
Titiminas Silver Inc.

FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Titiminas Silver Inc.:

Opinion

We have audited the financial statements of Titiminas Silver Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2025 and December 31, 2024, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and December 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the Warrant Derivative Liabilities

Key Audit Matter Description

As described in Notes 3(a) and 7 to the financial statements, the Company has recognized a warrant derivative liability relating to certain warrants outstanding as at December 31, 2025. The fair value calculations of the warrant derivative liabilities require the use of significant estimates and judgment to determine the appropriate model and inputs used. This resulted in an increased extent of audit effort.

Audit Response

We responded to this matter by performing procedures in relation to the warrant derivative liabilities. Our audit work in relation to this included, but was not restricted to, the following:

- Evaluated the terms and conditions of the warrant agreements to assess the impact on the valuation model.
- Obtained an understanding of the valuation methodology and evaluated the appropriateness of the Monte Carlo simulations calculated by management using a valuation expert.
- Assessed the reasonableness of significant inputs used, including the Company's share price, expected exercise price, expected volatility and the expected life of the warrants.
- Reviewed the presentation and adequacy of the related financial statements disclosures.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Andrew Natividad.

Toronto, Ontario
April 30, 2026


Chartered Professional Accountants
Licensed Public Accountants

TITIMINAS SILVER INC.
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025 AND DECEMBER 31, 2024
(Expressed in Canadian Dollars)

	December 31, 2025	December 31, 2024
ASSETS		
Current assets		
Cash	\$ 2,550,446	\$ 111,534
Prepayments	29,706	-
Total current assets	2,580,152	111,534
Non-current assets		
Right-of-use assets (Note 6)	-	36,110
Deferred financing costs (Note 12)	-	305,000
TOTAL ASSETS	\$ 2,580,152	\$ 452,644
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Notes 5 and 10)	\$ 265,563	\$ 118,461
Lease liability (Note 6)	-	54,215
Warrant derivative liabilities (Note 7)	2,347,725	-
TOTAL LIABILITIES	2,613,288	172,676
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	8,485,037	3,855,924
Warrant reserve	78,852	227,400
Contributed surplus	-	31,938
Accumulated deficit	(8,597,025)	(3,835,294)
TOTAL SHAREHOLDERS' (DEFICIT) EQUITY	(33,136)	279,968
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 2,580,152	\$ 452,644

Nature of operations (Note 1)

Subsequent events (Note 15)

These financial statements were approved for issue by the Board of Directors on April 30, 2026 and are signed on its behalf by:

On behalf of the Board:

_____/s/ Luis Goyzueta_____
Director

_____/s/ Johannes Petersen_____
Director

TITIMINAS SILVER INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE DECEMBER 31, 2025 AND 2024
(Expressed in Canadian dollars)

	December 31, 2025	December 31, 2024
EXPENSES		
Advisory fees	\$ 340,660	\$ 76,685
Amortization (Note 6)	36,110	18,105
Bank charges	1,439	936
Directors' fees (Note 10)	4,576	16,288
Exploration and evaluation expenses (Note 4)	2,234,224	230,884
General and administrative	33,622	475
Financing costs (Note 12)	1,085,860	-
Professional fees	348,048	220,644
Share-based compensation (Recovery) (Notes 8 and 10)	(31,937)	17,054
Travel	160,611	1,689
	<u>(4,213,213)</u>	<u>(582,760)</u>
Foreign exchange loss	(13,300)	(8,724)
Changes in fair value of warrant derivative (Note 7)	<u>(535,218)</u>	
Loss and comprehensive loss for the year	\$ (4,761,731)	\$ (591,484)
Basic and diluted loss per common share	\$ (0.24)	\$ (0.04)
Weighted average number of common shares outstanding	20,000,346	16,868,704

TITIMINAS SILVER INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Number of shares	Share capital	Warrant reserve	Contributed surplus	Deficit	Total shareholders' equity (deficit)
December 31, 2023 (unaudited)	16,410,251	\$ 3,320,639	\$ 89,044	\$ 14,884	\$ (3,243,810)	\$ 180,757
Private placement	892,519	544,469	138,356	-	-	682,825
Share issuance costs	-	(9,184)	-	-	-	(9,184)
Share-based compensation				17,054		17,054
Net and comprehensive loss for the period	-	-	-	-	(591,484)	(591,484)
December 31, 2024	17,302,770	\$ 3,855,924	\$ 227,400	31,938	\$ (3,835,294)	\$ 279,968
Private placements, net of share issue costs (Note 8)	5,380,157	3,143,516	121,849	-	-	3,265,365
Share issuance costs	-	(37,581)	-	-	-	(37,581)
Shares issued for acquisition of exploration and evaluation expenses (Note 4)	2,177,369	1,328,770	16,616	-	-	1,345,386
Shares issued on settlement of debt (Note 8)	228,898	140,193	-	-	-	140,193
Shares issued on settlement of lease liability (Note 6)	88,935	54,215	-	-	-	54,215
Financing costs (Note 12)	-	-	780,860	-	-	780,860
Share-based compensation (recovery)	-	-	-	(31,938)	-	(31,938)
Reclassification of warrants to derivative liabilities due to amended terms (Note 7)	-		(1,067,873)			(1,067,873)
Net and comprehensive loss for the period	-	-	-	-	(4,761,731)	(4,761,731)
December 31, 2025	25,178,129	\$ 8,485,037	\$ 78,852	\$ -	\$ (8,597,025)	\$ (33,136)

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

TITIMINAS SILVER INC.
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Canadian dollars)

	December 31, 2025	December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	\$ (4,761,731)	\$ (591,484)
Items not affecting cash		
Amortization	36,110	18,105
Financing costs	1,085,860	-
Shares issued for exploration and evaluation expenditures	1,428,116	-
Share-based compensation (Recovery)	(31,937)	17,054
Changes in fair value of warrant derivative	535,218	-
Changes in non-cash operating working capital:		
Prepaid expenses	(29,706)	22,390
Accounts payable and accrued liabilities	218,705	(44,699)
Net cash used in operating activities	(1,519,365)	(578,634)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from private placements	3,995,858	682,825
Share issuance costs	(37,581)	(9,184)
Net cash provided by financing activities	3,958,277	673,641
Net change in cash during the year	2,438,912	95,007
Cash, beginning of year	111,534	16,527
Cash, end of year	\$ 2,550,446	\$ 111,534

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

TITIMINAS SILVER INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024
(Expressed in Canadian Dollars)

1. Nature of Operations

Titiminas Silver Inc. (the "Company") was incorporated on January 11, 2021 under the Business Corporations Act (British Columbia). The Company's principal office is located at Suite 830 – 999 West Broadway, Vancouver, BC, Canada, V5Z 1K5.

The principal business activity of the Company is the acquisition, exploration, and evaluation of mineral properties that it believes contain mineralization that will be economically recoverable in the future. The recoverability of amounts spent on mineral property interests is dependent upon the ability of the Company to arrange appropriate financing as needed, the discovery of reserves, the development of its properties, confirmation and maintenance of the Company's interest in the underlying properties, the receipt of necessary permitting and upon future profitable production or proceeds from the disposition thereof.

2. Basis of Preparation

Statement of Compliance

These financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The Financial Statements were approved and authorized for issue by the Board of Directors of the Company on April 30, 2026.

Basis of Measurement

The Company's financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The financial statements are presented in Canadian dollars, which is the Company's functional currency unless otherwise stated.

Reverse Share Split

On November 15, 2025, the Company effected a 1-for-3.82527 reverse share split (the "Reverse Share Split") of its issued and outstanding common shares (the "Common Shares"). The par value and the authorized shares of the Common Shares were not adjusted as a result of the Reverse Share Split. All of the Company's Common Shares, stock options and warrants have been retroactively adjusted to reflect the Reverse Share Split for all periods presented.

3. Material Accounting Policy Information

(a) Critical Judgments and Sources of Estimation Uncertainty

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- (i) In preparing these financial statements on a going concern basis, management assesses the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.
- (ii) The functional currency for the Company is the currency of the primary economic environment and the Company reconsiders its functional currency if there is a change in events and conditions which determined the primary economic environment. Management has determined the functional currency of the Company to be the Canadian dollar

TITIMINAS SILVER INC.
NOTES TO THE FINANCIAL STATEMENTS
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- (iii) The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized to the extent of the amount expected to be utilized. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- (i) Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value.
- (ii) Estimating the fair value for granted stock options and warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.
- (iii) The Company has used the Monte Carlo pricing model to fair value the warrants included in warrants derivative liability. Determining the appropriate fair-value model and calculating the fair value of warrants requires considerable judgment. Any change in the estimates used may cause the value to be higher or lower than that reported. The derivative is not traded in an active market, and the fair value is determined using valuation techniques. The estimates may be significantly different from those recorded in the consolidated financial statements because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

(b) Cash

Cash includes cash on hand and demand deposits. The Company is not exposed to significant credit or interest rate risk although cash is held in excess of Canada Deposit Insurance Corporation's insured limits with a major financial institution.

(c) Foreign exchange

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting year, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are recognized through profit or loss.

(d) Exploration and Evaluation

The Company is in the process of exploring and evaluating its mineral interests, and chooses to expense acquisition costs for property rights. Exploration and evaluation acquisition costs include cash consideration given, direct legal costs incurred for the acquisition, and issuance of shares for mineral property interests. Where the Company has entered into option agreements for the acquisition of interests in mineral properties which provide for periodic payments, such amounts unpaid are not recorded as liabilities since they are payable entirely at the Company's discretion.

The Company has adopted the policy of expensing exploration costs and periodic maintenance costs incurred prior to the determination that a property has economically recoverable reserves.

Once a project has been established as commercially viable and technically feasible, related development expenditure is capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit.

The Company recognizes in income, costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount of the property.

(e) Decommissioning and rehabilitation liabilities

When obligations result from the acquisition, construction, development or normal operation of the assets, the Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation activities. Along with a corresponding increase in the provision in the period incurred, the net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is expensed to exploration and evaluation. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense

(f) Impairment of Long-Lived Assets

At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of an asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(g) Financial Instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- i) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") and,
- ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

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Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The classification and measurement bases of the Company's financial instruments are as follows:

Financial Instrument	Classification
Cash	FVTPL
Accounts payable	Amortized cost
Warrant derivative liabilities	FVTPL

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash is measured at fair value using Level 1 inputs. Warrant derivative liabilities are measured at fair value using Level 2 inputs.

(h) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(i) Loss Per Share

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. Diluted loss per share does not include the effect of stock options and warrants, as they are anti-dilutive.

(j) Equity Financing

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The proceeds from the issuance of unit is allocated between common shares and common share purchase warrants on a pro-rate basis based on their relative values. The value of the warrants is calculated using the Black Scholes model. See below for certain warrants that are classified as derivative liabilities and accounted for in accordance with IFRS 9.

(k) Share-Based Payment Transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of share options granted is recognized as a share-based compensation expense with a corresponding increase in the equity settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees the fair value is measured at grant date and each tranche is recognized on a straight line basis over the period during which the share options vest. The fair value of the share options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

(l) Taxation

Income tax expense comprises current and deferred income tax. Income tax is recognized in the statement of comprehensive income (loss), except to the extent that it relates to items recognized in other comprehensive income (loss) or directly in equity. In this case the income tax is also recognized in other comprehensive income (loss) or directly in equity, respectively.

Current Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the statement of financial position date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Income Tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are not recognized if they arise from initial recognition of goodwill. Deferred tax assets and liabilities are recognized whether the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill, temporary differences arising from investments in subsidiaries that are not expected to reverse in the foreseeable future and the initial recognition of assets or liabilities that affect neither accounting nor taxable loss which at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(m) Leases

As per IFRS 16 Leases ("IFRS 16"), at inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset ("ROU asset"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company may elect to not apply IFRS 16 to leases with a term of less than 12 months, or to low value assets, which is made on an asset by asset basis.

TITIMINAS SILVER INC.
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated amortization, impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is amortized from the commencement date over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in profit or loss in the period in which they are incurred.

The ROU assets are presented within "Right-of-use assets" and the lease liabilities are presented in "Lease liability" on the consolidated statement of financial position.

(n) Future accounting pronouncements

IFRS 18, Presentation and Disclosure in Financial Statements, will be applicable for annual periods beginning or after January 1, 2027, with early adoption permitted. Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. The Company's financial statements are expected to include changes related to categorization and subtotals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures. The Company is in the process of determining the impact of the above changes.

The Company adopted various amendments to IFRSs, which were effective for accounting periods beginning on or after January 1, 2025. The impact of adoption was not significant to the Company's financial statements.

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4. Exploration and Evaluation Activities

Madre Sierra Property, Peru

On November 20, 2021, the Company entered into a share purchase option agreement (the “Agreement”) to acquire all of the issued and outstanding common shares of Compania Minera Rosalinda S.A.C (“CMRL”) which is a Peruvian company owning 13 mining concessions of the Madre Sierra property (the “Property”) located in Peru. The Company and CMRL entered into a series of amended agreements between November 4, 2022, and September 15, 2025. The total consideration paid and payable under the original option agreement and series of amended agreements is as follows:

- (i) Pay US\$150,000 in cash within 30 days of the execution of the Agreement (paid);
- (ii) Pay US\$90,000 in cash (paid) and issue 415,657 (pre-reverse share split: 1,590,000) common shares (issued in 2023);
- (iii) Pay US\$90,000 in cash (paid) and issue 207,828 (pre-reverse share split: 795,000) common shares (issued in 2023);
- (iv) Pay US\$105,000 in cash on or before June 23, 2023 (paid);
- (v) Pay US\$105,000 in cash on or before August 1, 2023 (paid);
- (vi) Issue 1,960,646 (pre-reverse share split: 7,500,000) common shares of the Company on July 3, 2023 (issued in 2023);
- (vii) Issue 2,012,930 (pre-reverse share split: 7,700,000) common shares of the Company on or before July 27, 2023 (issued in 2023);
- (viii) Issue 1,408,626 (pre-reverse share split: 5,388,376) common shares of the Company to settle US\$750,000 on or before January 22, 2025 (issued on January 22, 2025);
- (ix) Pay US\$200,000 in cash and issue 660,515 (pre-reverse share split: 2,526,650) common shares of the Company to settle US\$350,000 on or before February 28, 2025 (paid and issued on February 28, 2025);
- (x) Pay US\$60,000 through the issuance of 108,228 (pre-reverse share split: 414,000) units of the Company on September 15, 2025, each unit comprised of one common share and one half of one share purchase warrant (issued on September 15, 2025);
- (xi) Pay US\$450,000 in cash on or before August 1, 2026; and
- (xii) Pay US\$1,200,000 in cash and issue common shares of the Company to settle US\$1,200,000 on or before February 1, 2028.

The Property is subject to a net smelter return royalty (the “NSR”) of 3%.

As of the date of these financial statements, the Company is progressing towards completing the obligations per the Agreement.

The following is a summary of exploration and evaluation costs during the years ended December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
Acquisition costs		
Option payments - cash	\$ 288,620	\$ -
Option payments – shares and units	1,345,386	-
	1,634,006	-
Exploration and evaluation costs		
Assay	618	-
Consulting	341,797	183,580
Community relations	207,503	47,304
General	50,300	-
	600,218	230,884
Total	\$ 2,234,224	\$ 230,884

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5. Accounts Payable and Accrued Liabilities

	December 31, 2025	December 31, 2024
Accounts payable	\$ 102,302	\$ 64,343
Accrued professional fees	120,330	54,118
Accrued exploration costs	42,931	-
	\$ 265,563	\$ 118,461

6. Right-of-Use Asset and Lease Liability

The Company entered into a lease agreement for an office in Peru commencing July 1, 2024, for a five-year period. After January 1, 2026, either party can terminate the lease with 30 days notice. The monthly rent to be paid is US\$ 2,800 per month. In accordance with the agreement, the rent shall be paid in advance for the months from the commencement date to December 31, 2025 through the issuance of 88,935 shares in the Company (pre-reverse share split: 340,200). The lease liability was measured based on the number of shares to be issued and a fair value of \$0.61 per share. The lease term was estimated to be three years. Upon entering into this lease, the Company recognized a right-of-use ("ROU") asset in the amount of \$54,215, and a corresponding lease liability in the same amount (\$54,215). The common shares were issued effective June 2, 2025 (note 7) and extinguished the lease liability.

The continuity of the ROU asset for the period ended December 31, 2025 is as follows:

Recognition of ROU asset during the year ended December 31, 2024	\$ 54,215
Amortization	(18,105)
Value of ROU asset as of December 31, 2024	\$ 36,110
Amortization	(36,110)
Value of ROU asset as of December 31, 2025	\$ -

7. Warrant Derivative Liabilities

On November 15, 2025, the Company amended the terms of 5,354,426 warrants outstanding at the time (the "Amended Warrants") such that the Amended Warrants are exercisable at a price per share which is equivalent to the exercise price of any share purchase warrants issued in a financing undertaken by the Company, or any successor issuer, completed as part of a "going public event" (the "Exercise Price") until the date which is three years following the completion by the Company of a "going public event". If a "going public event" is not completed within two years, the Amended Warrants will be cancelled. The Amended Warrants are subject to accelerated expiry such that if the closing price of the Company's shares exceeds the Exercise Price by 75% for a period of 15 consecutive trading days (the "Triggering Event"), the Company may give notice to accelerate the Amended Warrants' term to a period of 30 days following such notice of the occurrence of the Triggering Event.

Additionally, in connection with the Pre-IPO private placement tranches completed over the period of November and December 2025, the Company issued 2,464,381 Pre-IPO Warrants (Note 8(b)). Each whole Pre-IPO Warrant is exercisable at a price per share which is equivalent to the exercise price of any share purchase warrants issued in a financing undertaken by the Company, or any successor issuer, completed as part of a "going public event" (the "Exercise Price") until the date which is three years following the completion by the Company of a "going public event", provided that in the event a "going public event" is not completed within two years of such consent, the Pre-IPO Warrants will be cancelled. The Pre-IPO Warrants are subject to accelerated expiry such that if the closing price of the Company's shares exceeds the Exercise Price by 75% for a period of 15 consecutive trading days (the "Triggering Event"), the Company may give notice to accelerate the Pre-IPO Warrants' term to a period of 30 days following such notice of the occurrence of the Triggering Event.

Based on IFRS 9 Financial Instruments and IAS 32 Financial Instruments: Presentation, the Amended Warrants and the Pre-IPO Warrants are classified as a derivative liability and are measured using the Monte Carlo valuation model to determine fair value.

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Upon the modification of the Amended Warrants on November 15, 2025, \$1,067,873 was derecognized from warrant reserve (the value assigned to the Amended Warrants prior to modification) and recognized \$1,702,611 as a warrant derivative liability. The difference of \$634,738 is included in changes in fair value of warrant derivative on the statement of loss and comprehensive loss.

The Company determined the allocated fair value of the Amended Warrants at the date of the amendment of warrant terms (\$1,702,611) using the Monte Carlo valuation model with the following assumptions:

	Amended Warrants
Share price on date of issuance	\$0.62
Strike price	\$2.625
Accelerated exercise trigger price	\$4.594
Risk-free interest rate	2.54%
Expected volatility	140%
Expected life (in years)	3.38
Dividend yield	0%
Forfeiture rate	Nil
Expected dividend	Nil
Number of Simulations	10,000

The Company determined the allocated fair value of the Pre-IPO Warrants at the date of the issuance (\$744,663) using the Monte Carlo valuation model with the following assumptions:

	Pre-IPO Warrants
Share price on date of issuance	\$0.62
Strike price	\$2.625
Accelerated exercise trigger price	\$4.594
Risk-free interest rate	2.69%
Expected volatility	140%
Expected life (in years)	3.31
Dividend yield	0%
Forfeiture rate	Nil
Expected dividend	Nil
Number of Simulations	10,000

The fair value of the Amended and Pre-IPO Warrants were revalued as of December 31, 2025 (\$2,347,725) using the Monte Carlo valuation model with the following assumptions:

	Amended & Pre-IPO Warrants
Share price on date of issuance	\$0.62
Strike price	\$2.625
Accelerated exercise trigger price	\$4.594
Risk-free interest rate	2.62%
Expected volatility	140%
Expected life (in years)	3.25
Dividend yield	0%
Forfeiture rate	Nil
Expected dividend	Nil
Number of Simulations	10,000

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A continuity of the Company's shares issuable recorded as derivative liabilities is as follows:

	Warrants	December 31, 2025
Balance, opening	- \$	-
Reclassification of Amended Warrants	5,354,526	1,702,611
Initial recognition of Pre-IPO Warrants	2,464,381	744,663
Change in fair value		(99,549)
Balance, closing	7,818,907 \$	2,347,725

The Company realized a loss of \$535,218 included in changes in fair value of warrant derivative on the statement of loss and comprehensive loss which is comprised of the modification of Amended Warrants as noted above and the revaluation of the Amended Warrants and Pre-IPO Warrants as at December 31, 2025.

8. Share Capital

(a) Authorized

The Company's authorized share capital consists of an unlimited number of common shares without par value and unlimited preferred shares without par value.

(b) Issued and Outstanding

As of December 31, 2025 and December 31, 2024, there were 25,178,129 and 17,302,770 (pre-reverse share split: December 31, 2024 - 66,187,765) common shares issued and outstanding, respectively.

During the year ended December 31, 2025:

- On January 22, 2025, the Company issued 1,408,626 common shares (pre-reverse share split: 5,388,376 common shares valued at \$0.16 per share), for a total value of \$858,701 as part of its option to purchase its exploration and evaluation interests (Note 4(viii)).
- On February 28, 2025, the Company issued 660,515 common shares (pre-reverse share split: 2,526,650 common shares valued at \$0.16 per share), for a total value of \$403,885 as part of its option to purchase its exploration and evaluation interests (Note 4(ix)).
- On March 10, 2025, the Company completed a private placement issuing 388,156 units (pre-reverse share split: 1,484,800 units at a price of \$0.20 per unit) ("March 2025 Units") for total proceeds of \$296,960. Each March 2025 Unit comprised of one common share and one half of one share purchase warrants ("March 2025 Warrants"). Each March 2025 Warrant entitles the holder to acquire an additional common share at an exercise price of \$1.15 per share (pre-reverse share split: \$0.30 per share) for a period of three years from issuance. The fair value of the warrants was determined to be \$59,615, using the Black-Scholes Option Pricing Model, with the following assumptions: volatility – 100%; expected life – 3 years; risk free rate – 2.53%; and dividend rate – 0%.
- On June 2, 2025, the Company issued 135,298 common shares (pre-reverse share split: 517,550 common shares valued at \$0.16 per share), for a total value of \$82,730 as settlement of debts owed by the Company to certain creditors recorded as exploration and evaluation expenses on the statement of loss and comprehensive loss. There was no gain or loss on the settlement.
- On June 2, 2025, the Company issued 88,935 common shares (pre-reverse share split: 340,200 common shares valued at \$0.16 per share), for a total value of \$54,215 as settlement of the lease liability owed by the Company (note 6).
- On September 15, 2025, the Company entered into a further amendment to the option Agreement, and issued 108,228 units (pre-reverse share split: 414,000 units valued at \$0.20 per share) ("Property Units"), for a total value of \$82,800 (US\$60,000) as part of its option to purchase its exploration and evaluation interests (Note 4(x)). Each Property Unit comprised of one common share and one half of one share purchase warrants ("Property Warrants"). Each Property Warrant entitles the holder to acquire an additional common share at an exercise price of \$1.15 per share (pre-reverse share split: \$0.30 per share) for a period of three years from issuance. The fair value of the Property Warrants was determined to be \$16,616, using the Black-Scholes Option Pricing Model, with the following

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assumptions: volatility – 100%; expected life – 3 years; risk free rate – 2.50%; and dividend rate – 0%.

- In November and December 2025, the Company closed a series of tranches of a non-brokered private placement at a price of \$0.765 per unit (the “Units”) issuing a total of 4,835,161 Units for total proceeds of \$3,698,898. Additionally, as part of the private placement, a former director of the Company and an advisor to the Company, agreed to set-off \$71,604 of debts owed in receipt of 93,600 Units. Each Unit consists of one post-consolidation common share of the Company and one half of one share purchase warrant (“Pre-IPO Warrant”, refer to Note 7 for warrant terms).

As part of the private placement, the Company agreed to pay a finder’s fee to certain finders on a portion of the placement consisting of a cash payment of 7.5% of the gross proceeds of the portion of the placement (the “Finder’s Commission”) and 49,125 non-transferable warrants (the “Finder’s Warrants”) entitling the finders to purchase common shares of the Company in the amount of 7.5% of the total number of Units sold by such finder in the private placement on the same terms as the Pre-IPO Warrants. Using the same Monte Carlo valuation assumptions in Note 7, the Finder’s Warrants had a fair value of \$14,843. The cash portion of these finders fees totaled \$37,581.

Finally, the Company agreed to pay a finder’s fee to Medalist Capital Advisors Inc. on a portion of the private placement consisting of fee equal to (a) 156,840 common shares (the “Medalist Shares”) at a price of \$0.62 per share and (b) 156,840 share warrant warrants (each a “Medalist Warrant”). Each Medalist Warrant is exercisable to acquire one additional common share at a price of \$0.765 per share until December 8, 2027. The fair value of the Medalist Warrants was determined to be \$47,391, using the Black-Scholes Option Pricing Model, with the following assumptions: volatility – 100%; expected life – 2 years; risk free rate – 2.64%; and dividend rate – 0%.

During the year ended December 31, 2024:

- On July 15, 2024, the Company issued 892,518 units (pre-reverse share split: 3,414,125 units at \$0.20 per unit), for gross proceeds of \$682,825. Each unit consists of one common share, and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$1.15 per share (pre-reverse share split: \$0.30 per share), for a period of three years from closing. The fair value of the warrants was determined to be \$138,356, using the Black-Scholes Option Pricing Model, with the following assumptions: volatility – 100%; expected life – 3 years; risk free rate – 3.62%; and dividend rate – 0%. The Company incurred \$9,184 of costs associated with this transaction.

(c) **Warrants**

A summary of changes in the Company’s warrants is as follows:

	Number of warrants
Balance, December 31, 2023	3,006,324
Issued	446,259
Balance, December 31, 2024	3,452,583
Issued	2,162,022
Reclassified as derivative liabilities due to amended terms	(5,354,526)
Balance, December 31, 2025	260,079

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The following table summarizes information about the equity warrants outstanding at December 31, 2025:

Number of warrants outstanding	Exercise price	Remaining life (years)	Expiry date
54,114 (i)	TBD	TBD	TBD
49,125	TBD	TBD	TBD
156,840	\$0.765	1.94	December 8, 2027
260,079	TBD	TBD	

(i) These warrant were modified and have the same terms and conditions as the Pre-IPO Warrants.

(d) **Stock Options**

The Company has established a rolling share option plan (the “Plan”), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company’s closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

A summary of changes in the Company’s stock options is as follows:

	Number of options	Weighted average exercise price
Balance, December 31, 2023	352,916	\$0.68
Forfeited	(182,994)	\$0.77
Balance, December 31, 2024	169,922	\$0.59
Forfeited	(169,922)	\$0.59
Balance, December 31, 2025	-	-

The share-based compensation (recovery) recorded during year ended December 31, 2025 was (\$31,937) (year ended December 31, 2024 – expense of \$17,054).

9. Income Taxes

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27.00% to loss before income taxes.

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Loss before income taxes	\$ (4,761,731)	\$ (591,484)
Statutory income tax rate	27.00%	27.00%
Expected income tax recovery	(1,285,667)	(159,701)
Share issuance costs recorded in equity	(52,729)	(2,000)
Changes in fair value of warrant derivative	144,508	-
Items not deductible for income tax purposes	(8,355)	9,701
Change in foreign exchange rates and other items	-	(1,000)
Unrecognized benefit of deferred income tax assets	1,202,243	153,000
Income tax recovery	\$ -	\$ -

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10. Related Party Disclosures

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that its key management personnel are the members of the Company's current and former Board of Directors and its executive officers.

During the years ended December 31, 2025 and 2024, the Company entered into the following transactions with key management personnel:

	December 31, 2025	December 31, 2024
Directors' fees	\$ 4,576	\$ 16,288
Former CEO fees	104,408	-
CEO fees	151,973	-
CFO fees	22,875	-
Share-based compensation	(31,937)	17,054
	\$ 251,895	\$ 33,342

Included in accounts payable and accrued liabilities as at December 31, 2025 is \$6,820 (December 31, 2024 - \$33,676) owing to officers, directors, and companies owed by directors of the Company.

11. Financial Instruments

Risk

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by depositing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity Risk

The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet liabilities when due. All of the Company's current financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) **Interest Rate Risk**

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rates for the Company is considered minimal. The Company has no interest-bearing borrowings.

(b) **Foreign Currency Risk**

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in a foreign currency. As at December 31, 2025 the Company held \$144,931 (US\$105,603) in US dollars (December 31, 2024: \$nil), however considers foreign currency risk insignificant.

(c) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and evaluation activities is subject to risks associated with fluctuations in the market price of commodities.

12. Investment and Advisory Agreement

On September 26, 2022, the Company and Alke Capital Limited ("Alke") entered into an investment and advisory agreement (the "Alke Agreement"). Pursuant to the Alke Agreement, Alke will (a) provide certain advisory services to the Company, ("Alke Advisory Services"), and (b) make available to the Company a non-revolving equity drawdown facility in the aggregate amount of up to \$5,000,000 (the "Funding Commitment").

Upon listing of the Company's common shares on a Canadian Stock Exchange (the "Listing") and under the terms of the Alke Agreement, the Company can immediately start drawing down funds from the \$5,000,000 Funding Commitment during the three-year term at the Company's discretion by providing a notice to Alke (an "Alke Drawdown Notice"). As a cost for the Funding Commitment, the Company shall pay to Alke a commitment fee which is comprised of: 1) a fee equal to 3.0% of the Funding Commitment which will be settled by the issuance of Common Shares, at a deemed issue price of \$0.19 per Common Share (pre-reverse share split: \$0.05 per Common Share); and 2) Issue fee warrants in the Company, that grants Alke such number of common shares upon the exercise of the fee warrants equal to 8.5% of the number of the total issued and outstanding common shares of the Company. Each fee warrant is exercisable into one common share, at an exercise price of \$0.38 per Common Share (pre-reverse share split: \$0.10 per Common Share) until the date that is three years from the date of issuance.

During the year ended December 31, 2023, the Company issued Alke 797,329 (pre-reverse share split: 3,050,000) common shares valued at \$305,000 as a deferred financing fee to settle (1) noted above. There were no transactions with Alke during the year ended December 31, 2024.

During the year end December 31, 2025, 1,707,865 share purchase warrants at an exercise price of \$0.38 (pre-reverse share split: 6,533,044 warrants at an exercise price of \$0.10) were issued to Alke with an expiration period of 3 years after the Company obtains a public listing ("Alke Warrants"). The warrants were issued to settle (2) noted above. The fair value of the warrants was determined to be \$780,860, using the Black-Scholes Option Pricing Model, with the following assumptions: volatility – 100%; expected life – 3 years; risk free rate – 2.50%; and dividend rate – 0%. The value of the warrants issued was included in deferred financing costs and warrant reserve. These warrants were modified. Refer to Note 7 for discussion.

On December 2, 2025, the Company terminated the Alke Agreement. As such, the deferred financing costs accrued have been expensed.

13. Capital Risk Management

The Company manages, as capital, the components of shareholders' equity. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern. The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and the risk of characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue common shares, borrow and acquire or dispose of assets. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's policy is to invest its excess cash, if any, in highly liquid, short-term, interest bearing investments with maturities of one year or less from the date of acquisition.

The Company does not currently have significant debt outstanding and there are presently no externally imposed capital requirements with which the Company has not complied.

14. Segmented Information

The Company operates in one reportable operating segment, being exploration and evaluation of mineral properties.

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15. Subsequent Events

Private Placement

On January 9, 2026, the Company completed the final tranche of a non-brokered private placement of Units, issuing an additional 481,438 Units for total proceeds of \$368,300.

Subscription Receipt Financing

In connection with the Transaction (as defined below), the Company completed a brokered private placement ("Subscription Receipt Financing"), raising aggregate gross proceeds of \$16,617,125 through the sale of 9,495,500 subscription receipts at a price of \$1.75 per subscription receipt. The Company paid agents a cash commission of 6.0% of the gross proceeds of the Subscription Receipt Financing, other than in respect of certain purchasers on a president's list for which the agents received a reduced commission of 3.0% of the gross proceeds raised. An additional cash commission of 5.0% of the gross proceeds raised was payable in respect of certain president's list subscribers to an arm's length finder.

Each subscription receipt has been automatically converted, without payment of any additional consideration and without further action on the part of the holder, into one common share in the capital of 131 immediately prior to the closing of the Transaction and upon satisfaction of escrow release conditions.

Listing Transaction

On January 23, 2026, the Company and 1317202 B.C. Ltd. ("131") entered into a Business Combination Agreement (the "Transaction"), which would result in a reverse takeover business combination of 131 by Titiminas whereby 131 would acquire 100% of the issued and outstanding securities of Titiminas by way of a three cornered amalgamation involving 131, Titiminas and 131's wholly owned subsidiary, pursuant to which, 131 would become the parent company and complete the listing of the resulting issuer Shares on the TSX Venture Exchange ("TSXV").

On April 7, 2026 the Transaction was completed. Pursuant to the Transaction, a subsidiary of 131 amalgamated with the Company and securityholders of the Company received securities in the capital of 131.

Titiminas Shares were listed on the TSXV under the ticker symbol "TITI" on April 9, 2026 following the issuance of the TSXV's final listing bulletin. Trading was halted to facilitate the completion of the Non-Brokered Financing (as defined below) with trading commencing on around April 15, 2026.

Non-Brokered Financing

Following completion of the Transaction and upon the listing of the Titiminas Shares on the TSXV, 131 completed a non-brokered private placement of 1,757,135 Titiminas Shares at a price of \$1.75 per share to raise aggregate gross proceeds of \$3.075 million (the "Non-Brokered Financing"). A cash finder's fee of 6% of the proceeds raised from the Non-Brokered Financing was payable to the agents.

Restricted Share Units

On January 1, 2026, the Company awarded 1,498,822 post-consolidation restricted share units ("RSUs") of the Company to the CEO. These shall vest on the later of June 15, 2026, and other certain conditions relating to future plans of the Company.

Additionally, the Company awarded the CEO an additional 769,750 RSUs, which are equivalent to 5% of the number of post-consolidation shares issued between June 15, 2025 and the Company's Listing Date. This secondary grant of RSUs shall vest on the later of one year following the Listing Date, and other certain conditions relating to future plans of the Company.

On January 1, 2026, the Company awarded 525,000 post-consolidation restricted share units of the Company to certain members of the Company's management and its directors. Of these, 173,250 vest on January 1, 2027, 173,250 vest on July 1, 2027 and the remaining 178,500 vest on January 1, 2028.

On January 22, 2026, the Company awarded 125,000 post-consolidation restricted share units of the Company to certain members of the Company's management and its directors. Of these, 41,250 vest on January 22, 2027, 41,250 vest on July 22, 2027 and the remaining 42,500 vest on January 22, 2028.