



TSX.V:CBI

COLIBRI RESOURCE CORPORATION

Management Discussion & Analysis

For the Three Month Periods Ended March 31, 2025 and 2024

105 Englehart St.
Suite 700
Dieppe, N.B E1A 8K2
(506) 383-4274
info@colibriresource.com

Overview

The following Management Discussion and Analysis (“MD&A”) for Colibri Resource Corporation (“Colibri”) or (“the Company”) prepared as of May 27, 2025, should be read together with the unaudited condensed consolidated interim financial statements for the three month period ended March 31, 2025 and related notes attached thereto, which were prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and IFRIC[®] Interpretations of the IFRS interpretation Committee.

All dollar amounts referred to in this discussion and analysis are expressed in Canadian dollars unless otherwise noted.

This MD&A contains forward-looking information. Please see “Forward-Looking Information” and “Risk and Uncertainties” for a discussion of the risks, uncertainties and assumptions relating to such information.

Forward-Looking Information

Forward-looking information is included in this MD&A, which involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions. Such information may involve but are not limited to comments with respect to strategies, expectations, planned operations or future actions.

Forward-looking information reflects current expectations of management regarding future events and operating performance as of the date of this MD&A. Such information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the following factors: financial health of the Company’s subsidiary and the related cash flows, competitive and economic environment, seasonality and fluctuations in results, expansion, interest rates, foreign exchange, cash distributions are not guaranteed and will fluctuate with the performance of its subsidiary, and federal income tax changes in Mexico and Canada.

Although the forward-looking information contained in this MD&A is based upon what the Company’s management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such information. Forward-looking information reflects management’s current beliefs and is based on information currently available to the Company. Such information reflects current assumptions regarding future events and operating performance including, without limitation, a strong economy in Canada, stable interest rates and continued strength in the mining exploration industry in which the Company operates and speaks only as of the date of this discussion. The forward-looking information is made as of the date of this MD&A and the Company assumes no obligation to update or revise such information to reflect new events or circumstances.

Description of the Business

The Company was incorporated on February 20, 2004 in the province of British Columbia. On August 5, 2005, the Company's common shares and purchase warrants began trading on the TSX Venture Exchange under the symbols CBI and CBI.WT respectively.

Through its subsidiary companies, Minera Bestep S.A. de C.V. (Minera), Yaque Minerales S.A. de C.V. (Yaque) and Coboro Minerales S.A. de C.V. (Coboro), the Company is engaged in the acquisition, exploration, and if warranted, development of gold, silver, copper, molybdenum and other metal deposits in Mexico. Minera, Yaque and Coboro have acquired a majority interest in four mineral properties and a minority interest in two mineral properties located in Sonora, Mexico. Sonora is the northernmost state in Mexico and borders the United States of America. All of the Company's property interests are located within or adjacent to, a free trade zone within the State, a fact that facilitates cross-border access and general business. The properties are characterized by ease of accessibility, well developed infrastructure, access to a ready and skilled labour pool and a large degree of common logistics due to their relative proximity to each other.

Additional information related to the Company is available for view on the Company's website at www.colibriresource.com and on SEDAR at <http://www.sedar.com>.

Overview

The Company holds a 100% interest in the Evelyn property, 100% interest in the Plomo properties, 49% interest in the Pilar properties, 60% interest in the Diamante properties, 50% of the Jackie property, and 100% of the Sun property.

Exploration Projects

Evelyn-Plomo (EP) Gold Project(s)

The Evelyn (506 Ha) and Plomo (4,260 Ha) project is 100% owned by Colibri and is currently considered to be a flagship exploration asset. The Company has been actively exploring the Evelyn claim since 2019 and has made several potentially material discoveries on the project by way of drilling, trenching, and sampling. The Plomo property, which is contiguous of the Evelyn lands, was acquired in early 2023 and is considered highly prospective to host one or more economically significant gold deposits. During Q2, 2024, the Company completed: a geological mapping and outcrop sampling on the Plomo property, an airborne magnetic survey of a large area on the Plomo which borders the Evelyn property and applied for a drilling permit to test four targets. The sampling confirmed the historical sampling completed on the Plomo property, expanded the areas of known mineralization. In Q4 2023, the Company announced the results from a 2,200 meter - reverse circulation drilling program in 17 holes on the Evelyn property. The assay results from the drilling were considered positive by management and confirmed a potentially significant new discovery at the West Sahuaro Zone. Further ground exploration will be completed at the Plomo project and permits for drilling at Plomo have been received for a planned drill program in Fiscal 2025.

More details about the EP project are available at our website: www.colibriresource.com.

Diamante Gold and Silver Project

In February 2021, Colibri announced that it had reached an agreement with Bimsa Minera, a private Mexico based mineral exploration company to acquire up to 100% of the Diamante Gold & Silver project located adjacent to Colibri's Mezquite project in eastern Sonora. This promising project has hosted small scale historical mining activities however no records of past production are available. Historical samples taken by past owners indicate multiple areas of potentially high-grade gold & silver mineralization as well as base metals including zinc, copper and lead.

The two-year option agreement to earn an initial 50% of the project included a cash component of US\$100,000 in favor of the vendor (paid) and a commitment by Colibri to drill at least 2,000 m and provide a comprehensive drilling report.

The Diamante claims were placed by the vendor into a new Mexican company called Minera Bimcol, S.A. de C.V, (BIMCOL). Fifty percent of the shares of BIMCOL are held by the vendor and the other 50% of the shares were held in escrow in favour of Colibri in anticipation of the Company earning its 50% stake in the new corporation.

In late April 2021, Colibri announced that it had agreed to partner with Silver Spruce Resources Inc. (TSX-Venture: SSE) to earn the initial 50% of the Diamante. Terms of the partnership included Silver Spruce paying US\$75,000 to Colibri and agreeing to pay 75% of the exploration and drilling costs incurred to earn the 50% stake of BIMCOL. Upon earning 50% of Diamante, Colibri and Silver Spruce will each own 25% of the shares of BIMCOL through equal ownership of Yaque Minerales, a subsidiary holding the shares.

On January 31, 2023, Yaque Minerales earned the initial 50% of BIMCOL, from that date Yaque had up to six months to outright purchase the additional 50% of the new corporation by paying either US\$2.1 million or by paying US\$1.4 million and providing a 2% net smelter royalty in favour of the vendor. Yaque elected not to move forward with an outright purchase of the vendor's shares in BIMCOL and the two companies will move forward as equal joint venture partners on the project.

During the first quarter of 2022, Colibri and Silver Spruce geologists conducted two field trips to the project with the goal of confirming historical sampling and mapping undertaken by previous owners of the project. New samples taken by the geologists confirmed many of the recorded observations and assay values as well as widened the areas of interest.

During Q2 and Q3 2022 Colibri and Silver Spruce announced the commencement and completion of the first ever known drill program at Diamante. Encouraging results were achieved. The reader is encouraged to read Colibri's news releases dated September 3rd, 2022 and September 29th, 2022 for further details.

During Q4 2022, Colibri and Silver Spruce geologists reviewed the data gathered during its exploration programs to date and prepared a comprehensive drilling report for its partners Bimsa Minera as the final step of its agreement to earn 50% of the project. This report was presented to its partner in January 2023.

During Q3 2023 Colibri (operator) and Silver Spruce completed exploration on the property which included geological mapping and the collection and analysis of 54 stream sediment samples and 60 outcrop samples. Analysis of the samples collected were largely completed during Q3 however some of the rock samples collected later in Q4 were analyzed in the first part of Q4 2023. The mapping and sampling resulted in the discovery of 2 new mineralized showings on the Diamante II concession. Results of the field work completed are reported in the Company's news release dated November 21, 2023.

During Fiscal 2024, Colibri and its partners completed additional exploration which included mapping, sampling, an electrical survey, and drilling. Results of the drilling were released on December 20th, 2024.

On May 10th, 2025, Colibri and its joint venture partner Silver Spruce Resources Inc. (TSXV: SSE) increased their joint ownership of the Diamante Project from 50% to 60%. This increase is the result of an agreed to ownership dilution with its private Mexico based partner whereby exploration activities carried out in 2024 - including diamond drilling and fieldwork - were funded entirely by Yaque Minerales S.A. de C.V., a private Mexican company owned equally by Colibri and Silver Spruce. In recognition of this investment, Yaque Minerales will be issued an additional 10% ownership in Bimcol Minera S.A. de C.V., the entity that holds 100% of the Diamante Project.

Following the additional earn-in, Colibri entered into an agreement on May 12, 2025 to acquire Silver Spruce's 50% ownership in Yaque Minerales, which will result in Colibri owning 100% of Yaque Minerales and, thereby, an effective 60% interest in the Diamante Project. Colibri will accept ownership of Silver Spruce's shares in Yaque in lieu of an approximately \$80,000 of outstanding exploration expenditures owing to Colibri, allowing Colibri to consolidate control of the project without equity dilution or additional capital expenditure.

More details about the Diamante project are available at our website: www.colibriresource.com.

Pilar Gold and Silver Project

In September 2019, the Company entered into an agreement with Tocvan Ventures (CSE: TOC) whereby Colibri agreed to option up to 100% of the Pilar Gold & Silver Project located in Sonora Mexico. Tocvan had up to 5 years from the date of the agreement to earn an initial 51% of the project by satisfying certain terms. Upon completing the terms to earn its initial 51% of the project, Tocvan then had 6 months to decide if it will purchase the remaining 49% from Colibri outright or proceed forward as joint venture partners. For full details of this agreement please see Colibri's news release dated September 24th, 2019.

During the second and third quarters of 2022, Colibri announced results of its partner's continued work on the project which included: drill program assay results and preliminary metallurgy results. Tocvan also announced exploration intentions for the balance of 2022 and the first half of 2023.

During Q4 of 2022, Colibri announced that Tocvan had entered into an agreement with a local mining company to complete a bulk sample of at surface or near surface mineralized material. Tocvan anticipates that the data collected will guide the future mine development plans at the Pilar.

Tocvan's news releases in Q1 and Q2 of 2023 indicate that 1,400 tonnes of mineralized materials were removed for its bulk sample and initial grades of the said materials exceed its expectations in terms of head grade.

A Tocvan's news release in early July 2023 indicated that the bulk sample leaching process had been completed with better than average results in terms of grade and recovery relative to that known for the area. On August 22, 2023 Tocvan released further results of the bulk sample heap leach which supports development of the processing flow sheet and optimization rapid recovery.

In September 2023, Tocvan fulfilled the terms to acquire the 51% ownership interest in Pilar which triggered a six month option to purchase the remaining 49%. In March 2024 the exclusive period lapsed and the two companies are presently negotiating an industry standard Joint Venture agreement to advance the project to a potential production decision.

In Q1 & Q2 2024, Tocvan drilled 26 infill and exploration holes at the Pilar project and have announced the results. Of particular note, two of the exploration holes drilled to the east and northeast of the Main Zone have been considered potentially significant.

During the first quarter of 2025, Colibri and Tocvan drilled 1,167.5 metres of diamond core holes at Pilar. Details of the results are available in the Company news releases dated: March 11, 2025, March 19, 2025, March 26, 2025, and April 16, 2025.

More information about the results of the work completed at the Pilar Gold & Silver Project can be viewed at Colibri's website: www.colibriresource.com.

Jackie Gold & Silver Project

Subsequent to the quarter end, the Company has agreed to sell its 50% interest in the Jackie Project, located in Sonora, Mexico to Silver Spruce. As proceed for the sale, the Company will receive \$25,000 worth of Silver Spruce shares. Silver Spruce will also pay the Company a Net Smelter Return (NSR) royalty on any future production from the Jackie Project.

Scientific and technical information regarding the mineral exploration properties presented in this section of the MD&A has been reviewed and approved by Jamie Lavigne, PGeo. Jamie Lavigne is a Director of Colibri and is a Qualified Person as defined in NI 43-101

Quarterly Information

The following table provides a brief summary of the Company's condensed consolidated interim financial operations. For more detailed information, refer to the Condensed Consolidated Interim Financial Statements.

	For The Three Month Period Ended March 31, 2025	For The Three Month Period Ended March 31, 2024
Total Revenue	\$ -	\$ -
Net (loss) income	(250,629)	(481,159)
Comprehensive (loss) income	(172,936)	(228,720)
Basic and diluted earnings (loss) per share	(0.00)	(0.00)
Total assets	4,519,115	6,530,730
Total long-term liabilities	325,679	1,610,057
Cash dividends	-	-

The Company has no intention of paying dividends on its common shares as it anticipates that all available funds will be invested to finance the growth of its business.

Results of Operations

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may be different from those estimates. Additional significant accounting policies are detailed in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2024

For The Three Month Period Ended March 31, 2025

Operations during three month period ended March 31, 2025, were focussed on desktop exploration activities related to the Evelyn/Plomo property and to drilling activities on the El Pilar.

Net loss for the three month period ended March 31, 2025 was \$250,629 which was a loss of \$0.00 per share on both a basic and a fully diluted basis. Net loss for the three month period ended March 31, 2024 was \$481,159. Fiscal 2025 loss was attributed to general and administrative expenses of \$245,955, expenses recovered of \$(13,847), gain on sale of fixed assets of \$(3,479) and fair value adjustment on investments of \$22,000.

The positive variance of \$230,530 between Q1 of fiscal 2025 and Q1 of fiscal 2024 is mainly due to the accounting and audit fees, the interest and accretion expense and the share-based compensation.

During the first quarter of 2024, the Company issued stock options and recorded share-based compensation amounting to \$86,863, as most of the options vested immediately. For the first quarter of 2025, the recorded amount was \$1,579.

Interest and accretion expenses decreased by \$47,014 for the quarter ended March 31, 2025, compared to the same quarter of 2024. This decrease is mainly attributable to the accretion on the Ontop convertible debenture, which was forgiven in Q2 of 2024 in exchange for the return of the El Mezquite property.

Accounting and audit fees decreased by \$26,828 in the current quarter compared to the same quarter of 2024. The decrease is due to lower audit fees for the year ended December 31, 2024, and reduced work in the current quarter.

In the first quarter of 2025, Colibri and Tocvan drilled 1,167.5 metres of diamond core holes at Pilar. Colibri utilized the \$150,000 USD drilling credit received in 2024 from the sale of drilling equipment.

For The Three Month Period Ended March 31, 2024

Operations during the three months ended March 31, 2024 were focussed on exploration activities related to the Evelyn property and to managing exploration activities on behalf of optionees of the El Pilar and Diamante properties.

Net loss for the three month period ended March 31, 2024 was \$481,159, which was a loss of \$0.00 per share on both a basic and a fully diluted basis. This loss was attributed to general and administrative expenses of \$477,356, unrealized loss on investment of \$10,500 and was offset by expenses recovered of \$6,697.

Summary of Quarterly Results

The following table sets forth selected unaudited quarterly financial information for each of the last eight most recently completed quarters:

	Three Months Ended							
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
	\$	\$	\$	\$	\$	\$	\$	\$
Total assets	4,519,115	4,359,309	4,479,175	4,965,434	6,530,730	6,501,852	6,090,828	5,568,235
Mineral property costs	4,017,016	3,720,902	3,732,534	3,957,988	5,296,100	4,907,428	4,806,109	4,464,980
Working capital (deficiency)	(1,324,915)	(1,219,014)	(1,063,020)	(476,270)	(358,317)	90,262	182,898	(178,920)
Shareholders' equity	2,605,836	2,492,293	2,613,090	2,908,216	3,978,269	4,120,126	3,930,442	3,939,627
Revenues	-	-	-	-	-	-	-	-
Net loss	(250,629)	(165,633)	(202,487)	(369,060)	(481,159)	(247,801)	(272,953)	(263,995)
Loss per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Variation in operating results over the previous eight quarters resulted primarily from the timing of receipt of shares and cash from the optioning of mineral properties and subsequent market fluctuations in the price of those shares resulting in realized and unrealized gains and losses.

Liquidity

The Company has no history of profitable operations and its mineral projects are at an early stage. Therefore, it is subject to many risks common to comparable junior venture resource companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues.

The Company's ability to continue as a going concern in the short term is dependent upon its ability to obtain financing. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

	March 31, 2025	December 31, 2024
	\$	\$
Working capital (deficiency)	(1,324,915)	(1,219,014)
Deficit	(17,090,066)	(16,840,037)

Net cash used in operating activities during the quarter ended March 31, 2025, was \$215,568 compared to \$174,945 during the same period of 2024. The net cash used in operating activities primarily consists of the operating loss and changes in non-cash working capital.

Cash flow provided by financing activities was \$258,579 during Q1 of fiscal 2025 compared to cash flow used in financing activities of \$17,928 during the same period of fiscal 2024. Cash was provided by the proceeds from the issuance of shares, and the proceeds from the related party loan payable. Cash was used for repayment of the related party payable, repayment of lease obligations and interest paid on debentures.

Net cash used in investing activities was \$11,681 during the quarter ended March 31, 2025, compared to \$168,468 during the same quarter of fiscal 2024. Cash was expended on the exploration work conducted on the Evelyn/Plomo in Mexico. Management believes the Company might not have sufficient working capital to fund its operations and exploration activities during the next fiscal year. The Company believes that external financing, likely in the form of equity offerings or cash from option payments, will be required in order to maintain its current operations.

Capital Resources

The Company's sources of funds have been derived primarily from private placement financings, from proceeds from the optioning of some of its mineral properties, and from the proceeds from sale of investments.

Additional disclosure concerning the Company's general and administrative expenses and resource property obligations and commitments are provided in the Company's consolidated statements of comprehensive loss and notes therein. The Company does not have any commitments for specific capital expenditures, as the agreements under which it may earn the interests in the mineral exploration properties are option agreements.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Transactions with Related Parties

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals.

Accounts payable and accrued liabilities to related parties as at March 31, 2025 of \$128,849 (December 31, 2024 – \$167,326) is comprised of management fees, accounting fees, consulting fees and interest expense due to directors or companies controlled by officers and directors of the Company. Amounts payable to related parties are non-interest bearing, are due on demand, and are unsecured.

Loan payable to a related party of \$246,842 (December 31, 2024 – \$207,842) is due to an officer and director of the Company. The loan was renegotiated during the 3rd quarter of 2024. It is unsecured, bearing interest at 12% per annum and repayable on October 15, 2026.

The Company entered into the following transactions with related parties during the quarter ended March 31, 2025:

- a) Paid or accrued \$36,000 (2024 – \$36,000) in management fees to directors or companies controlled by directors and officers of the Company.
- b) Paid or accrued \$7,838 (2024 – \$15,817) in accounting fees to an officer and a director of the Company.
- c) Paid or accrued \$nil (2024 – \$15,000) in consulting fees to directors of the Company.
- d) Paid or accrued \$7,120 (2024 – \$nil) in interest expense to a director an officer or a company controlled by an officer and director of the Company.
- e) Paid or accreted \$nil (2024 – \$36,013) in interest to a company which a director of the Company is also a director.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Risk and Uncertainties

The Company holds certain mineral property interests in Mexico, and as such is exposed to numerous risks and uncertainties common to other junior exploration companies.

The Company's business, results of operations, financial condition, and the trading price of its common shares could be materially adversely affected by any of the foregoing risks and by other risks, including risks related to development of mineral deposits, metal prices, title matters, reclamation costs, metal price volatility, competition, additional funding requirements, insurance, currency fluctuations, conflicts of interest, and share trading volatility. Any of these risks could have a material adverse effect on the business, operations or financial condition of the Company.

The Company and its mineral exploration programs are at an early stage. The Company is not profitable and has no sources of revenue. The Company is reliant on raising equity and while this has been successful in the past, there is no assurance that it will be able to do so in the future.

The mineral claims that the Company has an interest in are in the exploration stage only. There is no assurance that the exploration activities of the Company will result in the discovery of a commercially viable mineral deposit.

Mineral exploration activities could result in injury and damage to life and property, possible adverse environmental impacts and possible legal liability.

The acquisition of title to mineral projects is a very detailed and time-consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Company in any of its properties may not be challenged or impugned.

The Company's financial results are denominated and reported in Canadian dollars. The Mexican operations involve payments in US dollars and Mexican pesos. Significant fluctuations of these currencies against the Canadian dollar could have a material effect on the Company's financial performance.

Critical Accounting Estimates

The preparation of these condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the condensed interim statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The assumption of going concern basis of accounting;
- The carrying value and recoverable amount of exploration and evaluation assets;
- The determination of the Company's functional currency;
- The inputs used in accounting for share-based compensation expense in the statements of operations and comprehensive loss;
- The inputs used in the valuation of the convertible debentures, the conversion feature and the attached warrants;
- The inputs used in the valuation of the warrants granted in a private placement of units;
- The valuation of shares issued in non-cash transactions;
- The valuation allowance applied against deferred income tax assets;
- Management's assumption of no material provisions or obligations, based on the facts and circumstances that existed during the period; and
- The determination that the foreign exchange differences on loans to the Mexican subsidiaries are recorded to other comprehensive income because the loans are part of the net investment in a foreign operation and repayment is not expected in the foreseeable future.

Carrying value and recoverable amount of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserve.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Accounting Standards Issued But Not Yet Applied:

In May 2024, the IASB issued narrow scope amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments have not yet been incorporated into Part I of the CPA Canada Handbook - Accounting.

The amendments:

- Provide clarification that a financial liability is derecognized on the 'settlement date', i.e., the date on which the liability is extinguished as the obligation specified in the contract is discharged or cancelled or expired;
- Provide an accounting policy option to derecognize a financial liability that is settled in cash using an electronic payment system before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option shall apply it to all settlements made through the same electronic payment system;
- Clarify how to assess the contractual cash flow characteristics of financial assets with contingent features, including environmental, social and corporate governance (ESG) linked features;
- Clarify that, for a financial asset to have 'non-recourse' features, the entity's ultimate right to receive cash flows must be contractually limited to the cash flows generated by specified assets. The amendments also include factors that an entity should consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test);
- Clarify the characteristics of the contractually linked instruments that distinguish them from other transactions; and
- Add new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have certain contingent features.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted.

The amendments are to be applied retrospectively. In applying the amendments, an entity is not required to restate comparative periods. The Company is currently assessing the impact of the new standard on its financial statements.

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements which sets out the overall requirements for presentation and disclosures in the consolidated financial statements. The new standard replaces IAS 1 and although much of the substance of IAS 1 will carry over into the new standard, the

new standard will require presentation of separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The new standard will also require disclosure and explanation of management-defined performance measures in a separate note within the consolidated financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim consolidated financial statements, and requires retrospective application. The Company is currently assessing the impact of the new standard.

Financial Instruments and Other Instruments

The Company has designated its financial instruments as follows: cash and investment are classified as held-for-trading which is measured at fair value. Cash and investment are measured at fair value on a recurring basis. Receivables are recorded at amortized cost. Accounts payable and accrued liabilities, related party payable, loan payable, loan payable to related party, convertible debenture and lease liabilities are classified as other liabilities. They are initially measured at fair value. Subsequent valuations are recorded at amortized cost using the effective rate method.

IFRS 7, Financial Instruments – Disclosure; increases the disclosures currently required to enable users to evaluate the significance of financial instruments for an entity’s financial position and performance. This standard establishes a three-tier hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company’s investments. The hierarchy of inputs and description of inputs is described as follows:

Level 1 – fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – fair values are based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or
Level 3 – fair values are based on inputs for the asset or liability that are not based on observable market data, which are unobservable inputs.

As at March 31, 2025, the carrying value of the investment is recorded at fair value on the condensed interim statement of financial position. Investments in public company shares are carried at fair value using the quoted trading share price and would be considered Level 1. The financial derivative liability is measured at fair value using the Geometric Brownian Motion Model and is considered Level 3.

Financial Risk Factors

The Company, through its financial assets and liabilities is exposed to various risks. The following analysis provides a measurement of risks as at the balance sheet date, March 31, 2025.

(a) Fair Value

Financial instruments included in the condensed consolidated interim statements of financial position are measured either at fair value or amortized cost. Estimated fair values for financial instruments are designed to approximate amounts for which the instruments could be exchanged in an arm’s-length transaction between knowledgeable and willing parties.

The carrying values of cash, receivables, related party payable, and accounts payable and accrued liabilities approximate their fair values due to the short terms to maturity of the instruments.

Marketable securities in the form of common shares of listed companies are valued based on quoted market prices for identical assets in an active market.

Debt instruments are valued at the approximate carrying value as discount rate on these instruments approximate the Company’s credit risk.

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash balances primarily in large Canadian chartered banks, and both its convertible debentures and loans payable have fixed rates of interest. The Company's current policy is to invest cash in Canadian bank savings accounts with interest that varies at prime.

(c) Credit Risk

The Company's credit risk is primarily attributable to cash and accounts receivable. Cash is held with reputable financial institutions, primarily in Canada, and is kept in highly liquid accounts that are closely monitored by management. Credit risk with respect to its accounts receivable is minimal due to the insignificant balances that are primarily due from government agencies.

The Company's maximum exposure to credit risk is as follows:

March 31, 2025	Canada	Mexico	Total
	\$	\$	\$
Cash	56,711	7,810	64,521
Receivables	111,019	5,015	116,034
	167,730	12,825	180,555
December 31, 2024	Canada	Mexico	Total
Cash	14,683	1,663	16,346
Receivables	53,358	230,726	284,084
	68,041	232,389	300,430

Derivatives – Mineral Properties

The Company retains and/or has obligations related to certain carried interest rights and net smelter royalties ("NSR"), the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the mineral property interests to which they relate are not sufficiently developed to reasonably determine value.

(d) Foreign Exchange Risk

The Company's functional and reporting currency is the Canadian dollar. The Company, through its subsidiaries, has operations in Mexico and therefore is exposed to foreign currency gains and losses due to fluctuations in the exchange rate between the Mexican peso and the Canadian dollar. To reduce the risk, the Company maintains pesos denominated bank accounts in Mexico, and when possible, negotiates its Mexican operations in US dollars. Foreign currency gains and losses on loans from the Company to the Mexican subsidiaries are recorded in other comprehensive income because the loans are part of a net investment in a foreign operation and repayment of the loans is not expected in the foreseeable future.

The significant balances in foreign currencies at March 31, 2025 are as follows:

	US Dollars	Mexican Pesos
Cash	10,867	99,656
Accounts receivable	-	76,255
Accounts payable and accrued liabilities	(39,545)	(793,331)
Loan Payable	(185,205)	-
Convertible debentures	(575,770)	-
	<u>(789,653)</u>	<u>(617,420)</u>
Canadian dollar equivalent	<u>(1,135,205)</u>	<u>(43,466)</u>

Based on the aforementioned net exposure as at March 31, 2025, and assuming that all other variables remain constant, a 10% rise or fall in the Canadian dollar against the other foreign currencies would have resulted in approximately the following increase (decrease) in the income (loss) before taxes or the other comprehensive income (loss) for the quarter:

	Canadian Dollar	
	Appreciates	Depreciates
	10%	10%
	\$	\$
Against US Dollar	113,521	(113,521)
Against Mexican Pesos	4,347	(4,347)

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined below. At March 31, 2025, the Company had a cash balance of \$64,521 and short-term investments of \$32,800 to settle its current liabilities of \$1,587,600. Of the Company's current liabilities, \$334,223 have contractual maturities of less than 30 days and are subject to normal trade term. The Company also has sufficient funds to cover its long-term commitments on mineral claims as outlined in Note 9.

The Company has a working capital deficiency of \$1,324,915 at March 31, 2025. The Company is continuing to review expenditures in order to ensure adequate liquidity and flexibility to support its exploration and development strategies. The Company believes that external financing, likely in the form of equity offerings or optioning one or more of its claims, will be required in order to maintain its current operations.

Outstanding Share Data

The Company has the following shares issued and outstanding:

	March 31, 2025 and MDA	December 31, 2024	December 31, 2023
Authorized			
Common shares without par value	Unlimited	Unlimited	Unlimited
Issued and Outstanding	115,417,625	115,417,625	103,941,625

On September 24, 2015, the Company implemented a share consolidation of all its outstanding common shares on the basis of one post-consolidation share for every fifteen pre-consolidated shares.

The effect of the consolidation will provide the Corporation with increased flexibility to seek additional financing opportunities and to pursue strategic transactions and will improve the market's perception of the Corporation. The Consolidation is also expected to aid in the reduction of the spread between bid and offer prices quoted by market makers in the Common Shares. Such a reduction in turn should allow shareholders to realize improved prices when buying or selling the Common Shares.

On May 14th, 2025, the Company announced that its Board of Directors had approved a consolidation of the shares on a 1 for 5 bases. The consolidation is subject to approval of the TSX Venture Exchange (the "Exchange"). Currently there are 115,417,625 Common Shares issued and outstanding. On a post-Consolidation basis, the Company shall have approximately 23,083,525 Consolidation Shares issued and outstanding. The Company will issue a further news release notifying shareholders as to when the effective date of the Consolidation will occur and the date on which the Company's Consolidated Shares will commence trading on the Exchange.

Stock options

The Company has in place a rolling stock option plan whereby the Company may grant stock options to eligible persons to acquire a total of up to 10% of the then existing number of shares outstanding. Awarded stock options generally vest at the discretion of the directors and are exercisable over a period not exceeding ten years at exercise prices determined by the directors. The exercise price of each option is subject to a minimum price of \$0.10 and cannot be less than the discounted market price of the Company's stock as calculated pursuant to the policies of the TSX Venture Exchange.

The number of stock options outstanding at March 31, 2025 and as of date of the MDA is summarized as follows:

	Number Of <u>Options</u>	Weighted Average <u>Exercise</u>
Balance, December 31, 2023	3,625,000	0 .09
Options Granted	2,850,000	<u>0.06</u>
Balance as at December 31, 2024, March 31, 2025 and at date of MDA	6,475,000	0.08

At March 31, 2025, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date	Weighted average remaining contractual life of outstanding options (years)	Exercisable
900,000	\$0.10	16-Apr-28	3.05	900,000
900,000	\$0.05	28-May-25	0.16	900,000
1,575,000	\$0.10	21-Apr-26	1.06	1,575,000
250,000	\$0.10	28-Jul-26	1.33	250,000
2,850,000	\$0.06	08-Feb-27	1.86	2,800,000
6,475,000				6,425,000

The weighted average grant date fair value of options granted during period was \$nil (2024- \$0.0316). The amount of stock-based compensation expense of \$1,579 (2024- \$86,863) was charged to the condensed interim statement of comprehensive loss and credited to the equity reserve in the statement of financial position.

The fair value of the options granted during the year ended December 31, 2024 was estimated at the grant date based on the Black-Scholes option pricing model using the following assumptions:

Risk-free interest rate	4.16%
Expected life	3 years
Expected volatility	126%
Expected dividend yield	\$nil
Expected forfeiture rate	nil

Warrants

The following common share purchase warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
		\$
Balance - December 31, 2023	3,720,792	0.12
Issued during the year	6,110,000	0.08
Balance - December 31, 2024	9,830,792	0.12
Issued During the year	11,556,000	0.05
Balance - March 31, 2025 and as of MDA	21,386,792	0.07

The following warrants are outstanding at March 31, 2025:

Warrants #	Exercise price \$	Grant date fair value of warrants \$	Expiry date
2,637,592	0.12	44,087	August 1, 2025
1,083,200	0.12	18,229	August 31, 2025
6,110,000	0.08	123,655	September 6, 2026
5,676,000	0.05	56,286	February 11, 2027
5,880,000	0.05	58,644	March 25, 2027
21,386,792		300,901	

In addition, there are 11,049 broker warrants outstanding of which 8,666 are exercisable at \$0.12 per share and expire on August 1, 2025 and 2,383 are exercisable at \$0.12 per share and expire August 31, 2025.

Segmented Information

The Company primarily operates in one reportable business segment, being the acquisition and exploration of mineral properties located in Mexico. The net income, assets identifiable and liabilities with these geographic areas are as follows:

March 31, 2025	Canada	Mexico	Total
	\$	\$	\$
Net loss for the period	224,312	26,317	250,629
Current assets	247,590	15,095	262,685
Mineral properties	-	4,017,016	4,017,016
Capital assets	937	112,638	113,575
Investment	49,200	-	49,200
Right-of-use assets	76,639	-	76,639
Total assets	374,366	4,144,749	4,519,115
Total liabilities	1,857,428	55,851	1,913,279
March 31, 2024	Canada	Mexico	Total
Net loss for the period	397,055	84,104	481,159
December 31, 2024	Canada	Mexico	Total
Current assets	123,130	234,623	357,753
Mineral properties	-	3,720,902	3,720,902
Capital assets	1,000	121,634	122,634
Investment	78,000	-	78,000
Right-of-use-asset	80,020	-	80,020
Total assets	282,150	4,077,159	4,359,309
Total liabilities	1,804,745	62,271	1,867,016

Subsequent Events

- (a) On May 14th, 2025, the Company announced that its Board of Directors had approved a consolidation of its shares on a 1 for 5 bases. The consolidation is subject to approval of the TSX Venture Exchange (the "Exchange").
- (b) On May 10th, 2025, Colibri and its joint venture partner Silver Spruce Resources Inc. (TSXV: SSE) increased their joint ownership of the Diamante Project from 50% to 60%. Following the additional earn-in, Colibri entered into an agreement on May 12, 2025 to acquire Silver Spruce's 30% ownership in Diamante, which will result in Colibri owning 100% of the 60% interest in the Diamante Project.
- (c) Subsequent to the quarter end, the Company has agreed to sell its 50% interest in the Jackie Project, located in Sonora, Mexico to Silver Spruce.
- (d) On May 16, 2025, the Company sold 300,000 of its Canadian Gold shares which are still held in escrow, to private investors at a price of \$0.10 per share. Of the 300,000 shares sold, 200,000 were bought by related parties.

Additional Disclosure for Venture Issuers Without Significant Revenue

A breakdown of material G&A expenses is set out in the Condensed Interim Consolidated Statements of Comprehensive Loss for the year ended March 31, 2025.

Capitalized or Expensed Exploration and Development Costs

Note 9 to the Consolidated Financial Statements for the quarter ended March 31, 2025 set out amounts with respect to capitalized exploration and evaluation expenditures by property.

Management's Responsibility for Financial Information

The Company's financial statements and other information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

The Company maintains internal control systems designed to ensure that financial information is relevant and reliable and that assets are safeguarded.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

Evaluation of Disclosure Controls and Procedures

Management has evaluated the effectiveness of its disclosure controls and procedures and has concluded that they are sufficiently effective to provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

Approval

The Board of Directors of Colibri Resource Corporation has approved the disclosure contained in this Management Discussion & Analysis. A copy of this Management Discussion & Analysis will be provided to anyone who requests it.

Additional Information

Additional information relating to our Company is available for viewing on the SEDAR website at <http://www.sedar.com>.