
Titiminas Silver Inc.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)
(Expressed in Canadian Dollars)

TITIMINAS SILVER INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT June 30, 2026 AND DECEMBER 31, 2025
(Unaudited)
(Expressed in Canadian Dollars)

	June 30, 2026	December 31, 2025
ASSETS		
Current		
Cash	\$ 16,553,057	\$ 2,550,446
Prepayments	715,370	29,706
Other receivables	53,967	-
	17,322,394	2,580,152
Non-Current		
Office and equipment (Note 7)	\$ 215,428	\$ -
Right-of-use asset (Note 8)	522,561	-
TOTAL ASSETS	\$ 18,060,383	\$ 2,580,152
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 9 and 12)	\$ 419,479	\$ 265,563
Taxes payable	5,052	-
Lease liability (Note 8)	92,909	-
Warrant derivative liabilities (Note 10)	-	2,347,725
	517,440	2,613,288
Non-Current		
Option payment liability (Note 5)	\$ 1,393,908	\$ -
Lease liability (Note 8)	430,994	-
TOTAL LIABILITIES	2,342,342	2,613,288
SHAREHOLDERS' EQUITY (DEFICIT)		
Share capital (Note 11)	27,628,021	8,485,037
Reserves	11,265,399	78,852
Contributed surplus	66,951	-
Cumulative translation adjustment	(29,838)	-
Accumulated deficit	(23,212,492)	(8,597,025)
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)	15,718,041	(33,136)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 18,060,383	\$ 2,580,152

Nature and continuance of operations and going concern (Note 1)
Subsequent events (Note 16)

These financial statements were approved for issue by the Board of Directors on August 28, 2026 and are signed on its behalf by:

On behalf of the Board:

_____ /s/ Luis Goyzueta	Director	_____ /s/ Johannes Petersen	Director
----------------------------	----------	--------------------------------	----------

TITIMINAS SILVER INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)

(Expressed in Canadian dollars)

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
EXPENSES				
Advisory fees	\$ 186,297	\$ 129,404	\$ 267,624	\$ 139,904
Accretion of lease liability (Note 8)	5,710	-	5,710	-
Amortization	-	9,002	-	17,906
Bank charges	1,960	330	3,328	687
Directors' fees (Note 12)	16,236	4,073	16,236	8,146
Exploration and evaluation expenses (Notes 5, 6)	3,858,832	104,225	4,634,039	1,677,052
Investor relations	150,762	-	162,762	-
General and administrative	18,374	1,251	62,270	4,239
Professional fees	204,488	62,517	688,614	80,518
Share based compensation (recovery) (Note 11)	654,570	2,343	1,157,327	(7,037)
Travel	44,379	-	125,886	743
	(5,141,608)	(313,145)	(7,123,796)	(1,922,158)
Interest income	84,032	-	84,032	-
Foreign exchange gain (loss)	42,761	(1,954)	37,196	(933)
Listing expenses (Note 4)	(776,870)	-	(776,870)	-
Accretion of option payment liability (Note 5)	(39,067)	-	(39,067)	-
Changes in fair value of warrant derivative (Note 10)	(6,908,237)	-	(6,796,962)	-
Other income (loss)	(7,597,381)	(1,954)	(7,491,671)	(933)
Net loss for the period	\$ (12,738,989)	\$ (315,099)	\$ (14,615,467)	\$ (1,923,091)
Other comprehensive loss				
Items that will not be reclassified to net loss:				
Foreign currency translation of foreign operations	(29,838)		(29,838)	
Comprehensive loss for the period	\$ (12,768,827)	\$ (315,099)	\$ (14,645,305)	\$ (1,923,091)
Basic and diluted loss per common share	\$ (0.35)	\$ (0.02)	\$ (0.47)	\$ (0.10)
Weighted average number of common shares outstanding	36,403,600	19,829,062	30,808,013	19,260,264

TITIMINAS SILVER INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(Unaudited)
(Expressed in Canadian dollars)

	Number of shares	Share capital	Reserves	Contributed surplus	Deficit	Cumulative translation adjustment	Total shareholders' equity (deficit)
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 11)	388,156	237,345	59,615	-	-	-	296,960
Shares issued for acquisition of exploration and evaluation expenses (Note 6)	2,069,141	1,262,586	-	-	-	-	1,262,586
Shares issued on settlement of debt (Note 11)	135,298	82,730	-	-	-	-	82,730
Shares issued on settlement of lease liability (Note 11)	88,935	54,215	-	-	-	-	54,215
Share-based compensation (recovery)	-	-	-	(7,037)	-	-	(7,037)
Net and comprehensive loss for the period	-	-	-	-	(1,923,091)	-	(1,923,091)
June 30, 2025	19,984,300	\$ 5,492,800	\$ 287,015	\$ 24,901	\$ (5,758,385)	\$ -	\$ 46,331
December 31, 2025	25,178,129	\$ 8,485,037	\$ 78,852	\$ -	\$ (8,597,025)	\$ -	\$ (33,136)
Private placements (Note 11)	2,238,573	3,371,007	-	-	-	-	3,371,007
Shares issued – concurrent financing (Note 11)	9,495,500	16,617,125	-	-	-	-	16,617,125
Share issuance costs	-	(1,595,147)	-	-	-	-	(1,595,147)
Issuance of shares to former shareholders of 131 BC (Note 4)	428,571	749,999	-	-	-	-	749,999
Share-based compensation	-	-	1,063,581	66,951	-	-	1,130,532
Reclassification of warrants per RTO (Note 10)	-	-	9,216,966	-	-	-	9,216,966
Shares to be issued for acquisition of CMRL (Note 5)	-	-	906,000	-	-	-	906,000
Translation adjustment	-	-	-	-	-	(29,838)	(29,838)
Net loss for the period	-	-	-	-	(14,615,467)	-	(14,615,467)
June 30, 2026	37,340,773	\$ 27,628,021	\$ 11,265,399	\$ 66,951	\$ (23,212,492)	\$ (29,838)	\$ 15,718,041

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

TITIMINAS SILVER INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)

(Expressed in Canadian dollars)

	June 30, 2026	June 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (14,615,467)	\$ (1,923,091)
Items not affecting cash		
Amortization	34,396	17,906
Acquisition of CMRL	2,624,063	-
Amortization of option payment liability	39,067	-
Listing costs	776,870	-
Shares issued for exploration and evaluation expenditures	-	1,345,316
Share-based compensation (Recovery)	1,157,329	(7,037)
Changes in fair value of warrant derivative	6,796,962	-
Accretion of lease liability	5,710	-
Unrealized foreign exchange	4,877	-
Changes in non-cash operating working capital:		
Other receivables	(53,892)	(1,070)
Prepaid expenses	(821,334)	-
Accounts payable and accrued liabilities	76,826	198,209
Taxes payable	5,052	-
Net cash used in operating activities	(3,969,541)	(369,767)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash acquired on RTO	75	-
Cash acquired on acquisition of control of CMRL	271,128	-
Option payment	(595,593)	-
Acquisition of office and equipment	(135,681)	-
Net cash used in investing activities	(460,071)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from private placements, net of issuance costs	18,465,264	296,960
Repayment of lease liability	(33,041)	-
Net cash provided by financing activities	18,432,223	296,960
Net change in cash and cash equivalents during the period	14,002,611	(72,807)
Cash, beginning of period	2,550,446	111,534
Cash, end of period	\$ 16,553,057	\$ 38,727

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

TITIMINAS SILVER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Unaudited)
(Expressed in Canadian Dollars)

1. Nature and Continuance of Operations and Going Concern

Titiminas Silver Inc. (the “Company” or “Titiminas”), formerly 1317202 B.C. Ltd. (“131 BC”) was incorporated on July 27, 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.

On April 7, 2026, the Company completed the acquisition of all of the outstanding securities of Titiminas Silver Inc. (“Former Titiminas”), which constituted a reverse takeover under the policies of the TSXV (the “RTO”), with the Company being the legal parent and Former Titiminas being the accounting acquiror (Note 4). The RTO was completed by way of a three-cornered amalgamation pursuant to a business combination agreement dated January 23, 2026, among the Company, its wholly-owned subsidiary 1573892 B.C. Ltd. (“157 BC”) and Former Titiminas (the “Transaction”). On closing of the Transaction, 157 BC and Former Titiminas amalgamated to become 1585248 B.C. Ltd. (“158 BC”), with 158 BC becoming a wholly-owned legal subsidiary of Titiminas. The combined entity is carrying on the business of Former Titiminas, being the exploration for and development of its mineral properties and the targeting of other silver opportunities or otherwise in the mining sector (Note 6).

The historical operations, assets and liabilities of Former Titiminas are included as the comparative figures, which is deemed to be the continuing entity for financial reporting purposes.

In connection with the Transaction, Former Titiminas 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 (each a “Former Titiminas Subscription Receipt”). Former Titiminas agreed to pay 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 Former Titiminas Subscription Receipt was 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 Former Titiminas immediately prior to the closing of the Transaction and upon satisfaction of escrow release conditions.

Following the completion of the RTO, the Company obtained a listing on the TSX Venture Exchange (“TSXV”) under the symbol “TITI” at market open on April 9, 2026, and commenced trading on April 15, 2026.

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.

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going concern basis and be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the six months ended June 30, 2026, the Company reported a loss of \$14,615,467 (year ended December 31, 2025 - \$4,761,731) and had an accumulated deficit of \$23,212,492 as of that date (December 31, 2025 - \$8,597,025). The Company had a working capital of \$16,804,954 as of June 30, 2026 (December 31, 2025 –working capital deficit of \$33,136). These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Continuing operations as a going concern are dependent upon management’s ability to raise adequate financing in the capital markets and to ultimately achieve profitable operations in the future. Although management has been successful in the past; there is no assurance that these initiatives will be successful in the future. The condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”), and its interpretations, using accounting policies consistent with IFRS® Accounting Standards (“IFRS”). The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2025, which have

TITIMINAS SILVER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Unaudited)
(Expressed in Canadian Dollars)

been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of consolidation

The condensed consolidated interim financial statements include accounts of the Company, its wholly owned subsidiary, 158 BC, from the date of the RTO on April 7, 2026, and its controlled subsidiary CMRL, from the date the Company acquired control of CMRL on April 8, 2026. The financial information of the subsidiaries are included in these condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation.

Basis of Measurement

The Company's condensed consolidated interim 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 condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed consolidated interim financial statements are presented in Canadian dollars, unless otherwise stated, which is the functional currency of the Company and 158 BC. The functional currency of CMRL is the Peruvian Sol.

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.

Approval of the Financial Statements

These condensed consolidated interim financial statements were approved by the Board of Directors on August 28, 2026.

3. Material Accounting Policy Information

The condensed consolidated interim financial statements should be read in conjunction with the Company's annual financial statements as at and for the year ended December 31, 2025 (the "Annual Financial Statements"). The accounting policies and critical estimates applied by the Company in the condensed interim financial statements are the same as those applied in the Annual Financial Statements, except as follows. The condensed interim financial statements do not include all the information required for full annual financial statements, however, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the most recent Annual Financial Statements.

(a) Principle of consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries, which are controlled by the Company. Control is achieved when the parent company 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. Specifically, the Company controls an investee if, and only if, the Company has all of the following: (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect its returns.

(b) Accounting for acquisitions

The Company assesses whether an acquisition is an asset acquisition or a business combination. The Company accounts for an acquisition as a business combination if the assets acquired and liabilities assumed constitute a business and the Company obtains control of the business. When the cost of a business combination exceeds the fair value of the identifiable assets acquired or liabilities assumed, such excess is recognized as goodwill. Transaction related costs are expensed as incurred. If an acquisition does not meet the definition of a business combination, the Company accounts for the acquisition as an asset acquisition.

TITIMINAS SILVER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)

(Expressed in Canadian Dollars)

(c) Office and equipment

Items of office and equipment are recorded at cost less accumulated depreciation and impairment. Cost includes all expenditures incurred to bring assets to the location and condition necessary for them to be operated in the manner intended by management, including estimated decommissioning and restoration costs and, where applicable, borrowing costs. If significant parts of an item of office and equipment have different useful lives, then they are accounted for as separate items (major components) of office and equipment.

No depreciation is recorded until the asset is substantially complete and ready for use. Capital assets are depreciated over their estimated useful lives as follows:

Facilities	Straight-line over ten to twenty years
Mining equipment	Straight-line over five years
Computer and electronics	Straight-line over four years
Buildings	Straight-line over twenty years

(d) Foreign currency translation

The condensed consolidated interim financial statements of foreign subsidiaries for which the functional currency is not the Canadian dollar are translated into Canadian dollars using the exchange rate in effect at the end of the reporting period for assets and liabilities and the average exchange rates for the period for revenue, expenses and cash flows. Foreign exchange differences arising on translation are recognized in comprehensive loss and in the cumulative translation adjustment in shareholders' equity.

(e) 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, 2026. The impact of adoption was not significant to the Company's financial statements.

4. Reverse Acquisition

As described in Note 1, upon completion of the Transaction, the shareholders of Former Titiminas controlled 131 BC and accordingly, the Transaction was accounted for as a reverse acquisition of 131 BC, and Former Titiminas was identified as the accounting acquirer. On closing of the Transaction, 131 did not meet the definition of a business as defined under IFRS 3 *Business Combinations*. Accordingly, the Transaction was accounted for as an asset acquisition in accordance with IFRS 2, *Share-Based Payment*. The excess fair value of the consideration paid less the 131 BC net assets acquired, has been recognized as a listing expense in the statement of loss and comprehensive loss.

The following represents the fair value of 131 BC net assets acquired as at April 7, 2026 as a result of the RTO:

	Total
Cost of acquisition	\$
Shares issued to 131 BC shareholders	
- 428,571 shares at \$1.75 (a)	749,999
	749,999
Net assets acquired	\$
Cash	75
Receivables	75
Accounts payable and accrued liabilities	(12,021)

TITIMINAS SILVER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)

(Expressed in Canadian Dollars)

Due to a related party	(15,000)
Fair value of net assets acquired	(26,871)
Excess consideration considered as a listing expense	776,870

(a) Fair value was determined based on the Subscription Receipt Financing (note 1)

5. Acquisition of Control of Compania Minera Rosalinda S.A.C. (“CMRL”)

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 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 May 4, 2026.

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\$430,000 in cash on or before May 11, 2026 (paid); 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.

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

As per the Agreement, Titiminas had the rights to management and share-control of CMRL upon Titiminas listing its shares on a stock exchange and Titiminas notifying CMRL of its intention to exercise these rights. On April 8, 2026, following the completion of the RTO, the Company notified CMRL of the listing of shares and activated its intention to exercise control. As a result, the Company assessed that it controls CMRL in accordance with IFRS as of that date.

As CMRL does not qualify as a business according to the definition in IFRS 3, the acquisition of control does not constitute a business combination; rather the transaction is accounted for as an acquisition by the Company of the net assets of CMRL. The fair value of the consideration paid less the CMRL net assets acquired, has been recognized as exploration and evaluation expense in profit or loss for the six-month period ended June 30, 2026.

The following represents the fair value of CMRL net assets acquired as at April 8, 2026:

	Total
Cost of acquisition	\$
Advances to CMRL	200,411
Consideration payable	2,821,718
	3,022,129

TITIMINAS SILVER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)

(Expressed in Canadian Dollars)

Net assets acquired	\$
Cash	271,128
Prepays	64,741
Office and mining equipment	85,470
Right-of-use assets	551,234
Accounts payable and accrued liabilities	(23,273)
Short term lease liability	(72,254)
Long term lease liability	(478,980)
Exploration and evaluation	2,624,063
Fair value of net assets acquired	3,022,129

The option payments recognized at April 8, 2026 were the fair value of the cash and shares remaining to be paid. Of these amounts, US\$430,000 cash was paid during the period. The remaining option payments to be made are the cash and shares to be paid on or before February 1, 2028.

The cash portion was discounted using an internal borrowing rate of 13.5%:

	Amount
Fair value of cash settled option payments on date Acquisition of CMRL (April 8, 2026)	\$ 1,915,718
Option payments made	(595,593)
Changes in foreign exchange rate	34,716
Amortization of option payment liability	39,067
Option payment liability as at June 30, 2026	\$ 1,393,908

The fair value of the shares to be issued is included in reserves, and was valued as of April 8, 2026 (\$906,000) using the Monte Carlo valuation model with the following assumptions:

Contractual payment	US\$1,200,000
Share price at valuation date	\$1.75
Minimum settlement price per share	\$0.50
Settlement date	February 1, 2028
Expected term (in years)	1.82
Risk-free interest rate	2.66%
Expected volatility	142.82%
Dividend yield	0%
Number of Simulations	10,000

The allocation of the purchase price is preliminary and is subject to adjustment as the Company completes its assessment of the relative fair values of the identifiable assets acquired and liabilities assumed. Any adjustments to the amounts initially recognized will be accounted for in accordance with applicable IFRS Accounting Standards.

On May 4, 2026, the Company, CMRL and CMRL's shareholders entered into a seventh amendment to the Agreement ("Amendment 7"). Amendment 7 reorganizes the mineral title holdings of CMRL by re-allocating certain of the Madre Sierra licenses to two additional Peruvian companies, La Libertad Resources S.A.C. ("La Libertad") and Surupana Resources S.A.C. ("Surupana") (together with CMRL, the "Mining Vehicles"). The reorganization was completed on August 17, 2026.

Per Amendment 7, the option granted to the Company under the Agreement was extended to cover the entire issued share capital of La Libertad and Surupana on identical economic terms. Upon exercise of the option, the Company will exercise the option in block over the three Mining Vehicles simultaneously. The Company has assessed that CMRL controls the activities of La Libertad and Surupana.

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

TITIMINAS SILVER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)

(Expressed in Canadian Dollars)

6. Exploration and Evaluation Activities

Madre Sierra Property, Peru

The following is a summary of exploration and evaluation costs during the periods ended June 30, 2026 and 2025:

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Acquisition costs				
Acquisition of CMRL (Note 5)	\$ 2,624,063	\$ -	\$ 2,624,063	\$ -
Option payments - cash	-	-	-	288,620
Option payments – shares and units	-	-	-	1,262,586
	2,624,063	-	2,624,063	1,551,206
Exploration and evaluation costs				
Geological works and consulting	860,844	84,498	1,578,987	98,950
Assays	60,389	-	60,389	618
Community relations	23,669	-	59,363	6,551
General and project administration	255,471	19,727	276,841	19,727
Depreciation – Right-of-use asset (Note 8)	28,673	-	28,673	-
Depreciation – Office and equipment (Note 7)	5,723	-	5,723	-
	1,234,769	104,225	2,009,976	125,846
Total	\$ 3,858,832	\$ 104,225	\$ 4,634,039	\$ 1,677,052

7. Office and Equipment

	Mining Equipment	Computer and electronics	Facilities	Buildings in Progress	Total
Cost					
Balance, December 31, 2025	\$ -	\$ -	\$ -	\$ -	\$ -
Acquired on acquisition of control of CMRL (Note 5):	45,736	39,734	-	-	85,470
Additions:	-	12,842	30,598	92,241	135,681
Balance, June 30, 2026	\$ 45,736	\$ 52,576	\$ 30,598	\$ 92,241	\$ 221,151
Accumulated depreciation					
Balance, December 31, 2025	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization	2,407	2,999	317	-	5,723
Balance, June 30, 2026	\$ 2,407	\$ 2,999	\$ 317	\$ -	\$ 5,723
Net book value					
Balance, December 31, 2025	\$ -	\$ -	\$ -	\$ -	\$ -
Balance, June 30, 2026	\$ 43,329	\$ 49,577	\$ 30,281	\$ 92,241	\$ 215,428

TITIMINAS SILVER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)

(Expressed in Canadian Dollars)

8. Right-of-Use Asset and Lease Liability

CMRL entered into a lease agreement for its office in Lima, Peru, commencing January 1, 2026, until December 31, 2030. Upon the acquisition of control of CMRL, the Company recognized a right-of use (“ROU”) asset in the amount of \$551,234, and a corresponding lease liability in the same amount (\$551,234). The fair-value of the lease was calculated using an incremental borrowing rate of 5.51%.

The continuity of the ROU asset and lease liability for the period ended June 30, 2026 is as follows:

Right-of-use Asset		
Recognized on acquisition of control of CMRL	\$	551,234
Depreciation		(28,673)
Value of ROU asset, June 30, 2026	\$	522,561
Lease Liability		
Recognized on acquisition of control of CMRL	\$	551,234
Lease payments		(33,041)
Amortization		5,710
Lease liability, June 30, 2026	\$	523,903
Current portion		92,909
Non-current portion		430,994
Lease liability, June 30, 2026	\$	523,903
Undiscounted lease payment obligation		
Less than one year		99,122
One to three years		462,567
Total undiscounted lease liability, June 30, 2026	\$	561,689

9. Accounts Payable and Accrued Liabilities

	June 30, 2026	December 31, 2025
Accounts payable	\$ 338,376	\$ 102,302
Accrued professional fees	25,000	120,330
Accrued compensation costs	56,103	-
Accrued exploration costs	-	42,931
	\$ 419,479	\$ 265,563

10. Warrant Derivative Liabilities

On November 15, 2025, the Company amended the terms of 5,354,526 warrants outstanding at the time (the “Amended Warrants”) such that the Amended Warrants were 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”. The Amended Warrants were subject to accelerated expiry such that if the closing price of the Company’s shares exceeded 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.

TITIMINAS SILVER INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025***(Unaudited)**(Expressed in Canadian Dollars)*

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 ("2025 Pre-IPO Warrants"), and in January 2026, the Company issued an additional 240,719 Pre-IPO Warrants ("2026 Pre-IPO Warrants"), collectively ("Pre-IPO Warrants") (Note 11(b)). Each whole Pre-IPO Warrant was 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 was three years following the completion by the Company of a "going public event". The Pre-IPO Warrants were 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.

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 was 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 2025 Pre-IPO Warrants at the date of the issuance (\$744,663) using the Monte Carlo valuation model with the following assumptions:

	2025 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

TITIMINAS SILVER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)

(Expressed in Canadian Dollars)

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

	Amended & 2025 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

The Company determined the allocated fair value of the 2026 Pre-IPO Warrants at the date of the issuance (\$72,279) using the Monte Carlo valuation model with the following assumptions:

	2026 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)	3.23
Dividend yield	0%
Forfeiture rate	Nil
Expected dividend	Nil
Number of Simulations	10,000

On April 7, 2026, upon completion of the RTO, all of the above noted warrants originally issued by Former Titiminas, were re-issued on a one-for-one basis by the Company, with revised terms. 6,276,345 of the warrants are now exercisable at \$2.625 per share, with an expiry date of April 9, 2029 (“Three-Year Warrants”), and 1,783,281 of the warrants are now exercisable at \$2.625 per share, with an expiry date of April 9, 2031 (“Five-Year Warrants”).

Both the Three-Year Warrants and Five-Year Warrants are subject to accelerated expiry such that if the closing price of the Company’s shares exceed the Exercise Price by 75% for a period of 15 consecutive trading days any time after April 9, 2027 (the “Triggering Event”), the Company may give notice to accelerate the term to a period of 30 days following such notice of the occurrence of the Triggering Event.

As a result of the modified terms of the warrants, the \$9,216,966 warrant derivative liability (the value of the warrants immediately prior to re-issuance) was derecognized on the re-issuance date, and the value was re-assigned to warrant reserve in accordance with IAS 32.

TITIMINAS SILVER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)

(Expressed in Canadian Dollars)

The fair value of the Three-Year Warrants was revalued as of April 7, 2026 (\$7,152,333) using the Monte Carlo valuation model with the following assumptions:

	Three-Year Warrants
Share price on date of issuance	\$1.75
Strike price	\$2.625
Accelerated exercise trigger price	\$4.594
Risk-free interest rate	2.98%
Expected volatility	142%
Expected life (in years)	2.98
Dividend yield	0%
Forfeiture rate	Nil
Expected dividend	Nil
Number of Simulations	10,000

The fair value of the Five-Year Warrants was revalued as of April 7, 2026 (\$2,064,633) using the Monte Carlo valuation model with the following assumptions:

	Five-Year Warrants
Share price on date of issuance	\$1.75
Strike price	\$2.625
Accelerated exercise trigger price	\$4.594
Risk-free interest rate	3.12%
Expected volatility	131%
Expected life (in years)	4.98
Dividend yield	0%
Forfeiture rate	Nil
Expected dividend	Nil
Number of Simulations	10,000

A continuity of the Company's warrants recorded as warrant derivative liabilities is as follows:

	Warrants	Amount
As at December 31, 2024	- \$	-
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)
As at December 31, 2025	7,818,907 \$	2,347,725
Initial recognition of 2026 Pre-IPO Warrants	240,719	72,279
Change in fair value		(111,275)
As at March 31, 2026	8,059,626 \$	2,308,729
Change in fair value		6,908,237
Reclassification of warrants	(8,059,626)	(9,216,966)
As at June 30, 2026	- \$	-

11. 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.

TITIMINAS SILVER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)

(Expressed in Canadian Dollars)

(b) ***Issued and Outstanding***

As of June 30, 2026 and December 31, 2025, there were 37,340,773 and 25,178,129 common shares issued and outstanding, respectively.

During the six-month period ended June 30, 2026:

- On January 9, 2026, the Company closed a final tranche of a non-brokered private placement at a price of \$0.765 per unit (the "Units") issuing a total of 481,438 Units for total proceeds of \$368,300. Each Unit consists of one common share of the Company and one half of one share purchase warrant ("Pre-IPO Warrant", refer to Note 10 for warrant terms). Closing costs incurred totaled \$6,858.
- On April 7, 2026, each Former Titiminas Subscription Receipt (Note 1) was 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 the Company. Upon automatic conversion, the Company issued 9,495,500 common shares and the gross proceeds of \$16,617,125 was released from escrow. Cash finder's fees and other expenses totaled \$1,498,290.
- On April 7, 2026, as per the terms of the RTO (Note 4), 428,571 common shares were issued.
- On April 9, 2026 the Company completed a non-brokered private placement of 1,757,135 common shares at a price of \$1.75 per share to raise aggregate gross proceeds of \$3,074,986 (the "Non-Brokered Financing"). A cash finder's fee of \$90,000 was paid to the agents.

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 5(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 5(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.
- 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 5(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 assumptions: volatility – 100%; expected life – 3 years; risk free rate – 2.50%; and dividend rate – 0%.

TITIMINAS SILVER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)

(Expressed in Canadian Dollars)

- 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 10 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%.

(c) Warrants

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

	Number of warrants
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
Recognized as equity warrants upon completion of RTO	8,059,626
Balance, June 30, 2026	8,319,705

The following table summarizes information about the equity warrants outstanding at June 30, 2026:

Number of warrants outstanding	Exercise price	Remaining life (years)	Expiry date
156,840	\$0.765	1.44	December 8, 2027
6,379,584	\$2.625	2.78	April 9, 2029
1,783,281	\$2.625	4.78	April 9, 2031
8,319,705	2.59	3.18	

(d) Stock Options

The Company has established an Incentive 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.

On April 15, 2026, the Company granted options to acquire 100,000 common shares with a grant-date fair value of \$1.29 per share and an exercise price of \$1.70 per share. 25,000 vest on July 15, 2026, 25,000 vest on October 15, 2026, 25,000 vest on January 15, 2027, and 25,000 vest on April 15, 2027.

TITIMINAS SILVER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)

(Expressed in Canadian Dollars)

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

	Number of options	Weighted average exercise price
Balance, December 31, 2024	169,922	\$0.59
Forfeited	(169,922)	\$0.59
Balance, December 31, 2025	-	-
Granted	100,000	\$1.70
Balance, June 30, 2026	100,000	\$1.70

The weighted average remaining contractual life of options outstanding is 4.79 years as at June 30, 2026.

The Company recognized \$66,951 in share-based payments in the consolidated statement of loss and comprehensive loss (June 30, 2025: recovery of \$7,037).

The fair value of the options granted on April 15, 2026 using the Black-Scholes Option Pricing Model valuation model was determined using the following assumptions:

	April 15, 2026 Grant
Share price on date of issuance	\$1.70
Strike price	\$1.70
Risk-free interest rate	3.08%
Expected volatility	100%
Expected life (in years)	5.00
Dividend yield	0%
Forfeiture rate	Nil
Expected dividend	Nil

(e) ***Restricted Share Units ("RSU")***

During the six-month period ended June 30, 2026, the Company granted 3,043,572 RSUs to officers and directors, in accordance with the Company's Incentive Plan. The average grant date fair value of the RSUs was \$0.64. RSUs are awards for service which upon vesting and settlement entitle the recipient to receive common shares. Vesting conditions for RSUs are set by the Board. 1,498,822 of the RSUs granted vested in a single tranche on June 15, 2026 (and were settled subsequent to June 30, 2026). 769,750 of the RSUs granted vest the later of one year from April 9, 2026 (a "going public event") and the achievement of certain performance milestones relating to future plans of the Company. 650,000 of the RSUs granted vest over a 2-year period from the grant date (216,666 on December 31, 2026, 216,667 on June 30, 2027, and 216,667 on December 31, 2027). 125,000 of the RSUs granted vest over a 2-year period from the grant date (41,250 on May 28, 2027, 41,250 on November 28, 2027, and 42,500 on May 28, 2028).

Compensation expense for RSUs was \$1,063,581 for the six months ended June 30, 2026 (2025 – \$nil).

The following table summarizes information about the RSUs outstanding at June 30, 2026:

	Number of RSUs	Average Fair Value per share issuable
Balance, December 31, 2025	-	n/a
Granted	3,043,572	\$0.64
Balance, June 30, 2026	3,043,572	\$0.64

As at June 30, 2026, 1,498,822 RSUs vested, and were settled into common shares subsequent to period end.

TITIMINAS SILVER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)

(Expressed in Canadian Dollars)

12. 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 periods ended June 30, 2026 and 2025, the Company entered into the following transactions with key management personnel:

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Directors' fees	\$ 16,236	\$ 4,073	\$ 16,236	\$ 8,146
CEO fees	122,356	-	155,310	-
CFO fees	39,438	-	71,375	-
Former CEO fees	-	102,323	-	102,323
Share-based compensation (recovery)	587,620	2,343	1,090,377	(7,037)
	\$ 765,650	\$ 108,739	\$ 1,333,298	\$ 103,432

Included in accounts payable and accrued liabilities as at June 30, 2026 is \$104,203 (December 31, 2025 - \$6,820) owing to officers and directors of the Company.

The Company and the CEO entered into an agreement that provides for the following share-based compensation arrangements:

- 1) Equity compensation: The Company will issue the CEO common shares with a value based on a fixed quarterly amount, contingent upon the achievement of certain performance objectives relating to future exploration and mining plans of the Company.

\$26,796 in stock based compensation has been accrued for the period ended June 30, 2026.

- 2) Performance incentives: The Company will issue the CEO RSUs upon the completion of certain milestones relating to future exploration and mining plans of the Company. In aggregate, the total number of RSUs issued will equal 7.75% of the Company's issued and outstanding common shares as of the dates on which the respective milestones are achieved. The RSUs will be subject to a 12-month vesting period from the date they are issued and will be exercisable into common shares.

No stock based compensation expense has been accrued in connection with the above share-based compensation arrangement as the Company cannot reliably estimate the achievement of the performance conditions.

13. 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.

TITIMINAS SILVER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Unaudited)
(Expressed in Canadian Dollars)

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 and the option payment liability that are denominated in a foreign currency. As at June 30, 2026 the Company held \$645,948 (US\$454,473) in US dollars (December 31, 2025: US\$105,603) and had an option payment liability payable of \$1,393,907 (US\$980,934) in US Dollars (December 31, 2025: nil). There have been no changes in the Company's risk management strategies. As at June 30, 2026, a 5% strengthening (weakening) of the US dollar against the Canadian dollar would have increased (decreased) the Company's comprehensive loss by approximately \$26,000 for the six months ended June 30, 2026.

(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.

14. 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.

TITIMINAS SILVER INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)

(Expressed in Canadian Dollars)

15. Segmented Information

The Company operates in one reportable operating segment, being exploration and evaluation of mineral properties located in Peru, with its head office function in Canada.

The following table details the allocation of assets included in the accompanying consolidated statement of financial position at June 30, 2026:

	Canada	Peru	Total
Cash	\$ 15,946,000	\$ 607,000	\$ 16,553,000
Other receivables	54,000	-	54,000
Prepaid expenses	336,000	379,000	715,000
Office and equipment, net	-	215,000	215,000
Right-of-use assets	-	523,000	523,000
	\$ 16,336,000	\$ 1,724,000	\$ 18,060,000

16. Subsequent Events

RSU Grant

On July 6, 2026, 125,000 RSUs were granted to a new director. The RSUs vest over a 2-year period from the grant date (41,250 on July 6, 2027, 41,250 on January 6, 2028, and 42,500 on July 6, 2028).

Settlement of RSUs

On August 6, 2026, 1,498,822 RSUs issued to the Company's CEO were settled into common shares of the Company.