

TIERNAN GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the years ended December 31, 2025 and 2024

(Stated in US dollars)

Management's Discussion & Analysis

For the years ended December 31, 2025 and 2024

(expressed in thousands of US dollars except as otherwise noted)

1. General

The following Management's Discussion & Analysis ("MD&A") of Tiernan Gold Corp. (the "Company" or "Tiernan") should be read in conjunction with the audited consolidated financial statements of Tiernan for the years ended December 31, 2025 and 2024, and the notes thereto. The Company's consolidated financial statements have been prepared using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) ("IFRS Accounting Standards"). All dollar amounts referred to in this MD&A are expressed in thousands of United States dollars ("US\$") unless otherwise stated; references to C\$ refer to thousands of Canadian dollars. The functional currency of the parent is the US\$. This MD&A was prepared as of March 31, 2026, and all information is current as of that date.

Tiernan is a corporation formed under the laws of the Province of British Columbia on March 22, 2022. The common shares of the Company trade on the Toronto Venture Exchange (the "TSX-V") under the ticker symbol TNGD. Tiernan is a reporting issuer in each of the provinces of British Columbia and Alberta.

Audit fees for the fiscal years ended December 31, 2025 billed to date were US\$55 (C\$75) and the assurance fees for 2024 and 2023 were US\$256 (C\$355). These fees include audit and assurance services related to the audit of year-end financial statements, review of interim periods and in connection with the RTO and listing process.

2. Description of Business

The Company is focused on advancing its 100%-owned Volcan gold project ("Volcan Project"), located in the Atacama Region of Chile, on the Maricunga gold belt.

The Volcan Project is a gold property located approximately 700 kilometers ("km") north of Santiago, the capital of Chile. The total area controlled comprising the Volcan Project is 45,289 hectares ("ha"), corresponding to the actual property boundaries. Tiernan, through its wholly-owned subsidiary Andina, owns water rights, which have been developed in two wells located approximately 21 km from the mineral resource area and 5 km east of the northern end corner of the Volcan concessions.

3. Highlights and Transactions

Volcan Project

a) Project Update

Following the completion of the Company's reverse takeover transaction (*see Reverse Takeover ("RTO") Transaction and Private Placement below*) and listing on the TSX-V on December 19, 2025, Tiernan Gold Corp. shifted its focus to an engineering-led, execution-oriented phase for its flagship Volcan Gold Project located in Chile's Maricunga Gold Belt. The Company emerged from the completion of the Private Placement with approximately \$30 million in funding, providing a fully funded pathway to complete advanced engineering studies and support the preparation and submission of a robust Environmental Impact Study ("EIS").

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Key technical workstreams advanced during the period include:

Geology and Resources: A comprehensive re-interpretation program at the Dorado deposit, involving systematic re-logging of historical drill core, high-resolution core photography, Terraspec hyperspectral analysis, and development of geologically driven domains to enhance understanding of mineralization controls and inform future mine and process designs.

Metallurgy: Initiation of a phased program to evaluate gold and copper deportment, cyanide consumption dynamics, heap-leach kinetics across grade ranges, and comminution options (including HPGR versus conventional crushing), with the goal of optimizing flowsheet design and maximizing project value.

Engineering and Permitting: Partnership with experienced consultants such as Ausenco, Motherlode Consulting, Turnstone Metallurgical Services, and SGS to prioritize quality engineering, design optionality, and risk mitigation in support of a high-quality EIS. Initial environmental baseline characterization work, including meteorological station deployment, is underway with existing permits in place.

Water and ESG: The Project benefits from permitted water rights, providing a competitive advantage. The Company is monitoring desalination initiatives in northern Chile for potential long-term water security. Early community engagement efforts continue, integrating stakeholder input into project planning to ensure alignment with regional priorities.

The regulatory environment in Chile has shown signs of improvement, with emerging policies supportive of investment and accelerated permitting for high-quality projects. Looking ahead, the Company anticipates a catalyst-rich period through 2026 and 2027, with ongoing progress in geology, metallurgy, engineering, and permitting aimed at de-risking the Project and positioning it for development readiness.

b) Updated Preliminary Economic Assessment ("PEA")

An updated PEA for the Volcan Project, effective July 15, 2025, was prepared by Ausenco Chile Limitada. The study incorporates the sale of the 1.5% net-smelter-return ("NSR") royalty to Franco-Nevada and reflects updated capital and operating costs (Q1 2025 basis), metal pricing, and the new Chilean mining tax regime implemented in January 2024.

Key highlights from the PEA include:

- **Production:** Average annual gold production of 332,000 ounces for the first 10 years, totaling 3.8 million ounces over the estimated 14-year mine life.
- **Mineral Resources:** Measured and indicated resources of 9.8 million ounces of gold, with inferred resources of 1.2 million ounces.
- **Capital Costs:** Initial capital expenditures of \$1.02 billion and sustaining capital of \$320 million, totaling \$1.34 billion over the life of the project.

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- **Operating Costs:** All-in sustaining costs (AISC), of \$1,094 per ounce of gold sold¹.
- **Economic Metrics:** After-tax net present value (NPV) at a 5% discount rate of \$1.51 billion, internal rate of return (IRR) of 28.7%, and a payback period of 2.6 years.

The PEA supports the continued advancement of the Volcan Project, including permitting, detailed engineering, and potential feasibility study advancement.

c) Reverse Takeover ("RTO") Transaction and Private Placement

On December 16, 2025, the Company completed an RTO with Railtown, a capital pool company listed on the TSX-V, by way of a three-cornered amalgamation (the "Transaction"). As a result of the Transaction, Railtown acquired all of the issued and outstanding securities of Tiernan in exchange for securities of Railtown, and the combined entity continued under the name Tiernan Gold Corp. HM Holdings (a wholly-owned indirect subsidiary of Hochschild Mining PLC ("Hochschild"), a publicly listed company trading on the London Stock Exchange), retained control of the resulting public entity (the "Resulting Issuer"). Accordingly, the Transaction constituted a reverse takeover of Railtown by Tiernan for accounting purposes.

In connection with the Transaction, Tiernan consolidated its issued and outstanding common shares on the basis of one post-consolidation common share for approximately every 2.68 pre-consolidation common shares, and Railtown consolidated its securities on the basis of one post-consolidation security for approximately every 7.09 pre-consolidation securities.

Concurrent with the Transaction, the Company completed a private placement of subscription receipts for aggregate gross proceeds of C\$41,890 (US\$30,471), comprising (i) a treasury offering by the company of 8,000,000 shares and 4,000,000 warrants that generated gross proceeds of C\$40,000 (US\$29,096) and (ii) a secondary offering of subscription receipts by HM Holdings, which included 1,835,100 warrants of the Company for gross proceeds of C\$1,890 (US\$1,375) which represents the value allocated to the Company in respect of the warrants issued.

Each subscription receipt issued in the treasury offering and in the secondary offering was issued at a price of C\$5.00 consisting of approximately C\$4.49 for one common share and C\$0.51 for one-half of a common share purchase warrant. The Company estimated the value of a common share purchase warrant through the use of the Black Scholes Option Pricing Model with the input assumptions as outlined below. The value of the shares issued by the Company as part of the treasury offering was C\$35,880 (US\$26,199), which was measured with the subscription price per share paid by investors, with the remaining C\$4,120 (US\$2,897) estimate of fair value for the warrants from the aggregate subscription price per unit paid by investors of C\$40,000 (US\$29,096). The value allocated to the warrants issued in the secondary offering amounted to C\$1,890 (US\$1,375). Upon completion of the Transaction, the subscription receipts automatically converted into one common share of the Resulting Issuer and one-half of one common share purchase warrant, with each whole warrant exercisable to acquire one

¹ AISC per ounce of gold sold is a non-IFRS measure, please refer to "19. Non-IFRS Measures" section of this MD&A

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common share at an exercise price of C\$6.50 for a period of 24 months following the closing of the private placement.

For accounting purposes, Tiernan was identified as the acquirer and Railtown as the acquiree. Railtown did not meet the definition of a business under IFRS 3 Business Combinations; accordingly, the Transaction was accounted for as a reverse takeover and accounted for in accordance with IFRS 2 Share-based Payment as the resulting issuer is deemed to have issued equity instruments in exchange for the identifiable net assets of Railtown. The excess of the deemed consideration over the fair value of Railtown's identifiable net assets resulted in a listing expense of \$9,052.

Because the exercise price of the warrants issued as part of the subscription receipts was denominated in Canadian dollars while the functional currency of the resulting issuer is the US dollar, these warrants do not meet the "fixed-for-fixed" criterion under IAS 32 Financial Instruments: Presentation and are therefore classified as financial liabilities measured at fair value through profit or loss. Upon issuance of the warrants in connection with the primary and the secondary offerings, the Company recognized a financial liability of \$4,272 in respect of these warrants. Subsequent changes in the fair value of the warrants, amounting to \$7,247 are recognized in profit or loss within finance costs.

4. Selected Annual Information

The following is a summary of selected audited financial information of the Company for the years ended December 31, 2025 and 2024.

(In thousands of US dollars)	December 31,		
	2025	2024	2023
Revenues	-	-	-
Net income for the period	20,189	168	(554)
Basic and diluted EPS	0.54	0.00	(0.01)
Total comprehensive profit/(loss) for the period	25,829	(6,712)	(1,989)
Total assets	120,813	47,362	56,394
Total liabilities	14,733	990	3,310

5. Summary of Quarterly Results (unaudited)

The following table sets out selected quarterly financial data for the most recently completed interim quarters:

(In thousands of US dollars)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	2025	2025	2025	2025	2024	2024	2024	2024
Revenues	-	-	-	-	-	-	-	-
Net income/(loss) for the period	77	31,762	(86)	(11,564)	(19)	56	77	54
Earnings/(loss) per share (basic and diluted) (US dollars per share)	0.00	0.32	0.00	0.22	(0.00)	0.00	0.00	0.00
Total comprehensive profit/(loss) for the period	2,466	32,910	(2,250)	(7,297)	(5,989)	2,067	2,835	(5,625)

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(In thousands of US dollars)	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Total assets	49,819	83,135	81,000	120,813	47,745	49,864	52,847	47,362
Total liabilities	981	1,387	1,502	14,733	650	702	850	990

6. Results of Operations

Three months and year ended December 31, 2025

During the three months and year ended December 31, 2025, the Company reported a net loss of \$11,564 and a net income of \$20,189, respectively (2024 – net income of \$54 and \$168, respectively). The most significant items were as follows:

Reversal of impairment: during the three months and year ended December 31, 2025, the Company recognized a reversal of impairment on Volcan's mineral property of \$6,329 and \$38,173, respectively (2024 - \$nil). As at 30 June 2025, management identified indicators for a reversal of impairment for the Volcan project driven by an increase in long-term gold price assumptions, resulting in the recognition of a partial reversal of impairment of \$31,844. Additional positive market evidence became available following the completion of the RTO and concurrent financing on 16 December 2025, which provided an observable valuation benchmark for the Volcan project (refer to "Highlights and Transactions"). Based on these transactions, management concluded that the recoverable amount of the Volcan's mineral property exceeded its carrying amount as at 31 December 2025. Accordingly, the remaining accumulated impairment loss of \$6,329 was fully reversed as at 31 December 2025.

Finance costs: during the three months and year ended December 31, 2025, the Company recognized finance costs of \$7,672 and \$7,687, respectively (2024 - \$5 and \$36, respectively). Finance costs in the three months and year ended December 31, 2025 mainly include the unrealized loss arising from changes in the fair value of the warrants issued in connection with the private placement of \$7,247 (refer to "Highlights and Transactions").

Administrative expenses: during the three months and year ended December 31, 2025, the Company incurred administrative expenses of \$1,334 and \$1,739, respectively (2024 - \$76 and \$276, respectively). Administrative expenses include salaries, bonuses, professional fees, and other corporate expenses. The increase in administrative expenses during the three months and year ended December 31, 2025 versus the prior periods is mainly explained by professional fees incurred in connection with the RTO and concurrent private placement (refer to "Highlights and Transactions").

Exchange differences on translating foreign operations, net of tax: comprehensive profit/(loss) for the period includes the impact of exchange differences on translating foreign operations to the reporting currency, resulting in a gain of \$4,267, and \$5,640 for three months and year ended December 31, 2025, respectively (2024 – a loss of \$5,679, and \$6,880, respectively).

The increase in total assets as of December 31, 2025, compared to December 31, 2024, is primarily due to: the reversal of impairments of the Volcan mineral property of \$38,173 and a further increase in its carrying value driven by a foreign exchange gain of \$5,684 from translating its value from Chilean Pesos

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into U.S. dollars (the reporting currency); and the net proceeds received in connection with the private placement closed in December 2025 of \$28,084 (refer to "Highlights and Transactions").

The increase in total liabilities as of December 31, 2025, compared to December 31, 2024, is primarily due to the unrealized fair value of the warrants issued in connection with the private placement and recognized as financial derivative liabilities of \$11,533.

7. Liquidity

As of December 31, 2025, the Company had cash and cash equivalents of \$39,673 (compared to \$11,890 as of December 31, 2024) and a working capital surplus (including cash and cash equivalents) of \$24,980 (compared to \$10,952 as of December 31, 2024). The increase in cash and cash equivalents and working capital primarily reflects the net proceeds of \$28,084 received in connection with the capital raise as discussed in the "Highlights and Transactions" section. While the working capital increased overall driven by the Private Placement, it was partially offset by the unrealized fair value of the warrants issued in connection with the transaction and recognized as financial derivative liabilities of \$11,533. Based on the Company's budgeted expenditures, the cash balance is sufficient to fund its obligations and operating expenses for at least the next twelve months.

Operating Activities

During the year ended December 31, 2025, the Company had cash inflows of \$922, compared to cash outflows of \$2,080 in 2024. The increase in cash generation primarily reflects an increase in accounts payable to related parties of \$967 versus a settlement of \$2,304 in 2024. Excluding this non-recurring impact, cash flows from operations primarily consist of interest on deposits, and payments for administrative expenses and third-party services.

Investing Activities

During the year ended December 31, 2025, the Company invested \$1,823 in exploration and evaluation expenses, compared to \$1,073 in 2024. The increase primarily reflects higher third-party services and greater expenditures associated with maintaining the Company's mineral concession rights. In February 2024, the Company received \$15,000 from the sale of a 1.5% NSR royalty on the Volcan Project to Franco-Nevada, pursuant to a financing agreement executed in July 2023.

Financing Activities

Financing activities include net proceeds received in connection with the private placement closed in December 2025 of \$28,084 (refer to "Highlights and Transactions"). There were no financing activities during the year ended December 31, 2024.

8. Capital Resources

As of December 31, 2025, the Company had cash and cash equivalents of \$39,673 and no external or bank debt. Management believes that the existing cash resources are sufficient to meet its short-term

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obligations and planned activities, including maintaining its mineral property and covering administrative and corporate costs.

9. Share Capital Information

Tiernan's authorized capital consists of an unlimited number of Common Shares without par value. As at March 31, 2026, the following Common Shares, stock options, restricted share units ("RSU's"), performance share units ("PSUs"), and deferred share units ("DSU's") were outstanding:

<u>Summary Equity Units</u>	<u>Outstanding</u>
Issued and outstanding	47,870,944
DSU	20,014
C\$6.5 warrants	5,777,600
Railtown options	179,788
Railtown warrants	6,769
Fully diluted	53,855,115

Common shares carry equal rights with respect to voting, dividends, and repayment of capital. Holders of common shares are entitled to one vote per share at meetings of the Company. There are no preferences, conversion rights, or restrictions attached to this class of share.

Prior to the reverse takeover transaction, the Company consolidated its issued and outstanding common shares on the basis of one post-consolidation common share for approximately every 2.68 pre-consolidation common shares.

10. Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

11. Related Party Transactions

The related parties are companies owned or controlled by the principal shareholder of the parent company. As of December 31, 2025, the Company had accounts payable to related parties of \$1,847, compared to \$880 as of December 31, 2024. The increase in related party balances is mainly related to a net increase of \$800 in accounts payable to HM holdings for short-term working capital funding, and was repaid in full subsequent to year end.

All amounts owing to related parties are unsecured and non-interest bearing.

The Company did not record any related party transactions in the income statement for 2025 and 2024.

12. Critical Accounting Estimates and Judgements

Some of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the

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amounts included in the financial statements. Information about such judgements and estimates is contained in the accounting policies and/or the notes to the financial statements.

Significant areas of estimation uncertainty and critical judgements made by management in preparing the consolidated financial statements include:

Significant estimates:

Ore reserves and resources

There are numerous uncertainties inherent in estimating ore reserves and resources. Assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and resources and may, ultimately, result in the reserves and resources being restated.

The Company estimates its ore reserves and mineral resources based on information compiled by Micon International. Reports to support these estimates are prepared each year and are stated in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) under the guidelines set out in the 2014 Canadian Institute of Mining, Metallurgy and Petroleum Standards for Mineral Resources and Mineral Reserves, Definitions and Guidelines, May 2014 (the “CIM Standards”).

Reserves and resources are also used in the units of production method of calculating depreciation as well as the determination of the timing of mine closure cost and impairment analysis.

Recoverable values of mining assets

The recoverable values of advanced exploration projects are determined using a Fair Value Less Cost of Disposal (“FVLCD”) methodology. FVLCD is estimated using valuation techniques that are appropriate in the circumstances and for which sufficient data are available. These techniques include discounted cash flow models, value-in-situ methodologies based on comparable company analysis, and/or observable market transactions. When using a value-in-situ methodology, the in-situ value is based on a comparable company analysis and applies a realizable ‘enterprise value’ to unprocessed mineral resources per ounce of resources, to estimate the amount that would be paid by a willing third party in an arm's length transaction. There is judgement involved in determining the assumptions that are considered to be reasonable and consistent with those that would be applied by market participants. Changes in these assumptions will affect the recoverable amount of the mineral property.

Income tax

Judgement is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the

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extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the balance sheet date could be impacted.

Warrants classification and valuation

The classification of warrants as either equity instruments or derivative financial liabilities requires judgment and is assessed in accordance with IAS 32 Financial Instruments: Presentation. Warrants that fail the "fixed-for-fixed" criterion, including those denominated in a currency other than the Company's functional currency or containing provisions that could result in variability in the number of shares issued or the amount of consideration received, are classified as derivative financial liabilities. Such warrants are accounted for in accordance with IFRS 9 Financial Instruments.

Derivative-classified warrants are initially recognized at fair value using the date of issuance and subsequently remeasured at fair value at each reporting date, with changes in fair value recognized in profit or loss. The determination of fair value requires the use of option pricing models, such as Black-Scholes, and significant assumptions, including the Company's share price volatility, expected life of the warrants, risk-free interest rates, and other market-based inputs. Changes in these assumptions could materially affect the estimated fair value of the derivative financial liabilities and the resulting gains or losses recognized in profit or loss.

Critical judgements:

Determination of functional currencies

The determination of functional currency requires management judgement, particularly where there may be several currencies in which transactions are undertaken and which impact the economic environment in which the entity operates.

Recognition of evaluation and exploration assets

Judgement is required in determining when there is sufficient evidence that there is a future economic benefit of an exploration project, at which point the exploration costs are capitalized. This includes an assessment of whether there is a high degree of confidence of the existence of economically recoverable minerals. The stage, timeline and associated risks of the project are also considered. The exploration and evaluation assets are then assessed for impairment when facts and circumstances suggest that the carrying amount is not recoverable.

Business combinations and asset acquisitions

In identifying a business combination or acquisition of assets the Company applies the concentration test in accordance with IFRS 3 to determine whether an acquisition is a business combination or an asset acquisition. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable assets or a group of similar assets. If the concentration test is met, the acquisition is accounted for as an asset acquisition. If the concentration test is not met, the Company considers the underlying inputs, processes and outputs acquired as a part of the transaction. For an acquired set of activities and assets to be considered a business there must be at least some inputs and

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processes that have the capability to achieve the purposes of the Company. Where significant inputs and processes have not been acquired, a transaction is considered to be the purchase of assets.

For the assets and assumed liabilities acquired the Company allocates the total consideration paid (including directly attributable transaction costs) based on the relative fair values of the underlying items.

Where the acquiree does not meet the definition of a business under IFRS 3, the transaction is accounted for in accordance with IFRS 2 Share-based Payment as the acquiree is deemed to have issued equity instruments in exchange for its identifiable net assets. Any excess of the deemed consideration over the fair value of the identifiable net assets acquired is recognized as a listing expense in the income statement.

13. Changes in Material Accounting Policies

New standards, interpretations and amendments adopted

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendment to IAS 21 - Lack of Exchangeability

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not, as well as associated disclosure requirements when it is concluded a currency is not exchangeable.

The adoption of this amendment had no impact on the Consolidated Financial Statements as at December 31, 2025.

Future standards not yet adopted

Presentation and Disclosure in Financial Statements (IFRS 18) - IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. Management is currently assessing the impact of these standards but is not yet able to determine the extent of any changes on future financial reporting (if any). Certain pronouncements were issued by the IASB but are not yet effective as at December 31, 2025. The Company intends to adopt these standards when they become effective. Management is evaluating these new standards to determine the impact on the Company's financial statements and disclosures.

14. Financial Instruments

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For financial instruments held by the Company, management classifies warrants liabilities as FVTPL and receivables and accounts payable as amortized cost.

a) Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the warrants liabilities is based on level 2 inputs of the fair value hierarchy.

As at December 31, 2025 and 2024, the Company believes that the carrying values of receivables, accounts payable, and derivative financial liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

b) Management of risks arising from financial instruments

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash and cash equivalents is held with reputable Canadian, American and Chilean banks. The credit risk related to cash and cash equivalents is considered minimal.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

Currency risk

The international nature of the Company's operations results in foreign exchange risk. The Company's operating costs are primarily in US dollars. Any fluctuations of the US dollar in relation to these currencies may affect the profitability of the Company and the value of the Company's assets and liabilities.

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Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

15. Risks and Uncertainties

The Company's activities are subject to a range of market, operational, financial, and regulatory risks that are typical of the mineral exploration industry. These include risks related to commodity prices, permitting, access to capital and financing, and general economic and geopolitical conditions. As the Company is not yet generating operating income, its ability to continue as a going concern depends on maintaining adequate cash resources and, if necessary, obtaining additional funding. The following summarizes the principal risks faced by the Company.

Financing and Liquidity Risk

The Company does not currently generate operating cash flow and will require additional financing to support exploration, engineering, permitting, and development at the Volcan Project. There is no guarantee that such financing will be available when needed or on acceptable terms. Market conditions, commodity price fluctuations, investor sentiment toward mining and exploration companies, and general economic uncertainty could all affect the availability and cost of capital. Failure to secure sufficient funds could affect the timing of project advancement. Any equity financing may require approval by the Company's shareholders or Board. Debt or other financing could limit financial flexibility, increase exposure to economic conditions, and restrict the Company's ability to borrow further, pay dividends, or invest. It may also involve restrictive covenants or repayment obligations.

Project Development and Operational Risks

The Volcan Project accounts for all of the Company's mineral resources and the current potential for the future generation of revenue. Any adverse developments could have a material impact on its business and financial position. Development of a mining project involves numerous operational risks, including construction delays, cost increases, and technical or operational challenges during commissioning. The Company relies on contractors, suppliers, and skilled personnel to deliver key components of any development plan. Factors such as equipment or material shortages, cost inflation, transportation constraints, or disruptions in global supply chains could materially increase costs or cause schedule delays.

Once in operation, the Project could be affected by accidents, mechanical failures, labour disputes, energy supply interruptions, flooding, rock instability, seismic events, or other natural phenomena. Chile is located in an active seismic zone, and past earthquakes have caused significant damage to national infrastructure. These and other unforeseen events could lead to production interruptions, property damage, or increased costs not fully covered by insurance.

The Volcan Project will also depend on reliable access to infrastructure, including power, water, roads, and port facilities. Any deterioration or unavailability of this infrastructure could negatively affect project development and operations.

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Geological, Technical and Exploration Uncertainty

Mineral resource and reserve estimates are based on geological interpretation, sampling, and modelling, which inherently involve uncertainty. Actual mineralization or metallurgical recoveries may differ from these estimates. While not all identified mineral resources may ultimately be converted into mineral reserves, these estimates provide a basis for evaluating the deposit's potential.

Development and operating plans are guided by assumptions regarding tonnage, grade, recovery rates, operating costs, capital requirements, and economic parameters. As the project progresses, some assumptions may be refined, which could influence the economic outcomes or operational plans. Exploration and development also involve technical considerations, such as ground conditions, water management, or metallurgical variability, which may require design or operational adjustments.

Ongoing drilling, engineering, and metallurgical testing will continue to enhance understanding of the deposit and support assessment of its commercial potential. While mineral exploration involves inherent uncertainty, continued work seeks to optimize the project and enhance the prospects for successful development.

Regulatory, Environmental and Social Risks

The Company's development of the Volcan Project and exploration of its other properties are subject to environmental regulations in Chile and internationally, including protections for native or endangered species, water quality standards, land reclamation, hazardous waste management, and health and safety requirements. Compliance may require significant investment of time and resources. The Company strives to comply with all applicable laws and obtain required permits and approvals, noting that additional permits or updates may be necessary as the project advances.

Changes in environmental laws, regulations, or permitting requirements, including those related to climate change and greenhouse gas emissions, could impact operational costs, project timelines, or reporting obligations.

The Company places strong emphasis on maintaining positive relationships with local communities, stakeholders, and regional authorities. While it operates with transparency, early engagement, and benefit-sharing, opposition from community groups, social protests, or disputes over land or resource use could impact permitting processes or project schedules. Certain Chilean laws may also require prior consultation with Indigenous communities for specific projects.

Climate-related factors, such as droughts, extreme rainfall, or changes in water availability, may affect project design, costs, or operations. The Company actively monitors potential climate impacts, evolving environmental standards, and regulatory developments to manage risks and support sustainable operations.

Overall, the Company continues to integrate environmental, social, and climate considerations into its planning and operations to uphold regulatory compliance, sustainability, and strong stakeholder relationships.

Management's Discussion & Analysis

For the years ended December 31, 2025 and 2024

(expressed in thousands of US dollars except as otherwise noted)

Country, Legal and Anti-Corruption Considerations

The Company's future operations are expected to be located entirely in Chile and will therefore be subject to the political, legal, and economic conditions of that country, including potential policy changes, tax reforms, changes to the tax framework or its interpretations, currency fluctuations, social dynamics, or changes in property regulations. While Chile has a well-established mining framework, evolving political or social developments could result in additional regulation or operational costs for future activities.

The Company is subject to anti-corruption and anti-bribery laws, including the United States Foreign Corrupt Practices Act, the Canadian Corruption of Foreign Public Officials Act, and applicable Chilean legislation. The Company has established internal controls and compliance programs to prevent violations. Despite these measures, there remains a risk that employees, contractors, or agents could engage in actions contrary to these laws, which could result in regulatory penalties or reputational consequences.

Governance, Management and Labour Risks

The Company's success depends on the continued engagement of its directors, officers, employees, and contractors, as well as access to qualified technical personnel. Competition for skilled professionals in the mining industry is strong, particularly in specialized technical fields. The loss of key personnel or difficulty in attracting experienced staff could affect the Company's ability to execute its strategic objectives.

The Company's internal systems, controls, and procedures are designed to minimize errors, fraud, or operational disruptions, though no system can entirely eliminate such risks. As a public entity, the Company is subject to ongoing reporting, governance, and compliance requirements, which may necessitate additional resources and oversight.

Market, Commodity and Economic Risks

The Company's potential future revenues and profitability are influenced by the price of gold and other metals, which are subject to fluctuations due to global supply and demand, geopolitical developments, and macroeconomic conditions. Prolonged declines in commodity prices could affect the economic feasibility of the Volcan Project. The Company is also exposed to currency exchange rate variations, particularly between the Chilean peso and the U.S. dollar, as well as inflationary pressures and rising costs for labour, energy, and materials.

Volatility in financial and commodity markets may influence investor sentiment and the availability of equity capital for mining ventures. Broader economic instability in emerging markets or slower economic growth in Chile could also impact the Company's ability to raise funds or progress its project.

Transaction, Market and Securities Risks

The continued listing on the TSX Venture Exchange is subject to compliance with listing requirements. The Company's shares may experience limited liquidity and price volatility due to factors including commodity price movements, market sentiment, or the performance of comparable issuers. Future equity issuances to support project development could dilute existing shareholders' ownership.

Management's Discussion & Analysis

For the years ended December 31, 2025 and 2024

(expressed in thousands of US dollars except as otherwise noted)

16. Internal and Disclosure Controls Over Financial Reporting

Management has designed and maintains controls and procedures, and internal controls over financial reporting appropriate to the company's size and stage of development.

17. Basic Earnings per Share

Basic earnings per share is calculated by dividing profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2025	2024
Net income	\$ 20,189	\$ 168
Weighted average common shares outstanding	37,442	34,000
Basic and diluted earnings per common share (expressed in U.S. dollars per share)	\$ 0.54	\$ 0.00

18. Subsequent Events

Subsequent to December 31, 2025, there were no material events or transactions requiring disclosure.

19. Non-IFRS Measures

Certain financial measures referred to in this MD&A are not measures recognized under IFRS and are referred to as non-IFRS financial measures or ratios. These measures have no standardized meaning under IFRS and may not be comparable to similar measures presented by other companies. The definitions established and calculations performed by Tiernan are based on management's reasonable judgement and are consistently applied. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

The non-IFRS financial measures used in this MD&A and common to the gold mining industry are AISC per ounce of gold sold. AISC per ounce of gold sold is a non-IFRS financial measure and has no standardized meaning under IFRS and may not be comparable to similar measures used by other issuers. As the Volcan Project is not in production, the Company does not have historical non-IFRS financial measures nor historical comparable measures under IFRS, and therefore the foregoing prospective non-IFRS financial measures or ratios may not be reconciled to the nearest comparable measures under IFRS.

20. Forward Looking Information

This MD&A contains forward-looking information within the meaning of National Instrument 51-102, *Continuous Disclosure Obligations of the Canadian Securities Administrators*. All statements, other than statements of historical fact, included herein, including but not limited to statements regarding the Company's plans, intentions, expectations, and future financial position, the potential development of the Volcan Project, and the availability of funding, are forward-looking statements.

Management's Discussion & Analysis

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(expressed in thousands of US dollars except as otherwise noted)

Forward-looking statements are based on assumptions, including but not limited to estimated production levels, mineral resource estimates, capital and operating costs, metal prices, permitting timelines, regulatory requirements, and anticipated financing activities. Forward-looking statements also include statements regarding the timing, structure, and expected proceeds of the Company's private placement, and the Company's ability to advance its business and projects as planned.

Although the Company believes that such statements are reasonable, there can be no assurance that actual results will be consistent with these statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, and similar expressions, or by statements that, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward-looking statements as a result of various factors, including, but not limited to: changes in economic conditions, fluctuations in commodity prices, inflation, currency exchange rate variations, permitting and regulatory risks, access to capital and financing, operational challenges, geopolitical events, and other factors. Actual results could differ materially due to the risks described under the "Risks" section of this MD&A, including financing, operational, regulatory, environmental, political, social, and market risks.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in any forward-looking statements. For this reason, investors should not attribute undue certainty to, or place undue reliance on, forward-looking statements. Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations.

The forward-looking statements contained in this MD&A are made as at the date of this MD&A, and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by applicable securities laws.