LOS ANDES COPPER LTD.

Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended June 30, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

LOS ANDES COPPER LTD.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company and all information contained in the report have been prepared by and are the responsibility of the Company's management.

The Audit Committee of the Board of Directors has reviewed the condensed interim consolidated financial statements and related financial reporting matters.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

LOS ANDES COPPER LTD.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	June 30, 2026	September 30, 2025
		$	$
Assets			
Current Assets			
Cash and cash equivalents		17,615,758	22,792,229
Receivables		36,955	269,615
Prepaid expenses and deposits		190,770	203,062
		17,843,483	23,264,906
Non-Current Assets			
Property, plant and equipment		155,176	201,936
Mineral right interests	**5**	78,397,758	72,447,480
Hydro-electric project water rights	**5**	8,250,000	8,250,000
		86,802,934	80,899,416
Total Assets		104,646,417	104,164,322
Liabilities			
Current Liabilities			
Trade payables and other liabilities	**8**	537,767	517,201
Lease liability short-term	**11**	102,266	131,434
Convertible debenture short-term	**6**	5,178,654	6,479,932
Derivative liability – conversion feature	**6**	357,275	197,941
Interest payable on convertible debenture	**6**	84,092	127,290
		6,260,054	7,453,798
Non-Current Liabilities			
Convertible debentures long-term	**6**	6,138,094	10,160,824
Derivative liability – conversion feature	**6**	802,522	183,498
DSU liability	**7(e), 8**	963,417	1,352,666
Deferred income tax		4,264,418	4,264,418
		12,168,451	15,961,406
Total Liabilities		18,428,505	23,415,204
Shareholders' Equity			
Share capital	**7**	132,461,719	123,514,410
Reserve	**7**	5,717,601	5,657,059
Deficit		(42,690,787)	(37,305,872)
Accumulated other comprehensive loss		(9,270,621)	(11,116,479)
Total Equity		86,217,912	80,749,118
Total Liabilities and Shareholders' Equity		104,646,417	104,164,322

Nature of operation and continuance of business (Note 1)
Subsequent events (Note 12)

Approved by the Board of Directors on August 19, 2026:

"Francis O'Kelly"	*"Francisco Covarrubias"*
Director	Director

LOS ANDES COPPER LTD.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three and Nine Months Ended June 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended 2026	Three months ended June 30, 2025	Nine months ended 2026	Nine months ended June 30, 2025
		$	$	$	$
Expenses					
Consulting, salaries, management and directors' fees	**8**	149,208	150,301	448,536	461,179
Depreciation	**11**	49,398	36,577	147,311	109,481
Interest	**6,11**	261,789	387,398	1,040,844	1,182,915
Accretion	**6**	340,140	422,819	1,290,059	1,222,605
Office and administration		68,194	105,786	318,611	299,216
Professional fees	**8**	110,859	104,155	271,199	267,906
Shareholder communications		45,854	75,643	194,216	218,843
Share-based compensation	**7, 8**	102,051	188,857	284,945	580,315
Transfer agent, filing and regulatory fees		19,926	18,577	116,602	141,449
		1,147,419	1,490,113	4,112,323	4,483,909
Hydro-electric project					
Professional fees		1,864	2,640	4,815	5,355
Project supplies and expenses		-	-	53	98
		1,864	2,640	4,868	5,453
Loss before other items		(1,149,283)	(1,492,753)	(4,117,191)	(4,489,362)
Other items					
Foreign exchange gain (loss)		141,467	(524,767)	87,712	(76,492)
Change in fair value of derivative liability	**6**	348,624	107,253	(2,030,466)	1,025,001
Change in fair value of DSU liability	**7(e)**	950,223	191,619	(480,497)	600,245
Gain on settlement of debt	**6**	635,061	-	635,061	-
Interest income		57,382	223,180	520,466	829,167
		2,132,757	(2,715)	(1,267,724)	2,377,921
Net income (loss)		**983,474**	**(1,495,468)**	**(5,384,915)**	**(2,111,441)**
Other comprehensive loss					
Items that may be reclassified to profit or loss:					
Current translation adjustment		(34,788)	(1,787,944)	1,845,858	(586,657)
Total comprehensive income (loss) for the period		**948,686**	**(3,283,412)**	**(3,539,057)**	**(2,698,098)**
Income (loss) per share, basic and diluted		0.03	(0.05)	(0.18)	(0.07)
Weighted average number of shares outstanding, basic and diluted		30,308,096	29,535,974	29,807,800	29,535,974

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

LOS ANDES COPPER LTD.
Condensed Interim Consolidated Statements of Changes in Equity
For the Nine Months Ended June 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars)

	Common Shares	Share Capital	Equity reserve[1]	Accumulated other comprehensive loss	Deficit	Total
	#	$	$	$	$	$
Balance, September 30, 2024	**29,535,974**	**123,427,446**	**5,713,944**	**(9,646,129)**	**(32,895,718)**	**86,599,543**
Share-based compensation	-	-	25,001	-	-	25,001
Net loss and comprehensive loss	-	-	-	(586,657)	(2,111,441)	(2,698,098)
Balance, June 30, 2025	**29,535,974**	**123,427,446**	**5,738,945**	**(10,232,786)**	**(35,007,159)**	**83,926,446**
Option exercise	11,348	86,964	(86,964)	-	-	-
Share-based compensation	-	-	5,078	-	-	5,078
Net loss and comprehensive loss	-	-	-	(883,693)	(2,298,713)	(3,182,406)
Balance, September 30, 2025	**29,547,322**	**123,514,410**	**5,657,059**	**(11,116,479)**	**(37,305,872)**	**80,749,118**
Conversion of debenture	638,573	7,526,413	-	-	-	7,526,413
DSU exercise	181,190	1,094,149	-	-	-	1,094,149
Shares issued pursuant to interest payment	31,504	326,747	-	-	-	326,747
Share-based compensation	-	-	60,542	-	-	60,542
Net loss and comprehensive loss	-	-	-	1,845,858	(5,384,915)	(3,539,057)
Balance, June 30, 2026	**30,398,589**	**132,461,719**	**5,717,601**	**(9,270,621)**	**(42,690,787)**	**86,217,912**

[1] Reserve consists of fair values of stock options, performance shares and finder's warrants

LOS ANDES COPPER LTD.
Condensed Interim Consolidated Statements of Cash Flows
For the Nine Months Ended June 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars)

	2026	2025
	$	$
Cash provided by (used in):		
Operating activities		
Net loss	(5,384,915)	(2,111,441)
Items not affecting cash:		
Accretion	1,290,059	1,222,605
Depreciation	147,311	109,481
Change in fair value of derivative liability	2,030,466	(1,025,001)
Change in fair value of DSU liability	480,497	(600,245)
Gain on settlement of debt	(635,061)	-
Interest expense	1,040,844	1,182,915
Share-based compensation	284,945	580,315
Changes in non-cash working capital items:		
Prepaid expenses and deposits	12,293	(22,929)
Receivables	232,660	170,649
Trade payables and other liabilities	(71,156)	(84,433)
Net cash used in operating activities	(572,057)	(578,084)
Investing activity		
Mineral right interests	(4,340,444)	(3,718,874)
Net cash used in investing activities	(4,340,444)	(3,718,874)
Financing activities		
Repayment of lease liability	(117,265)	(84,925)
Interest on convertible debentures - cash	(638,670)	(1,182,054)
Net cash used in financing activities	(755,935)	(1,266,979)
Change in cash for the period	(5,668,436)	(5,563,937)
Effect of exchange rate changes on cash	491,965	435,084
Cash and cash equivalents, beginning of period	22,792,229	29,317,948
Cash and cash equivalents, end of period	17,615,758	24,189,095

See Note 10 for supplemental cash flow information.

1. NATURE OF OPERATION AND CONTINUANCE OF BUSINESS

Los Andes Copper Ltd. ("Los Andes") is involved in the acquisition, exploration and development of advanced copper deposits in Latin America, including holding a 100% interest in the Vizcachitas copper project in Chile.

Los Andes was incorporated under the Business Corporations Act (British Columbia) in 1983 and is listed on the TSX Venture Exchange ("TSX-V") under the symbol "LA". Its principal office is located at Suite 1100-1199 West Hastings Street, Vancouver, B.C. V6E 3T5, Canada.

These condensed interim consolidated financial statements include the accounts of Los Andes and of its controlled subsidiaries (collectively, the "Company"): Vizcachitas Limited, Compañía Minera Vizcachitas Holding ("CMVH"), Sociedad Legal Minera San José Uno de Lo Vicuña El Tártaro y Piguchén de Putaendo ("San José SLM"), Gemma Properties Group Limited, Inversiones Los Patos S.A, DK Corporation, Rocín SPA, Hidroeléctrica de Pasada Rio Rocín SPA and Sociedad Los Juncos de la Unión SPA.

At the date of these condensed interim consolidated financial statements the Company has not yet determined whether any of its mineral right interests contain mineral reserves that are economically recoverable. Accordingly, the carrying amount of its mineral right interests represents the cumulative acquisition costs and exploration expenditures incurred to date, which does not necessarily reflect present or future values. The recovery of these costs is dependent on the discovery of economically recoverable mineral reserves and the ability of the Company to obtain the necessary financing to undertake continuing exploration and development, and to resolve any environmental, regulatory or other constraints.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for a reasonable period of time and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Notwithstanding the above, the Company's business activities are in the development stage, the Company has a history of recurring losses and no source of revenue or operating cash flow. Operations in recent years have been funded from the issuance of share capital and cash on hand. Given its current stage of operations, the Company's ability to continue as a going concern is contingent on its ability to continue to obtain additional financing. In the event the Company is unable to raise adequate financing or meet its current obligations, the carrying value of the Company's assets could be subject to material adjustments.

These condensed interim consolidated financial statements do not reflect adjustments to the carrying values of assets and liabilities which may be required should the Company be unable to continue as a going concern.

These condensed interim consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 19, 2026 and have been prepared in accordance with the IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended September 30, 2025, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended September 30, 2025.

These condensed interim consolidated financial statements have been prepared on an accrued basis and are based on the historical cost basis and modified where applicable.

3. MATERIAL ACCOUNTING POLICY INFORMATION

For full details on the critical accounting estimates and judgements affecting the Company, please refer to the Company's annual consolidated financial statements and notes for the year ended September 30, 2025.

4. THE VIZCACHITAS PROPERTY

In 2007, the Company acquired all of the issued and outstanding shares of Vizcachitas Limited which, at the time, owned a majority of the claims making up the Vizcachitas Property. Vizcachitas Limited owned 51% of the shares of San José SLM which owned the San José mining concessions (the "SJ Concession") and an additional 35 mining rights and concessions (the "Initial Properties") that comprised part of the Vizcachitas Property. In 2010, the Company completed the consolidation of the Vizcachitas Property through the acquisition from Turnbrook Corporation of all of the issued and outstanding securities of Gemma Properties Group Limited ("Gemma"), who indirectly owned 49% of the issued and outstanding shares of the San Jose SLM. With this transaction, the entire resource contained in the Vizcachitas Property came under unified ownership.

At June 30, 2026, the Company owns 52 exploitation mining concessions covering 10,771 hectares and 174 exploration claims covering a combined total of 47,440 hectares (including the Initial Properties). The Company is subject to Net Smelter Returns ("NSR") royalty payments calculated on the basis of a production royalty from mineral produced at the Initial Properties, including the SJ concessions, of 1.125% on any underground production and 2.25% on any surface productions.

<u>Royalty Purchase Agreement</u>

On December 3, 2019, the Company entered into a Royalty Purchase Agreement and a Net Smelter Returns Royalty Agreement (the "First Agreements") with RCF VI CAD LLC ("RCF"), a limited liability corporation in the State of Delaware. Pursuant to the First Agreements, the Company received US$8 million as consideration for future payments calculated on the basis of a production royalty ("Royalty") from minerals produced from the SJ Concession that forms part of the Company's Vizcachitas Property.

The proceeds, net of finder's fees and transaction expenses reimbursed to RCF, were accounted for as a recovery of costs incurred on the Vizcachitas Property.

As long as RCF (or its associates or affiliates) holds all or any part of the Royalty, or holds, directly or indirectly, common shares or securities convertible into common shares representing not less than 10% of the Company's issued and outstanding common shares (on a partially diluted basis), RCF has a right of first offer ("ROFO") to provide future royalty or stream financing in relation to new claims that may subsequently form part of the Vizcachitas Property, subject to the terms as described.

Pursuant to the First Agreements, the Company will make payments to RCF on the basis of an NSR of 0.49% for underground production and 0.98% for open pit production on the SJ Concession. Following this transaction, the overall NSR level of the Initial Properties, including the SJ Concession, covering the mineral resources of the Vizcachitas Property is 1% for underground mining methods and 2% for open pit mining methods.

The obligations of the Company under the First Agreements are guaranteed by the Company's subsidiary Sociedad Legal Minera San Jose Uno De Lo Vicuna, El Tartaro Y Piguchen De Putaendo (the "Guarantor"), with the guarantee being secured by a mortgage and charge over and against mining rights and mineral properties (as defined) and any related proceeds, governed by the laws of Chile and granted by the Guarantor in favour of RCF, subject to existing obligations of the Company and the Guarantor.

On February 9, 2021, Metalla Royalty & Streaming Ltd. (formerly Nova Royalty Corp.) acquired RCF's NSR of 0.49% on underground production and 0.98% for open pit production on the SJ Concession.

Second Royalty Purchase Agreement

On June 25, 2020, the Company entered into a Royalty Purchase Agreement and a Net Smelter Returns Royalty Agreement (the "Second Agreements") with RCF. Pursuant to the Second Agreements, the Company received US$9,000,000 as consideration for future payments calculated on the basis of an NSR of 1% for underground production and 2% for open pit production from minerals produced from certain concessions that form part of the Initial Properties ("Royalty 2"). The Company can receive up to an additional US$5 million in the event that RCF sells Royalty 2 prior to commencement of commercial production of the Vizcachitas Property.

In the event of an RCF sale prior to the commencement of commercial production of the Vizcachitas Project by the Company or an affiliate, RCF will pay a contingent royalty purchase price up to US$5 million.

In the event that the contingent royalty purchase price is less than US$5 million, the difference between the contingent royalty purchase price and US$5 million will be deducted from initial NSR royalty payments until the total contingent purchase price reaches US$5 million. In the event RCF does not sell the royalty prior to commencement of commercial production, the amount payable of US$5 million shall be deducted from initial NSR royalty payments.

The right of first offer to provide future royalty or stream financing as described in the First Agreements above applies to Royalty 2.

Pursuant to Royalty 2, the Company will make payments to RCF on the basis of an NSR of 1% from the sale or other disposition of all locatable minerals produced from the properties by underground production and 2% from surface production.

If the mining operations of the Company and its affiliates commence in, or predominantly shift to, a different area of the project than that identified in the June 13, 2019 Preliminary Economic Assessment of the Vizcachitas Project, RFC has the option to:

- sell Royalty 2 to the Company for an amount equal to four times the US$9 million purchase price less the aggregate amount of royalty payments received by RCF as of the date of the change of production focus; or
- if RCF has not yet received US$36 million, swap Royalty 2 for a new royalty consistent with the terms of Royalty 2 over the newly proposed development areas at a valuation equal to the valuation of Royalty 2 (having regard to royalty payments made to such date).

The obligations of the Company under the Second Agreements are guaranteed by the Company and its subsidiary, CMVH (the "Guarantors"), with the guarantee being secured by a mortgage and charge over and against mining rights and mineral properties (as defined) and any related proceeds, governed by the laws of

Chile and granted by CMVH in favour of RCF, subject to existing obligations of the Company and the Guarantor.

Ecora Royalty Agreement

On August 3, 2023, the Company closed the royalty agreement (the “Ecora Royalty”) with Ecora Resources PLC (“Ecora”) for total cash consideration of US$20,000,000. The Ecora Royalty is calculated over the sale of all minerals produced from the Company's Vizcachitas Project in Chile. Ecora will receive royalty payments on the basis of an NSR of 0.125% for underground production and 0.25% NSR for open pit production.

The proceeds, net of finder’s fees and transaction costs, were accounted for as a recovery of costs incurred on the Vizcachitas Property.

In the event that productions are delayed the NSRs will increase as follows:

- If delays extend beyond June 30, 2030, and up to June 30, 2031, the royalties will increase to 0.05% for underground production and 0.10% for open pit production;
- If delays extend beyond June 30, 2031, and up to June 30, 2032, the royalties will increase, a second time, by an additional 0.05% for underground operations and 0.10% for open pit operations;
- If delays extend beyond June 30, 2032, the royalties will increase, a third time, by an additional 0.05% for underground operations and 0.10% for open pit operations; and
- The Company has the option to avoid the second and third rate increases by paying, at the time each of the rate increases are triggered, an amount equal to US$15,000,000 or US$20,000,000 (if copper prices at that time exceed US$5/lb).

The obligations of the Company under the Ecora Royalty are guaranteed by the Guarantors and the Company’s subsidiary Sociedad Legal Minera San Jose Uno De Lo Vicuna, El Tartaro Y Piguchen De Putaendo (the “Guarantor2”), with the guarantee being secured by a mortgage and charge over and against mining rights and mineral properties (as defined) and any related proceeds, governed by the laws of Chile and granted by the Guarantors and Guarantor2 in favour of Ecora, subject to existing obligations of the Company and the Guarantor2.

Subject to compliance with the existing ROFO held by RCF under the terms of the First Agreements and Second Agreements, Ecora has been granted a ROFO with respect to future royalty, streaming or other similar interests in the mineral properties, as defined.

Franco Nevada Agreement

On July 29, 2024, as part of the Company’s continued progression of the Vizcachitas Project and in anticipation of commencement of commercial operations, the current royalty agreement with Franco-Nevada LRC Holdings Corp. (“Franco Nevada”), dated February 8, 2007, was streamlined, simplifying its execution once the Vizcachitas Project begins production. As part of the streamlining, Los Andes received US$1,020,000. Franco Nevada holds a 51% interest of a 2% open pit Net Smelter Royalty (“NSR”) and 1% underground NSR covering the San Jose core claim of the Vizcachitas Project. It also holds a 2% NSR over the sale of all minerals produced from open pit operations and a 1% NSR on underground operations on certain concessions that form part of the Initial Properties beyond the Vizcachitas Project.

Proceeds received under the NSR agreements have been credited against the carrying costs of the Company’s mineral right interests. See Note 5.

5. MINERAL RIGHT INTERESTS / HYDRO-ELECTRIC PROJECT WATER RIGHTS

The Company has the right to certain exploration concessions and exploitation concessions located in Region V, Chile. Title to mining right interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining right interests. The Company has investigated title to all of its mineral right interests, and to the best of its knowledge, all of its mineral right interests are in good standing.

(Unaudited - Expressed in Canadian dollars)

	Total costs to September 30, 2024 $	Costs incurred (recovered) in year ended September 30, 2025 $	Total costs to September 30, 2025 $	Costs incurred (recovered) in period ended June 30, 2026 $	Total costs to June 30, 2026 $
VIZCACHITAS					
Acquisition costs	54,562,243	-	54,562,243	-	54,562,243
Water rights	5,945,768	-	5,945,768	-	5,945,768
VAT tax credits	5,088,192	325,678	5,413,870	342,674	5,756,544
Deferred exploration					
Automobile and travel	817,296	20,411	837,707	17,271	854,978
Assaying	725,362	-	725,362	-	725,362
Camp rehabilitation, maintenance and security	4,212,987	100,518	4,313,505	61,784	4,375,289
Core handling and storage	32,914	-	32,914	-	32,914
Drilling	12,770,774	40,061	12,810,835	25,111	12,835,946
Equipment and equipment rental	645,576	-	645,576	-	645,576
Exploration administration	15,618,987	2,154,825	17,773,812	1,902,830	19,676,642
Food and accommodation	385,079	-	385,079	-	385,079
Geological consulting (Note 8)	4,146,924	479,987	4,626,911	521,650	5,148,561
Other	576,820	264,179	840,999	243,893	1,084,892
Property & surface rights, taxes & tenure fees	3,269,107	577,905	3,847,012	520,815	4,367,827
Road repairs	147,368	36,512	183,880	6,973	190,853
Studies and other consulting	8,075,127	470,685	8,545,812	715,062	9,260,874
Subcontractors	1,269,366	-	1,269,366	-	1,269,366
Supplies	910,680	-	910,680	-	910,680
Sustainable development	495,233	87,541	582,774	91,100	673,874
Warehouse Maintenance	64,548	-	64,548	-	64,548
Total deferred exploration	**54,164,148**	**4,232,624**	**58,396,772**	**4,106,489**	**62,503,261**
Royalty agreements (Note 5)	(38,097,630)	-	(38,097,630)	-	(38,097,630)
Exchange rate differences	(11,900,391)	(1,873,152)	(13,773,543)	1,501,115	(12,272,428)
	69,762,330	**2,685,150**	**72,447,480**	**5,950,278**	**78,397,758**

Included within mineral right interests are:

a) Water rights to a permanent, continuous and consumptive use of 500 liters per second (“lps”) flow from the Aconcagua River, located near the Vizcachitas Property;

b) VAT tax credits available in Chile, originating from deferred exploration expenses; and

c) Hydro-electric Project Water Rights

In 2014, the Company acquired non-consumptive water rights over a section of the Rocin River, Putaendo, Region V, Chile, together with the engineering and other studies and reports for the development of a hydroelectric facility (the “Hydro-electric Facility”). Consideration for the acquisition consisted of 3,750,000, Los Andes shares, valued at a price of $2.20 per share, for total consideration of $8,250,000. The Hydro-electric Facility, once developed, will support commercial operations on the Vizcachitas Property.

6. CONVERTIBLE DEBENTURES

On June 1, 2021 (the "Closing Date"), the Company entered into an agreement with Queen's Road Capital Investment Ltd. ("QRC"), whereby QRC invested US$5,000,000 in the Company by way of convertible debenture (the "First Convertible Debenture"). The First Convertible Debenture had a five-year term, carried an eight percent coupon and was convertible into common shares in the capital of the Company at a price of $10.82 per share (the "Conversion Price"). The interest was payable quarterly in cash or at the Company's discretion, as low as five percent in cash and three percent in shares, at the 20-day volume weighted average price ("VWAP") prior to the interest payment date. Interest expense of $261,864 (US $200,000) (2025: $424,080) was recognized during the nine months ended June 30, 2026, and as at June 30, 2026 $nil of interest was payable.

As the First Convertible Debenture and the embedded conversion feature were denominated in US dollars and the Company has a Canadian dollar functional currency, they are within the scope of IAS 32 – Financial Instruments: Presentation. The value of the conversion feature is subject to changes in value based on the prevailing exchange rate, resulting in a derivative liability. On initial measurement, the Company fair valued the derivative liability at $1,991,001 using the Black-Scholes option pricing model, using volatility of 68% and a risk-free interest rate of 0.78%. Transaction costs of $333,877 were incurred for the First Convertible Debenture and amortized over the life of the First Convertible Debenture. The derivative liability is fair valued at each reporting period. On initial measurement, the liability component of the First Convertible Debenture was fair valued at $4,060,499 and will be amortized to maturity using an effective interest rate of 20.33%.

On April 7, 2026, the Company exercised its conversion rights for the First Convertible Debenture, issuing an aggregate of 638,573 common shares of the Company in payment of principal of $6,850,000 (US $5,000,000) and interest of $59,366 (US $43,333). The shares issued were valued at $7,526,413 and the Company recorded a gain of $635,061 on the settlement of the First Convertible Debenture.

On April 6, 2022 (the "Second Closing Date"), the Company received a further US$4,000,000 from QRC by way of convertible debenture (the "Second Convertible Debenture"). The Second Convertible Debenture has a five-year term, carries an eight per cent coupon and is convertible into common shares in the capital of the Company at a price of $19.67 per share (the "Second Conversion Price"). The interest is payable quarterly, five percent in cash and three percent in shares, at the VWAP prior to the interest payment date. Interest expense of $312,694 (US $240,000) (2025: $339,264) was recognized during the nine months ended June 30, 2026 and as at June 30, 2026, $37,374 (US $26,302) of interest was payable.

The Second Convertible Debenture matures on April 5, 2027. On or after the third anniversary of the Second Closing Date and prior to the maturity date, the Company may force conversion of the Second Convertible Debenture, in whole or in part, at par plus accrued interest provided that the VWAP of the common shares on the TSXV exceeds 130% of the Second Conversion Price.

On initial measurement, the Company fair valued the derivative liability at $1,899,034 using the Black-Scholes option pricing model, using volatility of 62% and a risk-free interest rate of 2.48%. Transaction costs of $221,973 were incurred for the Second Convertible Debenture and will be amortized over the life of the Second Convertible Debenture. The derivative liability is fair valued at each reporting period. On initial measurement, the liability component of the Second Convertible Debenture was fair valued at $3,123,606 and will be amortized to maturity using an effective interest rate of 22.24%.

On September 2, 2022 (the "Third Closing Date"), the Company received a further US$5,000,000 from QRC by way of convertible debenture (the "Third Convertible Debenture"). The Third Convertible Debenture has a five-year term, carries an eight per cent coupon and is convertible into common shares in the capital of the Company at a price of $16.75 per share (the "Third Conversion Price"). The interest is payable quarterly, five

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percent in cash and three percent in shares, at the VWAP prior to the interest payment date. Interest expense of $390,858 (US $300,000) (2025: $424,080) was recognized during the nine months ended June 30, 2026. As at June 30, 2026, $46,718 (US $32,877) of interest was payable.
The Third Convertible Debenture matures on September 3, 2027. On or after the third anniversary of the Third Closing Date and prior to the maturity date, the Company may force conversion of the Third Convertible Debenture, in whole or in part, at par plus accrued interest provided that the VWAP of the common shares on the TSXV exceeds 130% of the Third Conversion Price.

On initial measurement, the Company fair valued the derivative liability at $2,556,322 using the Black-Scholes option pricing model, using volatility of 58% and a risk-free interest rate of 3.30%. Transaction costs of $236,225 were incurred for the Third Convertible Debenture and will be amortized over the life of the Third Convertible Debenture. The derivative liability is fair valued at each reporting period. On initial measurement, the liability component of the Third Convertible Debenture was fair valued at $4,010,425 and will be amortized to maturity using an effective interest rate of 22.52%.

The net change in the convertible debentures and the derivative liability balances for the nine months ended June 30, 2026 and the year ended September 30, 2025, were as follows:

	Convertible debentures $	**Derivative liability $**	**Total $**
Balance, September 30, 2024	**14,637,656**	**1,147,655**	**15,785,311**
Change in fair value	-	(766,216)	(766,216)
Interest and accretion	3,245,585	-	3,245,585
Interest payments	(1,572,424)	-	(1,572,424)
Foreign exchange	457,229	-	457,229
Balance, September 30, 2025	**16,768,046**	**381,439**	**17,149,485**
Change in fair value	-	2,030,466	2,030,466
Interest and accretion	2,323,103	-	2,323,103
Interest payments	(965,416)	-	(965,416)
Foreign exchange	184,473	-	184,473
Conversion	(6,909,366)	(1,252,108)	(8,161,474)
Balance, June 30, 2026	**11,400,840**	**1,159,797**	**12,560,637**

As at June 30, 2026, $84,092 (September 30, 2025: $127,290) of interest related to the convertible debentures is payable and recorded as short-term interest payable. As at June 30, 2026 the principal balance owing on the convertible debentures is US$9,000,000.

During the nine months ended June 30, 2026, the Company's VWAP exceeded 130% of the exercise price for the First Convertible Debenture and as a result the Company issued a notice for early conversion.

See Note 10 for supplemental cash flow information.

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7. EQUITY

a) Authorized

Unlimited number of common shares without par value.

b) Financings

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

i) On December 16, 2025, the Company issued 16,853 shares, fair valued at $151,677, to Queen's Road Capital as a payment of $147,632 (US$104,994) for interest owing on the convertible debentures.
ii) On March 17, 2026, the Company issued 8,493 shares, fair valued at $98,094, to Queen's Road Capital as a payment of $142,852 (US$104,973) for interest owing on the convertible debentures.
iii) On April 7, 2026, the Company exercised its conversion rights for the First Convertible Debenture, issuing an aggregate of 638,573 common shares of the Company in payment of principal of $6,850,000 (US $5,000,000) and interest of $59,366 (US $43,333).
iv) On April 15, 2026, former CEO Santiago Montt exercised 181,190 DSU's. The Company settled the DSU's through the issuance of 181,190 common shares, pursuant to the Company's DSU plan.
v) On June 18, 2026, the Company issued 6,158 shares, fair valued at $76,976, to Queen's Road Capital as a payment of $93,220 (US$67,492) for interest owing on the convertible debentures.

There were no share transactions during the nine months ended June 30, 2025.

c) Equity reserve

Equity reserve consists of the accumulated fair value of common share options and share purchase warrants recognized as share-based compensation and share purchase warrants issued on acquisitions of mineral rights.

d) Share purchase options

The balance of share purchase options outstanding and exercisable as at June 30, 2026 and September 30, 2025 and the changes for the periods then ended is as follows:

	Number of Options #	Weighted Average Exercise Price $	Weighted Average Life Remaining (years)
Balance, September 30, 2024	**77,000**	**10.19**	**1.64**
Exercised	(34,500)	5.00	-
Expired	(2,500)	5.00	-
Balance, September 30, 2025	**40,000**	**15.00**	**1.25**
Granted	22,259	12.00	-
Balance, June 30, 2026	**62,259**	**13.93**	**1.87**
Unvested	(11,129)	12.00	-
Vested and exercisable	**51,130**	**14.35**	**1.34**

On October 30, 2025, the Company granted 22,259 stock options to employees and officers of the Company with an exercise price of $12 per share expiring on October 30, 2030. 50% of the options vest immediately and 50% of the options vest on October 30, 2026. The fair value of these options on the date of grant was determined using the Black-Scholes option pricing model and the following weighted average assumptions: expected dividend yield of 0%, expected volatility of 46.03%, risk free rate of return of 2.43%, expected life of 5 years, and share price of $8.70.

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The Company recorded share-based compensation expense of $60,542 during the nine months ended June 30, 2026 (2025: $25,001) related to the vesting of newly granted options and previously granted options. The Company recorded share-based compensation expense of $224,403 during the nine months ended June 30, 2026 (2025: $555,314) related to the vesting of newly granted DSUs and previously granted DSUs, respectively.

The options outstanding as at June 30, 2026, are as follows:

Outstanding #	Exercisable #	Exercise Price $	Expiry Date
40,000	40,000	15.00	December 30, 2026
22,259	11,130	12.00	October 30, 2030
62,259	**51,130**		

e) Deferred share units

On May 27, 2021, the Company adopted a deferred share unit ("DSU") plan as an alternative form of compensation for employees, officers, consultants and directors of the Company. Each DSU is comprised of one notional common share that entitles the participant, on termination of services, to receive, at the discretion of the Company, common shares of the Company up to the number of DSUs held or the cash equivalent. In the event the Company decides to settle all or a portion of the DSUs outstanding in cash, the total DSUs owing will be multiplied by the fair market value of one common share of the Company. The fair market value will be determined as the VWAP of the Company's common shares on the valuation date. The maximum number of common shares that are issuable under the DSU plan is 500,000.

As the DSU can be settled in cash or shares, at the discretion of the Company, the liability associated with each DSU grant is recorded as a liability and fair valued at each reporting period.

On February 14, 2025, the Company granted Santiago Montt 80,034 DSUs with an aggregate value of US$400,000 of which: (a) 40,017 DSUs (the "Y2 Time Lapse DSUs") will vest as follows: 20,008 vested on August 14, 2025 and 20,009 will vest on February 14, 2026; (b) 40,017 DSUs (the "Y2 Performance DSUs") will vest on February 14, 2026, subject to his performance targets being met.

On April 15 2026, the Company converted all of Santiago Montt's outstanding DSU's to 181,190 common shares and the Company transferred $1,094,149 of DSU liability to share capital.

During the year ended September 30, 2025, 94,588 DSUs were issued to directors and officers of the Company.

On February 3, 2026, the Company granted Ignacio Melero Pinto 20,000 DSU's with an aggregate value of $290,200 of which: (a) 6,600 DSU's vest on February 3, 2027; (b) 6,600 DSU's will vest on February 3, 2028; and (c) 6,800 DSU's will vest on February 3, 2029.

During the nine months ended June 30, 2026, 30,130 DSUs were issued to directors and officers of the Company.

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As at June 30, 2026, 64,181 DSUs were fully vested. The change in DSUs outstanding for the nine months ended June 30, 2026 and for the year ended September 30, 2025 is as follows:

Balance, September 30, 2024	**140,653**
Granted	94,588
Balance, September 30, 2025	**235,241**
Granted	30,130
Exercised	(181,190)
Balance, June 30, 2026	**84,181**
Unvested	(20,000)
Vested and exercisable, June 30, 2026	**64,181**

Following is a summary of the DSUs outstanding at June 30, 2026:

Grant date	Number of DSUs	Deemed value	Fair Market Value at June 30, 2026
June 1, 2021	1,325	$9.43	$15.01
September 1, 2021	1,184	$7.03	$15.01
October 1, 2021	5,844	$7.13	$15.01
January 1, 2022	3,357	$11.17	$15.01
April 1, 2022	2,301	$16.30	$15.01
July 1, 2022	2,391	$15.68	$15.01
October 1, 2022	2,643	$14.19	$15.01
January 1, 2023	2,700	$13.89	$15.01
April 1, 2023	3,117	$12.03	$15.01
July 1, 2023	2,427	$15.45	$15.01
October 1, 2023	3,399	$11.03	$15.01
January 1, 2024	3,603	$10.41	$15.01
April 1, 2024	2,622	$11.07	$15.01
July 1, 2024	2,584	$9.68	$15.01
October 1, 2024	3,002	$8.33	$15.01
January 1, 2025	3,330	$7.51	$15.01
April 1, 2025	4,038	$6.19	$15.01
July 1, 2025	4,184	$5.97	$15.01
October 1, 2025	3,238	$7.72	$15.01
January 1, 2026	2,760	$9.06	$15.01
February 3, 2026	20,000	$14.51	$15.01
April 1, 2026	4,132	$12.10	$15.01

As at June 30, 2026, the Company had a total of $963,417 in DSU liabilities. See Note 8.

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8. RELATED PARTY TRANSACTIONS

The Company's related parties consist of companies controlled by a director of the Company, the Company's Chief Financial Officer ("CFO") and the Company's VP of Exploration.

	Nature of Transaction
Sociedad Cartografica Limitada	Geological Consulting
Kasheema Enterprises Ltd.	Management
Malaspina Consultants Inc.	Accounting

The Company incurred the following fees and salaries during the period in the normal course of operations with companies controlled by key management, including the Company's Chief Executive Officer, Chief Financial Officer, VP of Exploration and/or directors. Transactions have been measured at the exchange amount, which is the consideration determined and agreed to by the related parties.

	Three months ended June 30,		Nine months ended June 30,	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
Consulting, salaries, management and directors' fees[1]	143,359	277,907	648,016	833,467
Geological consulting fees	84,075	77,123	244,154	233,985
Professional fees (accounting)	25,181	24,900	74,981	74,700
Share-based compensation	27,325	26,265	122,358	402,781
	279,940	406,195	1,089,509	1,544,933

[1] Includes fees from the board of directors; and salaries capitalized to mineral right interests.

Included in trade and other payables as at June 30, 2026, is $31,474 (September 30, 2025: $26,163) owing to related parties. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

Key management compensation during the nine months ended June 30, 2026 and 2025 is as follows:

	Three months ended June 30,		Nine months ended June 30,	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
Consulting, salaries, management, geological consulting and professional fees	124,859	259,907	592,516	778,467
Share-based compensation	27,325	26,265	122,358	402,781
	152,184	286,172	714,874	1,181,248

(Unaudited - Expressed in Canadian dollars)

9. SEGMENTED INFORMATION

At June 30, 2026, the Company has three reportable segments: mineral exploration, hydroelectric project and corporate, and has operations in two geographical areas, Canada and Chile.

Operating segments

	Three months ended June 30, 2026	2025	Nine months ended June 30, 2026	2025
	$	$	$	$
Net income (loss)				
Mineral exploration	(20,411)	(76,948)	(122,052)	(189,968)
Hydroelectric project	(1,864)	(2,640)	(4,868)	(5,453)
Corporate	1,005,749	(1,415,880)	(5,257,995)	(1,916,020)
	983,474	**(1,495,468)**	**(5,384,915)**	**(2,111,441)**

	June 30, 2026	September 30, 2025
	$	$
Assets		
Mineral exploration	79,038,794	72,447,480
Hydroelectric project	8,250,000	8,250,000
Corporate	17,357,623	23,466,842
	104,646,417	**104,164,322**

Geographic segments

	Three months ended June 30, 2026	2025	Nine months ended June 30, 2026	2025
	$	$	$	$
Net income (loss)				
Canada	1,048,913	(1,382,146)	(5,125,603)	(1,820,332)
Chile	(65,439)	(113,322)	(259,312)	(291,109)
	983,474	**(1,495,468)**	**(5,384,915)**	**(2,111,441)**

	June 30, 2026	September 30, 2025
	$	$
Assets		
Canada	17,382,506	22,929,531
Chile	87,263,911	81,234,791
	104,646,417	**104,164,322**

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10. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash investing and financing activities

At June 30, 2026:

- Net exploration costs included in trade payables and other liabilities were $486,995 (September 30, 2025: $395,272);
- Exchange rate differences of $1,501,115 (2025: loss of $942,944) were included in mineral right interests; and
- Accretion expense of $1,290,059 related to the convertible debenture was recorded (2025: $1,222,605).

Also see Note 11.

11. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

As at June 30, 2026, the Company was the lessee to three premises leases. The incremental rate of borrowing for these leases was estimated by management to be 12% per annum.

Right-of-use assets

As at June 30, 2026, the right-of-use assets recorded for the Company's premises were as follows:

	Premises $
As at September 30, 2024	**96,360**
Additions	152,689
Depreciation	(121,087)
Foreign exchange	3,545
As at September 30, 2025	**131,507**
Additions	88,097
Depreciation	(124,592)
Foreign exchange	6,687
As at June 30, 2026	**101,699**

Lease liability

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

	June 30, 2026 $
Undiscounted minimum lease payments:	
Less than one year	107,595
Two to three years	-
	107,595
Effect of discounting	(5,329)
Present value of minimum lease payments	102,266
Less current portion	(102,266)
Long-term portion	-

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Lease liability continuity

The net change in the lease liability is as follows:

	Premises **$**
As at September 30, 2024	**96,311**
Cash flows:	
Additions	152,689
Principal payments, net of interest	(121,120)
Non-cash changes:	
Foreign exchange	3,554
As at September 30, 2025	**131,434**
Cash flows:	
Additions	88,097
Principal payments, net of interest	(123,960)
Non-cash changes:	
Foreign exchange	6,695
As at June 30, 2026	**102,266**

During the nine months ended June 30, 2026, interest of $7,801 (2025: $5,364) was paid.

12. SUBSEQUENT EVENTS

Subsequent to June 30, 2026:

i. On July 1, 2026, the Company granted 2,032 DSUs to directors of the Company. These DSUs will fully vest by September 30, 2026.

ii. On July 15, 2026, the Company granted 10,000 stock options to a consultant with an exercise price of $25 per share expiring on July 15, 2029. 3,000 options vest on July 15, 2027, 3,000 options vest on July 15, 2028, and 4,000 options vest on July 15, 2029.