
MONTERO MINING AND EXPLORATION LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three and Six Months Ended June 30, 2026 and 2025

Expressed in Canadian Dollars

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102 “Continuous Disclosure Obligations”, if an auditor has not performed a review of the interim financial statements, the financial statements must be accompanied by a notice indicating that they have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by CPA (Chartered Professional Accountants) Canada for a review of interim financial statements by an entity’s auditor.

August 28, 2026

MONTERO MINING AND EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

	Notes	As at June 30, 2026	As at December 31, 2025
		\$	\$
ASSETS			
Current assets			
Cash		149,781	16,742
Investments	4	1,058,190	2,234,503
Other receivables		4,013	2,874
Prepaid expenses and deposits		158,457	78,382
Total current assets		1,370,441	2,332,501
Non-current assets			
Equipment	5	1,231	2,462
Exploration and evaluation assets	6	2,101,575	1,170,862
Total non-current assets		2,102,806	1,173,324
TOTAL ASSETS		3,473,247	3,505,825
LIABILITIES			
Current liabilities			
Trade and other payables	7,8	777,830	292,685
Total current liabilities		777,830	292,685
SHAREHOLDERS' EQUITY			
Share capital	10	20,538,646	20,475,994
Share based payment reserve	10	10,293,037	10,325,689
Foreign currency translation reserve		1,047,560	1,047,560
Accumulated deficit		(29,183,826)	(28,636,103)
Total shareholders' equity		2,695,417	3,213,140
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,473,247	3,505,825

Note 1 – Nature and continuance of operations

On behalf of the Board:

"Antony Harwood"
Antony Harwood, Director

"Jamie Levy"
Jamie Levy, Director

See accompanying notes to the condensed interim consolidated financial statements.

MONTERO MINING AND EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian dollars)

		Three months ended June 30, 2026	Three months ended June 30, 2025	Six Months ended June 30, 2026	Six Months ended June 30, 2025
	Notes	\$	\$	\$	\$
EXPENSES					
Consulting, administrative and management fees	9	123,429	77,893	234,171	1,380,824
Directors' fees	9	7,500	9,875	15,250	19,750
Depreciation	5	615	615	1,230	1,231
General and administrative	9	42,489	22,679	139,469	92,809
Professional fees		22,429	80,598	38,983	102,139
Project investigation costs		69,863	36,415	144,004	71,434
Shareholder and regulatory		3,401	22,763	9,972	30,870
OPERATING EXPENSES		(269,726)	(250,838)	(583,079)	(1,699,057)
OTHER ITEMS					
Interest income (expense), net	4	9,150	167,867	20,263	180,417
Gain on legal settlement		-	251,974	-	251,974
Foreign exchange loss		2,371	(863,079)	15,093	(883,880)
TOTAL OTHER ITEMS		11,521	(443,238)	35,356	(451,489)
NET AND COMPREHENSIVE INCOME (LOSS)		(258,205)	(694,076)	(547,723)	(2,150,546)
Earnings (loss) per share, basic and diluted	8	(0.03)	(0.08)	(0.06)	(0.26)
Weighted average number of shares outstanding		8,438,448	8,353,833	8,453,833	8,353,833

See accompanying notes to the condensed interim consolidated financial statements

MONTERO MINING AND EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian dollars)

	Notes	Share Capital		Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Deficit	Total Equity
		Number of shares	Amount				
			\$	\$	\$	\$	\$
Balance, December 31, 2024		8,353,833	20,475,994	10,285,783	1,047,560	(10,883,491)	20,925,846
Dividends paid		-	-	-	-	(15,036,893)	(15,036,893)
Net and comprehensive income		-	-	-	-	(2,150,546)	(2,150,546)
Balance, June 30, 2025		8,353,833	20,475,994	10,285,783	1,047,560	(28,070,930)	3,738,407
Share based payment reserve	8	-	-	39,906	-	-	39,906
Net and comprehensive loss		-	-	-	-	(565,173)	(565,173)
Balance, December 31, 2025		8,353,833	20,475,994	10,325,689	1,047,560	(28,636,103)	3,213,140
Stock options exercised	8	100,000	62,652	(32,652)	-	-	30,000
Net income and comprehensive income		-	-	-	-	(547,723)	(547,723)
Balance, June 30, 2026		8,453,833	20,538,646	10,293,037	1,047,560	(29,183,826)	2,695,417

The number of shares outstanding is presented giving effect to the Share Consolidation (Note 8).

See accompanying notes to the condensed interim consolidated financial statements.

MONTERO MINING AND EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian dollars)

	Six months ended June 30, 2026	Six months ended June 30, 2025
	\$	\$
OPERATING ACTIVITIES		
Net income (loss) for the period	(547,723)	(2,150,546)
Adjustments for non-cash items:		
Depreciation	1,231	1,231
Interest income	-	182,049
Foreign exchange	(32,912)	-
Net changes in non-cash working capital items:		
Other receivables	(1,139)	19,923,492
Prepaid expenses and deposits	(80,075)	(1,408)
Trade and other payables	473,355	(432,591)
Net cash provided by (used in) operating activities	(187,263)	17,522,227
INVESTING ACTIVITIES		
Short term investment	-	(2,041,262)
Short term investment - redeemed	1,229,234	-
Interest received	(20,008)	-
Expenditures on exploration and evaluation assets	(918,924)	(153,191)
Net cash provided by (used in) investing activities	290,302	(2,194,453)
FINANCING ACTIVITIES		
Cash from exercise of options	30,000	-
Dividends Paid	-	(15,036,893)
Loans from related parties	-	(216,986)
Net cash (used in) provided by financing activities	30,000	(15,253,879)
Net increase in cash	133,039	73,895
Cash, beginning of the period	16,742	417,527
CASH, END OF PERIOD	149,781	491,422

Note 11 – Supplemental cash flow information.

See accompanying notes to the condensed interim consolidated financial statements.

MONTERO MINING AND EXPLORATION LTD.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED JUNE 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Montero Mining and Exploration Ltd ("Montero" or the "Company") was incorporated on October 5, 2006, under the laws of British Columbia, Canada. Montero is engaged in the acquisition and exploration of mineral properties.

Montero is a publicly listed company with its shares listed on the TSX Venture Exchange ("TSX-V"). The Company's registered office is located at 1040 West Georgia Street, Suite 1900, Vancouver, BC, V6E 4H3 and its head office address is 789 West Pender Street, Suite 480, Vancouver, BC V6C 1H2.

Going Concern

These condensed interim consolidated financial statements have been prepared using IFRS Accounting Standards ("IFRS") applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2026, the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. When further funds are required, they may be financed through a private placement of common shares or by debt instruments.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements of the Company. These condensed interim consolidated financial statements do not contain all of the information required for full annual consolidated financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's most recent annual consolidated financial statements for the year ended December 31, 2025, which were prepared in accordance with IFRS as issued by the IASB.

The preparation of condensed interim consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the condensed interim consolidated financial statements are disclosed in Note 3.

The consolidated financial statements for the three and six months ended June 30, 2026, were authorized for issue on August 28, 2026 by the Directors of the Company.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on an accrual basis and are based on the historical cost basis as modified by any revaluation of financial assets measured at fair value. The condensed interim consolidated financial statements are presented in Canadian dollars ("CAD"), which is also the Company's functional currency.

MONTERO MINING AND EXPLORATION LTD.
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3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Consolidation

The condensed interim consolidated financial statements include the accounts of Montero, the parent company, and its controlled subsidiaries, after the elimination of all intercompany balances and transactions. Control is achieved when the Company has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceased. The condensed interim financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Material accounting judgements, estimates and assumptions

The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Areas requiring a significant degree of estimation relate to the recoverability of deferred tax assets, fair value measurements of financial instruments and share-based payments.

4. INVESTMENTS

As at June 30, 2026, the Company held the following fixed interest investment instruments. The investments are recorded at fair value and consist of principal plus accrued interest.

Investment	Principle	Accrued interest	Total carrying value
	\$	\$	
Guarantee investment certificate 2.7%	211,752	16,359	228,111
Guarantee investment certificate 3.15 (USD)	810,904	19,175	830,079
Total	1,022,656	35,534	1,058,190

The USD-denominated investment has a principal amount of US\$570,657 and is translated at the exchange rate in effect at June 30, 2026.

As at December 31, 2025, the Company held the following fixed interest investment instruments. The investments are recorded at fair value and consist of principal plus accrued interest.

Investment	Principle	Accrued interest	Total carrying value
	\$	\$	
High interest savings fund	211,240	-	211,240
Guarantee investment certificate 2.7%	1,000,000	6,879	1,006,879
Guarantee investment certificate 3.15 (USD)	1,008,291	8,093	1,016,384
Total	2,219,531	14,972	2,234,503

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(Unaudited - Expressed in Canadian dollars)

5. EQUIPMENT

	Field Equipment	Computer Equipment	Total
	\$	\$	\$
Cost:			
Balance, June 30, 2026 and December 31, 2025	39,994	8,458	48,452
Accumulated Depreciation:			
Balance, December 31, 2025	39,994	5,996	45,990
Depreciation	-	1,231	1,231
Balance, June 30, 2026	39,994	7,227	47,221
Net Book Value			
Balance, December 31, 2025	-	2,462	2,462
Balance, June 30, 2026	-	1,231	1,231

6.

7. EXPLORATION AND EVALUATION PROJECTS

Details of the Company's exploration and evaluation activities for the three months ended June 30, 2026, and year ended December 31, 2025, are as follows:

	Avispa Copper Molybdenum Project	Elivira/Potrero Project	Total
	\$	\$	\$
Balance, December 31, 2025	948,417	222,445	1,170,862
Costs incurred during the year			
Assays	-	464	464
Consultants	8,439	108,802	117,241
Drilling	-	186,850	186,850
Field and camp costs	-	41,548	41,548
Geophysical and maps	-	307,826	307,826
Legal	-	10,887	10,887
Licenses and claims	168,437	53,046	221,483
Project and administration	27,321	16,875	44,196
Travel and accommodation	-	217	217
Total costs	204,197	726,515	930,713
Balance, June 30, 2026	1,152,614	948,960	2,101,575

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6. EXPLORATION AND EVALUATION PROJECTS (continued)

	Avispa Copper Molybdenum Project	Elivira/Potrero Project	Total
	\$	\$	\$
Balance, December 31, 2024	768,625	-	768,625
Costs incurred during the year			
Assays	-	47,338	47,338
Property option payments	-	110,080	110,080
Consultants	17,381	28,686	46,067
Field and camp costs	1,303	11,805	13,108
Licenses and claims	129,587	5,996	135,583
Legal	-	7,052	7,052
Project and administration	30,516	11,488	42,004
Travel and accommodation	1,005	-	1,005
Total costs	179,792	222,445	402,237
Balance, December 31, 2025	948,417	222,445	1,170,862

a. CHILE

Avispa Copper Molybdenum Project

The Company applied for exploration mining concessions in northern Atacama in October 2019 to explore for copper and molybdenum and these were awarded on October 4, 2020. The Company submitted further applications in April 2021 and on March 14, 2022, and was subsequently awarded additional exploration concessions that include the original Avispa and recently awarded and adjacent Abeja exploration concessions. During the year ended December 31, 2024, the Company did not renew 31 claims related to Avispa and 61 claims related to Abeja exploration concessions for a total of 92 claims lapsed on the Avispa Copper Molybdenum Project. The concessions were not renewed as they were located in a less prospective areas and limited work had been performed them. As a result, during the year ended December 31, 2024, the Company recorded an impairment of \$279,340 related to these claims.

During the six months ended June 30, 2026, the Company capitalized \$188,306 (December 31, 2025 - \$179,792) in costs related to the Avispa Copper Molybdenum Project.

Elvira Gold Project and the Potrero Gold Project

On October 2, 2025, the Company entered into two option agreements to acquire a 100% interest in each of the Elvira Gold Project and the Potrero Gold Project located in Chile's Maricunga Belt.

Under the terms of the Agreements, Montero has the right to acquire a 100% interest in each of the Elvira and Potrero Projects from Compañía Minera Atahualpa SpA by making staged payments totaling US\$7 million per Project over six years. The option payment schedule is the same for each Project as follows: US\$40,000 within ten days following receipt of approval from the TSX regarding the Agreements – paid, 2025; US\$100,000 on or before September 15, 2026; US\$150,000 on or before September 15, 2027; US\$260,000 on or before September 15, 2028; US\$400,000 on or before September 15, 2029; US\$550,000 on or before September 15, 2030; and US\$5,500,000 on or before September 15, 2031.

During the six months ended June 30, 2026, the Company capitalized \$726,515 (December 31, 2025 - \$222,445) in costs related to Elvira and Potrero Project.

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6. EXPLORATION AND EVALUATION PROJECTS (continued)

b. TANZANIA

Montero's Wigu Hill Rare Earth Element Retention License was expropriated by the Tanzanian Government in 2017/2018 when the Mining (Local Content) Regulations 2018, published on January 10, 2018, cancelled all previously issued Retention Licenses. The Company commenced exploration activities on the project in March 2008 under a prospecting license, before obtaining a five-year Retention License for the property in 2015. On January 10, 2018, the Government of Tanzania cancelled all Retention Licenses at which point they ceased to have any legal effect.

The Company sought damages from the Tanzanian Government for the expropriation of the Retention Licenses before the International Centre for Settlement of Investment Disputes, part of the World Bank Group. During the year ended December 31, 2024, Montero agreed to a settlement of US\$27,000,000 (approximately \$38,000,000) payable by the Tanzania Government in 3 instalments: 1) US\$12,000,000 received on November 20, 2024; 2) US\$8,000,000 received on February 11, 2025; and 3) US\$7,000,000 received on March 3, 2025.

7. TRADE AND OTHER PAYABLES

The components of trade and other payables are as follows:

	June 31, 2026	December 31, 2025
	\$	\$
Trade payables	423,730	77,966
Amounts due to related parties (Note 9)	171,155	97,719
Accrued liabilities	182,945	117,000
Total	777,830	292,685

8. SHARE CAPITAL

On May 5, 2025, the Company completed a consolidation of all of its issued and outstanding common shares on the basis of one (1) post-consolidated common share for every six (6) pre-consolidated common shares. All share and per share data presented in the consolidated financial statements have been retroactively adjusted to reflect the share consolidation unless otherwise noted.

Authorized

Unlimited number of common shares without par value.

Issued and outstanding

At June 30, 2026, there were 8,453,833 issued and fully paid common shares outstanding (December 31, 2025 – 8,353,833).

During the six months ended June 30, 2026, 100,000 stock options were exercised at a price of \$0.30 per share for gross proceeds of \$30,000.

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8. SHARE CAPITAL (continued)

Stock options

The Company has established a Stock Option Plan (the "Plan") for directors, officers, employees and consultants. The number of common shares that are available for grants of options under the Plan shall not at any time exceed 10% of the number of outstanding common shares calculated at the time of grant. Options granted under the Plan generally have a term of five years and vest on the date of the grant.

As at June 30, 2026, the Company had 735,383 stock options outstanding

Number of Stock Options			Contractual life remaining	Expiry Date
Outstanding	Exercisable	Exercise Price (\$)		
575,000	575,000	0.30	3.18	September 4, 2029
66,667	66,667	0.30	3.19	September 5, 2029
93,716	93,716	0.45	4.32	October 23, 2030
735,383	735,383			

Warrants

The Company had no warrants outstanding as at June 30, 2026, and December 31, 2025

Earnings/(Loss) Per Share

Basic earnings (loss) per share amounts are calculated by dividing the net income (loss) for the period by the weighted average number of ordinary shares outstanding during the period. The Company reported a loss for the three and six months ended June 30, 2026. The basic and diluted earnings (loss) per share for the three and six months ended June 30, 2026, and 2025 are shown in the table below.

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Net loss attributable to owners of the parent company	(258,205)	(694,076)	(547,723)	(2,150,546)
Weighted average number of ordinary shares outstanding	8,438,448	8,353,833	8,453,833	8,353,833
Basic loss per ordinary share	(0.03)	(0.08)	(0.06)	(0.26)

MONTERO MINING AND EXPLORATION LTD.
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9. RELATED PARTY TRANSACTIONS

The Company identified Dr. Antony Harwood as the director and Chief Executive Officer ("CEO") and President; Ms. Sheri Rempel as Chief Financial Officer ("CFO"); and the Company's current directors as its key management personnel.

Related party balances

The amounts due to and from related parties are due to the directors and officers of the Company. The balances are unsecured, non-interest bearing and due on demand. These transactions are in the normal course of operations.

As at June 30, 2026, \$182,654 (December 31, 2025 – \$97,719) is due to directors and officers of the Company:

	June 30, 2026	December 31, 2025
	\$	\$
Company controlled by the President and CEO	129,827	54,717
Company controlled by the CFO	8,577	3,502
Key management personnel	44,250	39,500
Total	182,654	97,719

The Company incurred the following transactions with management, directors, officers, or companies which have directors in common, or in which the directors have significant influence and interests.

	Six months ended June 30, 2026	2025
	\$	\$
Bonus payments ⁽³⁾	-	1,070,500
Consulting and management ⁽¹⁾⁽²⁾	90,163	91,038
Director's fees	15,250	19,750
General and administrative	11,261	22,562
Total remuneration of directors and key management personnel	116,674	1,203,850

⁽¹⁾ Consulting and management fees includes accounting, administrative and corporate services provided by a company controlled by the CFO.

⁽²⁾ Consulting and management fees includes services provided by the CEO.

⁽³⁾ Bonus paid to directors, former directors and to an officer is included in consulting, administrative and

10. SEGMENTED INFORMATION

The Company has one business segment being the exploration and evaluation of mineral resources. The Company is organized by geographic area and its reportable geographic segment is located in Chile.

MONTERO MINING AND EXPLORATION LTD.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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11. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash transactions that occurred during the six months ended June 30, 2026 and 2025 are as follows:

	Six months ended June 30, 2026	Six months ended June 30, 2025
Supplemental cash flow information:	\$	\$
<u>Non-cash transactions:</u>		
Expenditures on exploration and evaluation assets in accounts payable	11,789	179
FMV of stock option exercised	32,652	-

12. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it can continue as a going concern, while supporting the Company's business and maximizing the return to its stakeholders. The Company's capital structure is adjusted based on management's decisions to issue debt or equity instruments to fund expenditures. The Company's Board of Directors does not establish quantitative return on capital criteria but rather relies on the expertise of management and other professionals to sustain future development of the business. The capital of the Company consists of equity attributable to owners of the parent comprised of share capital, stock options and warrants.

The Company's principal activities are in the exploration and evaluation stage and, as a result, the Company currently has no source of operating cash flow. In order to facilitate the management of capital and exploration of its mineral properties, the Company is required to raise capital as and when required to complete its projects and for working capital. The sources of future funds presently available to the Company include the issuance of new share capital, through the exercise of stock options and/or warrants or through borrowings from related parties.

The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions, as well as the business performance of the Company. There can be no assurances that the Company will be successful in its efforts to arrange additional financing, when required, on terms satisfactory to the Company.

Management prepares operating budgets to forecast its financing requirements in advance, and they review their capital management approach on an ongoing basis and believe that this approach is reasonable, given the relative size of the Company. The Company's investment policy is to hold excess cash in interest-bearing accounts at high credit quality financial institutions to minimize risk and maximize liquidity. The Company's overall strategy remains unchanged from the prior year. The Company is not subject to any externally imposed capital requirements.

13. RISK MANAGEMENT

The Company operates in the mining industry and faces a number of risks that could adversely affect the Company's operations. These risks include industry risk, credit risk, liquidity risk, interest rate risk, foreign currency risk, commodity price risk. Management reviews and develops policies for managing each of these risks which are summarized below.

13. RISK MANAGEMENT (continued)

Industry Risk

The Company is engaged in the mineral exploration field, which is subject to inherent risks of success as well as compliance with environmental and regulatory requirements. The Company may also be exposed to environmental reclamation obligations associated with resource property interests. As well, the Company operates in foreign countries and is subject to local political risks, as well as local regulatory requirements regarding ownership and maintenance of mineral licenses. Management believes it has the expertise to address these risks and make all efforts to conduct their business in compliance with local industry standards, however environmental and local industry laws and practices are complex, and there is no certainty that all exposure to liability or costs have been mitigated.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's ability to fulfill its payment obligations. The Company's primary exposure to credit risk is attributable to its cash and investments, as well as other receivables. This risk is considered low since the Company only invests its cash in major banks and high-credit-quality financial institutions. The other receivables primarily comprise local sales tax refunds due from governmental agencies and, as such, management considers the risk with their collection minimal.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available cash in order to meet its liquidity requirements and to develop budgets to forecast cash requirements in advance of their requirements. The Company currently does not have a source of operating cash flow and must raise funds for its exploration and evaluation programs and for general working capital. There are risks associated with raising the funds required, and there can be no assurances that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. Liquidity risk is assessed as high.

Interest Rate Risk

Interest rate risk refers to the risk that the fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's investments are at a fixed rate so there is no risk on its investments. The Company monitors these investments with its need for cash flow and is satisfied with the return on these investments, given the timing of the need for cash in the Company. The effect of interest rate changes on the Company is insignificant. Interest rate risk is assessed as low.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates in Canada and Chile and portions of its expenditures are incurred in US Dollar and Chilean Peso. At June 30, 2026 and December 31, 2025, the value of financial assets and liabilities denominated in currencies other than the functional currency of the entity to which they relate was not significant. Foreign exchange risk is assessed as low.

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is the potential adverse impact on earnings and economic value of its exploration and evaluation assets, due to commodity price movements and volatilities. The Company monitors commodity prices (primarily gold and silver) to determine the appropriate course of action to be taken by the Company.