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KARUS MINING INC.

Management’s Discussion and Analysis

For the three months ended March 31, 2026

The following Management's Discussion and Analysis ("MD&A"), prepared as of June 25, 2026, should be read together with the unaudited condensed interim consolidated financial statements of Karus Mining Inc. ("Karus" or the "Company") for the three months ended March 31,2026 (the "Interim Statements") and related notes thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting.

All dollar amounts contained herein are in Canadian Dollars ($) except as otherwise noted.

This MD&A contains "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities laws. See the section in this MD&A titled "Cautionary Language regarding Forward-Looking Information" for further details. The reader should be aware that historical results are not necessarily indicative of future performance.

Corporate Summary - Nature of Operations

Karus was originally spun out of KORE Mining Ltd. ("KORE") in the first quarter of 2021, whereby Karus received KORE's Canadian mineral property assets, including the South Cariboo property.

On March 13, 2024, the Company completed an amalgamation agreement (the "Amalgamation Agreement") to acquire 100% of the issued and outstanding common shares of Theia Gold Corp (the "Theia Shares"), a private British Columbia incorporated company, by way of a business combination transaction (the "Theia Transaction"). Theia is an exploration stage entity with its main property being the Mineral Creek gold exploration project.

Pursuant to the terms of the Amalgamation Agreement, (i) the outstanding shares of Karus were consolidated on a ten-for-one basis, (ii) the acquisition of Theia was completed by way of a three-cornered amalgamation under the provisions of the *Business Corporations Act* (British Columbia) whereby 1452146 B.C. Ltd. ("Subco"), a wholly-owned subsidiary of Karus, incorporated in December 2023, amalgamated with Theia, (iii) each outstanding Theia Share was concurrently exchanged for 2.5414 post-consolidation common shares of Karus, (iv) Theia nominees were appointed as new management of Karus, and (v) Theia became a wholly-owned subsidiary of Karus.

Upon completion of the Theia Transaction, the existing shareholders of Karus held approximately 30% in the capital of the Company while the former shareholders of Theia held approximately 70%.

Since the Theia Transaction resulted in the shareholders of Theia obtaining control of Karus, the Theia Transaction constituted a reverse acquisition for accounting purposes with Theia identified as the accounting acquirer. The net assets of Karus on the date of the reverse acquisition were deemed to have been acquired by Theia. The Company's consolidated financial statements therefore include the results of operations of Karus from March 14, 2024 and all of the historical information of Theia.

The Company's head office is located at 1100 – 1111 Melville Street, Vancouver, BC, Canada, V6E 3V6.

Forecast

In addition to the exploration at its current project noted below, the Company may evaluate other prospects worthy of exploration and development. The ability of the Company to do so is contingent upon its ongoing ability to raise the capital necessary to advance such prospects.

Project Summary

The Company controls 994.88 square kilometers of claims in its South Cariboo Gold property (which includes the FG Gold Project and the Gold Creek Project) located in the Cariboo Gold District in British Columbia and also controls the Mineral Creek gold exploration project, which is centred twelve kilometers southeast of Port Alberni, on Vancouver Island, British Columbia.

FG Gold Project, British Columbia, Canada

The 100% owned FG Gold project contains a sediment-hosted orogenic gold and gold-copper porphyry projects in the Cariboo region of British Columbia, located at the headwaters of the Horsefly River, 50 kilometers east of Horsefly, BC and consists of 90 contiguous claims (91,288 ha).

Gold mineralization is open at depth and along almost the entire 20 kilometers prospective horizon. Historical drilling targeted stratigraphic controls of gold mineralization and only tested a small portion of the prospective host rock unit – knotted phyllite of the Middle Triassic Slocan Group. The previous work focused on discovering and developing a low grade disseminated bulk minable gold potential.

Gold Creek Project, British Columbia, Canada

The 100% owned Gold Creek Project is located two kilometers NE of the town of Likely in the Cariboo region of British Columbia. The Gold Creek Project consists of 31 contiguous claims (8,200 ha) and is approximately 8 kilometers to the NW of the Spanish Mountain gold deposit. Access is from the town of Likely by an all-weather gravel road. The site has well developed infrastructure and is just 70 kilometers NE of Williams Lake, a major regional centre serviced by an airport and railway.

There is a 1% net smelter royalty ("NSR") on the property to a prior owner. The Company has the option to purchase one half of the royalty for $1,000,000.

Other Claims in the South Cariboo Gold Project, British Columbia, Canada

As part of the 994.88 square kilometer land holdings forming the South Cariboo Gold project, the Company also owns two nearby and contiguous properties. These mineral properties are not part of the FG Gold or Gold Creek projects and are greenfield gold exploration projects named Hawk and TEP claims.

The TEP claims carry an obligation on the Company to pay the former owner $1.50 per ounce of gold or gold equivalent identified as inferred, indicated, or measured mineral resource and reported by a NI 43-101-compliant report. The TEP claims are also subject to a 2% NSR, held by the former owner, of which one-half may be repurchased at any time prior to the commencement of commercial production for $500,000.

The Hawk claims are also subject to a 1% NSR, of which one-half can be repurchased at any time prior to commercial production for $500,000.

Mineral Creek Project, British Columbia, Canada

The Mineral Creek gold exploration project is centred 12 kilometers southeast of Port Alberni, on Vancouver Island, British Columbia, and comprises 51 mineral claims for a total of 13,286.7 ha. The property exhibits exploration potential in several areas, related to gold-bearing structures and possible VMS-style Cu-Zn mineralization, as well as potential for Cu-Au stockworks in volcanic rocks and adjacent dioritic intrusions.

Steve McMullan, P.Geo., is the Company's designated Qualified Person for this MD&A within the meaning of National Instrument 43-101 and has reviewed and approved the technical information described herein.

(Expressed in Canadian dollars unless otherwise stated)

Results of Operations

During the three months ended March 31, 2026 the Company reported a net loss and other comprehensive loss of $236,056 (2025 – income of $53,649). Significant differences included:

i) general and administrative costs of $48,870 during the period ended March 31, 2026 compared to $7,467 in the comparative period. The increase is primarily related to higher activities during the current period.

ii) general and administrative costs of $62,500 during the period ended March 31, 2026 compared to $36,000 in the comparative period. The increase is primarily related to higher management fee paid to former CEO during the current period.

iii) professional fees of $69,649 during the period ended March 31, 2026 compared to $101,518 in the comparative period. The prior period was higher due to fees paid to auditors for services relating to audits and reviews.

iv) gain on debt settlement of $Nil during the period ended March 31, 2026 compared to $238,679 in the comparative period. The Company settled accounts payable of $338,679 with a creditor by cash payment of $100,000 during the prior period.

Summary of Quarterly Results

The following table shows selected quarterly financial information for each of the last eight quarters:

	31-Mar-26	31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-24	30-Sep-24	30-Jun-24
	$	$	$	$	$	$	$	$
Net income (loss)	(236,056)	(214,043)	(114,488)	(1,116,742)	53,649	(537,684)	(154,989)	(228,266)
Basic and diluted income (loss) per share	(0.01)	(0.01)	(0.00)	(0.03)	0.00	(0.01)	(0.01)	(0.01)

Costs during the quarters ended June 30, 2024 and September 30, 2024 increased primarily as a result of fees relating to the Company closing the Theia Transaction. Net loss increased in the period ended December 31, 2024 due primarily to the $369,896 impairment of a promissory note. Net income increased in the period ended March 31, 2025 due to gain on debt settlement of $238,679. Net loss increased in the period ended June 30, 2025 due to share-based payments to officers, directors and consultants. Net loss decreased in the period ended September 30, 2025 due to no share-based payments granted or vested compared to prior quarter. Net loss increased in the period ended December 31, 2025 due primarily to severance of $108,000 paid to former officers. Net loss increased in the period ended March 31, 2026 due primarily to share-based payment to settle loan payable and derivative liability.

Liquidity, Capital Resources and Going Concern

The Condensed Interim Consolidated Statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months.

The properties in which the Company currently has an interest are at the exploration stage and do not produce revenue. Accordingly, the Company is dependent on external financing, including the proceeds of future equity issuances or debt financing, to fund its activities. However, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be required to delay, scale back, or eliminate various programs, or be unable to continue operations.

As at March 31, 2026, the Company had a cash balance of $6,688,303 and working capital of $6,458,095 with current liabilities of $268,464. The Company has incurred losses since inception and does not generate any cash inflows from operations.

(Expressed in Canadian dollars unless otherwise stated)

The Company's ability to continue to operate and to carry out its planned exploration activities for the next twelve months is uncertain and dependent upon the continued financial support of its shareholders and on securing additional debt or equity financing. There is no assurance that any such initiatives will be successful or sufficient and, as a result, this gives rise to a material uncertainty that may cast significant doubt regarding the going concern assumption and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. The Consolidated Statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

Shares issued during the period from January 1, 2026 to June 25, 2026

i) issued 8,886,604 units at a price of $0.85 per unit pursuant to a private placement for aggregate gross proceeds of $7,553,614. Each unit consists of one share and one half share purchase warrant, where each whole warrant entitles the holder to acquire an additional share of the Company at a price of $1.15 for a period of 24 months. The Company incurred cash issuance costs of $697,435, and also issued 622,062 broker warrants valued at $**281,500**. Each broker warrant will entitle the holder to acquire an additional share at an exercise price of $0.85 for a period of 24 months.

ii) issued 169,861 common shares valued at $144,382 to settle an outstanding loan payable.

iii) issued 258,109 common shares valued at $219,393 to initial investors pursuant to the early investor anti-dilution rights.

iv) issued 170,000 common shares valued at $229,500 pursuant to the exercise of RSUs.

v) issued 177,928 common shares valued at $151,239 pursuant to the Yamana Gold's top up provisions (see below).

Cash Used in Operating Activities
Net cash used in operating activities during the period ended March 31, 2026 was $383,707, compared to $274,875 used in operating activities during the comparative period .

Cash Used in Investing Activities
Net cash used in investing activities during the period ended March 31, 2026 was $10,222 pertaining to exploration and evaluation expenditures. Net cash provided by investing activities during the comparative period was $1,194 pertaining to exploration and evaluation expenditures recovery.

Cash Used in Financing Activities
Net cash provided by financing activities during the period ended March 31, 2026 was $6,856,178 pertaining to proceeds of proceeds from private placement, compared to $Nil provided by financing activities during the comparative period .

Outstanding Share Data
The Company's authorized share capital consists of an unlimited number of common shares without par value. As of the date of this MD&A, the following common shares and convertible securities were outstanding:

	Number of equity instruments	Exercise price	Expiry date
Issued & outstanding shares	44,186,542	-	-
Restricted share units	75,000	-	February 3, 2027
Restricted share units	384,101	-	December 12, 2028

The Company also has an arrangement with Yamana Gold Inc. ("Yamana), a subsidiary of Pan American Silver Corp.)

(Expressed in Canadian dollars unless otherwise stated)

whereby Yamana has rights to maintain a pro rata ownership interest of 1.89% in the Company on an undiluted basis at no additional cost to Yamana until the date the Company's common shares are listed on a recognized stock exchange in Canada. As a result of this top-up provision, the Company has issued 51,747 shares valued at $69,858 to Yamana. As such listing of the Company's shares did not occur by December 31, 2024, Yamana's shareholding interest is to be topped up to 6.30% on an undiluted basis. During the year ended December 31, 2025, the Company issued 1,551,838 common shares valued at $2,094,981. During the period ended March 31, 2026, the Company issued 177,928 common shares valued at $151,239.

As at the date of this MD&A, the following incentive stock options, were outstanding and exercisable:

Number of Options Outstanding	Number of Options Exercisable	Exercise price	Expiry date
917,100	917,100	$ 0.75	June 30, 2030
173,100	173,100	$ 0.90	June 30, 2030
2,000,000	666,666	$ 0.85	June 11, 2031

As at the date of this MD&A, the following warrants, were outstanding and exercisable:

Number of Warrants Outstanding	Number of Warrants Exercisable	Exercise price	Expiry date
4,443,302	4,443,302	$ 1.15	January 28, 2028
622,062	622,062	$ 0.85	January 28, 2028
84,930	84,930	$ 1.15	February 2, 2028

Off-Balance Sheet Arrangements

Other than as described above, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

Fair Value of Financial Instruments and Risk Management

Fair Value of Financial Instruments

The carrying values of cash, amounts receivable (with the exception of GST), advances and prepaid expenses, promissory note receivable, and accounts payable and accrued liabilities approximate fair values due to their short-term to maturity nature.

Financial Risk Management

The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a. Credit Risk

   Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and promissory note.

   The Company has assessed its exposure to credit risk on its cash and has determined that such risk is minimal. The majority of the Company's cash is held with reputable financial institutions in Canada.

b. Liquidity Risk

   Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at March 31, 2026, the Company had a working capital of $6,458,095 (December 31, 2025 – deficiency of $291,096). The Company is an exploration stage entity and as a result, does not yet generate any revenue. Karus may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available, or on terms that are favourable or acceptable to the Company. The Company's approach to managing liquidity risk is to endeavor to ensure that it will have sufficient liquidity to meet liabilities when they fall due. The Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

c. Interest Rate Risk
Interest rate risk arises from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds its cash and cash equivalents on which it earns variable rates of interest and may therefore be subject to a certain amount of risk, though this risk is considered by management to be immaterial.

d. Foreign Currency Risk
As at March 31, 2026, the Company did not have any material monetary items denominated in foreign currencies.

Related Party Transactions

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

As part of the Theia Transaction, Jeremy Gillis, an initial investor and former officer of the Company, directly and through a controlled company acquired 7,021,888 shares of the Company. In addition, as a result of certain contractual provisions involving Theia, the Company issued to the same person 1,494,343 additional shares. The fair value of these additional shares was estimated to be $2,017,363 and was recognized as a distribution of capital.

Karus advanced a loan to KORE in the principal amount of US$225,000 (equivalent to $306,450) by way of a promissory note in August 2023, which is recorded as a promissory note receivable. The loan was an interest free loan if repaid by October 12, 2023, after which it would accrue interest at 10% per annum. As the loan was still outstanding as of October 12, 2023, the Company started accruing interest on the promissory note receivable. The loan is guaranteed by a director and officer of KORE.

During the year ended December 31, 2024, the Company was owed $323,629 (US$225,000) of principal from KORE and accrued interest of $39,457 (US$27,432). In addition, an amount owing by KORE to the Company, recorded in amounts receivable, was $6,810.

On May 2, 2024, the Company demanded repayment of the promissory note after the maturity date, and KORE failed to provide payment to the Company. As a result, the Company is pursuing legal action to recover the principal amount and accrued interest in accordance with the agreement. Due to uncertainty in recoverability, the Company impaired the promissory note receivable and recorded a loss of $369,896 during the year ended December 31, 2024.

Notwithstanding, the Company is confident that it will receive a favourable judgment. More over, the Promissory Note is secured by the shares of KORE as well as a personal guarantee from one of the shareholders of KORE.

The $120,000 loan disclosed above is considered a related party transaction. The lender of the loan, Peter Marrone, holds over 10% of the Company's ownership interest, as well as considered to have significant influence over the Company, and is therefore considered a related party.

Key Management Compensation

Key management is comprised of the Company's directors and executive officers.

During the year ended March 31, 2026, Tony Cina, a director of the Company, accrued director fees in the amount of $10,750 (2025 - $29,589). Included in the accounts payable and accrued liabilities as at March 31, 2026, is $23,570 (December 31, 2025 - $12,740) owed to Tony Cina. Director fees of $125,589 were waived by Tony Cina during the year ended December 31, 2025.

During the period ended March 31, 2026, Manni Buttar, a director of the Company, accrued director fees in the amount of $3,750 (2025 - $Nil). Included in the accounts payable and accrued liabilities as at March 31, 2026, is $16,875 (December 31, 2025 - $11,250) owed to Manni Buttar.

During the period ended March 31, 2026, Andrew Kaip, a director of the Company, accrued director fees in the amount of $5,625 (2025 - $Nil). Included in the accounts payable and accrued liabilities as at March 31, 2026, is $16,875 (December 31, 2025 - $11,250) owed to Andrew Kaip.

During the period ended March 31, 2026, Scott Trebilcock, a director of the Company, accrued director fees in the amount of $5,625 (2025 - $Nil). Included in the accounts payable and accrued liabilities as at March 31, 2026, is $5,625 (December 31, 2025 - $11,531) owed to Scott Trebilcock.

During the period ended March 31, 2026, Michael Tucker, a director of the Company, accrued director fees in the amount of $5,000 (2025 - $Nil). Included in the accounts payable and accrued liabilities as at March 31, 2026, is $6,141 (December 31, 2025 - $1,141) owed to Michael Tucker.

During the year ended March 31, 2026, a partnership which Dave Cross, the CFO of the Company has an interest, provided accounting services for the amount of $15,000 (2025 - $15,000). Included in the accounts payable and accrued liabilities as at March 31, 2026, is $5,250 (December 31, 2025 - $59,156) owed to Cross Davis & Company LLP, a company controlled by the CFO of the Company.

During the period ended March 31, 2026, a company controlled by Jeremy Gillis, a former director and CEO of the Company, provided consulting services for the amount of $30,000 (2025 - $30,000). Included in the accounts payable and accrued liabilities as at March 31, 2026, is $11,300 (December 31, 2025 - $114,274) owed to Jeremy Gillis and a company controlled by him, 11661728 Canada Inc.

During the period ended March 31, 2026, Jason Bahnsen, a former CEO of the Company, provided management services for the amount of $62,500 (2025 - $Nil). Included in the accounts payable and accrued liabilities as at March 31, 2026, is $29,974 (December 31, 2025 - $Nil) owed to Velocity North Management Ltd., a company controlled by the former CEO of the Company.

During the year ended March 31, 2026, Sofia Tsakos, a former director of the Company, accrued director fees in the amount of $Nil (2025 - $9,699). Included in the accounts payable and accrued liabilities as at March 31, 2026, is $Nil (December 31, 2025 - $Nil) owed to Sofia Tsakos. All outstanding director fees were waived by Sofia Tsakos during the period ended September 30, 2025.

During the period ended March 31, 2026, Alex Gostevskikh, a former CEO of the Company, provided consulting services for the amount of $Nil (2025 - $36,000). Included in the accounts payable and accrued liabilities as at March 31, 2026, is $Nil (December 31, 2025 - $108,000) owed to Alex Gostevskikh Exploration Consulting, a practice controlled by the CEO of the Company.

During the year ended December 31, 2025, the Company received a loan from a related party in the amount of $120,000 bearing interest at an annual rate of 15%, compounded monthly and was repayable in full upon the earlier of (i) five business days following the Company having raised at least $1,500,000 in an equity financing or (ii) March 8, 2026. The lender secured the option to convert the outstanding principal and accrued interest to units in the capital of the Company at the issue price that is lesser of (i) $0.75 per unit or (ii) such price per share offered pursuant to the private placement on or before the maturity date. Each unit issued consists of one common share and one-half common share purchase warrant exercisable at the private placement issue price per share plus 30% for three years from the date of grant. If the private placement proceeds as an offering of units, the lender has the option to convert the principal and accrued interest to units at a price per unit that is 15% discounted from the private placement unit issue price.

For accounting purposes, because the terms of the loan provided the lender the option to accept the Company's shares for settlement and did not require delivery of a fixed number of the Company's shares upon settlement, the loan was separated into a financial liability and a derivative liability component. The fair value of the derivative liability component at the time of issuance was calculated using the Black-Scholes option pricing model with the following inputs: share price of $0.85, expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 2.61%, and an expected life of 0.18 years. The fair value of the liability component was determined at the time of issuance as the difference between the face value of the convertible debentures and the fair value of the derivative liability component.

On January 29, 2026, the terms of the loan agreement was amended as follows to include an additional consideration of 25,479 bonus units of the Company. Each unit consist of one common share and one-half common share purchase warrant exercisable at $1.15 for two years from the date of issue.

On February 2, 2026, the lender exercised the convertible feature of the loan to fully settle the outstanding balance, which resulted in issuance of 169,861 units, inclusive of the 25,479 bonus units (Note 7).

During the period ended March 31, 2026, the Company recorded accretion and interest of $25,218, which includes $12,241 for the bonus units granted.

Letter Agreement
Pursuant to a letter agreement ("Letter Agreement") entered into August 2023 between Theia and a related party of Theia contemplating the proposed provision of advisory services by such former related party to the Company following the completion of the Theia Transaction, subject to the Company agreeing to enter into of a definitive advisory agreement with such party, the Company may be required to issue 525,000 shares upon listing its shares on any stock exchange in Canada. Additionally, as compensation for advisory services provided thereafter, the Company may be required to issue up to an additional 1,260,000 common shares upon achieving certain market capitalization and confirming certain mineral resources milestones (collectively "Milestone Compensation"). The Letter Agreement provides that Milestone Compensation could be accelerated should there be a sale of all or substantially all of the shares of the Company or a sale of the South Cariboo property. The Letter Agreement also provides that the payment of Milestone Compensation is subject to shareholder and Canadian stock exchange approval, if required.

To date, the Company has not listed its shares on a Canadian stock exchange. Accordingly, no expense has been recorded in the financial statements.

Significant Accounting Estimates and Judgments
The preparation of Interim Statements in accordance with IFRS, requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and other factors believed to be reasonable under the circumstances and result in judgments about the carrying value of assets and liabilities. Actual results could differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty, other than the ones applied for the accounting for the reverse acquisition of the Company by Theia, were consistent with those applied to the annual audited consolidated financial statements of Karus for the year ended December 31, 2025.

Recent Accounting Standards
Readers should refer to the Condensed Interim Consolidated Financial Statements for additional details.

Cautionary Note Regarding Forward Looking Statements
Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the Company and its business. Other than statements of historical fact, statements contained in this MD&A constitute forward-looking statements. The use of any words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions or their negatives or other comparable words are intended to identify forward-looking statements. These forward-looking statements are based on current expectations

and various estimates, factors and assumptions and involve known and unknown risks, uncertainties, and other factors. Forward-looking statements in this MD&A include without limitation, the Company include outlook, plans and timing for the Company's exploration plans, operational plans, and future expenditure expectations, contractual obligations and the potential outcome of litigation.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of the date of this MD&A.
- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason except as required by law.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risk Factors" below.

Risk Factors

The operations of Karus are speculative due to the high-risk nature of its business which is the exploration of mineral properties. The discovery, development and acquisition of mineral properties are in many respects unpredictable events. Future precious metal prices, capital equity markets, legislative changes, the success of exploration programs and other property transactions can have a significant impact on Karus' capital requirements.

These are not the only risks and uncertainties that Karus faces. Additional risks and uncertainties not presently known to Karus or that Karus currently considers immaterial may also impair its business operations. These risk factors could materially affect Karus' future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to Karus.

Change in Management

On April 9, 2026, the Company announced:

i) Jason Bahnsen stepped down from the position of CEO of Karus. As of the date of this MD&A, the Company had settled Mr. Bahnsen's contract by paying termination fees of $175,000. Andrew Kaip, a current Director of Karus, assumed the position of Interim CEO while the Company conducts a search for a permanent CEO. Mr. Kaip is a founder and former CEO of Karus, and as an experienced geologist, he will help define and implement the exploration plan for both the South Cariboo District and Mineral Creek projects. He has 30+ years of geology, financial market and management experience and is tasked to complete the CSE listing process and launch Karus' 2026 exploration programs.

ii) Sébastien Bernier was appointed to the board of directors. Mr. Bernier brings 25 years of industry and technical experience most recently with Allied Gold Corporation and Yamana. Mr. Bernier brings deep technical capabilities to Karus as an expert in geological modelling and resource estimation. Mr. Bernier is currently Senior Vice President, Technical Services for Allied Gold Corporation. Past experience includes increasingly senior roles with Yamana, Pan American Silver, SRK Consulting and FNX Mining.

Other Information
Additional information related to the Company is available for viewing under the Company's profile on SEDAR at www.sedarplus.ca.

51-102F1 Form requires additional disclosure for venture issuers without significant revenue from operations in either of its two last fiscal years to disclose in its MD&A for the most recent year to date interim period and the comparative year to date period presented in the interim financial statement unless the Company is providing disclosure in accordance with section 2.2.1 of Form 51-102F1 (which may be the case here) or it's been disclosed in the financial statements to which this MD&A relates. Have not looked closely at the financial statements so Company to consider and confirm. Disclosure for MD&A below if that is the case.

Additional disclosure for a reporting issuers without significant revenue
Additional disclosure concerning the Company's general and administrative expenses and exploration and evaluation costs is provided in the Company's statement of loss and note disclosures contained in its Consolidated Statements for the interim period ended March 31, 2026. These statements are available under the Company's profile on SEDAR+ at www.sedarplus.ca