TIERNAN GOLD CORP.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2026 and 2025

(Unaudited - Expressed in thousands of US dollars)

TIERNAN GOLD CORP.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in thousands of US dollars)

	Note	**September 30, 2026**	December 31, 2025
		$	$
ASSETS			
Current			
Cash and cash equivalents		**33,402**	39,673
Receivables and prepaid expenses		**368**	40
		33,770	39,713
Mineral property	6	**78,256**	81,100
Total assets		**112,026**	120,813
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7, 10	**1,509**	3,188
Income tax payable		**8**	12
Warrant liability	8	**8,054**	11,533
Total liabilities		**9,571**	14,733
SHAREHOLDERS' EQUITY			
Share capital	9	**93,747**	90,040
Reserves		**2,718**	678
Accumulated other comprehensive loss		**(21,778)**	(15,136)
Retained earnings		**27,768**	30,498
Total shareholders' equity		**102,455**	106,080
Total liabilities and shareholders' equity		**112,026**	120,813

Nature of operations and going concern (Note 1)

Approved and authorized for issue on behalf of the Board of Directors:

"Greg McCunn"	*"Adam Schatzker"*
Director	Director

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

TIERNAN GOLD CORP.
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited - Expressed in thousands of US dollars, except per share amounts)

	Note	Three months ended September 30, **2026**	2025	Nine months ended September 30, **2026**	2025
		$	$	**$**	$
Operating expenses					
Administrative expenses	10, 11	**(2,169)**	(188)	**(4,573)**	(405)
Loss from operations		**(2,169)**	(188)	**(4,573)**	(405)
Other income (expense)					
Impairment reversal	6	**-**	-	**-**	31,844
Change in fair value of warrant liability	8	**1,563**	-	**2,137**	-
Interest income		**223**	105	**658**	326
Foreign exchange		**15**	-	**(963)**	(4)
Net income (loss) before tax		**(368)**	(83)	**(2,741)**	31,761
Income tax expense		**(4)**	(3)	**(9)**	(8)
Net income (loss)		**(372)**	(86)	**(2,750)**	31,753
Other comprehensive income					
Currency translation differences*		**(5,038)**	(2,164)	**(6,642)**	1,373
Total comprehensive income (loss)		**(5,410)**	(2,250)	**(9,392)**	33,126

items that may be reclassified subsequently to profit and loss

Income (loss) per share:	9c				
Basic		**(0.01)**	**(0.00)**	**(0.06)**	**0.86**
Diluted		**(0.04)**	**(0.00)**	**(0.10)**	**0.86**
Weighted average number of shares:					
Basic		**48,242,005**	37,000,000	**48,061,759**	37,000,000
Diluted		**48,680,807**	37,000,000	**49,124,799**	37,000,000

TIERNAN GOLD CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in thousands of US dollars)

	Note	Three months ended September 30, **2026**	2025	Nine months ended September 30, **2026**	2025
		$	$	**$**	$
Operating activities					
Net income (loss) for the period		**(372)**	(86)	**(2,750)**	31,753
Adjustments for:					
Impairment reversal	6	**-**	-	**-**	(31,844)
Change in fair value of warrant liability	8	**(1,563)**	-	**(2,137)**	-
Income tax expense		**4**	3	**9**	8
Finance costs		**-**	-	**-**	15
Share-based compensation	9	**1,296**	-	**2,332**	-
Foreign exchange		**(53)**	-	**958**	-
Changes in non-cash working capital items:					
Receivables and prepaid expenses		**(39)**	1	**(328)**	(1)
Accounts payable		**(370)**	112	**(1,711)**	467
Income tax payable		**-**	-	**(9)**	(11)
Cash (used in) provided by operating activities		**(1,097)**	30	**(3,636)**	387
Investing activities					
Additions to evaluation and exploration assets	6	**(1,948)**	(265)	**(3,770)**	(1,463)
Cash used in investing activities		**(1,948)**	(265)	**(3,770)**	(1,463)
Financing activities					
Proceeds from issuance of shares upon exercise of warrants	9b	**141**	-	**2,079**	-
Proceeds from exercise of options	9b	**19**	-	**19**	-
Cash provided by financing activities		**160**	-	**2,098**	-
Change in cash and cash equivalents		**(2,885)**	(235)	**(5,308)**	(1,076)
Effect of exchange rate on changes in cash		**54**	-	**(963)**	-
Cash and cash equivalents, beginning of the period		**36,233**	11,049	**39,673**	11,890
Cash and cash equivalents, end of the period		**33,402**	10,814	**33,402**	10,814
Supplemental cash flow disclosures:					
Interest paid in cash		**8**	-	**8**	-
Interest received in cash		**223**	256	**666**	566
Income taxes paid in cash		**-**	-	**13**	12
Exploration and evaluation expenditures included in accounts payable and accrued liabilities		**35**	-	**35**	-
Fair value of liability-classified warrants transferred to share capital upon exercise		**59**	-	**1,342**	-
Fair value of equity-classified warrants transferred to share capital upon exercise		**-**	-	**172**	-

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

TIERNAN GOLD CORP.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in thousands of US dollars, except number of shares)

	Common shares	Share capital	Reserves	Accumulated other comprehensive loss	Retained earnings	Total shareholders' equity
	#	$	$	$	$	$
Balance, December 31, 2024	37,000,000	56,839	-	(20,776)	10,309	46,372
Currency translation differences	-	-	-	1,373	-	1,373
Net income for the period	-	-	-	-	31,753	31,753
Balance, September 30, 2025	37,000,000	56,839	-	(19,403)	42,062	79,498
Shares issued in reverse takeover transaction	2,753,498	8,971	678	-	-	9,649
Shares issued in treasury offering	8,000,000	24,230	-	-	-	24,230
Currency translation differences	-	-	-	4,267	-	4,267
Net loss for the period	-	-	-	-	(11,564)	(11,564)
Balance, December 31, 2025	47,753,498	90,040	678	(15,136)	30,498	106,080
Shares issued for exercises of equity-classified warrants	59,946	204	(172)	-	-	32
Shares issued for exercises of liability-classified warrants	432,500	3,384	-	-	-	3,384
Shares issued for options exercised	37,015	119	(100)	-	-	19
Expired warrants	-	-	(20)	-	20	-
Share-based payments	-	-	2,332	-	-	2,332
Currency translation differences	-	-	-	(6,642)	-	(6,642)
Net loss for the period	-	-	-	-	(2,750)	(2,750)
Balance, September 30, 2026	**48,282,959**	**93,747**	**2,718**	**(21,778)**	**27,768**	**102,455**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Tiernan Gold Corp. (“Tiernan” or “the Company”) is a corporation formed under the laws of the Province of British Columbia on March 22, 2022. The Company is a controlled subsidiary of Hochschild Mining Holdings Ltd. (“HM Holdings”) which holds 69% of the Company’s outstanding common shares. HM Holdings is a wholly owned subsidiary of Hochschild Mining PLC, a publicly listed company trading on the London Stock Exchange. On December 16, 2025, the Company completed a reverse takeover transaction (the “Transaction”) (Note 5), following which its shares were listed on the TSX Venture Exchange under the symbol “TNGD.V”. The Company’s registered office is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC, V6C 2X8.

The Company is focused on advancing its 100%-owned Volcan gold project (the “Volcan Project” or “Project”). The Project is located in the Atacama Region of Chile, on the Maricunga gold belt (Note 6).

These condensed interim consolidated financial statements for the three and nine months ended September 30, 2026 and 2025 (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business for at least the next twelve months. Management has assessed the Company's ability to continue as a going concern and has not identified any material uncertainties that may cast significant doubt on that ability.

The Company is an exploration stage resource company that does not generate any revenue. Historically, the Company was funded by its parent; since the Transaction it has funded its operations through equity-based financing. As at September 30, 2026, the Company had current assets of $33,770 and current liabilities of $9,571, resulting in working capital of $24,199 (December 31, 2025: $24,980). Current liabilities include the warrant liability (Note 8), which is a non-cash derivative expected to be settled by the issuance of common shares rather than by an outflow of cash, or will expire unexercised, and in either case will not require the use of the Company's cash resources. As at September 30, 2026, when excluding its warrant liability of $8,054 (December 31, 2025: $11,533), the Company had a working capital position of $32,253 (December 31, 2025: $36,513). During the three and nine months ended September 30, 2026, the Company recorded net loss of $372 and $2,750, respectively (three and nine months ended September 30, 2025: net loss of $86 and net income of $31,753, respectively). While the Company expects to meet its financial obligations as they fall due, it will require additional financing over the longer term to continue to explore and develop its mineral property.

The application of the going concern concept is dependent upon the Company's ability to maintain an adequate level of financial resources to discharge its obligations as they fall due. Management seeks to raise capital, when necessary, to meet its funding requirements and to prudently advance the Project studies with fiscal discipline.

Reverse takeover transaction

Railtown Capital Corp. (“Railtown”) was a capital pool company incorporated on June 22, 2020 under the laws of the Province of British Columbia, Canada.

Tiernan Gold Corp. is a corporation incorporated on March 22, 2022 under the laws of the Province of British Columbia, Canada. Tiernan was a wholly-owned subsidiary of HM Holdings and owned 100% of Volcan Project located in the Atacama region of Chile.

On December 16, 2025, Tiernan completed a reverse takeover with Railtown by way of a three-cornered amalgamation. 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, retained control of the resulting public entity (the “Resulting Issuer”). Accordingly, the Transaction constituted a reverse takeover of Railtown by Tiernan for accounting purposes (Note 5).

As the Transaction was accounted for as a reverse takeover, the comparative share and per-share amounts presented in these financial statements are those of Tiernan, retroactively restated to reflect the exchange ratio applied on the Transaction. Accordingly, the weighted average number of common shares outstanding for the three and nine months ended September 30, 2025 of 37,000,000 represents Tiernan's shares outstanding during that period multiplied by the exchange ratio and does not correspond to the number of shares legally outstanding of either Tiernan or Railtown during that period.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on November 10, 2026.

2. BASIS OF PREPARATION (continued)

These financial statements are in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and prepared under IAS 34 Interim Financial Reporting ("IAS 34"). These financial statements do not include all disclosures required for annual financial statements and therefore they should be read in conjunction with the Company's audited annual financial statements for the years ended December 31, 2025 and 2024 (the "Annual Financial Statements").

b) Basis of presentation

These financial statements have been prepared using historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as set out in the accounting policies below. In addition, these financial statements have been prepared using the accrual basis of accounting other than the consolidated statements of cash flows.

c) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company is the United States dollar ("USD"). The financial statements are presented in USD, except as otherwise noted. The Company's wholly owned subsidiary, Andina Minerals Chile SpA ("Andina"), based in Chile, has the functional currency of the primary economic environment in which it operates, that is the Chilean Peso ("CLP"). Financial statements expressed in their corresponding functional currencies are translated into USD by applying the exchange rate at period end for assets and liabilities and the transaction date exchange rate for income statement items. The resulting difference on consolidation is included as cumulative translation adjustment in equity.

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiary. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiary included in these financial statements as at September 30, 2026 is as follows:

Name	Country of incorporation	Percentage ownership	Functional currency	Principal activities
Andina	Chile	100%	CLP	Mineral assets exploration

3. MATERIAL ACCOUNTING POLICIES

In preparation of these financial statements, the Company used the same accounting policies disclosed in the notes to the Annual Financial Statements, except for the addition of the following policies:

a) Share-based compensation

Deferred share units ("DSUs")

DSUs are granted under the Company's omnibus equity incentive plan to non-executive directors. Each DSU entitles the holder to receive one common share of the Company, a cash payment equal to the value of one common share, or a combination thereof as determined at the sole discretion of the Company. Settlement occurs following the holder ceasing to be a director of the Company. The DSUs are accounted for as equity-settled share-based payments as the company has no past practice, stated policy, or legal obligation that would require settlement in cash. The fair value of the DSUs is measured at the grant date by reference to the closing price of the Company's common shares on that date and is recognized as share-based compensation on a straight-line basis over the vesting period with the offsetting credit to reserves. When the shares associated with the DSUs are issued, the applicable fair value is transferred from reserves to share capital.

3. MATERIAL ACCOUNTING POLICIES (continued)

Performance share units ("PSUs")

PSUs are granted to directors, officers, and employees. Upon vesting, each PSU may be settled in either equity through common shares or cash at the discretion of the Board of Directors. At initial recognition, the PSUs are considered and accounted for as equity settled share-based payments due to there being no past practice, stated policy, or legal obligation that would require settlement in cash. PSUs entitle participants to receive common shares of the Company upon vesting, subject to the achievement of specified service and performance conditions. The fair value of PSUs is measured at the grant date and recognized as share-based compensation expense, with a corresponding increase in reserves, over the applicable vesting period.

PSU awards include both market-based and non-market-based performance conditions. Market-based performance conditions are reflected in the grant-date fair value of the awards. The grant-date fair value of PSUs subject to market-based performance conditions is determined using an appropriate valuation technique that incorporates the probability of achieving the market-based performance conditions. The resulting grant-date fair value is not subsequently adjusted for changes in the likelihood or actual achievement of those market-based performance conditions. Compensation expense is recognized for awards subject to market-based performance conditions when the applicable service and other non-market vesting conditions are satisfied, regardless of whether the market-based performance conditions are ultimately achieved.

Non-market-based performance conditions are not reflected in the grant-date fair value of the PSUs. Instead, the Company estimates the number of PSUs expected to vest based on the expected achievement of the applicable non-market-based performance conditions and recognizes compensation expense based on that estimate. The estimate is reassessed at each reporting date during the vesting period, with the cumulative compensation expense adjusted to reflect changes in the number of PSUs expected to vest. At the vesting date, the cumulative amount recognized is based on the number of PSUs that ultimately vest. No compensation expense is recognized on a cumulative basis for awards that do not vest as a result of the failure to satisfy a non-market vesting condition.

Service conditions are reflected in the number of awards expected to vest. Compensation expense is adjusted for awards that are not expected to vest as a result of failure to satisfy the applicable service conditions, with the estimate updated at each reporting date and adjusted to the actual number of awards that vest at the end of the vesting period.

Restricted share units ("RSUs")

RSUs are granted to directors, employees, and consultants of the Company. The Company accounts for share-based compensation associated with RSU grants using a fair value-based method. The fair value of RSUs is measured at the date of grant using the Company's share price. The fair value of the RSUs granted is recognized as share-based compensation over the vesting period, with the offsetting credit to reserves. When the shares associated with RSUs are issued, the applicable fair value is transferred from reserves to share capital.

b) Future standards not yet adopted

IFRS 18 will replace IAS 1, Presentation of Financial Statements, and 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, including additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to IAS 7, Statement of Cash Flows. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

The Company is continuing to assess the impacts IFRS 18 will have on its future financial statements and disclosures, including its consolidated financial statements. The Company expects its consolidated statements of income will be presented differently under IFRS 18, and there will be recategorizations of certain line items in the statements of income and statements of cash flows.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues, and expenses. Management continually evaluates these judgements, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgements, which may result in material adjustments to the carrying amounts of assets and liabilities.

The Company's interim results are not necessarily indicative of its results for a full year. The critical judgements and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.

5. REVERSE TAKEOVER TRANSACTION AND PRIVATE PLACEMENT

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.

All share and per-share amounts for prior periods have been retroactively adjusted to reflect the share consolidation and the exchange ratio applied on the Transaction.

Concurrent with the Transaction, the Company completed a private placement of subscription receipts ("Subscription Receipts") for aggregate gross proceeds of $30,471 (C$41,890). Each Subscription Receipt consisted of one common share and one-half share purchase warrant. The private placement comprised:

(i) a treasury offering by the Company of 8,000,000 Subscription Receipts (8,000,000 shares and 4,000,000 warrants) at C$5.00 per Subscription Receipt for gross proceeds of $29,096 (C$40,000); and
(ii) a secondary offering of subscription receipts by HM Holdings of 1,835,100 warrants of the Company for gross proceeds of $1,375 (C$1,890), representing the value allocated to the Company in respect of the warrants issued.

Fair value of warrants issued in the treasury offering was determined using the Black-Scholes option pricing model ("BSM"), with any residual amount allocated to common shares. As a result, $2,897 (C$4,120) was allocated to warrant liability and $26,199 (C$35,880) was allocated to common shares. The value allocated to the warrants issued in the secondary offering amounted to $1,375 (C$1,890) and recorded to warrant liability.

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 into one common share at an exercise price of C$6.50 for a period of 24 months until November 18, 2027, following the closing of the private placement.

A summary of the Company's gross proceeds and related costs is as follows:

	$
Gross proceeds from treasury offering allocated to common shares	26,199
Agent fees and transaction costs	(1,969)
Proceeds from issue of common shares, net of transaction costs	24,230
Gross proceeds from treasury offering allocated to warrants	2,897
Gross proceeds from secondary offering allocated to warrants	1,375
Agent fees and transaction costs	(418)
Warrants, net of transaction costs	3,854
Total impact on cash flows	**28,084**

5. REVERSE TAKEOVER TRANSACTION AND PRIVATE PLACEMENT (continued)

Due to the absence of both the necessary inputs and the required processes, at the time of the Transaction, Railtown was not capable of producing outputs and therefore would not meet the definition of a business under IFRS 3 *Business Combinations* ("IFRS 3"). As a result, the Transaction did not qualify as a business combination under IFRS 3, as the significant inputs, processes, and outputs that together constitute a business did not exist in Railtown at the time of the Transaction and the Transaction has been accounted for as an equity-settled share-based payment transaction within the scope of IFRS 2 *Share-based Payments* ("IFRS 2"). Accordingly, the consideration in excess of net assets acquired of $9,052 was recorded as listing expenses in the consolidated statements of income (loss) and comprehensive income (loss). These consolidated financial statements reflect the assets, liabilities, and operations of Tiernan since its incorporation and Railtown from December 16, 2025.

The transaction was accounted for as a reverse acquisition in accordance with IFRS 2 as the Resulting Issuer is deemed to have issued equity instruments in exchange for the identifiable net assets of Railtown. Tiernan has been identified as the accounting acquirer and Railtown as the accounting acquiree. Accordingly, the consolidated financial statements represent a continuation of the financial statements of the accounting acquirer. Prior to the acquisition date, the financial statements reflect only the operations and financial position of the accounting acquirer. From the acquisition date, the financial statements include the consolidated results of both entities.

A summary of the consideration paid and Railtown's net assets to be acquired as at the closing of the Transaction is as follows:

	$
Consideration	
Fair value of Railtown common shares issued (2,753,498 shares at $3.26)	8,971
Fair value of Railtown's legacy options and warrants	678
Total consideration paid	**9,649**
Fair value of net assets of Railtown	
Cash and cash equivalents	585
Trade and other receivables	19
Trade and other payables	(7)
Net assets acquired	**597**
Listing expense	**9,052**

6. MINERAL PROPERTY

On March 13, 2023, the Company acquired the Volcan Project, located in the Atacama Region in Chile, on the Maricunga gold belt, from HM Holdings, the Company's parent.

The Volcan Project is a gold property located approximately 700 kilometers ("km") north of Santiago, the capital of Chile. The total area of the Volcan Project, including exploration and exploitation concessions, comprises 55,140 hectares ("ha"). The Company, 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.

The Project has a Preliminary Economic Assessment ("PEA") with an effective date of March 15, 2023, which was updated by a qualified person with an effective date of July 15, 2025. The study contemplates an average of 332,000 ounces of gold production per year for the first 10 years of operations with 3.8 million ounces produced over the estimated mine life.

6. MINERAL PROPERTY (continued)

There are three royalty agreements which apply to the Volcan Project concessions as follows:

- First, there is a royalty agreement from May 2004, between Andina and "Sociedad Legal Minera Volcan Una de la Sierra del Volcan Copiapó y Otras" (a consortium of local individuals) for: $nil on the first 2 million ounces (Moz) of gold production; $5 (in whole dollars, not thousands) for each ounce (oz) of gold produced after the first 2 Moz and up to 4 Moz; and 1% Net Smelter Return ("NSR") on gold production from the Andina mining concessions above 4 Moz.

- Second, Compañía Minera Barrick Chile Limitada (an arms' length entity) retained a 1.5% NSR royalty on all metals produced from the Andina exploration concessions acquired from Barrick in 2009, should they be developed ("the Barrick royalty").

- Third, in July 2023, Franco-Nevada Corporation, owner of the Barrick royalty, purchased a 1.5% NSR on all gold and copper production from the Volcan Project concessions for $15,000.

Changes in the carrying amount of the Company's mineral property are as follows:

	Exploration and evaluation assets	Water rights	Total
	$	$	$
Balance, December 31, 2024	25,492	9,928	35,420
Additions	1,823	-	1,823
Foreign exchange	4,613	1,071	5,684
Impairment reversal (1)	28,335	9,838	38,173
Balance, December 31, 2025	60,263	20,837	81,100
Additions	3,770	-	3,770
Foreign exchange	(5,212)	(1,402)	(6,614)
Balance, September 30, 2026	**58,821**	**19,435**	**78,256**

(1) In 2025, management determined that there was a trigger of reversal of impairment in the Volcan project due to the increase in long-term gold prices. The recoverable value of the Volcan Project was determined using a FVLCD methodology. As of December 31, 2024 the Company used a value in-situ methodology, which applies a realisable 'enterprise value' to unprocessed mineral resources per ounce of resources.

During the six months ended June 30, 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.

The enterprise value used in the June 30, 2025 calculation was a risk adjusted value per in-situ gold equivalent ounce of $6.72. The impairment test resulted in a reversal of impairment of $31,844, comprising $23,446 in exploration and evaluation assets and $8,398 in water rights, as at June 30, 2025. The remaining accumulated impairment loss that could be reversed in the Volcan Project as at June 30, 2025 amounted to $5,728. Subsequent to June 30, 2025, additional positive market evidence became available following the completion of the reverse takeover transaction and concurrent financing on December 16, 2025, which provided an observable valuation benchmark for the Volcan Project (Note 5). As a result, management concluded that the recoverable amount of the Volcan cash-generating unit ("CGU") exceeded its carrying amount as at December 31, 2025. Accordingly, the remaining accumulated impairment loss of $6,329 ($5,728 before foreign exchange effect) was fully reversed as at December 31, 2025.

The impairment tests performed during the year ended December 31, 2025, including the reversal recognized in the second quarter described above, resulted in a total reversal of impairment of $38,173, comprising $28,335 in exploration and evaluation assets and $9,838 in water rights.

The carrying amount of the Volcan CGU, which includes the associated water permits, is assessed at each reporting date for indicators of impairment and is tested for impairment where such indicators exist. No indicators of impairment were identified, and no impairment was recognized during the three and nine months ended September 30, 2026.

6. MINERAL PROPERTY (continued)

A summary of the additions to the exploration and evaluation assets are as follows:

	Nine months ended September 30, 2026	Year ended December 31, 2025
	$	$
Personnel and field activities	**344**	256
General and administrative	**114**	235
Mining concessions	**547**	900
Technical studies and engineering	**2,736**	-
Other exploration costs	**29**	432
Total	**3,770**	**1,823**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	September 30, 2026	December 31, 2025
	$	$
Trade payables	**372**	1,307
Accrued liabilities	**365**	-
Taxes and contributions	**6**	19
Salaries and wages payable	**166**	15
Due to related parties (Note 10)	**600**	1,847
	1,509	3,188

8. WARRANT LIABILITY

In connection with the Transaction, the Company issued 5,835,100 warrants as part of the Subscription Receipts. The exercise price of the warrants was denominated in Canadian dollars, while the functional currency of the Resulting Issuer is the U.S. dollar. As a result, the warrants do not meet the fixed-for-fixed criterion under IAS 32 *Financial Instruments: Presentation* ("IAS 32") and are classified as financial liabilities measured at fair value through profit or loss. The warrants are exercisable by the holder at any time up to the expiry date of November 18, 2027, and accordingly the warrant liability is presented as a current liability as the Company has no unconditional right to defer settlement beyond twelve months.

Upon issuance of the warrants in connection with the treasury and secondary offerings, the Company recognized a warrant liability of $4,272. During the year ended December 31, 2025, the Company recorded a change in the fair value of the warrant liability of $7,261, which includes a foreign exchange loss of $14, recognized in the consolidated statements of loss and comprehensive loss.

A summary of the Company's inputs used in the BSM to calculate the fair value of warrants is as follows:

	September 30, 2026	December 31, 2025	December 16, 2025
Share price	**C$6.66**	C$7.15	C$4.49
Exercise price	**C$6.50**	C$6.50	C$6.50
Expected life (years)	**1.13**	1.88	1.92
Risk-free interest rate	**2.89%**	2.58%	2.58%
Expected volatility (annualized)	**71.70%**	61.44%	61.44%
Dividend yield	**0.00%**	0.00%	0.00%
Fair value per warrant	**C$2.12**	C$2.71	C$1.01

The risk-free rate of periods within the expected life of the warrants is based on the Canadian government bond rate. The annualized volatility assumptions are based on the historical results of benchmark companies.

8. WARRANT LIABILITY (continued)

A summary of the Company's continuity of warrants and warrant liability is as follows:

	Number of warrants	Fair value
	#	$
Balance, December 31, 2024	-	-
Warrants issued	5,835,100	4,272
Change in fair value of warrants outstanding	-	7,261
Balance, December 31, 2025	5,835,100	11,533
Warrants exercised, fair value transferred to share capital	(432,500)	(1,342)
Change in fair value of warrants outstanding	-	(2,137)
Balance, September 30, 2026	**5,402,600**	**8,054**

During the three and nine months ended September 30, 2026, the Company recognized gains of $1,563 and $2,137, respectively, on the change in fair value of the warrant liability. The decrease in the warrant liability was driven by the change (mainly, Q3 2026 decline) in the Company's share price (C$7.15 at December 31, 2025, C$9.30 at March 31, 2026, C$7.14 at June 30, 2026, and C$6.66 at September 30, 2026) and the shorter remaining life of the warrants, partially offset by an increase in expected volatility. As the share price is close to the exercise price, the fair value of the warrants consists largely of time value and is sensitive to changes in expected volatility.

A summary of the Company's outstanding warrants as at September 30, 2026 is as follows:

Date of expiry	Number of warrants	Exercise price	Remaining life
	#	C$	Years
November 18, 2027	5,402,600	6.50	1.13

The sensitivity of the value of the warrants issued in the private placement as at September 30, 2026 is as follows:

	$
Annual volatility (increase by 5%)	490
Annual volatility (decrease by 5%)	(495)
Share price (increase by 5%)	884
Share price (decrease by 5%)	(853)

Foreign exchange gains and losses on the warrant liability are presented and included within the change in fair value of warrant liability, rather than in foreign exchange.

9. SHARE CAPITAL

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued share capital

During the nine months ended September 30, 2026, the Company had the following share capital transactions:

- The Company issued total 59,946 common shares pursuant to the exercise of legacy, equity-classified warrants for gross proceeds of $32. As a result of the exercise, $172 was transferred to share capital from reserves.
- The Company issued total 432,500 common shares pursuant to the exercise of liability-classified warrants for gross proceeds of $2,047. As a result of the exercise, $1,342 was transferred to share capital from warrant liability (Note 8).
- The Company issued total 37,015 common shares pursuant to the exercise of options for gross proceeds of $19. As a result of the exercise, $100 was transferred to share capital from reserves.

9. SHARE CAPITAL (continued)

During the year ended December 31, 2025, the Company had the following share capital transactions:

- On December 16, 2025, in connection with the Transaction (Note 5), the Company issued 2,753,498 common shares to the former shareholders of Railtown with a fair value of $3.26 per share for a total consideration of $8,971.
- On December 16, 2025, in connection with the Transaction (Note 5), the Company issued 8,000,000 common shares upon the conversion of 8,000,000 Subscription Receipts issued as part of the treasury offering. The Subscription Receipts were issued for gross proceeds of $29,096. The Company incurred share issuance costs of $1,969.

c) Earnings per share

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Net income (loss) for the period - basic	**(372)**	(86)	**(2,750)**	31,753
Reversal of change in fair value of warrant liability	**(1,563)**	-	**(2,137)**	-
Net income (loss) for the period - diluted	**(1,935)**	(86)	**(4,887)**	31,753
Weighted average common shares outstanding – basic	**48,242,005**	37,000,000	**48,061,759**	37,000,000
Dilutive effect of warrants	**438,802**	-	**1,063,040**	-
Weighted average common shares outstanding - diluted	**48,680,807**	37,000,000	**49,124,799**	37,000,000
Basic earnings (loss) per share (expressed in U.S. dollar per share)	**(0.01)**	(0.00)	**(0.06)**	0.86
Diluted earnings (loss) per share (expressed in U.S. dollar per share)	**(0.04)**	(0.00)	**(0.10)**	0.86

Diluted loss per share for the three months and nine months ended September 30, 2026 reflects the assumed exercise of the liability-classified warrants; which were dilutive as the average market price of the Company's common shares (C$7.08 and C$8.09, respectively) exceeded the exercise price of C$6.50. On that assumption, the change in fair value of the warrant liability of $1,563 and $2,137, respectively, are reversed from the numerator, and 438,802 and 1,063,040 incremental shares, respectively, determined using the treasury stock method, are added to the denominator. Stock options, RSUs and DSUs totalling 1,490,506 were excluded from the diluted weighted average number of shares because their inclusion would have been antidilutive. PSUs totalling 82,794 were also excluded because they are contingently issuable and the performance conditions had not been met as at September 30, 2026.

For the three and nine months ended September 30, 2025, there were no potential common shares outstanding, and diluted earnings per share equals basic earnings per share.

d) Stock options

The Company has adopted a stock option plan under which directors, officers, employees and consultants may be granted options to acquire common shares of the Company. The exercise price of each option is determined by the Board of Directors, subject to applicable exchange requirements. Options generally vest over a specified period and have a maximum term of up to eight years.

A summary of the Company's stock option activity is as follows:

	Number of stock options	**Weighted average exercise price**
	#	C$
Balance, December 31, 2024	-	-
Assumed on reverse takeover	179,788	$2.15
Balance, December 31, 2025	179,788	$2.15
Granted	192,698	$8.95
Exercised	(37,015)	$0.71
Outstanding, September 30, 2026	**335,471**	**$6.21**

9. SHARE CAPITAL (continued)

A summary of the Company's stock options outstanding as at September 30, 2026, is as follows:

Date of expiry	Number of stock options	Number exercisable	Weighted average exercise price	Weighted average remaining life
	#	#	C$	Years
December 16, 2026	58,167	58,167	$0.71	0.21
December 16, 2026	28,202	28,202	$3.76	0.21
April 10, 2031	162,092	-	$9.06	4.53
May 19, 2031	13,981	-	$8.69	4.64
June 6, 2031	10,066	-	$8.35	4.68
August 31, 2031	6,559	-	$7.58	4.92
March 3, 2034	56,404	56,404	$3.76	7.43
	335,471	**142,773**	**$6.21**	**3.92**

The 142,773 options exercisable at September 30, 2026 represent the replacement options issued on completion of the Transaction (Note 5), which vested in full on issuance. No share-based compensation expense is recognized in respect of these awards, as they were granted as part of the consideration transferred rather than in exchange for future services.

The fair value of options granted during the nine months ended September 30, 2026 was estimated at the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

	April 10, 2026	May 19, 2026	June 6, 2026	August 31, 2026
Exercise price (C$)	9.06	8.69	8.35	7.58
Expected volatility	63.5%	64.4%	65.0%	64.8%
Expected life (years)	3.0	3.0	3.0	3.0
Risk-free interest rate	2.88%	2.99%	2.86%	3.11%
Expected dividend yield	Nil	Nil	Nil	Nil
Grant date fair value per option (C$)	4.01	3.90	3.77	3.43

Expected volatility was determined by reference to the historical volatility of comparable companies, as the Company does not have sufficient trading history of its own. The weighted average grant date fair value of options granted during the nine months ended September 30, 2026 was C$3.97.

During the three and nine months ended September 30, 2026, the Company recognized share-based compensation expense of $85 and $151, respectively (three and nine months ended September 30, 2025 - $nil), related to the vesting of stock options which is included in administrative expenses.

e) Share purchase warrants (equity-classified)

On December 16, 2025, in connection with the Transaction (Note 5), the Company acquired 66,715 legacy warrants. The exercise price of the warrants is C$0.71 per share with an expiry date of January 28, 2026. The fair value of these warrants was included as part of the consideration transferred in determining the fair value of the net assets acquired of Railtown.

A summary of the Company's share purchase warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	C$
Balance, December 31, 2024	-	-
Issued (Note 5)	66,715	0.71
Balance, December 31, 2025	66,715	0.71
Exercised	(59,946)	0.71
Expired	(6,769)	0.71
Balance, September 30, 2026	-	-

9. SHARE CAPITAL (continued)

During the nine months ended September 30, 2026, 6,769 warrants expired unexercised. The related amount of $20 previously recognized in reserves was reclassified to retained earnings upon expiry.

f) Restricted share units

RSUs are granted under the Company's omnibus equity incentive plan and entitle the holder to receive common shares on settlement. RSUs carry no voting rights and no entitlement to dividends and are not transferable. Vesting is conditional on continued service to the applicable vesting date.

The fair value of each RSU was measured at the grant date by reference to the closing price of the Company's common shares on that date. The total grant date fair value is recognized on a straight-line basis over the vesting period of each tranche.

A summary of the Company's RSU activity is as follows:

	Number of RSUs	Weighted average grant date fair value
	#	C$
Balance, December 31, 2025	-	-
Granted	1,077,698	8.84
Balance, September 30, 2026	**1,077,698**	**8.84**

RSUs granted during the nine months ended September 30, 2026 were as follows:

Grant Date	Number granted	Vesting date	Expiry date	Total fair value	Weighted average remaining contractual life
	#			$	Years
April 10, 2026	27,594	One-third on each of April 10, 2027, 2028 and 2029	April 10, 2031	181	4.53
April 10, 2026	716,302	One-third on each of April 10, 2027, December 19, 2027 and December 19, 2028	April 10, 2031	4,694	4.53
May 19, 2026	156,290	One-third on each of May 19, 2027, 2028 and 2029	May 19, 2031	987	4.64
June 6, 2026	104,544	One-third on each of June 6, 2027, 2028 and 2029	June 6, 2031	627	4.68
August 31, 2026	72,968	One-third on each of August 31, 2027, 2028 and 2029	August 31, 2031	399	4.92
	1,077,698			**6,888**	**4.59**

Of the RSUs granted during the nine-months ended September 30, 2026, 921,408 were granted to key management personnel (Note 10).

During the three and nine months ended September 30, 2026, the Company recognized share-based compensation expense related to the vesting of RSUs of $1,064 and $1,870, respectively (three and nine months ended September 30,2025: $nil).

g) Deferred share units

DSUs are granted under the Company’s omnibus equity incentive plan to non-executive directors of the Company and entitle the holder to receive, for each DSU, one common share of the Company, a cash payment equal to the value of one common share, or a combination thereof, as determined at the sole discretion of the Company. DSUs carry no voting rights and no entitlement to dividends and are not transferable. Vesting is conditional on continued service to the vesting date, and settlement occurs following the holder ceasing to be a director of the Company.

The fair value of each DSU was measured at the grant date by reference to the closing price of the Company's common shares on that date. The total grant date fair value is recognized on a straight-line basis over the period from the grant date to the vesting date.

9. SHARE CAPITAL (continued)

A summary of the Company's DSU activity is as follows:

	Number of DSUs	Weighted average grant date fair value
	#	C$
Balance, December 31, 2025	-	-
Granted	77,337	7.53
Balance, September 30, 2026	**77,337**	**7.53**

DSUs granted during the nine months ended September 30, 2026 were as follows:

Grant Date	Number granted	Vesting date	Expiry date	Total fair value	Weighted average remaining contractual life
	#			$	Years
January 2, 2026	20,014	January 2, 2027	December 31, 2050	104	24.27
April 10, 2026	15,795	April 10, 2027	December 31, 2050	104	24.27
July 2, 2026	20,042	July 2, 2027	December 31, 2050	101	24.27
September 30, 2026	21,486	September 30, 2027	December 31, 2050	108	24.27
	77,337			**417**	**24.27**

All DSUs were granted to non-executive directors of the Company and are included in key management personnel compensation (note 10).

During the three and nine months ended September 30, 2026, the Company recognized share-based compensation expense related to the vesting of DSUs of $77 and $151, respectively (three and nine months ended September 30,2025: $nil).

h) Performance share units

PSUs are granted under the Company's omnibus equity incentive plan and entitle the holder to receive common shares on settlement. PSUs carry no voting rights and no entitlement to dividends and are not transferable. Vesting is conditional on continued service to the end of the applicable performance period and on the achievement of performance conditions established by the Board at the date of grant. Performance criteria may impact the number of PSUs to vest between 0-200%. PSUs for which the performance targets are not achieved during the performance period are automatically forfeited and cancelled.

A summary of the Company’s PSU activity is as follows:

	Number of PSUs	Weighted average grant date fair value
	#	C$
Balance, December 31, 2025	-	-
Granted	82,794	8.82
Balance, September 30, 2026	**82,794**	**8.82**

9. SHARE CAPITAL (continued)

PSUs granted during the nine months ended September 30, 2026 were as follows:

Grant Date	Number granted	Vesting date	Expiry date	Total fair value	Weighted average remaining contractual life
	#			$	Years
April 10, 2026	55,188	April 10, 2029	April 10, 2031	362	4.53
May 19, 2026	12,581	April 10, 2029	May 19, 2031	79	4.64
June 6, 2026	9,089	April 10, 2029	June 6, 2031	55	4.68
August 31, 2026	5,936	April 10, 2029	August 31, 2031	32	4.92
	82,794			**528**	**4.56**

Of the units granted during the period, 70,213 were granted to key management personnel (Note 10). All PSUs were granted subject to performance conditions determined by the Board at the time of grant, with the performance period ending approximately three years from the date of grant and are to be settled in common shares of the Company on vesting.

During the three and nine months ended September 30, 2026, the Company recognized share-based payments related to PSUs of $43 and $74, respectively (three and nine months ended September 30, 2025: $nil), included in administrative expenses.

i) Equity Incentive Bonus

In connection with the Transaction, a company controlled by a director of the Company (Note 10) was awarded an equity incentive bonus with a fixed value of C$200. The award is to be satisfied by the delivery of common shares of the Company and is accounted for as an equity-settled share-based payment.

The award vests in two equal tranches of C$100, over 12 months and 24 months respectively from December 16, 2025, subject to the recipient continuing to provide services on each vesting date. The fair value of the award was measured at the grant date by reference to its fixed value and is not subsequently re-measured. The expense is recognized on a straight-line basis over the vesting period of each tranche, with the second tranche fully vesting on December 16, 2027.

During the three and nine months ended September 30, 2026, the Company recognized share-based payments related to the equity incentive bonus of $27 and $86, respectively (three and nine months ended September 30, 2025: $nil), included in administrative expenses. As at September 30, 2026, cumulative amounts of $86 have been recognized in reserves in respect of the award.

10. RELATED PARTY TRANSACTIONS

Key management personnel include those who have the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of the executive and non-executive members of the Company's Board of Directors and its officers. In addition to key management personnel, the Company's related parties include its parent and ultimate parent, entities under common control, and entities controlled or significantly influenced by key management personnel.

A summary of the Company's related party transactions is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Director fees	**79**	-	**243**	-
Salaries and management consulting	**239**	-	**618**	33
Share-based compensation	**1,090**	-	**2,008**	-

A summary of the Company's balances due to related parties is as follows:

	September 30, 2026	December 31, 2025
	$	$
Minera Hochschild Chile SCM	**309**	285
Compañía Minera Ares S.A.C.	**2**	2
Hochschild Mining Holdings Ltd.	**-**	1,560
Hochschild Mining Canada Corp.	**3**	-
Key management personnel	**286**	-
	600	1,847

Amounts due to the Company's parent and entities under common control are unsecured, non-interest-bearing and due on demand. Amounts due to key management personnel relate to accrued short-term incentive bonuses payable.

A summary of the related parties is as follows:

	Relationship	**Country of incorporation**
Hochschild Mining PLC	Ultimate Parent	United Kingdom
Hochschild Mining Holdings Ltd	Parent	United Kingdom
Hochschild Mining Canada Corp.	Company under common control	Canada
Compañía Minera Ares S.A.C.	Company under common control	Perú
Minera Hochschild Chile SCM	Company under common control	Chile

11. ADMINISTRATIVE EXPENSES

A summary of the Company's administrative expenses is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Bank commissions	**1**	-	**4**	-
Investor relations	**37**	-	**138**	-
Professional fees	**335**	149	**853**	290
Office and administrative	**30**	38	**61**	108
Director fees	**79**	-	**243**	-
Transfer agent fees	**8**	-	**42**	-
Travel	**7**	-	**95**	3
Salaries & wages	**376**	1	**805**	4
Share-based compensation	**1,296**	-	**2,332**	-
Total	**2,169**	188	**4,573**	405

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2026, the Company's financial instruments comprise cash, receivables (excluding sales tax receivable), accounts payable and accrued liabilities, and the warrant liability. Cash, receivables, and accounts payable and accrued liabilities are classified at amortized cost, and their carrying values approximate their respective fair values due to their short-term nature. The warrant liability is classified at fair value through profit or loss.

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 classification of each measurement within this hierarchy is based on the lowest-level significant input used in valuation. 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 Company's warrant liabilities are classified within Level 3 of the fair value hierarchy.

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board of Directors approves and monitors the risk management processes:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company's primary exposure to credit risk is through its cash and receivables (excluding sales tax receivable). The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. The Company's cash is held with reputable banks in Canada, United States and Chile. The Company's exposure to credit risk related to receivables is insignificant. The Company assesses its credit risk as low.

b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company is exposed to liquidity risk through its accounts payable and accrued liabilities. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no sources of revenue and has obligations to settle its accounts payable and accrued liabilities. The Company manages this risk by careful management of its working capital to ensure the Company's expenditures will not exceed available resources. As at September 30, 2026, the Company had working capital of $24,199 (December 31, 2025 - $24,980). The warrant liability of $8,054 (December 31, 2025 - $11,533) does not represent a contractual cash obligation of the Company, as the warrants will be settled through the issuance of common shares upon exercise or will expire unexercised (Note 8). The Company assesses its liquidity risk as low.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

c) Foreign exchange risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company is exposed to foreign exchange risk from fluctuations in the Canadian dollar and Chilean peso against the U.S. dollar.

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

The Company's most significant exposure is cash of $25,666 (December 31, 2025 – $28,858) and warrant liability of $8,054 (December 31, 2025 – $11,533), which is denominated in Canadian dollars while the Company's functional currency is the U.S. dollar. The Company also holds cash and accounts payable denominated in Canadian dollars and Chilean pesos.

The Company's net monetary position denominated in currencies other than the U.S. dollar as at September 30, 2026 was as follows:

	CAD-denominated	CLP-denominated
	$	$
Cash and cash equivalents	25,666	816
Accounts payable and accrued liabilities	(686)	(691)
Warrant liability	(8,054)	-
Net exposure	**16,926**	**125**

A 10% appreciation or depreciation of the C$ against the US$ would have a $1,693 effect on the Company’s income before tax for the nine months ended September 30, 2026, with all other variables held constant. A 10% appreciation or depreciation of the Chilean peso against the $US would have a $13 effect.

The Company does not currently use derivative instruments to hedge its foreign exchange exposure.

13. CAPITAL MANAGEMENT

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

There were no changes in the Company’s approach to capital management during the three and nine months ended September 30, 2026. In the management of capital, the Company includes the components of shareholders’ equity. As at September 30, 2026, the Company is not subject to externally imposed capital requirements.