BATTERY MINERAL RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026
(Unaudited)

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2026, including comparative information for the three and six months ended June 30, 2025, have been prepared by management of the Company and have not been reviewed by the Company’s independent auditors.

BATTERY MINERAL RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Canadian dollars)

	Note		June 30, 2026		December 31, 2025
ASSETS					
Current assets					
Cash		$	5,887,572	$	1,680,530
Receivables	4		7,605,735		4,786,450
Sales taxes receivable	4		1,440,720		3,356,500
Inventories	5		8,663,969		8,903,141
Prepaids			663,774		316,403
Investments	3		704,225		-
Current portion of deferred consideration receivable	7		1,033,072		-
Total current assets			25,999,067		19,043,024
Non-current assets					
Mineral properties, plant and equipment	6		71,244,555		61,263,167
Exploration and evaluation assets	7		16,573,686		18,432,451
Intangible assets			148,640		139,381
Deferred consideration receivable	7		1,303,356		-
Total non-current assets			89,270,237		79,834,999
TOTAL ASSETS		$	115,269,304	$	98,878,023
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities	8	$	37,789,005	$	37,355,839
Income taxes payable			219,007		500,562
Current portion of lease liability	12		667,164		709,786
Current portion of loans and borrowings	15		6,060,214		6,554,299
Convertible debentures	16		370,327		2,505,928
Promissory notes	13		4,411,738		3,812,463
Current portion of deferred payments on acquisition	10		3,014,248		3,139,871
Current portion of copper prepayment liability	11		2,920,866		4,900,466
VAT export program - promissory note payable	9		-		1,198,090
Deferred revenue	17		752,608		9,075,313
Total current liabilities			56,205,177		69,752,617
Non-current liabilities					
Lease liability	12		-		202,193
Deferred payments on acquisition	10		-		644,059
Loans and borrowings	15		364,893		463,067
Asset retirement obligation	14		9,688,884		9,017,664
Deferred income tax liability			1,067,513		1,029,651
Total non-current liabilities			11,121,290		11,356,634
TOTAL LIABILITIES		$	67,326,467	$	81,109,251
EQUITY					
Share capital	18	$	112,869,442	$	98,930,265
Contributed surplus	18		23,577,304		23,867,717
Accumulated other comprehensive loss			(2,848,504)		(4,067,978)
Deficit			(85,655,405)		(100,961,232)
TOTAL EQUITY			47,942,837		17,768,772
TOTAL LIABILITIES AND EQUITY		$	115,269,304	$	98,878,023

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

Nature of operations and going concern	1
Subsequent events	25

Approved on behalf of the Board of Directors:

/s/ Lazaros Nikeas   */s/ Keith Spano*

CONDENSED INTERIM CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

	Notes	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
REVENUE AND COST OF SALES					
Revenue	19	$ 26,991,578	$ 15,205,408	$ 55,617,375	$ 33,589,558
Cost of sales		(14,504,287)	(10,024,810)	(27,187,494)	(20,513,761)
Depreciation, depletion and amortization	6	(1,880,605)	(1,237,605)	(3,612,830)	(2,400,997)
Gross profit		10,606,686	3,942,993	24,817,051	10,674,800
EXPENSES					
General and administration		3,901,814	3,457,120	7,123,986	8,180,469
Salaries and benefits		2,138,980	2,006,881	4,131,812	3,150,316
Share-based compensation	18	251	4,774	251	17,606
Income (loss) from operations		4,565,641	(1,525,782)	13,561,002	(673,591)
Finance costs and other income	20	1,004,649	(875,251)	475,321	(1,680,790)
Foreign exchange loss		(761,529)	(2,294,857)	(1,305,008)	(3,530,590)
Gain on sale of royalty interest	6	-	-	-	132,998
Loss on remeasurement of marketable securities	7	(88,028)	-	(88,028)	-
Loss (gain) on remeasurement of convertible debentures	16	(14,349)	820,672	(100,446)	262,896
Loss on remeasurement of deferred consideration receivable	7	(253,225)	-	(253,225)	-
Gain on conversion of convertible debentures	16	-	-	327,748	-
Gain on sale of exploration properties	7	-	-	2,397,799	-
Income (loss) for the period		4,453,159	(3,875,218)	15,015,163	(5,489,077)
Other comprehensive income (loss)					
Items that may be reclassified subsequently to profit or loss:					
Currency translation adjustment		1,365,957	1,080,357	1,219,474	798,280
Comprehensive income (loss) for the period attributed to common shareholders		$ 5,819,116	$ (2,794,861)	$ 16,234,637	$ (4,690,797)
Earnings (loss) per share					
Basic income (loss) per common share		$ 0.01	$ (0.02)	$ 0.04	$ (0.03)
Basic weighted average number of common shares outstanding		410,624,384	181,070,296	382,260,994	181,070,296
Diluted income (loss) per common share		$ 0.01	$ (0.02)	$ 0.04	$ (0.03)
Diluted weighted average number of common shares outstanding		411,824,460	181,070,296	387,876,217	181,070,296

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

BATTERY MINERAL RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in Canadian dollars, except where indicated)

	Number of common shares	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total equity (deficit)
	#	$	$	$	$	$
Balance at December 31, 2024	**181,028,629**	**64,524,885**	**22,508,911**	**(3,547,668)**	**(85,780,671)**	**(2,294,543)**
Stock option expense (Note 18d)	-	-	9,636	-	-	9,636
Restricted share units expense (Note 18c)	-	-	8,555	-	-	8,555
Restricted share units - vested and settled (Note 18c)	3,291,668	2,164,583	(2,164,583)	-	-	-
Shareholder contribution on debt settlement (Note 13)	-	-	3,532,587	-	-	3,532,587
Conversion of convertible debentures (Note 16)	159,153,035	32,240,797	(27,389)	-	-	32,213,408
Loss for the year	-	-	-	-	(15,180,561)	(15,180,561)
Currency translation adjustment	-	-	-	(520,310)	-	(520,310)
Balance at December 31, 2025	**343,473,332**	**98,930,265**	**23,867,717**	**(4,067,978)**	**(100,961,232)**	**17,768,772**
Share issuance	63,800,265	12,760,044	-	-	-	12,760,044
Share issuance costs	-	(738,722)	-	-	-	(738,722)
Restricted share units expense (Note 18c)			251			251
Expiry of performance share units (Note 18e)	-	-	(290,664)	-	290,664	-
Conversion of convertible debentures (Note 16)	10,654,752	1,917,855	-	-	-	1,917,855
Income for the period	-	-	-	-	15,015,163	15,015,163
Currency translation adjustment	-	-	-	1,219,474	-	1,219,474
Balance at June 30, 2026	**417,928,349**	**112,869,442**	**23,577,304**	**(2,848,504)**	**(85,655,405)**	**47,942,837**

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

BATTERY MINERAL RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in Canadian dollars)

	Notes	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
OPERATING ACTIVITIES					
Income (loss) before taxes for the period		$ 4,453,159	$ (3,875,218)	$ 15,015,163	$ (5,489,077)
Items not affecting cash:					
Accretion and accrued interest	10,14,15	800,381	(242,814)	1,158,266	437,869
Depreciation, depletion and amortization	6	1,880,605	1,237,617	3,612,830	2,400,998
Share-based compensation expense	18	251	4,774	251	17,606
Gain on conversion of convertible debentures		-	-	(327,748)	-
Loss (gain) on remeasurement of convertible debentures	16	14,349	(820,672)	100,446	(262,896)
Gain on VAT export program promissory note payable	9	(1,218,457)	(599,501)	(1,198,090)	(169,277)
Gain on sale of exploration properties	7	-	-	(2,397,799)	-
Loss on remeasurement of marketable securities	3	88,028	-	88,028	-
Loss on remeasurement of deferred consideration receivable	7	253,225	-	253,225	-
Gain on sale of royalty interest	6	-	-	-	(132,998)
Finance costs and other income	20	(123,371)	919,581	(123,371)	1,200,800
Unrealized foreign exchange loss (gain)		315,392	3,139,043	(986,552)	3,290,547
Changes in non-cash working capital items:					
Inventories	5	324,191	(862,917)	674,390	(35,208)
Receivables	4	2,431,476	(1,297,718)	(903,505)	(774,059)
Prepaids		67,413	32,834	(347,371)	264,581
Trade and accrued liabilities	8	1,061,582	5,183,993	556,537	9,257,133
Income taxes payable		(82,811)	(298,996)	(281,555)	(673,323)
Deferred revenue	17	(8,108,816)	13,678	(8,322,705)	(176,575)
Other non-current liabilities		-	236,129	-	-
Net cash provided by continuing operating activities		2,156,597	2,769,813	6,570,440	9,156,121
INVESTING ACTIVITIES					
Exploration and evaluation assets	7	(9,839)	(6,824)	(60,953)	(32,782)
Sale of mineral interest		-	-	-	10,523
Additions of mineral properties, plant and equipment	6	(7,263,242)	(4,557,870)	(11,156,255)	(7,262,963)
Intangible assets		(3,978)	-	(15,643)	-
Proceeds on disposal of exploration and evaluation assets	7	(64,390)	-	935,610	-
Interest received on cash deposits		13,928	-	29,438	-
Net cash used in investing activities		(7,327,522)	(4,564,694)	(10,267,804)	(7,285,222)
FINANCING ACTIVITIES					
Proceeds from sale of royalty interest	6	-	144,840	-	144,840
Repayment of (proceeds from) copper prepayment	11	(1,127,985)	13,079	(2,282,134)	(1,252,215)
Repayment of loans and borrowings	15	(632,170)	(241,020)	(972,040)	(997,551)
Proceeds from promissory notes	13	-	-	277,920	-
Repayment of deferred payments on acquisition	10	(434,692)	(884,614)	(875,755)	(884,614)
Principal payments on lease liabilities	12	(134,360)	(438,362)	(453,488)	(1,265,610)
Interest paid on convertible debentures	16	-	-	(6,934)	-
Issuance of common shares	18	2,760,044	-	12,760,044	-
Share issuance costs		(163,765)	-	(738,722)	-
Net cash provided by (used in) financing activities		267,072	(1,406,077)	7,708,891	(4,255,150)
Effects of exchange rate changes on cash and cash equivalents		137,564	655,715	195,515	373,640
Change in cash during the period		(4,766,289)	(2,545,243)	4,207,042	(2,010,611)
Cash, beginning of the period		10,653,861	3,393,914	1,680,530	2,859,283
Cash, end of the period		$ 5,887,572	$ 848,671	$ 5,887,572	$ 848,671
Supplementary cash flow information:					
Interest paid		158,857	214,400	340,745	439,833
Interest received		162,751	28,783	236,070	45,159
Income taxes paid		76,112	(93,687)	76,112	278,139
Convertible debentures converted into common shares		-	-	1,917,855	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Battery Mineral Resources Corp. (the "Company" or "BMR") was incorporated on November 26, 2019 under the laws of British Columbia, Canada. The Company's registered office and principal place of business is located at 1111 West Hastings Street, 15th Floor, Vancouver, BC V6E 2J3. Trading of the Company's common shares on the TSX Venture Exchange ("TSXV") commenced on February 22, 2021, under ticker "BMR".

The Company's principal business activities include the mining operations at the Punitaqui mine complex ("Punitaqui"), located in Chile, and the acquisition and exploration of mineral exploration and evaluation assets in Canada and the United States (the "U.S."). The Company holds resource interests including copper, silver and cobalt properties. On the basis of information obtained to date, the Company has not yet determined whether these properties contain economically recoverable mineral resources. The underlying value of the resource interests is entirely dependent on the existence of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete development and achieve future profitable production. The amounts shown as exploration and evaluation properties represent net costs to date, less amounts recovered or written off, and do not necessarily represent present or future values.

The Company also holds a 100% interest in ESI Energy Services Inc. ("ESI"), a company in the business of selling and leasing backfill separation machines ("Padding Machines") to mainline pipeline contractors, renewables and utility construction contractors, as well as oilfield pipeline and construction contractors. For the purposes of these disclosures, "ESI" includes its wholly owned subsidiary, Ozzies, Inc.

At June 30, 2026, the Company had a working capital deficiency of $30,206,110 (December 31, 2025 - $50,709,593). For the three and six months ended June 30, 2026, the Company recorded net income of $4,453,159 and $15,015,163 (2025 - net loss of $3,875,218 and $5,489,077). For the three and six months ended June 30, 2026, the Company recorded net cash flow from operating activities of $2,156,597 and $6,570,440 (2025 – $2,769,813 and $9,156,121).

The above factors, together with the potential for additional unforeseen issues and delays in the realization of the potential benefits from the Company's capital projects, give rise to material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. The business of mining and exploration involves a high degree of risk and there can be no assurance that exploration and development programs will result in profitable mining operations. The Company does not currently generate sufficient cash flows to fund its planned exploration and development activities and will need to continue to obtain additional financing to execute such activities and discharge its day-to-day obligations. There is no assurance that the Company's funding initiatives will be successful, and these consolidated financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported consolidated statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim consolidated financial statements for the six months ended June 30, 2026 ("Financial Statements") have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These Financial Statements should be read in conjunction with the annual financial statements for the year ended December 31, 2025, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB.

These consolidated financial statements were authorized for issue by the Board of Directors on August 31, 2026.

2. BASIS OF PREPARATION (cont'd…)

Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value through profit or loss ("FVTPL"). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Company has refined the presentation of certain items in the consolidated statement of loss and consolidated statement of financial position to improve clarity and consistency with the current period presentation. Comparative figures have been reclassified to conform to the current period presentation. These reclassifications had no impact on previously reported net loss or total comprehensive loss.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the parent.

The financial statements for the Company and each of its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of BMR Holdings Limited, North American Cobalt Inc. and ESI Energy Services Inc. is the Canadian dollar. The functional currency of BMR US Mining LLC, Battery Mineral Resources (US) Corp., Ozzies, Inc., Minera BMR SpA and Minera Altos de Punitaqui Ltda. is the U.S. dollar. The functional currency of Energy Services (Australia) Pty Ltd. is the Australian dollar.

Basis of consolidation

These consolidated financial statements of the Company include the following wholly owned subsidiaries:

Subsidiary	Principal Activity	Country of Incorporation
BMR Holdings Limited (formerly Battery Mineral Resources Corp.)	Intermediate Holding Company	Canada
North American Cobalt Inc. (formerly Battery Mineral Resources Limited)	Resource Exploration	Canada
BMR US Mining LLC	Resource Exploration	USA
Battery Mineral Resources (US) Corp.	Intermediate Holding Company	USA
ESI Energy Services Inc.	Specialized Equipment Manufacturing	Canada
Ozzies, Inc. (formerly ESI Pipeline Services, Inc.)	Specialized Equipment Manufacturing	USA
Energy Services (Australia) Pty Ltd.	Specialized Equipment Manufacturing	Australia
Minera BMR SpA	Mining and Production	Chile
Minera Altos de Punitaqui Ltda.	Mining and Production	Chile

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company transactions and balances have been eliminated upon consolidation. Assets, liabilities, income and expenses of entities subject to consolidation are recorded from the date on which control is obtained until the date on which control is lost.

2. BASIS OF PREPARATION (cont'd…)

Critical estimates, judgments and assumptions

The preparation of these condensed interim consolidated financial statements in conformity with IFRS Accounting Standards requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the period.

Although management uses historical experience and its best knowledge of the amounts, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. Areas of judgment that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are disclosed in Note 2 of the Company's annual consolidated financial statements for the year ended December 31, 2025.

Summary of accounting policies

The accounting policies, methods of computation and presentation applied in these condensed interim financial statements are consistent with those in Note 3 of the annual financial statements for the year ended December 31, 2025, except for the adoption of amendments described below.

Adoption of new standards and interpretations

The following new standards and interpretations were adopted by the Company during the year ended December 31, 2025 and the six months ended June 30, 2026.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

On August 15, 2023, the IASB issued amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates. The amendments provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments were effective for reporting periods beginning on or after January 1, 2025. These amendments did not have an impact on the Company's consolidated financial statements upon adoption as the Company only transacts in exchangeable currencies.

Amendments to IFRS 9 and IFRS 7

On May 30, 2024, the IASB issued amendments to IFRS 9 - Financial Instruments and IFRS 7, Financial Instruments: Disclosures, relating to the classification and measurement of financial instruments. The amendments clarify the derecognition of financial liabilities settled through electronic payment systems and provide additional guidance regarding the assessment of contractual cash flow characteristics of financial assets. The amendments also introduce additional disclosure requirements for certain financial instruments.

On December 18, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 relating to nature-dependent electricity contracts. The amendments clarify the application of the own-use exemption and hedge accounting requirements for certain renewable electricity contracts.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted. The Company adopted the amendments effective January 1, 2026. Following assessment, the Company elected to apply the optional exception for derecognition of financial liabilities settled through electronic payment systems, where the applicable criteria are met. The adoption of these amendments did not have a material impact on the Company's condensed interim consolidated financial statements.

(Unaudited, expressed in Canadian Dollars)

2. BASIS OF PREPARATION (cont'd…)

New standards issued but not yet effective

IFRS 18 Presentation and Disclosures in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 - Presentation and Disclosures in Financial Statements. The objective of the new standard is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The new standard is effective for reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively, with early adoption permitted. Management is currently assessing the impact of the new standard on the Company's consolidated financial statements.

3. INVESTMENTS

As at June 30, 2026, the Company held marketable securities consisting of 4,401,408 common shares of Nord Precious Metals Mining Inc. acquired pursuant to the sale of its 100% interest in the Gowganda mining leases (see Note 7). The shares were valued at $792,253 upon closing of the transaction on March 31, 2026. The shares are subject to a four-month hold period in accordance with TSX Venture Exchange policies. As at June 30, 2026, the fair value of those shares was $704,225 as the Company recognized a loss on remeasurement of marketable securities of $88,028.

4. RECEIVABLES

		June 30, 2026		December 31, 2025
Accounts receivable	**$**	**6,984,135**	$	4,484,216
Finance lease receivable		**621,600**		302,234
Total	**$**	**7,605,735**	$	4,786,450
Sales or value added tax receivables		**1,440,720**		3,356,500
Total	**$**	**9,046,455**	$	8,142,950

Included in accounts receivable is an estimated loss allowance of $84,157 (2025 - $111,480).

5. INVENTORIES

		June 30, 2026		December 31, 2025
Concentrates	**$**	**2,184,347**	$	2,275,222
Stockpiles		**1,626,480**		2,188,396
Machinery and spare parts		**4,853,142**		4,439,524
Total	**$**	**8,663,969**	$	8,903,141

The amount of inventories recognized as cost of sales was $24,187,989 during the six months ended June 30, 2026 (2025 - $9,609,302).

(Unaudited, expressed in Canadian Dollars)

6. MINERAL PROPERTIES, PLANT AND EQUIPMENT

	Land and Buildings	Plant, Mining equipment and Spare parts	Mineral properties	Padding equipment	Office and other equipment	Right-of-use assets	Total
Cost							
At December 31, 2025	$ 9,473,112	$ 25,691,495	$ 19,022,772	$ 43,903,939	$ 813,767	$ 2,181,518	$ 101,086,603
Additions	3,592	6,974,011	3,348,434	830,218	-	160,627	11,316,882
Remeasurement of Asset retirement obligation	-	138,185	-	-	-	-	138,185
Disposals	-	-	-	(1,126,008)	-	-	(1,126,008)
Foreign currency translation adjustment	338,834	1,276,721	803,746	1,373,814	29,924	81,744	3,904,783
At June 30, 2026	$ 9,815,539	$ 34,080,412	$ 23,174,952	$ 44,981,963	$ 843,691	$ 2,423,889	$ 115,320,445
Accumulated depreciation							
At December 31, 2025	(1,298,782)	$ (2,324,738)	$ (2,995,123)	$ (31,196,339)	$ (218,227)	$ (1,790,225)	$ (39,823,435)
Depreciation	(72,033)	(432,780)	(1,700,043)	(1,054,813)	(97,029)	(249,748)	(3,606,446)
Disposals	-	-	-	690,790	-	-	690,790
Foreign currency translation adjustment	(35,558)	(96,670)	(145,682)	(988,647)	(8,764)	(61,477)	(1,336,799)
At June 30, 2026	(1,406,373)	$ (2,854,188)	$ (4,840,849)	$ (32,549,009)	$ (324,020)	$ (2,101,451)	$ (44,075,890)
Carrying amounts							
At December 31, 2025	$ 8,174,330	$ 23,366,757	$ 16,027,649	$ 12,707,600	$ 595,540	$ 391,293	$ 61,263,168
At June 30, 2026	$ 8,409,166	$ 31,226,224	$ 18,334,103	$ 12,432,954	$ 519,671	$ 322,438	$ 71,244,555

As at June 30, 2026, included in padding equipment were assets under construction with a cost of $1,333,454 (December 31, 2025 - $1,194,597). No depreciation was recorded for these assets.

Mineral properties, plant and equipment - Chile copper project

The Company holds the rights to a 100% equity interest in the Punitaqui mine in the Coquimbo region of Chile.

Punitaqui includes a centralized process plant. The Company is currently modifying its existing tailings disposal permit while consolidating its various exploitation permits. Punitaqui is a producing mining operation which consists of an integrated copper and gold mining complex including all required infrastructure and sources of water and power. The copper-gold process plant that is classified as mineral properties, plant and equipment consists of a standard copper sulphide crush-grind-flotation circuit to produce a marketable copper-gold concentrate.

There were no impairment charges to mineral properties, plant and equipment during the six months ended June 30, 2026 and 2025.

6. MINERAL PROPERTIES, PLANT AND EQUIPMENT (cont'd…)

Sale of Mineral Interests

Electric Royalties
In November 2024, the Company entered into a definitive agreement with Electric Royalties Ltd. ("Electric Royalties") to sell a 0.75% gross revenue royalty ("GRR") on its Punitaqui mining operations in Chile, in exchange for cash consideration of $3,500,000. The Company has the right to buy back half of the 0.75% GRR sold to Electric Royalties for a cash payment of US$1,500,000, when the Company has made royalty payments to Electric Royalties in excess of $4,000,000. In December 2024, the Company closed a second sale of royalty interest of 0.15% GRR to investors for additional cash consideration of $500,000. In January 2025, the Company completed a third sale of royalty interest of 0.03% GRR to an arm's length party for cash consideration of US$100,000.

The sale of royalty interest was treated as a sale of mineral interest to Electric Royalties. The portion of the mineral interest sold was determined based on the difference between the net present values of the Company's Punitaqui mining operations using cash flow projections prepared with and without the royalty payments. The portion of the cash proceeds received from Electric Royalties that exceeded the carrying value of the mineral interest sold was recognized as a gain during the year.

Weston Energy
Weston Energy II, LLC ("Weston II") and Weston Energy III, LLC ("Weston III") are entities affiliated with Yorktown Energy Partners and are shareholders of the Company. Accordingly, Weston II and Weston III are considered related parties. On July 9, 2025, the Company closed an additional sale of royalty interest, whereby it converted a total of $3,689,881 of indebtedness owing to them (see Note 13) in exchange for a total GRR of 0.8232%. The Company has the right to buy back the GRR for: (i) in the case of Weston II, a cash payment of US$1,935,829 once the Company has made royalty payments to Weston II in excess of $2,581,105; and (ii) in the case of Weston III, a cash payment of US$1,356,735 once the Company has made royalty payments to Weston III in excess of $1,808,980.

The sale of these royalty interests was accounted for as a sale of a mineral interest. The portion of the mineral interest sold was determined based on the difference in the net present value of the Company's Punitaqui mining operations calculated using cash flow projections with and without the royalty payments. The portion of the debt forgiveness by Weston II and Weston III that exceeded the value of the mineral interest sold was recorded as an increase to contributed surplus, reflecting that the counterparties acted in their capacity as shareholders.

During the six months ended June 30, 2026, the Company sold mineral interests in the amount of $nil (December 31, 2025 - $160,568) and recorded a gain on the sale of royalty interest of $nil (2025 - $126,511).

(Unaudited, expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

		Canadian Cobalt Projects	U.S. Cobalt Projects	Total
Balance, December 31, 2024	**$**	**18,355,063**	**760,349**	**19,115,412**
Additions during the year		77,388		77,388
Impairment		-	(730,428)	(730,428)
Currency translation adjustment		-	(29,921)	(29,921)
Balance, December 31, 2025	**$**	**18,432,451**	**-**	**18,432,451**
Additions during the period		41,300	19,653	60,953
Disposal		(1,919,718)	-	(1,919,718)
Balance, June 30, 2026	**$**	**16,554,033**	**19,653**	**16,573,686**

Canadian Cobalt Projects

McAra project area, Ontario, Canada

The Company holds a 100% interest in the McAra project located in Ontario, Canada. The property is subject to net smelter return (“NSR”) royalties ranging from 1.0% to 2.0%. The Company holds buyback rights allowing it to repurchase a 1.5% NSR royalty for $750,000.

Gowganda project area, Ontario, Canada

On March 31, 2026, the Company completed the sale of its 100% interest in the Gowganda silver tailings project mining leases in Ontario, Canada to Nord Precious Metals Mining Inc. (“Nord”) pursuant to a sale agreement. Consideration received consisted of $1,000,000 in cash, 4,401,408 common shares of Nord (see Note 3), a 3.0% net smelter return royalty and deferred consideration totaling $3,750,000, payable in three annual instalments of $1,250,000 commencing on the first anniversary of closing. Up to 50% of each deferred consideration payment may be satisfied in Nord common shares at Nord’s election based on the 25-day volume-weighted average price of Nord’s shares. As a result, the deferred consideration receivable is classified as a financial asset and is measured at fair value at each reporting date.

A continuity of the deferred consideration receivable is as follows:

		June 30, 2026		December 31, 2025
Balance, beginning of period	**$**	**0**	$	-
Deferred consideration receivable from sale of property		**2,589,653**		-
Loss on revaluation of deferred consideration receivable		**(253,225)**		-
Balance, end of period	**$**	**2,336,428**	$	-
Less: Current portion of deferred consideration receivable		**(1,033,072)**		-
Non-current portion of deferred consideration receivable		**1,303,356**		-

(Unaudited, expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Canadian Cobalt Projects (cont'd…)

The following valuation inputs and assumptions were used to determine the fair value of the deferred consideration receivable:

Key valuation inputs and assumptions	June 30, 2026
Discount rate	23.7 - 25.5%
Volatility	110.6%
Settlement assumptions	Economically preferable settlement alternative, subject to contractual limitations
Expected payment dates	March 31, 2027, 2028, and 2029

For the fair value of the deferred consideration receivable at June 30, 2026, a 10% change to the volatility of the stock price of Nord, holding other inputs constant, would increase or decrease the fair value by $6,800.

Following the sale of the Gowganda mining leases, the Company retained ownership of certain mining claims in the Gowganda project area located in Ontario, Canada. The claims are subject to NSR royalties ranging from 1.0% to 3.0%. The Company also holds buyback rights allowing it to repurchase between 0.5% and 1.0% of certain NSR royalties for payments ranging from $250,000 to $1,000,000.

Fabre project area, Quebec, Canada

The Company holds a 100% interest in the Fabre project area located in Quebec, Canada. The property is subject to a 2.0% gross smelter revenue ("GSR") royalty. The Company holds buyback rights allowing it to repurchase a 1.0% GSR royalty for $1,000,000 and a further 1.0% GSR royalty for an incremental $1,500,000.

Shining Tree project area, Ontario, Canada

The Company holds a 100% interest in the Shining Tree project area located in Ontario, Canada. The property is subject to a 1.0% NSR royalty. The Company holds buyback rights allowing it to repurchase a 0.5% NSR royalty for $250,000.

Wilder-Kell project area, Ontario, Canada

Wilder project area (Kell claims), Ontario, Canada

The Company has a purchase option agreement with Ashley Mining Company Limited ("Ashley") to acquire a 100% interest in the Kell claims located in Ontario. The property is subject to a 1.0% NSR royalty. The Company holds buyback rights allowing it to repurchase the 1.0% NSR royalty for $2,000,000.

Wilder project area (Thompson claims), Ontario, Canada

The Company has a purchase option agreement with Ashley to acquire a 100% interest in the Thompson claims located in Ontario. The property is subject to a 1.0% NSR royalty. The Company holds buyback rights allowing it to repurchase the 1.0% NSR royalty for $2,000,000.

White Reserve project area (White Reserve claims), Ontario, Canada

The Company has a purchase option agreement with Ashley to acquire a 100% interest in the White Reserve claims located in Ontario. The property is subject to a 1.0% NSR royalty. The Company holds buyback rights allowing it to repurchase the 1.0% NSR royalty for $2,000,000.

(Unaudited, expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (cont'd…)

United States Cobalt Projects

Bonanza project area, Idaho, USA

In September 2025, the Company relinquished its interest in the Bonanza Project and recorded an impairment charge of $730,428 during the year ended December 31, 2025. As a result of the relinquishment, the associated NSR royalty and related buyback rights are no longer applicable.

During the six months ended June 30, 2026, the Company staked and registered ten mining claims in the Bonanza cobalt-copper district in Idaho, USA, at a total cost of $17,204.

8. TRADE PAYABLES AND ACCRUED LIABILITIES

		June 30, 2026		December 31, 2025
Trade payables	$	**23,703,715**	$	21,631,535
Accrued liabilities		**14,006,985**		15,724,304
Total	$	**37,710,700**	$	37,355,839
Sales or value added tax payable		**78,305**		-
Total	$	**37,789,005**	$	37,355,839

As at June 30, 2026, the Company had achieved the commercial restart milestone and the first production milestone under its agreement with Bluequest Resources AG, which are based on cumulative production thresholds at the Punitaqui project, and accordingly recognized as trade payables and accrued liabilities $4,181,700 (US$3,000,000) (December 31, 2025 - $4,111,800 (US$3,000,000)). The amount remained unpaid as at June 30, 2026. See Note 23 for further details on the milestone structure.

9. VAT EXPORT PROGRAM – PROMISSORY NOTE PAYABLE

Following the acquisition of the Punitaqui mining complex, the Company applied for and received approval from the Chilean Ministry of Economy, Development and Tourism (the "Ministry of Economy") to participate in a value-added tax ("VAT")-recovery program established by the Chilean government to incentivize exports (the "VAT Export Program"). The VAT Export Program allows the Company to recover VAT paid on goods and services purchased prior to achieving specified levels of mineral concentrate exports.

As a condition of the VAT Export Program, the Company issued promissory notes to the Chilean Treasury Department for the same amounts of VAT recovered. The promissory notes secured repayment of the VAT recovered in the event that the Company did not demonstrate to the Ministry of Economy that it had achieved the required minimum export value. The original export requirement of US$35.1 million was required to be met by December 31, 2023. The Company did not meet this requirement, and on November 29, 2023, received approval to extend the deadline to December 31, 2025 and increase the minimum export value requirement to US$37.2 million. On December 15, 2025, the Ministry of Economy approved a further extension of the export deadline to December 31, 2027.

During the three months ended June 30, 2026, the Company completed qualifying exports in excess of the minimum export value required under the VAT Export Program. As a result, the Company satisfied the applicable program requirements and the related promissory note obligation was extinguished. Accordingly, the Company derecognized the related promissory note payable. The derecognition of the promissory note payable resulted in a gain of $1,242,146, which was recognized in finance costs and other income during the three months ended June 30, 2026.

(Unaudited, expressed in Canadian Dollars)

10. DEFERRED PAYMENTS ON ACQUISITION OF PUNITAQUI MINING COMPLEX

		June 30, 2026		December 31, 2025
Deferred payment at beginning of the year	$	**3,783,930**	$	5,089,103
Payments during the period		**(875,755)**		(1,372,064)
Accretion expense		**126,059**		352,852
Foreign currency translation adjustment		**(19,986)**		(285,961)
Deferred payments at end of the period	$	**3,014,248**	$	3,783,930
Less: Current portion		**(3,014,248)**		(3,139,871)
Long-term		**-**		644,059

On May 28, 2021, the Company entered into a number of agreements with Minera Altos de Punitaqui Limited ("MAP"), its parent company Xiana Mining Inc. (“Xiana”) and their creditors, Bluequest Resources AG ("Bluequest"), to acquire the rights to certain mineral properties, plant and equipment related to the Punitaqui mining complex in Chile. As part of the total consideration of the acquisition, the Company agreed to make future payments to MAP to satisfy certain creditors’ debts amounting to $8,080,000 over 23 quarterly instalments beginning on June 30, 2021.

On September 28, 2023, the Company amended the timing of the deferred payments on the acquisition of Punitaqui by postponing the quarterly payments due on September 30, 2023 and December 31, 2023 to March 31, 2027 and June 30, 2027, respectively. The Company recalculated the present value of the amended deferred payments schedule using a discount rate of 11% and recorded a reduction to the deferred payments liability with a credit to gain on debt modification of $282,709. The discount rate was determined based on an analysis performed by a third-party independent valuator in connection with the Company’s 2023 financing and reflects observable market data and the Company’s estimated credit risk at the time.

The undiscounted payments remaining as at June 30, 2026 were $3,175,707 (December 31, 2025 - $4,023,386), while the discounted deferred payments remaining as at June 30, 2026 were $3,014,248 (December 31, 2025 - $3,783,930).

(Unaudited, expressed in Canadian Dollars)

11. COPPER PREPAYMENT LIABILITY

	June 30, 2026	December 31, 2025
Balance at the beginning of the year	**$ 4,900,466**	$ 7,970,689
Accrued interest	**187,537**	736,561
Prepayment discount	**-**	(544,194)
Payments during the period	**(2,282,134)**	(2,927,847)
Foreign currency translation adjustment	**114,997**	486,194
Balance at the end of the period	**$ 2,920,866**	$ 4,900,466
Less: Current portion	**(2,920,866)**	(4,900,466)
Long-term	**-**	-

During the first quarter of 2024, the Company entered into a marketing agreement, a master purchase and sale agreement, a copper concentrate prepayment, an advance payment terms arrangement and other supporting agreements (collectively, the “Javelin Agreements”) with a subsidiary of Javelin Global Commodities (“Javelin”). Pursuant to the Javelin Agreements, Javelin agreed to market the copper concentrate, gold, silver and other metals (the “Product”), produced at the Company’s Punitaqui mining operations. Javelin agreed to prepay to Minera BMR SpA an amount of US$5,000,000 in respect of future deliveries of copper concentrate made by Minera to Javelin. Javelin also agreed to establish an advance payment terms arrangement in an aggregate amount of up to US$20,000,000. On March 8, 2024, Minera BMR SpA received the copper concentrate prepayment amount of US$5,000,000 from Javelin.

The copper concentrate prepayment amount is due to be repaid to Javelin by the Company on or before December 31, 2026, through the delivery of copper concentrate or in cash. The outstanding balance of the prepaid amount will be subject to an advance payment fee chargeable from the date of the advance until the prepaid amount is reduced to zero, at a rate equal to the three-month Secured Overnight Financing Rate (“SOFR”) (subject to a SOFR floor of 2%) plus 7% per annum. The Company has guaranteed to deliver 9,000 metric tonnes of copper concentrate or the cash equivalent for any shortfall every quarter, starting on January 1, 2025. In addition, the Company will provide Javelin with a fixed discount of US$92 per metric tonne of concentrate.

The early repayment option, variable interest rate and interest rate floor from the Javelin Agreements’ terms above represent three embedded derivatives that are closely related to the host contract. As a result, following initial recognition of the prepayment amount as a financial liability at its fair value, the Company subsequently measures the prepayment amount received from Javelin at amortized cost at an effective interest rate of 12.61%.

(Unaudited, expressed in Canadian Dollars)

12. LEASES

The Company's lease arrangements relate to land and buildings located in Phoenix, Arizona, USA and mining equipment used in the Punitaqui mining operations.

During the six months ended June 30, 2026, the Company recognized additional lease liabilities of $160,627 relating to mining equipment leases.

The continuity of the Company's total lease liabilities as at June 30, 2026 and December 31, 2025 is as follows:

		June 30, 2026		December 31, 2025
Lease liabilities, beginning of year	$	**911,979**	$	3,054,344
Additions		**160,627**		-
Lease payments		**(453,488)**		(2,169,488)
Interest expense		**38,880**		211,621
Foreign currency translation adjustment		**9,165**		(184,498)
Lease liability, end of the period	$	**667,164**	$	911,979
Lease liability - current portion		**(667,164)**		(709,786)
Lease liability - long-term portion		**-**		(202,193)

13. PROMISSORY NOTES

The promissory notes described below represent transactions exclusively with related parties, including Weston II, Weston III and the Chief Executive Officer ("CEO") of the Company.

		June 30, 2026		December 31, 2025
Balance at the beginning of the year	$	**3,812,463**	$	5,893,929
Addition		**277,920**		2,514,399
Repayment		**-**		(4,625,692)
Interest accrued		**348,794**		344,439
Foreign currency adjustment		**(27,439)**		(314,613)
Balance at the end of the period	$	**4,411,738**	$	3,812,463

On July 9, 2025, the Company entered into agreements with Weston II and Weston III pursuant to which aggregate indebtedness of US$2,694,721 was extinguished in exchange for gross revenue royalties totaling 0.8232% on the gross revenues produced by the Punitaqui mining operations. The Company retains buyback rights in respect of the royalties under certain conditions.

Concurrently with closing the transaction, Minera issued an amended and restated promissory note to Weston III in the principal amount of US$1,491,834, representing the remaining indebtedness not extinguished through the transaction. The amended note bears interest at 8% per annum and matures on October 31, 2026. As at June 30, 2026, the balance of the amended note, including accrued interest, was $2,329,530 (US$1,639,360).

During the six months ended June 30, 2026, the Company issued an unsecured promissory note to the CEO in the principal amount of US$200,000. The note bears interest at 10% per annum, matures on October 31,2026 and is repayable in cash. As at June 30, 2026, the carrying amount of the note, including accrued interest, was $297,592 (US$ 209,425).

(Unaudited, expressed in Canadian Dollars)

14. ASSET RETIREMENT OBLIGATION

		June 30, 2026		December 31, 2025
Balance at the beginning of the year	$	**9,017,664**	$	8,182,896
Changes in estimates		**138,185**		(7,975)
Accretion expense		**98,418**		201,830
Foreign currency translation adjustment		**100,404**		1,044,479
Currency translation adjustment		**334,213**		(403,566)
Balance at the end of the period	$	**9,688,884**	$	9,017,664

On October 4, 2022, the Chilean mining authorities approved the transfer of the Punitaqui operational mining permits, which triggered the Company to recognize the asset retirement obligation arising from mining equipment and previously mined property interests. The provision consists primarily of costs associated with mine reclamation and closure activities. These activities, which tend to be site specific, generally include costs for decommissioning the mill complex and related infrastructure, physical and chemical stability of the tailings area and post-closure site security and monitoring costs. The Company regularly reviews the estimate and considers such factors as changes in laws and regulations and requirements under existing permits in determining the estimated costs.

The estimated undiscounted cash flows required to satisfy the reclamation and closure cost obligation as at June 30, 2026 were $11,666,533 (UF 185,508) (December 31, 2025 – $11,678,504 (UF 194,558)). The undiscounted cash flows were discounted using the ten-year Government of Chile Benchmark Bond rate of 2.29% (December 31, 2025 – 2.34%) for bonds issued in Chilean units of accounts (UF) to arrive at a discounted liability of $9,688,884 (UF 152,101) (December 31, 2025 - $9,017,664 (UF 150,230)).

15. LOANS AND BORROWINGS

		June 30, 2026		December 31, 2025
Fiera loan	$	**5,812,753**	$	6,304,042
Other finance agreements		**612,354**		713,324
Total loans and borrowings	$	**6,425,107**	$	7,017,366
Less: Current portion		**(6,060,214)**		(6,554,299)
Long-term portion		**364,893**		463,067

Fiera Enhanced Private Debt Fund Credit Agreement

		June 30, 2026		December 31, 2025
Balance at the beginning of the year	$	**6,304,042**	$	7,178,219
Accretion expense		**348,361**		805,122
Payments during the period		**(839,650)**		(1,679,299)
Balance at the end of the period	$	**5,812,753**	$	6,304,042
Less: current portion		**(5,812,753)**		(6,304,042)
Long-term portion		**-**		-

The Fiera Loan is measured at amortized cost and bears a floating interest rate. As at June 30, 2026, the effective interest rate was 8.95%. The fair value of the embedded derivative was determined to be immaterial (December 31, 2025 - immaterial).

As at June 30, 2026, the Company was not in compliance with certain financial covenants under its credit agreement related to the interpretation of certain covenant definitions. Subsequent to June 30, 2026, the Fiera Loan was repaid in full on July 22, 2026, using a portion of the proceeds from the Company’s new senior secured financing arrangement with JPMorgan Chase Bank, N.A. (see Note 25).

Other finance agreements consist of equipment financing arrangements entered into by the Company’s subsidiary, ESI.

(Unaudited, expressed in Canadian Dollars)

16. CONVERTIBLE DEBENTURES

The Company's convertible debentures bear interest at 10% per annum and mature on September 30, 2026. The debentures are convertible into common shares of the Company at a conversion price of US$0.22 per share. The Company has the right, subject to certain conditions, to prepay the outstanding principal and accrued interest prior to maturity.

The U.S. dollar-denominated conversion feature and prepayment option embedded in the convertible debentures represent embedded derivatives. The Company has designated the convertible debentures as financial liabilities at fair value through profit or loss and remeasures them at fair value at each reporting date, with changes in fair value recognized in profit or loss.

On December 23, 2025, Weston II and Weston III, related parties of the Company, converted their convertible debentures with a fair value of $32,213,408 into 159,153,035 common shares at $0.20 per share (see Note 21).

On March 16, 2026, several arm's length holders converted convertible debentures with an aggregate fair value of $2,245,603 into 10,654,752 common shares at $0.20 per share.

As at June 30, 2026, the remaining convertible debentures were classified as a current liability and had a fair value of $370,327 (December 31, 2025 - $2,505,928).

During the six months ended June 30, 2026, the Company recognized a gain on conversion of convertible debentures of $327,748 (six months ended June 30, 2025 – $nil) and a loss on remeasurement of convertible debentures of $100,446 (six months ended June 30, 2025 – gain of $262,896).

The carrying amount of the debentures is as follows:

		June 30, 2026		December 31, 2025
Convertible unsecured subordinated debentures				
Fair value at beginning of the year	**$**	**2,505,928**	$	32,643,225
Conversion of convertible debentures during the period		**(1,917,855)**		(32,213,408)
Gain on conversion of convertible debentures		**(327,748)**		-
Interest paid		**(6,934)**		-
Accrued interest		**16,490**		3,092,397
Change in fair value		**100,446**		(1,016,286)
Balance at the end of the period	**$**	**370,327**	$	2,505,928

The following valuation model, along with the key inputs and assumptions, was used to determine the fair value of the convertible debentures, which are classified as Level 3 within the fair value hierarchy:

Valuation technique	**Key inputs and assumptions**	**June 30, 2026**	**March 31, 2026**	**March 16, 2026** Conversion Date	**December 31, 2025**	**December 23, 2025** Conversion Date
Lattice binomial model	***Observable inputs***					
	Risk-free rate	2.261%	2.380%	2.294%	2.310%	2.305%
	Foreign exchange rate (USD:CAD)	1.4210	1.3939	1.3675	1.3706	1.3705
	Unobservable inputs					
	Volatility	175.00%	196.80%	214.40%	222.50%	216.00%
	Credit spread	15.00%	10.38%	11.30%	8.94%	8.57%

(Unaudited, expressed in Canadian Dollars)

For the fair value of the convertible debentures at June 30, 2026, reasonably possible changes at the reporting date to one of the significant inputs, holding other inputs constant, would have the following effects:

Key input	Change in input	Fair value increase (decrease)
Discount rate	1% increase	(700)
	1% decrease	700
Stock volatility	5% increase	-
	5% decrease	-

17. DEFERRED REVENUE

		June 30, 2026		December 31, 2025
Minera BMR SpA	$	-	$	8,585,957
ESI		752,608		489,356
Total deferred revenue	$	752,608	$	9,075,313

Deferred revenue represents consideration received in advance of the transfer of control of goods or services to customers and is recognized as revenue when the related performance obligations are satisfied.

For the Company's copper concentrate sales, deferred revenue primarily relates to provisional or advance payments received prior to the transfer of control, which occurs upon delivery of the product in accordance with the applicable contractual terms.

For ESI, deferred revenue relates primarily to customer deposits received in advance of the delivery of equipment or completion of services, which are recognized as revenue when the related goods are delivered or services are performed.

(Unaudited, expressed in Canadian Dollars)

18. SHARE CAPITAL

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value. As at June 30, 2026, the Company has 417,928,349 (December 31, 2025 – 343,473,332) shares issued and outstanding.

b) Share issuances

During the six months ended June 30, 2026, the Company issued 10,654,752 common shares upon the conversion of convertible debentures (see Note 16) and 63,800,265 common shares pursuant to offerings under the listed issuer financing exemption ("LIFE"):

Date	Transaction	Common shares issued	Issue price	Gross proceeds
March 16, 2026	Conversion of convertible debentures (see Note 16)	10,654,752	$ 0.20	$ -
March 16, 2026	First LIFE Offering	50,000,000	0.20	10,000,000
April 22, 2026	Second LIFE Offering - first tranche	2,258,235	0.20	451,647
May 7, 2026	Second LIFE Offering - second tranche	3,000,000	0.20	600,000
May 29, 2026	Second LIFE Offering - third and final tranche	8,542,030	0.20	1,708,406

c) Restricted share units ("RSUs")

The Company adopted a performance share unit and restricted share unit plan (the "RSU/PSU Plan"), pursuant to which the Board of Directors may grant non-transferable RSUs and PSUs to eligible officers, directors and consultants of the Company. RSUs and PSUs vest in accordance with the terms of the applicable grant agreement.

During the six months ended June 30, 2026, the Company granted 250,000 RSUs to a director (six months ended June 30, 2025 - nil). The RSUs vest in three equal annual instalments commencing on the first anniversary of the grant date. Share-based compensation expense related to RSUs for the six months ended June 30, 2026, was $251 (six months ended June 30, 2025 - $7,970). No RSUs vested or were settled during the period.

Movements in the number of restricted share units outstanding are as follows:

	RSU (Units)	Weighted-average grant price
Outstanding at December 31, 2024	3,358,333	1.27
Settled	(3,291,668)	
Outstanding at December 31, 2025	**66,665**	0.42
Granted	250,000	0.15
Outstanding at June 30, 2026	**316,665**	0.21

(Unaudited, expressed in Canadian Dollars)

18. SHARE CAPITAL (cont'd…)

d) Stock options

The Company has a stock option plan (the "Stock Option Plan") under which the Board of Directors may grant options to purchase common shares to directors, senior officers, employees, management company employees and consultants of the Company and its subsidiaries. The aggregate number of common shares reserved for issuance under the Stock Option Plan may not exceed 10% of the Company's issued and outstanding common shares on a non-diluted basis at the applicable grant date.

Movements in the number of share options outstanding and their related weighted-average exercise prices were as follows:

	Options	Weighted-average exercise price
Outstanding at December 31, 2025	3,586,666	$ 0.77
Granted	-	-
Exercised	-	-
Forfeited or expired	-	-
Outstanding at June 30, 2026	**3,586,666**	**$ 0.77**

The Company uses the Black-Scholes option pricing model to estimate the grant-date fair value of stock options. The expected volatility assumption used in the model is based on the historical volatility of comparable companies over a period equal to the expected term of the options. Share-based compensation expense related to stock options for the six months ended June 30, 2026, was nil (six months ended June 30, 2025 - $9,636). No stock options were granted, exercised, forfeited or expired during the six months ended June 30, 2026 or 2025.

As at June 30, 2026, the Company had the following stock options outstanding and exercisable:

Options outstanding					Options exercisable		
Price	Number outstanding	Weighted-average remaining contractual life (years)	Weighted-average exercise price	Weighted-average fair value	Number exercisable	Weighted-average remaining contractual life (years)	Weighted-average exercise price
$0.85	2,000,000	2.76	0.85	0.41	2,000,000	2.76	0.85
$0.75	250,000	0.34	0.75	0.25	250,000	0.34	0.75
$0.65	166,666	3.51	0.65	0.29	166,666	3.51	0.65
$0.65	75,000	3.51	0.65	0.29	75,000	3.51	0.65
$0.65	1,095,000	3.69	0.65	0.24	1,095,000	3.69	0.65
	3,586,666	2.93	0.77	0.34	3,586,666	2.93	0.77

(Unaudited, expressed in Canadian Dollars)

18. SHARE CAPITAL (cont'd…)

e) Performance share units ("PSUs")

The Company may grant PSUs under the RSU/PSU Plan described above. All outstanding PSUs were granted in 2023 to certain management personnel, officers and directors of the Company in connection with the Company's 2022 fiscal year bonus incentive plan. The PSUs would vest if the closing price of the Company's common shares reached or exceeded $0.50 on any trading day during the performance period from March 30, 2023 to March 30, 2026. The grant-date fair value of the PSUs, including the effect of the market-based vesting condition, was determined using a Monte Carlo simulation model.

The $0.50 share-price condition was not achieved during the performance period. Accordingly, none of the outstanding PSUs vested, and all 1,260,000 outstanding PSUs lapsed unvested on March 30, 2026. During the six months ended June 30, 2026, the Company transferred the cumulative amount of $290,664 previously recognized in contributed surplus in respect of the lapsed PSUs to deficit. This transfer had no effect on total equity or net income for the period.

Share-based compensation expense related to PSUs for the six months ended June 30, 2026 was $nil (six months ended June 30, 2025 - $nil).

Movements in the number of PSUs outstanding are as follows:

	PSU Units
Outstanding at December 31, 2025	1,260,000
Lapsed unvested	(1,260,000)
Outstanding at June 30, 2026	**-**

19. REVENUE

	Three months ended June 30,		**Six months ended June 30,**	
	2026	2025	**2026**	2025
Minera BMR SpA				
Copper concentrate	**$ 17,881,074**	$ 9,226,846	**$ 39,183,470**	$ 22,719,932
Total Minera BMR SpA	**$ 17,881,074**	$ 9,226,846	**$ 39,183,470**	$ 22,719,932
ESI				
Machine rental	**4,338,293**	3,028,538	**8,072,522**	5,373,345
Machine sales	**3,403,858**	1,776,478	**6,030,278**	3,645,188
Spare parts sales and services	**1,368,352**	1,173,546	**2,331,105**	1,851,093
Total ESI	**$ 9,110,503**	$ 5,978,562	**$ 16,433,905**	$ 10,869,626
Total	**$ 26,991,577**	$ 15,205,408	**$ 55,617,375**	$ 33,589,558

20. FINANCE COSTS AND OTHER INCOME

	Three months ended June 30,		**Six months ended June 30,**	
	2026	2025	**2026**	2025
Finance income (costs), net	**$ 895,096**	$ (904,990)	**$ 312,576**	$ (1,725,577)
Other income	**109,553**	29,739	**162,745**	44,787
Total	**$ 1,004,649**	$ (875,251)	**$ 475,321**	$ (1,680,790)

(Unaudited, expressed in Canadian Dollars)

21. RELATED PARTY TRANSACTIONS

Key management personnel include members of the Board of Directors and senior executives with authority and responsibility for planning, directing and controlling the activities of the Company. Directors' fees include the impact of reversals of prior period accruals. The aggregate compensation paid or payable to key management personnel for the three- and six-month periods ended June 30, 2026 and 2025 is as follows:

		Three months ended June 30, 2026		Three months ended June 30, 2025		**Six months ended June 30, 2026**		Six months ended June 30, 2025
Director fees	$	**-**	$	85,493	$	**-**	$	170,986
Salaries and benefits		**488,728**		433,065		**747,703**		1,077,156
Share-based compensation		**251**		4,774		**251**		17,606
Total	$	**488,979**	$	523,332	$	**747,954**	$	1,265,748

Other related party transactions

During the six months ended June 30, 2026 and 2025, the Company entered into related party transactions involving promissory notes (see Note 13) and the sale of royalty interests (see Note 6). Total promissory notes due to related parties as at June 30, 2026, was $4,411,738 (December 31, 2025 - $3,812,463).

During the six months ended June 30, 2026, the Company issued 250,000 RSUs to a director (Note 18c) with a grant-date fair value of $37,500, vesting over three years.

On March 16, 2026, certain related parties of the Company acquired an aggregate of 3,692,500 common shares under the Company's listed issuer financing exemption private placement at a price of $0.20 per share for aggregate gross proceeds of $738,500. The common shares were acquired on the same terms as those applicable to the other subscribers under the offering.

As at June 30, 2026, included in trade payables and accrued liabilities was $218,267 (December 31, 2025 - $362,449) due to directors and officers of the Company.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price.

Fair value

Fair values of financial assets and liabilities are determined based on available market information and valuation methodologies appropriate to each situation. Judgments are required in the interpretation of the market data to produce the most appropriate fair value estimates. The use of different market information and/or valuation methodologies may have a material effect on the fair value amounts. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability or inputs that are derived principally from or corroborated by observable market data or other means.

Level 3: Inputs are unobservable (supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Company's fair value hierarchy for financial assets and liabilities measured at fair value was as follows:

	Carrying amount	Level 1	Level 2	Level 3	Total fair value
			June 30, 2026		
Convertible debentures	$ 370,327	$ -	$ -	$ 370,327	$ 370,327
Marketable securities	704,225	704,225	-	-	704,225
Deferred consideration receivable	2,336,428	-	-	2,336,428	2,336,428
	$ 3,410,980	$ 704,225	$ -	$ 2,706,755	$ 3,410,980
			December 31, 2025		
Convertible debentures	$ 2,505,928	$ -	$ -	$ 2,505,928	$ 2,505,928
	$ 2,505,928	$ -	$ -	$ 2,505,928	$ 2,505,928

Financial instruments

The Company's financial instruments consist of cash, receivables, sales taxes receivable, investments, deferred consideration receivable, promissory notes, copper prepayment liability, trade payables and accrued liabilities, deferred payments on acquisition and loans and borrowings. The fair value of the short-term working capital assets and liabilities approximates their carrying values due to the short-term nature of these instruments. The fair value of long-term debt approximates its carrying value as the contractual interest rates are comparable to current market interest rates, unless the long-term debt is classified as FVTPL.

Risk management

Currency risk

The Company is exposed to foreign currency risk as a result of monetary assets and liabilities denominated in currencies other than the functional currency of the relevant entity. The Company's exposures arise primarily from balances denominated in U.S. dollars ("US$") and Chilean pesos ("CLP").

As at June 30, 2026, a 10% strengthening or weakening of the Canadian dollar against these foreign currencies, with all other variables held constant, would result in a foreign exchange gain or loss of approximately $3,075,856.

(Unaudited, expressed in Canadian Dollars)

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Risk management (cont'd)

Currency risk (cont'd…)

The following table summarizes the Company's net monetary assets and liabilities denominated in foreign currencies as at June 30, 2026, presented in the applicable foreign currencies and their aggregate Canadian-dollar equivalent:

	Foreign-currency amounts		Aggregate
	US$	**CLP**	**CAD equivalent**
Cash	7,508	206,705,740	329,223
Trade payables and accrued liabilities	(104,347)	(19,150,838,024)	(29,666,998)
Convertible debentures	(260,610)	-	(370,327)
Promissory notes	(739,239)	-	(1,050,459)
Net monetary asset (liability) exposure	**(1,096,688)**	**(18,944,132,284)**	**(30,758,561)**

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations. The Company minimizes its credit exposure related to short-term investments, when applicable, by selecting counterparties based on credit ratings and monitoring investments to ensure a stable return, avoiding complex investment vehicles with higher risk such as asset-backed commercial paper. The Company's cash is held with major financial institutions, including Banco BICE in Chile, which has investment-grade credit ratings (A– / A2) based on publicly available information. Accordingly, the Company considers its exposure to credit risk on cash to be low. The Company's receivables primarily include balances receivable from the sale of concentrate, customers of ESI and finance lease balances. This credit risk exposure is mitigated through the Company's due diligence on its contracted counterparties. The Company assesses the creditworthiness of its customers on an ongoing basis and monitors the amounts and aging of outstanding accounts receivable and, when necessary, records an expected credit loss.

In respect of concentrate sales, the Company has contractual arrangements with a trading counterparty whereby provisional payments are received promptly upon delivery at the Company's yard based on the Company's provisional assay results. Final settlement occurs in the month following delivery and is subject only to adjustments for copper price fluctuations and final third-party assay results. As a result of the short settlement period, the prompt receipt of provisional payments and the high credit quality of the counterparty, the Company has not experienced historical credit losses and does not expect material future credit losses. Accordingly, the expected credit loss associated with concentrate receivables is not material.

The following table presents the Company's expected credit loss allowance, which relates primarily to trade receivables of ESI.

	Current and up to 30 days past due	**31–60 days past due**	**61–90 days past due**	**Over 90 days past due**	**Total**
			As at June 30, 2026		
Expected loss rate	0.80%	1.60%	5.50%	15.00%	
Gross carrying amount	$ 2,292,620	$ 1,959,899	$ 597,908	$ 10,486	$ 4,860,913
Loss allowance	**$ 18,341**	**$ 31,358**	**$ 32,885**	**$ 1,573**	**$ 84,157**
			As at December 31, 2025		
Expected loss rate	0.90%	2.00%	8.30%	15.00%	
Gross carrying amount	$ 1,796,593	$ 785,256	$ 619,653	$ 187,831	$ 3,389,333
Loss allowance	**$ 16,169**	**$ 15,705**	**$ 51,431**	**$ 28,175**	**$ 111,480**

(Unaudited, expressed in Canadian Dollars)

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Risk management (cont'd)

Credit risk (cont'd…)

The loss allowance provision for trade receivables as at June 30, 2026 reconciles to the opening loss allowance on January 1, 2026 as follows:

Loss allowance as at January 1, 2026	$	**111,480**
Increase (decrease) in provision for trade receivables during the period		(27,323)
Loss allowance as at June 30, 2026	**$**	**84,157**

Sales taxes receivable are due from the governments of Canada and Chile. The Company considers the credit risk associated with these balances to be low.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from its credit facility and prepayment arrangements, which bear interest at rates based on market reference rates, including prime and SOFR. The Company has not entered into any interest rate swaps or other active interest rate management programs.

Sensitivity analysis
A 100 basis point increase or decrease in market interest rates, with all other variables held constant, would result in an increase or decrease in net income/(loss) of approximately $87,336 for the period ended June 30, 2026 (December 31, 2025 – $112,045), based on the Company's variable rate financial instruments outstanding at period end.

Liquidity risk

Liquidity risk is the exposure of the Company to the risk of being unable to meet its financial obligations as they come due. The Company manages liquidity risk by monitoring and reviewing actual and forecasted cash flows to ensure there are available cash resources to meet these needs.

Contractual cash flow requirements as at June 30, 2026, were as follows:

	Year 1 $	Year 2 $	Year 3 $	Year 4 $	> 4 years $	Total $
Loans and borrowings	6,060,214	194,720	86,221	77,088	6,864	6,425,107
Trade payables and accrued liabilities	37,789,005	-	-	-	-	37,789,005
Income tax payables	219,007	-	-	-	-	219,007
Deferred revenue	752,608	-	-	-	-	752,608
Finance lease	449,269	-	-	-	-	449,269
Copper prepayment liability	2,920,866	-	-	-	-	2,920,866
Asset retirement obligation - liability	564,757	6,658	6,658	126,219	10,962,241	11,666,533
Lease liabilities	217,895					217,895
Deferred payments on acquisition	3,014,248	-	-	-	-	3,014,248
Promissory note	4,411,738	-	-	-	-	4,411,738
Convertible debenture	370,327	-	-	-	-	370,327
Total	**56,769,933**	**201,379**	**92,881**	**203,308**	**10,969,104**	**68,236,604**

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Risk management (cont'd)

Commodity price risk

The Company's financial performance and cash flows are affected by fluctuations in commodity prices, primarily copper, as well as gold and silver produced from its Chilean mining operations. Commodity prices are subject to significant volatility and are influenced by factors beyond the Company's control. The Company also holds exploration and evaluation assets in Canada, the value of which may be impacted by changes in commodity prices. The Company monitors commodity prices to determine the appropriate course of action to be taken and does not currently engage in hedging programs to mitigate its exposure to commodity price risk. The Company is exposed to commodity price risk on provisionally priced receivables arising from concentrate sales, for which final prices are determined based on future market prices. As at June 30, 2026, the spot London Metal Exchange copper price was US$13,341 per tonne. A 10% change in copper prices would result in an increase (decrease) of approximately $1,284,377 in profit or loss, based on the Company's provisionally priced receivables at that date, assuming all other variables remain constant.

Capital management

The Company manages its capital structure and adjusts it based on the funds available to the Company, in order to continue as a going concern. The Company considers capital to be the short-term and long-term debt, including convertible debentures, promissory notes, copper prepayment liability and other loans and borrowings, as well as equity. As at June 30, 2026, the total capital held by the Company is $62,070,875 (December 31, 2025 - $36,412,776). The Board of Directors of the Company does not establish quantitative criteria for return on capital for management but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance the Company. There has been no significant change to the Company's capital management policies during the period ended June 30, 2026.

23. CONTINGENCIES

On May 28, 2021, the Company entered into an agreement with Bluequest Resources AG ("Bluequest") to acquire the rights to certain mineral properties, plant and equipment related to the Punitaqui project. As part of the consideration, the Company agreed to make contingent payments of up to US$5,000,000 upon the achievement of specified production milestones. Each milestone payment may be settled, at Bluequest's election, in cash, by the issuance of common shares at prevailing market prices (subject to a minimum issue price of $0.41), or by a combination of both. The milestone payments are structured as follows:

1. Commercial restart milestone: US$2,000,000, payable 60 days following achievement of commercial activities (291,600 tonnes of aggregate production);
2. First production milestone: US$1,000,000, payable 60 days following achievement of the first production milestone (583,200 tonnes);
3. Second production milestone: US$1,000,000, payable 60 days following achievement of the second production milestone (874,800 tonnes); and
4. Third production milestone: US$1,000,000, payable 60 days following achievement of the third production milestone (1,166,400 tonnes).

During the year ended December 31, 2025, the Company achieved the commercial restart milestone and the first production milestone and, accordingly, recognized $4,181,700 (US$3,000,000) as trade payables and accrued liabilities. The amount remained unpaid as at June 30, 2026.

The remaining milestone payments are contingent upon the achievement of future production thresholds and have not been recognized as liabilities as at June 30, 2026, as the triggering events had not yet occurred and the obligations are not yet present. Accordingly, these amounts are disclosed as contingencies.

(Unaudited, expressed in Canadian Dollars)

24. SEGMENTED INFORMATION

Operating segments are determined based on how information is reported to and used by the Company's Chief Operating Decision Maker ("CODM") to assess performance. The Company monitors the operating results of its segments separately for the purposes of resource allocation and performance evaluation.

During the period ended June 30, 2026, the Company revised its reportable segments to present its Chilean operations as a separate mining segment following the commencement of production in the second half of 2024. Prior to this, Chilean operations were included within exploration and evaluation; however, they were presented separately within that segment. The revised presentation is consistent with how performance is assessed by the CODM.

The Company operates in three reportable segments: (i) equipment manufacturing operations (ESI) located in Canada and the United States; (ii) exploration of mineral properties located in Canada and the United States; and (iii) mining operations in Chile. Corporate head office and other activities are disclosed separately in the table below; however, they do not constitute an operating segment. This information is provided to facilitate reconciliation of segment results to the Company's consolidated financial information.

The following table presents financial information by operating segment.

At December 31, 2025	**Equipment Manufacturing**	**Exploration and Evaluation**		**Mining**	**Corporate**	**Total**
		Canada	**USA**	**Chile**		
Exploration and evaluation	-	18,432,451	-	-	-	**18,432,451**
Mineral properties, plant and equipment	13,260,043	-	-	48,003,124	-	**61,263,167**
Total assets	20,449,035	18,466,884	-	59,308,209	653,895	**98,878,023**
Total liabilities	10,202,763	-	-	64,242,782	6,663,706	**81,109,251**

At June 30, 2026	**Equipment Manufacturing**	**Exploration and Evaluation**		**Mining**	**Corporate**	**Total**
		Canada	**USA**	**Chile**		
Exploration and evaluation	-	16,554,033	19,653	-	-	**16,573,686**
Mineral properties, plant and equipment	12,892,445	-	-	58,352,110	-	**71,244,555**
Total assets	26,285,352	19,632,934	19,653	67,587,786	1,743,579	**115,269,304**
Total liabilities	11,514,559	-	-	52,009,899	3,802,009	**67,326,467**

(Unaudited, expressed in Canadian Dollars)

24. SEGMENTED INFORMATION (cont'd…)

For the six months ended June 30, 2025	Equipment Manufacturing	Exploration and Evaluation		Mining	Corporate	Total
		Canada	USA	Chile		
Revenue	10,869,626	-	-	22,719,932	-	33,589,558
Cost of sales	(2,309,716)	-	-	(18,204,045)	-	(20,513,761)
Depreciation, depletion and amortization	(1,344,228)	-	-	(1,056,769)	-	(2,400,997)
Gross profit	**7,215,682**	**-**	**-**	**3,459,118**	**-**	**10,674,800**
Salaries and benefits	(1,581,175)	-	-	(1,169,307)	(399,834)	(3,150,316)
General and administration	(1,595,030)		(173,004)	(5,053,563)	(1,358,871)	(8,180,469)
Share-based compensation	-	-	-	-	(17,606)	(17,606)
Income (loss) from operations	**4,039,477**	**-**	**(173,004)**	**(2,763,752)**	**(1,776,311)**	**(673,591)**
Foreign exchange gain (loss)	319,470	-	-	(6,439,123)	2,589,063	(3,530,590)
Finance costs	(509,886)	-	-	(966,354)	(249,337)	(1,725,577)
Gain on sale of royalty interest	-	-	-	132,998	-	132,998
Gain on remeasurement of convertible debentures	-	-	-	-	262,896	262,896
Other income and expenses	44,787			-	-	44,787
Income (loss) for the period from continuing operations	**3,893,848**	**-**	**(173,004)**	**(10,036,231)**	**826,311**	**(5,489,077)**
Cumulative translation adjustment	(1,099,481)	-	-	1,897,761	-	798,280
Comprehensive income (loss) for the period	**2,794,367**	**-**	**(173,004)**	**(8,138,470)**	**826,311**	**(4,690,797)**

(Unaudited, expressed in Canadian Dollars)

24. SEGMENTED INFORMATION (cont'd…)

For the six months ended June 30, 2026	Equipment Manufacturing	Exploration and Evaluation		Mining	Corporate	Total
		Canada	USA	Chile		
Revenue	16,433,905	-	-	39,183,470	-	55,617,375
Cost of sales	(6,448,952)	-	-	(20,738,541)	-	(27,187,494)
Depreciation, depletion and amortization	(1,179,295)	-	-	(2,433,535)	-	(3,612,830)
Gross profit	**8,805,657**	**-**	**-**	**16,011,393**	**-**	**24,817,051**
Salaries and benefits	(1,697,578)	-	-	(2,138,378)	(295,857)	(4,131,813)
General and administration	(1,681,731)	(15,964)	(150)	(4,549,693)	(876,448)	(7,123,986)
Share-based compensation	-	-	-	-	(251)	(251)
Income (loss) from operations	**5,426,348**	**(15,964)**	**(150)**	**9,323,322**	**(1,172,556)**	**13,561,002**
Finance costs and other income	(270,214)	122,164	-	656,897	(33,526)	475,321
Foreign exchange loss	(321,042)	-	-	(944,365)	(39,602)	(1,305,009)
Loss on remeasurement of marketable securities	-	(88,028)	-	-	-	(88,028)
Loss on remeasurement of convertible debenture	-	-	-	-	(100,446)	(100,446)
Loss on remeasurement of deferred consideration receivable	-	(253,225)	-	-	-	(253,225)
Gain on conversion of convertible debentures	-	-	-	-	327,748	327,748
Gain on sale of exploration properties	-	2,397,799	-	-	-	2,397,799
Income (loss) for the period from continuing operations	**4,835,093**	**2,162,747**	**(150)**	**9,035,854**	**(1,018,382)**	**15,015,163**
Cumulative translation adjustment	973,897	-	(1,315)	237,693	9,199	1,219,474
Comprehensive income (loss) for the period	**5,808,990**	**2,162,747**	**(1,465)**	**9,273,547**	**(1,009,183)**	**16,234,637**

25. SUBSEQUENT EVENTS

New Senior Secured Financing Arrangement with JPMorgan Chase Bank, N.A. ("JPMorgan")

On July 22, 2026, the Company, through its wholly owned subsidiary, ESI Energy Services Inc. ("ESI"), entered into a new senior secured financing agreement with JPMorgan. The financing included:

- a US$6.0 million, four-year term, senior secured loan; and
- a US$1.0 million revolving line of credit.

A portion of the proceeds from the term loan was used to repay in full ESI's existing credit facility with Fiera Enhanced Private Debt Fund LP (see Note 15), with the remaining proceeds available to support ESI's continued growth.

Subsequent to July 22, 2026, ESI completed an additional US$5.0 million equipment financing with JPMorgan, bringing the total financing capacity under the new JPMorgan relationship to US$12.0 million.

Achievement of Second Production Milestone

Subsequent to June 30, 2026, the Company achieved the second production milestone of 874,800 tonnes of aggregate production under its agreement with Bluequest. As a result, a payment of US$1,000,000 will become payable 60 days following achievement of the milestone and may be settled, at Bluequest's election, in cash, common shares or a combination thereof, in accordance with the terms of the agreement (see Note 23).

Grant of Restricted Share Units

On July 22, 2026, the Company granted an aggregate of 13,193,431 restricted share units ("RSUs") to certain directors and officers of the Company. Of the RSUs granted, 9,033,443 vest on the third anniversary of the grant date, while the remaining 4,159,988 vest in three equal annual instalments commencing on the first anniversary of the grant date.