Project, begin long lead time drilling and metallurgical testing that will be incorporated in a pre-feasibility study for the Gunnison Copper Project, as well as fund US head office general and administrative expenses ("**G&A**") for an additional 12 months (April 2026 to March 2027). U.S. head office G&A for the next 9 months to March 2026 will be funded from existing working capital. The July 2025 Units were sold to purchasers resident in Canada pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 - Prospectus Exemptions, as amended by Coordinated Blanket Order 45-935 - Exemptions from Certain Conditions of the Listed Issuer Financing Exemption.
- On July 22, 2025 the Company announced that mineral processing has started with first copper sales expected in September at the fully-permitted Johnson Camp Mine. Related progress at JCM includes: (i) stacking and acid curing of mineralized material has commenced; (ii) material continues to be stockpiled in advance of the completion of the leach pads; (iii) leach pad Phase-2 is complete; and (iv) Phase-3 leach pad is complete and conveyors constructed.
- On August 11, 2025 the Company announced the solvent extraction (SX) plant and electrowinning (EW) circuit has started with first copper sales expected in September at the Company's Johnson Camp Mine. Furthermore, the final phase of the leach pad construction is on schedule. The on-pad crushing circuit, which will be used with Nuton Technologies, has been installed and started commissioning activities. The agglomerator and processing equipment, which will also be used on the Nuton pad, has been placed and the Company is completing final mechanical and electrical construction of these components. The new LNG

(liquid natural gas) system at the EW plant was fully commissioned and operating in line with electrowinning start-up.

## 2025 to 2026 OUTLOOK

### Gunnison High Value Work Program

In January 2025, Gunnison announced its intention to proceed with the HVA at the Gunnison Copper Project that will advance several of the important opportunities identified in the Preliminary Economic Assessment. This work program, consisting of limited drilling and studies, is expected to cost up to \$3.0 million and be completed within six months, with results to be published in H2 2025. On April 14, 2025, the Company announced additional details regarding the HVA:

- **Gravel By-Product Revenue** - An experienced consulting firm has been engaged to investigate the viability of marketing gravel and limestone. Their geologists and engineers are currently reviewing the data that has been supplied. Once the data review is complete, they will advise the Company on the economic viability of the 759 million tons of alluvial gravel that is expected to be mined during the mine life and the mining cost to bring it to surface is already included in the Gunnison Copper Project PEA economics. Gravel, as an aggregate or rock product, is a potential source of by-product revenue. The planned rail spur and railyard increases the range the Company can profitably sell the gravel with access to larger markets such as Phoenix, Los Angeles, Houston, and Dallas. As detailed in the PEA, if just 10% of this material could be sold for revenue of \$5/ton, it could potentially add \$380M in revenue to the Gunnison Copper Project. The revenues associated with such sales are not anticipated to have any material costs (aside from marketing costs) as the material has already been mined and does not require further processing\*.
- **Limestone By-Product Revenue** - As mentioned above, the experienced consulting firm is also investigating the viability of marketing limestone by-products from the Gunnison open pit. The geologists are currently reviewing the existing drill core in preparation for sampling and analysis. Once the analysis is complete, they will advise on the economic viability of the 85 million tons of limestone that is expected to be mined, and already included in the PEA mining cost, at the Gunnison Copper Project. Crushed limestone is a highly valuable commodity in cement, aggregate, chemical and agricultural industries, selling for between \$20/ton and over \$60/ton in the region. As detailed in the PEA, if 50% of this limestone could be sold at \$20/ton it could generate approximately \$850M in additional gross revenue. The revenues associated with such sales are not anticipated to have any material costs (aside from marketing costs) as the material has already been mined and does not require further processing\*.
- **Mineralized Material Sorting** - Copper oxide exists on visually distinct blue-green and red-brown zones that are ideally suited to optical mineralized material sorting. Preliminary testing was 100% successful and data suggest sorting of this material has the potential to greatly reduce acid consumption and volume of material leached by removing 40 to 50 percent of the process stream as unmineralized, higher acid consuming, waste. This would result in significant savings on operating costs. Drilling of all 3 holes totaling 3,899 feet targeting oxide mineralization in the Martin and Abrigo formations were completed in May. Drilling costs were cheaper than budgeted due to high drill production rates. The holes are currently being scanned in Salt Lake City using LIBS (Laser-Induced Breakdown Spectroscopy). Following LIBS scanning, the core will be sent for assaying and extensive mineralogical testing. The mineralized material sorting plan has been completed, and testing is scheduled for August.
- **Sulfide Investigation** - Sulfide mineralization occurs in the bottom of the Gunnison Copper Project open pit design. Due to the previous ISR mining method, the sulfide potential has been mostly untested. The plan is to collect appropriate samples and initiate metallurgical test work. The sulfides have the potential to add mine life, production rate and excite strategic interest such as the recent interest from Nuton who have an agreement with Gunnison to test the suitability of its proprietary sulfide leaching technology for the Gunnison

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

Copper Project's sulfide resources. As an example, one of the recent HVA drill holes intersected coarse grained copper sulfide mineralization in quartz veins related to porphyry dyke intrusions at depth in hole NSM-16. This hole is yet to be assayed.

- **Permitting** - Gunnison's prior permitting and community track record is excellent. There is no federal permitting required and permitting is only a state run process. The Gunnison Copper Project is permitted today for in-situ recovery; however, amendments are needed. The Company will begin collecting the data needed to commence this amendment process.

\* There is no guarantee it can be made marketable.

### **Gunnison Copper Project Pre-Feasibility Study & Permit Amendments**

In H2 2025, Gunnison plans to commence work on a Pre-Feasibility Study (“PFS”) for the Gunnison Copper Project with the objective of converting the resources included in the mine plan to the Measured and Indicated level and into mineral reserves, in addition to advancements in the detail level of mine and plant engineering. The work program will include infill drilling, geotechnical drilling, hydrology work, engineering, and other studies. It is expected to cost \$13.5M and take approximately 16 months to complete (see “Liquidity” and “Capital Resources” below for a summary of the funding required by, and available to, Gunnison). Results of the PFS are expected to be published in Q4 2026.

Concurrently with the PFS work program, Gunnison intends to file permit amendments with Arizona Department of Environmental Quality and the Arizona State Mine Inspector with respect to the existing Air, Aquifer Protection, and Mine Land Plan of Reclamation permits. These amendments will permit the open pit approach. Currently, the Gunnison Project is fully permitted for In-Situ leaching which is the approach previously pursued. All required permits for the Gunnison open pit fall under the state permitting regime (i.e. no federal nexus). The permit amendments are expected to cost \$1.4 million and take between nine and sixteen months to receive. All permit amendments are expected to be received by the end of 2026. Initial planning for the permit amendment process will begin during the HVA work program.

### **Johnson Camp Mine Production**

The Johnson Camp Mine construction required for the Stage 2 work program with Nuton is expected to be substantially complete by August-2025 with commissioning and first production of copper cathode in September 2025. Ramp up to nameplate capacity is expected to occur over the second half of 2025 and reach full production by early 2026. The Johnson Camp Mine SX/EW plant has an installed production capacity of 25 million lbs of finished copper cathode per year, with future sales of the copper cathode planned for sale in the United States. The construction and restart of the Johnson Camp Mine is fully funded by Nuton LLC for the purpose of demonstrating their proprietary sulfide leaching technology.

At the end of June 2025, the JCM copper project was progressing well. The leach pad construction activities, divided into 4 phases, have completed Phase 1 and the portion of Phase 2 required to allow critical path activities to continue. Phase 1 will be where ROM oxide ore is treated with conventional heap leaching technology. Phase 2 is the section where the Nuton processing equipment will operate in order to stack sulfide ore onto Phase 3. The Phase 3 section of the leach pad is where Nuton and JCM will demonstrate Nuton’s sulfide leaching technology. The piping and pumping system construction has been bid in phases to allow for the planned production start of ROM oxide ore in early H2. The Nuton production of sulfide ore will follow later in H2 as the mine plan achieves the production of each ore type. Phase 4 will be used for additional ROM material.

In July the Company announced that the overflow pond construction has been completed ahead of first acid irrigation. The pipelines from the leach pads to the SX/EW plant are complete, and Phase-1 pad leaching has started, with first

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

copper cathode from Run-of-mine (ROM) oxide production using conventional leach technology scheduled for September. First copper using Nuton technology is expected before the end of the year.

#### **48C Tax Credits Monetization and Debt Reduction**

The \$13.9M allocation of tax credits was granted to the Gunnison-Nuton Tax Partnership in January 2025 under the Qualifying Advanced Energy Project Credit Program of the Inflation Reduction Act. Under the United States Inflation Reduction Act, a qualifying advanced energy project credit can either be monetized through its sale for cash or by using it to offset income tax liabilities. These credits are expected to be monetized by the end of 2025 through the sale of these credits in a free-market transaction following the completion of the certification process. Gunnison expects to receive up to \$8M in cash after Nuton's allocation and reimbursement of costs, with the actual amount depending on the 48C tax credit certification process and how much can be realized from the sale of the certified credits.

In accordance with the Second ARCA with Nebari, the proceeds received from the sale of 48C tax credits will be used to retire a significant portion of the Nebari debt. Following the partial debt retirement, Nebari will initiate a process seeking to refinance the remainder of the debt with a revised maturity date of December 31, 2029.

This section contains forward-looking information. Please refer to "Forward-Looking Information" for details on the risks and assumptions associated with such forward-looking information.

## **GUNNISON COPPER PROJECT**

### **PROJECT DESCRIPTION**

The Gunnison Copper Project is located about 62 miles east of Tucson, Arizona on the southeastern flank of the Little Dragoon Mountains in the Cochise Mining District. The property is within the copper porphyry belt of Arizona. It hosts a deposit that contains copper oxide and sulfide mineralization with associated molybdenum in potentially economic concentrations. Oxidized, mineralized bedrock lies 300 to 800 feet beneath of alluvial basin.

### **RECENT DEVELOPMENTS**

Entered into a Collaboration Agreement with Nuton LLC in February 2025 to assess the viability of their technology to potentially process the Gunnison Copper Project sulfide resources and examine a potential extension for Gunnison sulfide resources to Stage 2 in exchange for \$3M in non-dilutive cash funding. In April 2025, Gunnison commenced work on the High Value Add Programs.

### **PEA HIGHLIGHTS**

- The Gunnison Copper Project, a fully vertically integrated operation producing finished copper cathode on-site in Arizona for domestic U.S. supply chains, has an after-tax net present value (8%) of \$1.3 billion and an internal rate of return (IRR) of 20.9% at a long-term copper price of \$4.10/lb
- One of the largest open pit copper projects in the U.S. with total Measured and Indicated ("M&I") Mineral Resources containing over 831 million tons with a total copper grade of 0.31% (measured mineral resource of 191.3 million tons at 0.37% and indicated mineral resource of 640.2 million tons at 0.29%), capable of supplying 8% of recent annual U.S. domestic copper production<sup>1</sup>

---

<sup>1</sup> Hard rock waste includes 85 million short tons of pure limestone, a highly marketable material.

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

- Simplified and lower risk path to permitting; the Gunnison Copper Project requires only State permits and has current operating permits which will only require permit amendments to open pit mining
- Significant benefits for the community and local economy through the payment of over \$840 million in U.S. federal, state, and local taxes, partnerships with local institutions such as Cochise College, and the creation of over 650 local jobs
- Average annual copper cathode production of 83,700 tons (167 million lbs) over the first 16 years and total production of 1,355,900 tons (2,712 million lbs) over the entire 18-year mine life at an average Cash Cost (C1) of \$1.42/lb and Sustaining Cash Cost<sup>2</sup> of \$1.94/lb of copper produced
- Total initial capital cost of \$1.3 billion and after-tax payback period for initial capital of 4.1 years
- Environmental advantages include lower water usage per pound of copper produced versus copper concentrate producers, up to 10% reduced energy consumption due to on-site clean energy production, and zero risk of environmental impacts from tailings dam failures as there are no tailings produced

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the conclusions reached in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

## PEA PHYSICALS

Total life of mine production is projected at approximately 2,712 million pounds of copper over 18 years. There are 831.6 million short tons of measured and indicated oxide, transitional, and sulfide mineral resources at an average grade of 0.31% TCu and inferred oxide, transitional, and sulfide mineral resources of 79.6 million short tons at an average grade of 0.20% TCu; using a cut-off grade of \$0.05/ton.

The tonnage of material in the Gunnison conceptual mine plan used for the PEA is 550.6 million tons having an average grade of 0.355% TCu. The anticipated heap leach recovery is estimated to be 90% of the AsCu and CNCu copper grade. 60% recovery for copper sulfide (CuS) material but only within the sulfide mineral domain (no CuS recovery in the Oxide or Transition mineral domains).

## PEA OPERATING AND CAPITAL COSTS

The average direct, life-of-mine operating cost is estimated to be \$7.01 per ton of mineralized material mined, which is equivalent to \$1.42/lb Cu. The average all-in operating cost including royalties and taxes is \$8.22 per ton of mineralized material mined which is equivalent to \$1.69/lb Cu. The estimated initial capital cost is \$1,342.6 million, including capitalized pre-production costs and acid plant construction. Sustaining capital costs are estimated to be \$529.9 million. Another \$346.2 million is attributable to deferred stripping sustaining capital. The Sustaining Cash Cost is \$1.94/lb Cu. The total cost for reclamation and closure is estimated to be \$93.0 million and averages \$0.034 per pound of copper recovered.

## GUNNISON STAGE 1 VIABILITY TESTING

Nuton and Gunnison have agreed to conduct a Stage 1 viability testing program of Nuton Technologies on sulfide mineralization at the Gunnison Open Pit (the "Stage 1 Gunnison Program"). The Stage 1 Gunnison Program will involve

---

<sup>2</sup> Excludes recovery of sulfides from conventional leaching. Some sulfides are expected to leach and provide up-side to recoveries and copper production.

the collection and testing of samples from drill core from the Gunnison Copper Project. The samples will be analyzed by Nuton for the purpose of determining the suitability of the Gunnison Copper Project with Nuton Technologies.

## **JOHNSON CAMP MINE**

### **PROJECT DESCRIPTION**

The Johnson Camp Mine is located about 65 miles east of Tucson, Arizona, on the southeastern flank of the Little Dragoon Mountains in the Cochise Mining District. The property is within the copper porphyry belt of Arizona. The Johnson Camp Mine contains two open pit mines, the Burro pit and the Copper Chief pit, that contain copper oxide, transition, and sulfide mineralization with associated molybdenum (not recovered by heap leaching), in potentially economic concentrations. Mining by a former owner, Nord Resources Corporation (Nord), ceased in 2012.

The project mine plan includes mining of oxide, transition material and sulfide to produce copper cathode based on an SX/EW plant capacity of up to 25 million pounds per annum. Heap leaching of sulfide copper will use Nuton's proprietary technology.

### **NUTON OPTION AGREEMENT**

#### **Overview**

On July 31, 2023, Gunnison announced that it had entered into an option agreement (the "Nuton Option Agreement"). The purpose of the Nuton Option Agreement is for Nuton to evaluate and demonstrate the use of the Nuton™ copper heap leaching technologies (the "Nuton™ Technologies") for sulfide copper heap leaching at Johnson Camp Mine ("JCM"). Under the Agreement, Gunnison remains the owner and operator of JCM and Nuton funds Gunnison's costs associated with a two-stage work program.

#### **Stage 1**

The Stage 1 work program began in August 2023 including mineralogy, predictive modelling, engineering and other test work to determine the suitability of JCM mineralized material for the technology. Further work included infill drilling, detailed engineering, permitting activities, and project execution planning for the restart of JCM. Total Stage 1 costs incurred were \$4,055. On May 15, 2024, Nuton elected to proceed with Stage 2, the construction and restart of JCM and technology demonstration.

#### **Stage 2**

The Stage 2 work program began in July 2024 and included a non-refundable cash payment of \$5M to Gunnison for the use of existing JCM infrastructure during Stage 2. Nuton will be responsible for funding all of Gunnison's costs associated with Stage 2. The full Stage 2 work program, inclusive of production, is anticipated to take up to five years, and, if successful, will demonstrate key elements of the Nuton Technologies on an industrial scale.

The Stage 2 work program is proceeding based on milestones related to engineering and mobilization, infrastructure and construction, mining, leaching, copper production and post-leach rinsing. The completion of all milestones would result in full-scale commercial production of Nuton copper over several years at Johnson Camp. Revenue from operations will first be used to pay back Stage 2 costs to Nuton and will then be credited to Gunnison's account after fulfillment of Gunnison's applicable royalty and stream obligations.

After the completion of Stage 2, Nuton will have the right to form a joint venture on JCM per mutually agreeable terms whereby Nuton will hold an initial 49% and Gunnison an initial 51% interest. The purpose of the joint venture is to

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

continue the development of JCM using Nuton technologies. Should Nuton not exercise its joint venture rights, Nuton and Gunnison will discuss in good faith Gunnison's continued use of the Nuton Technologies at the Johnson Camp mine subject to certain licensing terms and conditions.

## MINE CONSTRUCTION AND OPERATION

To restart the Johnson Camp Mine, construction of a new heap leach pad, Pad 5, which is fully permitted has been initiated. The new leach pad construction commenced in H2 2024 with a timeline of approximately nine months to complete before irrigation of the new leach pad can commence. Installation of piping of pregnant leach solution and raffinate lines from Pad 5 to the JCM ponds also fits within this time frame. Construction costs incurred to June 30, 2025 total \$92,616 including refurbishments to the SX/EW plant, construction of proprietary Nuton leaching equipment, JCM holding costs, other site works including haul roads, and staffing ramp up.

Gunnison is using a contract miner for all mine activities related to mining, crushing and agglomerating, and placement of material on the leach pads. Gunnison staff will perform heap leach management, SX-EW operation, and general site management.

The Company has decided to commence construction and move into production at JCM based on the funding being provided by Nuton. The Company did not base this production decision on any feasibility study of Mineral Reserves demonstrating economic and technical viability of the mines at JCM. As a result, there may be increased uncertainty and risks of achieving any level of recovery of minerals from the mines at JCM or the costs of such recovery. As JCM does not have established Mineral Reserves, the Company faces higher risks that anticipated rates of production and production costs will not be achieved, each of which risks could have a material adverse impact on the Company's ability to continue to generate anticipated revenues and cash flows to fund operations from JCM and ultimately the profitability of the operation. Revenue from operations will first be used to pay back Stage 2 costs to Nuton and will then be credited to Gunnison's account after fulfillment of Gunnison's applicable royalty and stream obligations.

## SELECTED QUARTERLY INFORMATION

The following table summarizes selected financial information for the Company for each of the past eight quarters ending June 30, 2025:

	<u>Jun 30, 2025</u>	<u>Mar 31, 2025</u>	<u>Dec 31, 2024</u>	<u>Sep 30, 2024</u>
Net (income)/loss for the period	\$ 2,946	\$ 22,433	\$ (49,704)	\$ 14,948
Revenue	-	406	-	0
Loss (gain) on derivative at fair value	(1,254)	18,651	(90,671)	13,171
(Income)/loss per share (basic and diluted)	0.01	0.07	(0.18)	0.05
	<u>Jun 30, 2024</u>	<u>Mar 31, 2024</u>	<u>Dec 31, 2023</u>	<u>Sep 30, 2023</u>
Net (income)/loss for the period	\$ 15,121	\$ 11,140	\$ 24,760	\$ (2,757)
Revenue	613	339	500	494
Loss (gain) on derivative at fair value	12,789	8,036	20,476	(5,726)
(Income)/loss per share (basic and diluted)	0.05	0.04	0.09	(0.01)

The net (income)/loss for the last eight quarters is due primarily to non-cash gains and losses on revaluation of the copper stream derivative liability each quarter. The copper stream derivative liability valuation changes are due primarily to copper forward curve price increases and, to a lesser extent, changes in market factors such as the risk free interest rate and credit spreads. Refer to Capital Resources section below for further information on the copper stream derivative liability. The quarterly results presented above do not necessarily reflect any recurring expenditure patterns or predictable future trends. In Q4 2024, a non-recurring impairment charge of \$38,828 was recorded representing the write-off of the wellfield assets, related infrastructure and development, and the closure cost asset

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

related to the strategic pivot from in-situ leaching to open pit approach for the Gunnison Project. For 2025 the Company expects that due to the construction for the expansion and restart of the Johnson Camp Mine, including production and sales of copper cathode in H2 2025, there will be increasing quarter over quarter variations in the quarterly results.

## REVIEW OF FINANCIAL RESULTS

### Three months ended June 30, 2025 compared to the three months ended June 30, 2024:

For the three months ended June 30, 2025 the Company's net loss was \$2,946 (\$0.01 per share) compared to a net loss of \$15,121 (\$0.05 per share) for the three-months ended June 30, 2024. The difference in net loss for the three-month periods ended June 30, 2025 and June 30, 2024 derived primarily from the non-cash gain of \$1,254 compared to a non-cash loss of \$12,789, which was from the revaluation of the copper stream derivative liability (described below).

The copper stream derivative liability is recorded at fair value at each period end using a Monte Carlo simulation valuation model. The key inputs used by the model in generating future copper revenue for purposes of valuing the stream obligation at June 30, 2025 include: the LME copper forward price curve, long-term copper price volatility of 25.52%, a discount rate which factors in the Company's credit spread of 7.47% and the life of mine production schedules. During the three months ended June 30, 2025, the non-cash gain of \$1,254 for revaluation of derivative liabilities was primarily driven by a change in copper forward curve used to the LME forward curve (previously COMEX) reflecting the applicable benchmark for recently purchased warrants, offset partially by a decrease in the Credit spread from 7.96% to 7.47%. This compares to the loss of \$12,790 for the comparable quarter which was due primarily to higher copper prices across the forward price curve in Q2 2024.

Fair value loss on Nuton Stage 2 payable for the three months ended June 30, 2025 was \$3,377 compared to \$0 for the three months ended June 30, 2024 due primarily to the decreased time remaining to repayment. There was no Nuton Stage 2 Payable in the comparative quarter.

### Six months ended June 30, 2025 compared to the six months ended June 30, 2024:

For the six months ended June 30, 2025 the Company's net loss was \$25,379 (\$0.08 per share) compared to a net loss of \$26,261 (\$0.08 per share) for the six months ended June 30, 2024. The difference in net loss for the six month periods ended June 30, 2025 and June 30, 2024 derived primarily from the non-cash loss of \$17,397 and \$20,825, respectively, which was from the revaluation of the copper stream derivative liability (described below).

The copper stream derivative liability is recorded at fair value at each period end using a Monte Carlo simulation valuation model. The key inputs used by the model in generating future copper revenue for purposes of valuing the stream obligation at June 30, 2025 include: the copper forward price curve, long-term copper price volatility of 25.52%, a discount rate which factors in the Company's credit spread of 7.47% and the life of mine production schedules. During the six months ended June 30, 2025, the non-cash loss of \$17,397 for revaluation of derivative liabilities was primarily driven by an increase in copper price across the price curve and, to a lesser extent, an increase in the credit spread from 7.17% to 7.47%.

Fair value loss on Nuton Stage 2 payable for the six months ended June 30, 2025 was \$5,156 compared to \$0 for the six months ended June 30, 2024 due primarily to the decreased time remaining to repayment. There was no Nuton Stage 2 Payable in the comparative quarter.

In the six months ended June 30, 2025, Management and Nuton agreed that Nuton will fund agreed upon direct and indirect costs of the Company for the Stage 2 Work Program from May 15, 2024, for the duration of the Stage 2 Work Program. This has resulted in a decrease in the general and administrative costs of the company and cost of sales when compared to prior periods.

## **LIQUIDITY**

### **CASH POSITION**

The Company had cash and cash equivalents of \$17,266 as of June 30, 2025, including \$11,952 Nuton and \$5,314 non-Nuton related (December 31, 2024 - \$8,249, Nuton - \$6,804 and non-Nuton - \$1,445). Cash and cash equivalents increased \$9,017 during the six months ended June 30, 2025. The increase in Nuton cash during the period is primarily due to the funding received from Nuton for the Stage 2 work program. The increase in non-Nuton cash is due primarily to the April 2025 Offering proceeds.

To date, the Company's operations have been financed from cash flows from operations, Nuton, debt financing and equity financing. The Company will continue to identify financing opportunities, including equity issuances, in order to provide additional financial flexibility and execute on the Company's growth plans. While the Company has been successful in raising the necessary funds in the past, there can be no assurance it can do so in the future.

Excluding further funding from Nuton for the Stage 2 work program, the expected 48C funding and the refinancing of the Second ARCA, prior to June 2026, the Company's cash flow projection indicates the potential to default at the maturity date in June 2026 unless additional financing is obtained. If there is a default, the Second ARCA allows a 60-day cure period. As a result, there remain conditions that represent a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

### **CASH FLOWS**

Net cash used by operating activities for the six months ended June 30, 2025 was (\$8,271) compared to (\$5,247) for the same period of 2024. The increase in operating cash outflows for 2025 compared to 2024 was mainly due to the start of JCM mining operations on January 1, 2025 and its associated operating expenditures.

Net cash used by investing activities for the six months ended June 30, 2025 was (\$58,957) compared to \$4,746 net cash provided by investing activities for the six months ended June 30, 2024. The net cash used in 2025 included \$45,584 in cash spent on Stage 2 construction.

Net cash provided by financing activities for the six months ended June 30, 2025 was \$76,307. \$73,144 in cash financing received from Nuton plus \$3,369 net proceeds from private placement net of \$206 debt payments.

### **WORKING CAPITAL**

As at June 30, 2025 the Company had negative working capital (current assets less current liabilities) of (\$100,489), including a cash and cash equivalents balance of \$17,266.

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

	June 30, 2025			
	Gunnison Copper Project	Johnson Camp Mine	Corporate & Other	Total
Current assets	\$ 1,863	\$ 18,292	\$ 4,234	\$ 24,389
Current liabilities	191	109,445	15,242	124,878
Working capital	1,672	(91,153)	(11,008)	(100,489)
<b>Nuton funded amounts included in working capital:</b>				
Nuton accounts payable and accrued liabilities - Nuton	-	23,991	-	23,991
Nuton stage 2 payable	-	66,314	-	66,314
Nuton deferred income and revenue	-	10,584	-	10,584
<b>Derivative Liabilities</b>				
Stream deliveries from sale of JCM copper	-	6,730	-	6,730
Convertible warrants	-	-	816	816
<b>Debt payments deferred subsequent to the date:</b>				
Deferred Nebari principal payments	-	-	-	-
Deferred convertible debenture interest	-	-	-	-
Amounts not impacting Company's ability to continue as a going concern	-	107,619	816	108,435

	December 31, 2024			
	Gunnison Copper Project	Johnson Camp Mine	Corporate & Other	Total
Current assets	\$ 483	\$ 14,194	\$ 1,012	\$ 15,689
Current liabilities	29,358	109,914	4,188	143,460
Working capital	(28,875)	(95,720)	(3,176)	(127,771)
<b>Nuton funded amounts included in working capital:</b>				
Amount due from Nuton	-	(4,747)	-	(4,747)
Nuton accounts payable and accrued liabilities - Nuton	-	11,595	-	11,595
Nuton stage 2 payable	-	14,975	-	14,975
Nuton deferred income and revenue	-	1,661	-	1,661
<b>Derivative Liabilities</b>				
Stream deliveries from sale of JCM copper	-	2,609	-	2,609
Convertible warrants	-	-	-	-
<b>Debt payments deferred subsequent to the date:</b>				
Deferred Nebari principal payments	-	-	2,833	2,833
Deferred convertible debenture interest	-	-	600	600
Amounts not impacting Company's ability to continue as a going concern	-	26,093	3,433	29,526

The working capital includes \$100,889 in current liabilities that are funded by Nuton. The net amount funded by Nuton is only repayable from the sale of copper produced at the Johnson Camp Mine. In addition, working capital includes \$816 in current liabilities related to warrants and \$6,730 in current liabilities that represent the value of JCM copper deliverable to Triple Flag under the stream agreement. If no copper was produced at the Johnson Camp Mine, the amount deliverable to Triple Flag would not be payable by the Company. As a result, neither the Nuton or Triple Flag related working capital amounts can impact the Company's ability to continue as a going concern. Working capital and amounts not impacting the Company's ability to continue as a going concern are a non-IFRS measure that is a common measure of liquidity but does not have any standardized meaning. See "Non-IFRS Financial Measures".

## CAPITAL RESOURCES

### NEBARI DEBT AND NUTON FUNDING

As disclosed above, the Nuton Option Agreement provides for Nuton to provide 100% of the funding for the Stage 2 Work Program at JCM. However, Nuton has the election to terminate the Nuton Option Agreement at any time if it decides it no longer wants to continue with the Stage 2 Work Program. In such event, Nuton would not have further funding obligations other than the payment of costs that were committed to prior to the date of termination and certain reclamation expenditures for work associated with the Stage 2 Work Program.

The Company and Nuton entered into a Collaboration Agreement dated February 28, 2025 (the "**Gunnison Collaboration Agreement**") that provides for, among other things:

- Nuton's exclusivity over novel heap leach processing technologies for sulfide mineralization at the Gunnison Open Pit, and
- Agreed milestones to examine the potential for an extension to the Stage 2 Work Program at the Johnson Camp Mine.

In exchange for the above:

- Nuton provided \$3 million to Gunnison to be used toward its expenses for the Nuton Stage 1 Viability study on the Gunnison Open Pit and other agreed purposes such as paying interest on the Nebari debt and Corporate G&A on March 3, 2025; and
- The parties will work within the parameters of the Tax Partnership Agreement to allow for a portion of the realized cash proceeds from the potential sale of 48C tax credits to be distributed to Gunnison to benefit the Stage 2 project, including paying down a significant portion, or all of, the Nebari debt. Gunnison estimates that its share of the potential proceeds could be up to \$8 million after Nuton's allocation and reimbursement of costs, with the actual amount depending on the 48C tax credit certification process and how much can be realized from the sale of the certified credits.

In addition to this, Gunnison and Nebari entered into the Second ARCA (details below) that provides for the following:

- Deferral of all principal payments for the remainder of 2025, reducing carrying costs by \$2.8 million.
- The right to convert up to \$6.25 million of the principal into equity at a set conversion price of \$0.2097.
- A trigger to initiate a process by Nebari to refinance the remaining principal maturity, if any, to December 31, 2029. The trigger occurs when the principal, currently \$13.75 million (including the Repayment Bonus) is reduced to \$7.5M or less (the "**Refinance Trigger**").

The above provides two pathways to trigger the refinancing process, either through Nebari's conversion of principal to equity, or through funds received under the distribution of money from the potential sale of the 48C tax credits.

The parties have also agreed to conduct the Stage 1 Gunnison Program as discussed above under "Gunnison Copper Project – Gunnison Stage 1 Viability Testing."

Gunnison and Nuton have also agreed to work together to evaluate the possible extension of the Stage 2 Work Program at Johnson Camp Mine. Nuton shall also receive a right of first offer over the use of any excess capacity from the SX/EW plant and related infrastructure and mining assets located at the Johnson Camp Mine.

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

Gunnison and Nuton (or its affiliates) have also agreed to negotiate in good faith an exclusive exploration agreement over all of Gunnison's property for a 3-to-5-year term (or such term as agreed between the parties), on commercial terms that includes a specified work program, costs and timelines.

Nuton and Gunnison will work within the parameters of the Tax Partnership Agreement to potentially allow for a portion of realized cash proceeds from the sale of 48C tax credits to be distributed to Gunnison to retire a significant portion, or all of, the Nebari debt, which will benefit the Stage 2 Work Program by reducing Gunnison's debt service obligations. The receipt of the 48C tax credit is subject to Certification as outlined in IRS Notice 2023-44. There is no certainty that the conditions to the receipt of the 48C tax credit will be satisfied.

Gunnison, Gunnison Arizona and Nebari have also agreed to further amend certain terms of the ARCA. The amendments provide for, amongst other matters, a suspension of principal amortization from February 1, 2025 until January 1, 2026, provide for potential partial conversion to equity, and provide for a mechanism to repay a portion of the principal amount of the ARCA with proceeds to be received from sale of the previously announced 48C tax credits and through a potential refinancing process provide for an extension of the maturity date.

The amendments to the ARCA include (collectively, the "**Amendments**"):

1. **Deferral of Principal Amortization:** The requirement to begin repaying the principal balance of the ARCA in monthly installments shall be suspended from February 1, 2025 until January 1, 2026. As of January 1, 2026, the remaining principal shall be amortized on a straight-line basis in equal monthly amounts or a monthly amount of \$300,000, whichever is smaller.
2. **Equity Conversion:** To provide for a potential alternative repayment mechanism, up to \$6.25 million of the principal amount of the ARCA will be convertible, at Nebari's option, into Common Shares of Gunnison, at a price equal to US\$0.2097 (converted from Cdn\$0.30).
3. **Principal Reduction through 48C Tax Credit:** If Gunnison receives a portion of the cash received from the sale of Johnson Camp 48C tax credit it shall use the lower of \$6.25 million or the full amount of the proceeds so received to pay down the non-convertible principal amount of the ARCA.
4. **Maturity Date Extension:** In the event that the principal amount of the ARCA is reduced to \$7.5 million or less (whether through conversion or repayment in cash (including cash from the 48C tax credit)), Nebari agrees to seek sale and assignment of the ARCA to another party (the "**Loan Buyer**"). The assigned ARCA shall have its maturity date amended to December 31, 2029, or such earlier date as agreed between the Loan Buyer and Gunnison, and no amortization shall be due on the convertible portion of the ARCA until the amended maturity date.
5. **Minimum Cash Balance:** The existing financial covenants related to a minimum cash balance and accounts payable aging shall be adjusted so that they only apply to cash and accounts payable that are not related to the Stage 2 Work Program with Nuton. Furthermore, the required minimum cash balance shall be \$1 million.
6. **Security:** Gunnison's subsidiary Excelsior Mining Holdings, Inc. shall become part of Nebari's collateral package.

On April 24, 2025, the Company and Nebari entered into a Second Amended and Restated Credit Agreement (the "**Second ARCA**"). The Second ARCA encompasses the Amendments.

The Amendments were subject to certain conditions including approval of the Toronto Stock Exchange, approval from Greenstone and Triple Flag, deferral of interest payments due under convertible debentures due to Greenstone and Triple Flag, certain agreements between Nebari and Triple Flag, certain agreements between Nebari and Triple Flag agreement and commencement of a work program by Gunnison to optimize certain opportunities identified in the PEA

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

for the Gunnison Project. All of these conditions have now been satisfied. Refer to financial statements Note 9: Debt for details on the accounting treatment.

## **CONVERTIBLE DEBENTURES**

On February 9, 2023 the Company closed a Debenture Offering and issued \$3.0 million principal amount of Debentures and on December 14, 2023 the Company amended the Debenture Offering. The amended terms of the Debentures include:

- Maturity date of September 30, 2026
- The Debentures bear interest at the rate of 10% per annum, which interest will be payable on the maturity date, unless earlier converted into Common Shares;
- The principal amount of the Debenture is convertible into Common Shares at the option of the holder at a conversion price of USD\$0.19 per Common Share;
- The accrued and unpaid Interest is convertible into Common Shares at a conversion price equal to the volume weighted average price of the Common Shares on the Toronto Stock Exchange for the five trading days prior to the date of conversion; and
- The Debentures are unsecured.

On December 14, 2023 the Company closed a Second Debenture Offering and issued \$2.4 million principal amount of debentures and on February 28, 2024 the Company amended the Debenture Offering. The amended terms of the Debentures include:

- Maturity date of September 30, 2026 and the principal amount, together with any accrued and unpaid interest, will be payable on this maturity date, unless earlier converted in accordance with their terms;
- The debentures bear interest at the rate of 10.5% per annum plus the Rate Supplement, which interest will be payable on the maturity date, unless earlier converted into Common Shares;
- Subject to the receipt of disinterested shareholder approval from the holders of the Common Shares at a duly and validly call meeting (the "Shareholder Approval"), the principal amount of the debenture is convertible into Common Shares at the option of the holder (or at the option of the Company on 30 days prior notice) at a conversion price of USD\$0.11405 per Common Share;
- Subject to receipt of the Shareholder Approval, the accrued and unpaid interest is convertible into Common Shares at a conversion price equal to the volume weighted average trading price on the Toronto Stock Exchange for the five trading days prior to the date of conversion; and
- The debentures are unsecured.
- The Shareholder Approval was received at the Company's 2024 Annual General and Special Meeting.

The Shareholder Approval was received at the Company's Annual General Meeting held on June 18, 2024.

## **2025 OFFERINGS**

On April 7, 2025, the Company announced that it has closed the April 2025 Offering ) for aggregate gross proceeds of C\$5.15 million through the issuance of 17,170,916 April 2025 Unit, with each April 2025 Unit consisting of one common share and one-half of one April 2025 Warrant at a price of C\$0.30 per 2025 April 2025 Unit. Each full April 2025 Warrant

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

shall entitle the holder thereof to acquire one additional common share at a price of C\$0.45 for a period of twenty-four (24) months from the closing date of the 2025 Offering.

The net proceeds will be used to complete the HVA and commencement of drilling and metallurgical testing activities that will be incorporated in a pre-feasibility study for the Gunnison Copper Project.

<b>April 2025 Offering - Usage (USD)</b>	<b>Budgeted usage</b>	<b>Actual usage June 30, 2025</b>	<b>Funds remaining</b>
Budgeted uses			
High Value Work Program	\$ 1,790	\$ 741	\$ 1,049
Corporate G&A expenses	849	11	838
Pre-Feasibility Study Work Program	799	-	799
Unallocated working capital	338	-	338
Total funds raised	<u>\$ 3,776</u>	<u>\$ 752</u>	<u>\$ 3,024</u>

On July 18, 2025, the Company announced that it has closed the July 2025 Offering for aggregate gross proceeds of C\$8.7 million through the issuance of 28,874,100 July 2025 Units at a price of C\$0.30 per July 2025 Unit. Each July 2025 Unit consists of one common share of the Company and one July 2025 Warrant. Each July 2025 Warrant entitles the holder thereof to purchase one Common Share at a price of C\$0.45 at any time on or before July 18, 2028.

The net proceeds will be used to support the fund additional and follow on work related to the High Value Add Work Program at the Gunnison Copper Project, begin long lead time drilling and metallurgical testing that will be incorporated in a pre-feasibility study for the Gunnison Copper Project, as well as fund US head office G&A for an additional 12 months (April 2026 to March 2027). U.S. head office G&A for the next 9 months to March 2026 will be funded from existing working capital.

## DEBT COVENANTS

Pursuant to the Stream Agreement, the Company is required to maintain a leverage ratio of 3.5:1.0. The leverage ratio is calculated as the ratio of indebtedness of the Company to net income (adjusted for certain items). On November 30, 2023, the Company and Triple Flag executed an amendment to the Stream Agreement which suspends the applicability of the leverage until June 30, 2026 (the "Leverage Ratio Grace Period") to accommodate the extension of the Nebari loan due date.

Pursuant to the Amendments to the ARCA, the Company must comply with the following financial covenants:

- The Company shall maintain cash and cash equivalents (excluding cash related to the Stage 2 Work Program with Nuton) in a minimum aggregate amount of \$1 million, to be tested at the end of each calendar month.
- The Company shall not permit more than (i) 30% (by dollar amount) of accounts payable to be outstanding for more than 30 days after the applicable due date of such accounts or (ii) 10% (by dollar amount) of accounts payable to be outstanding for more than 60 days after the applicable due date for such accounts, in each case, as at the end of each calendar month (excluding accounts payable related to the Stage 2 Work Program with Nuton).

## Copper Stream Derivative Liability

On November 30, 2018 the Company finalized an agreement for a \$75,000 project financing package ("Project Financing", or "copper stream" or "copper stream derivative liability") with Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag") for the purpose of developing the Gunnison Project. The Project Financing included a Copper Purchase

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

and Sale Agreement with Triple Flag (the "Stream Agreement"). While the Stream Agreement provided funding for Gunnison, the copper stream extends to production from JCM as well.

Pursuant to the terms of the Stream Agreement, the percentages applicable at certain production levels from Gunnison and JCM are detailed in the table below.

Scenario Description	Stage 1 (25M lbs/yr)	Stage 2 (75M lbs/yr)	Stage 3 (125M lbs/yr)
Stage 1 Upfront Deposit	16.50%	5.75%	3.50%

Following a decision by Gunnison to expand the production capacity, Triple Flag will have the option to invest a further \$65,000 in exchange for an increase in its entitlement to copper under the Stream ("Expansion Option").

The table below shows the range of percentage of production to be purchased by Triple Flag based on specified production levels and that includes Triple Flag's Expansion Option. Actual amounts will be calculated within the range, based on the proven production history.

Scenario Description	Stage 1 (25M lbs/yr)	Stage 2 (75M lbs/yr)	Stage 3 (125M lbs/yr)
Stage 1 Upfront Deposit + Expansion Option	16.50%	11.00%	6.60%

The stream obligation is recorded at fair value at each statement of financial position date as the Company has determined that the stream obligation and the share purchase warrants are derivative liabilities carried at fair value through profit or loss (FVTPL). The Gunnison Copper Project stream deliveries are modeled based on the production profile in the open pit Preliminary Economic Assessment, published in December 2024, with construction assumed from 2029 to 2030 and commercial production assumed from 2031 onwards. The Johnson Camp Mine stream deliveries are modeled based on the production profile of the Stage 2 mine plan plus the life of mine plan assumed to continue after the completion of Stage 2. The Gunnison Copper Project and Johnson Camp Mine life of mine after Stage 2 production plans are probability weighted to account for uncertainty.

## CONTRACTUAL OBLIGATIONS

The Company has the following contractual obligations as of June 30, 2025:

<u>Contractual Obligations</u>	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts Payable and Accrued Liabilities	\$ 26,488	\$ 26,488	\$ -	\$ -	\$ -
Nuton Stage 2 payable	98,837	66,314	32,523	-	-
Lease Liabilities	197	129	68	-	-
Insurance Liabilities	123	123	-	-	-
Debentures	5,870	-	5,870	-	-
Debt	13,550	13,550	-	-	-
Total Contractual Obligations	\$ 145,065	\$ 106,604	\$ 38,461	\$ -	\$ -

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements

## TRANSACTIONS BETWEEN RELATED PARTIES

### KEY MANAGEMENT PERSONNEL

Key management personnel include those people who have authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and President, SVP Business Development, SVP/Chief Financial Officer, SVP/GM, and Corporate Secretary.

Remuneration attributed to key management personnel is summarized as follows:

	Six months ended June 30	
	2025	2024
Salaries, fees and benefits	\$ 499	\$ 816
Share-based compensation	10	151
<b>Total</b>	<b>\$ 509</b>	<b>\$ 967</b>

Salaries, fees and benefits to key management include all salaries, bonuses, fees, and other employment benefits, pursuant to contractual employment agreements, consultancy or management services arrangements.

### OTHER RELATED PARTIES

As of June 30, 2025, amounts accrued and due to key management personnel and other related parties include the following:

Directors and Officers - \$144 (June 30, 2024 - \$136)

Transactions with related parties were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates and judgments. These estimates, judgments and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the periods reported. A summary of the Company's critical estimates and judgments is provided in Note 2, Basis of Presentation, of the audited consolidated annual financial statements for the twelve months ended December 31, 2024. There has been no change in critical accounting estimates for the three months ended June 30, 2025.

## CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The accounting policies applied in the preparation of the unaudited consolidated interim financial statements for the three and six months ended June 30, 2025 are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2024.

## FINANCIAL INSTRUMENTS

As of June 30, 2025, the Company's risk exposures and the impact on the Company's financial instruments are summarized below.

### MARKET RISK

Market risk is the risk that changes in market price, such as foreign exchange rates and interest rates will affect the Company's cash flows or value of its financial instruments.

### CURRENCY RISK

The Company is subject to currency risk on financial instruments which are denominated in currencies that are not the same as the functional currency of the entity that holds them. Exchange gains and losses relating to these financial instruments would impact earnings (loss).

The Company is exposed to currency risk through cash and cash equivalents, accounts payable and accrued liabilities which are denominated in CAD\$. The balances in these accounts are not significant, therefore, the Company's

exposure to currency risk is considered minimal. The Company has not hedged its exposure to currency fluctuations at this time.

### INTEREST RATE RISK

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents and the stream obligation. The Company's current policy is to invest excess cash in guaranteed investment certificates issued by its Canadian banking institution. The Company periodically monitors the investment it makes and is satisfied with the credit ratings of its banks.

The Company's outstanding debt obligations are at fixed interest rates (except the Nebari loan and Second Debenture Offering - see below) and accounted for on the basis of amortized cost. Therefore, the carrying value of the Company's debt is not exposed to changes in market interest rates. The Nebari loan and Second Debenture Offering are fixed at 10.5% per annum plus the greater of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months or 1.5%.

A 1% increase in the interest rate would decrease the value of the stream obligation by \$5,280, whereas a 1% decrease in the interest rate would increase the value of the stream liability by \$5,663.

A 1% increase in the rate supplement for the Nebari loan would increase interest payments \$8/mo, whereas a 1% decrease in the rate supplement would decrease the Nebari interest payments \$8/mo.

A 1% increase in the rate supplement for the Second Debenture Offering would increase interest payments \$2/mo, whereas a 1% decrease in the rate supplement would decrease the Second Debenture Offering interest payments \$2/mo.

A 1% increase in the interest rate would decrease the fair value of the Nuton stage 2 payable by \$372.

## COMMODITY PRICE RISK

The Company is subject to commodity price risk from fluctuations in the market prices for copper. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of metal substitutes, inflation, and political and economic conditions. The financial instrument impacted by commodity prices is the Stream obligation.

A 10% increase in the market price of copper would increase derivative liabilities by \$3,810, whereas a 10% decrease in the market price of copper would decrease derivative liabilities by \$4,560.

## 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's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents, and restricted cash.

The Company limits its exposure to credit risk on financial assets through investing its cash and cash equivalents with high-quality North American financial institutions.

## LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of its financial assets and liabilities. Cash flow forecasting is performed regularly. The Company also holds surety bonds to support future environmental obligations. Refer to working capital analysis above in Capital Resources section and the material uncertainty in the Liquidity section.

## FAIR VALUE ESTIMATION

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities that the Company is able to access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The carrying values of cash and cash equivalents, receivables, restricted cash, accounts payable and accrued liabilities, debt and amounts due to related parties approximate their fair values due to the short-term maturity of these financial instruments. Derivative liabilities are Level 3.

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

As of June 30, 2025	Carrying value		Fair Value	
	FVTPL	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>				
Derivative liabilities	\$ 77,380	\$ -	\$ -	\$ 77,380
Nuton Stage 2 payable	98,837	-	-	98,837
	<u>\$ 176,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,217</u>

## LEGAL

As of June 30, 2025, there are no outstanding civil claims filed against the Company.

## NON-IFRS FINANCIAL MEASURES

The Company has disclosed certain non-IFRS financial measures in this MD&A, as discussed below. These non-IFRS financial measures are widely reported in the mining industry as benchmarks for performance and are used by management to monitor and evaluate the Company's operating performance and ability to generate cash. The Company believes that, in addition to financial measures and ratios prepared in accordance with IFRS, certain investors use these non-IFRS financial measures to evaluate the Company's performance. However, the measures do not have a standardized meaning under IFRS and may not be comparable to similar financial measures disclosed by other companies. Accordingly, non-IFRS financial measures and non-IFRS ratios should not be considered in isolation or as a substitute for measures and ratios of the Company's performance prepared in accordance with IFRS.

Non-IFRS financial measures are defined in National Instrument 52-112 – *Non-GAAP and Other Financial Measures Disclosure* ("NI 52-122") as a financial measure disclosed that (a) depicts the historical or expected future financial performance, financial position or cash flow of an entity, (b) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity, (c) is not disclosed in the financial statements of the entity, and (d) is not a ration, fraction, percentage or similar representation.

A non-IFRS ratio is defined by NI 52-112 as a financial measure disclosed that (a) is in the form of a ratio, fraction, percentage, or similar representation, (b) has a non-IFRS financial measure as one or more of its components, and (c) is not disclosed in the financial statements.

### **Working Capital**

Working capital is a non-IFRS measure that is a common measure of liquidity but does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is current assets net of current liabilities. Working capital is calculated by deducting current liabilities from current assets. Working capital should not be considered in isolation or as a substitute from measures prepared in accordance with IFRS. The measure is intended to assist readers in evaluating the Company's liquidity. A reconciliation is provided in the table below:

As at	June 30, 2025	December 31, 2024
Current assets	\$ 24,389	\$ 15,689
Current liabilities	124,878	38,548
	<u>\$ (100,489)</u>	<u>\$ (22,859)</u>

## **OTHER INFORMATION**

### **DISCLOSURE CONTROLS AND PROCEDURES**

Management, including the Chief Executive Officer and the Chief Financial Officer, are responsible for the design of the Company's disclosure controls and procedures in order to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation.

The CEO and CFO have certified that they have designed disclosure controls and procedures (or caused them to be designed under their supervision) and they are operating effectively to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries is made known to them by others within those entities as of June 30, 2025.

### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

The Company maintains a system of internal controls over financial reporting, as defined by National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings in order to provide reasonable assurance that assets are safe-guarded and financial information is accurate and reliable and in accordance with IFRS.

During the three months ended June 30, 2025, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

### **LIMITATION OF CONTROLS AND PROCEDURES**

Our management, including the CEO and CFO, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well-designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of the effectiveness of controls to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

### **ADDITIONAL INFORMATION**

Additional disclosure concerning the Company, including the AIF for the year ended December 31, 2024, is available on the SEDAR+ website, [www.sedarplus.ca](http://www.sedarplus.ca).

### **TECHNICAL INFORMATION**

Gunnison's technical work on the Gunnison Copper Project and JCM is supervised by Stephen Twyerould, Fellow of AUSIMM, President & CEO of Gunnison and a Qualified Person as defined by NI 43-101. Mr. Twyerould has reviewed and approved the technical information contained in this MD&A.

Additional information about the Gunnison Copper Project can be found in the technical report filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) entitled: "Gunnison Copper Project NI 43-101 Technical Report Open Pit Preliminary Economic Assessment", with the effective date of November 1, 2024.

Additional information about the Johnson Camp Mine can be found in the technical report filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) entitled: "Johnson Camp Mine NI 43-101 Technical Report", with the effective date of March 12, 2025.

## **CAUTIONARY STATEMENTS**

### **RISK FACTORS**

The exploration for and development of mineral deposits involves significant risks and uncertainties, which even a combination of careful evaluation, experience and knowledge may not eliminate. The more prominent risk factors that may materially affect the Company's future performance, in addition to those referred to herein, are discussed in the AIF for the year ended December 31, 2024.

### **FORWARD-LOOKING INFORMATION**

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws concerning anticipated developments and events that may occur in the future. Forward-looking information contained in this MD&A includes, but is not limited to, statements with respect to: (i) the market and future price of copper and related products; (ii) requirements for additional capital; (iii) development, construction and production timelines and estimates; (iv) statements relating to the economic viability of the Gunnison Project, including mine life, total tonnes mined and processed and mining operations; (v) the future effects of environmental compliance requirements on the business of the Company; (vi) the intention to mine Johnson Camp and future production therefrom; (vii) the intention to deploy the Nuton® technology at the Johnson Camp mine and future production therefrom; (viii) the continued funding of the stage 2 work program by Nuton; (ix) the details and expected results of the stage two work program; (x) the satisfaction of final conditions and receipt of 48C tax credits; (xi) the terms of the Nuton Transaction; (xii) the use of proceeds from financings; and (xiii) the statements under the heading "Outlook" in this MD&A, including statements about the production of copper.

In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information contained in this MD&A is based on certain factors and assumptions regarding, among other things, Nuton will continue to fund the stage 2 work program, the availability of financing to continue as a going concern and implement the Company's operational plans, the allocation of the 48C tax credits between the Company and Nuton, the satisfaction of the requirements set forth in Section 48C of the Internal Revenue Code, the estimation of mineral resources, the realization of mineral resource estimates, copper and other metal prices, the timing and amount of future exploration and development expenditures, the estimation of expansion and sustaining capital requirements, the estimation of labor and operating costs, the availability of necessary financing and materials to continue to develop, operate and expand the Gunnison Project in the short and long-term, the progress of development activities, the receipt of and compliance with necessary regulatory approvals and permits, the estimation of insurance coverage, and assumptions with respect to currency fluctuations, environmental risks, title or surface rights disputes or claims, and other similar matters. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Forward looking information involves known and

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information including, without limitation, the following risks and uncertainties referred to under the heading "Risk Factors" in the Company's AIF for the year ended December 31, 2024:

- risks relating to the fact that the Company depends on a single mineral project;
- Nuton failing to continue to fund the stage 2 work program;
- the failure to satisfy the requirements set forth in Section 48C of the Internal Revenue Code, 100% of the 48C tax credits may be allocated to repay capital expenditures for the Johnson Camp mine;
- the breach of debt covenants;
- operational risks inherent in the conduct of mining activities, including the risk of accidents, labour disputes, availability of reagents and power, increases in capital and operating costs and the risk of delays or increased costs that might be encountered during the development process;
- risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined including the possibility that mining operations may not commence at the Gunnison Project;
- assumptions regarding expected capital and operating costs and expenditures, production schedules, economic returns and other projections;
- our production estimates, including accuracy thereof;
- risks related to general economic conditions and in particular the potential impact of any future global pandemic on the Company or its operations and the mining industry;
- the fact that we have no mineral properties in commercial production and no history of production or revenue;
- risks relating to variations in mineral resources and reserves, grade or recovery rates resulting from current exploration and development activities;
- risks related to fluctuations in the price of copper as the Company's future revenues, if any, are expected to be derived from the sale of copper;
- risks related to a reduction in the demand for copper in the Chinese market which could result in an extended period of lower prices and demand for copper;
- financing, capitalization and liquidity risks, including the risk that the financing necessary to fund the development and construction activities at the Gunnison Project may not be available on satisfactory terms, or at all;
- the Company has no material history of mining operations and no revenues from operations and expects to incur losses for the foreseeable future;
- risks associated with secured debt and the copper stream agreement;
- risks related to the Company obtaining and maintaining various permits required to conduct its current and anticipated future operations;
- risks related to disputes concerning property titles and interest;
- risks relating to the ability to access infrastructure;
- risks related to the significant governmental regulation to which the Company is subject;
- environmental risks;
- climate change risks;
- risks related to the adequacy of financial assurance arrangements with State and Federal Governments;
- reliance on key personnel;
- risks related to increased competition in the market for copper and related products and in the mining industry generally;
- cybersecurity risks;
- risks related to potential conflicts of interests among the Company's directors and officers;
- exchange rate fluctuations between the Canadian and United States dollar;
- uncertainties inherent in the estimation of inferred mineral resources;

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

- land reclamation requirements may be burdensome;
- risks associated with the acquisition of any new properties;
- risks related to legal proceedings to which the Company may become subject;
- potential liabilities associated with the acquisition of Johnson Camp;
- our ability to comply with foreign corrupt practices regulations and anti-bribery laws;
- changes to relevant legislation, accounting practices or increasing insurance costs;
- significant growth could place a strain on our management systems;
- share ownership by our significant shareholders and their ability to influence our governance; and
- risks relating to the Company's Common Shares, including that future sales or issuances of our debt or equity securities may decrease the price of our securities.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking information is made as of the date of this MD&A.

## **RISK FACTORS**

Readers are cautioned that the risk factors discussed above are not exhaustive. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking information and readers should also carefully consider the matters discussed under the heading, "Forward Looking Information", in this MD&A and under the heading, "Risk Factors", in the AIF.

## **CAUTIONARY NOTE TO U.S. INVESTORS – INFORMATION CONCERNING PREPARATION OF RESOURCE AND RESERVE ESTIMATES**

Technical disclosure regarding the Company's properties included in this MD&A and in the documents incorporated herein by reference has been prepared in accordance with the requirements of Canadian securities laws. Without limiting the foregoing, such technical disclosure uses terms that comply with reporting standards in Canada and certain estimates are made in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all mineral reserve and mineral resource estimates contained in the technical disclosure have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards on Mineral Resources and Reserves ("CIM Definition Standards").

Canadian standards, including NI 43-101, differ significantly from the historical requirements of the Securities and Exchange Commission (the "SEC"), and mineral reserve and resource information contained or incorporated by reference in this Prospectus Supplement may not be comparable to similar information disclosed by U.S. companies.

Mining disclosure under U.S. securities law was previously required to comply with item 102 of Regulation S-K under the U.S. Securities Act and the Securities Exchange Act of 1934, as amended and SEC Industry Guide 7 ("SEC Industry Guide 7"). The SEC has adopted rules to replace SEC Industry Guide 7 with new mining disclosure rules under sub-part 1300 of Regulation S-K of the U.S. Securities Act (the "SEC Modernization Rules") which became mandatory for U.S. reporting companies beginning with the first fiscal year commencing on or after January 1, 2021. Under the SEC Modernization Rules, the definitions of "proven mineral reserves" and "probable mineral reserves" have been

GUNNISON COPPER CORP. (formerly Excelsior Mining Corp.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

amended to be substantially similar to the corresponding CIM Definition Standards and the SEC has added definitions to recognize "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" which are also substantially similar to the corresponding CIM Definition Standards; however, there are still differences in the definitions and standards under the SEC Modernization Rules and the CIM Definition Standards. As a foreign private issuer, the Company is permitted to continue to comply with NI 43-101 disclosure rules. Therefore, the Company's mineral resources and reserves as determined in accordance with NI 43-101 may be significantly different than if they had been determined in accordance with the SEC Modernization Rules.