

*Consolidated Financial Statements*

**ACLARA RESOURCES INC**

*Santiago, Chile*

*As of December 31, 2025 and 2024*



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## Independent Auditor's Report

To the shareholders of Aclara Resources Inc.

### Opinion

We have audited the consolidated financial statements of Aclara Resources Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for opinion

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

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



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We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p>Impairment of Exploration and Evaluation Assets Assigned to CGUs – the Group is in development stage</p>	
<p>The Group holds significant exploration and evaluation assets assigned to cash generating units (CGUs), as well as project related investments associated with the Penco and Carina CGUs. These assets are reviewed for impairment when events or changes in circumstances indicate that their carrying amount may not be recoverable. As these projects remain in the development stage and have not yet generated revenue, management is required to assess whether indicators of impairment exist and, when necessary, determine the recoverable amount at the CGU level in accordance with IAS 36.</p>	<p>We evaluated the amended and restated NI 43-101 Technical Report issued by a third party on September 15th, 2021, to gain an understanding of the economic analysis and its conclusions.</p>
<p>This assessment involves significant estimates and assumptions, including long term commodity prices, future capital requirements, exploration potential, project timelines, and discount rates. The NI 43 101 Preliminary Economic Assessment is preliminary in nature and incorporates inferred mineral resources, further increasing the estimation uncertainty. If the carrying amount of a CGU exceeds its recoverable amount, determined as the higher of value in use and fair value less costs of disposal, an impairment loss must be recognized.</p>	<p>We assessed the projected prices of the Rare Earth Basket Prices contained in the economic analysis of the Technical Report and by comparing them to observed prices in the market and to the prices projected by management specialists.</p>
<p>The audit of this impairment assessment was identified as a key audit matter due to the materiality of the related balances and the complexity arising from the significant judgment and uncertainty involved in evaluating the recoverability of the CGUs</p>	<p>We evaluated the board minutes and their follow up of the project and the budget.</p> <p>We evaluated the methodology and calculations applied in determining recoverable amounts.</p> <p>We assessed the appropriateness of management's CGU identification.</p> <p>We evaluated the impairment analysis prepared by management and reviewed the discount rate and other key assumptions used by management to support the future cash flow.</p> <p>We performed sensitivity analyses to determine how changes in discount rates, growth rates, and other critical assumptions affect the recoverable amount of the CGUs.</p> <p>We compared key assumptions to historical data, external market information, and industry benchmarks.</p> <p>We assessed the adequacy of the related financial statement disclosures in respect of the significant judgments and estimates, with reference to the applicable IFRS disclosure requirements.</p>



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## **Other information**

Management is responsible for the other information. The other information comprises:

- Management's discussion and analysis

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion & Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

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

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

Those charged with governance are responsible for overseeing the Group financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

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



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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.



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We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

A handwritten signature in blue ink, appearing to read 'Luis Camilla C.', with a stylized, scribbled end.

Luis Camilla C.  
EY Audit Ltda.

Santiago, Chile  
March 18, 2026

Consolidated Financial Statements

**ACLARA RESOURCES INC.**

As of December 31 2025 and 2024

## Consolidated Financial Statements

### Income Statement

	Notes	As at 31 December 2025 US\$000	As at 31 December 2024 US\$000
Continuing operations			
Administration expenses	4	(7,644)	(8,239)
Exploration expenses	5	(1,985)	(594)
Other (expenses) income	5	-	135
(Loss) from continuing operations before net finance income/(cost) and income tax		(9,629)	(8,698)
Share of loss of a joint venture	7	(432)	(115)
Financial income	6	1,308	1,657
Financial costs	6	(303)	(65)
Foreign exchange differences		107	(193)
(Loss) for the year from continuing operations before income tax		(8,949)	(7,414)
Income tax expense		-	-
(Loss) for the year from continuing operations		(8,949)	(7,414)
Attributable to:			
Equity shareholders of the Parent		(8,449)	(7,223)
Non-controlling interests		(500)	(191)
		(8,949)	(7,414)
Basic loss per share US\$	8	(0.04)	(0.04)
Diluted loss per share US\$	8	(0.04)	(0.04)

### Statement of Comprehensive Income

	As at 31 December 2025 US\$000	As at 31 December 2024 US\$000
(Loss) for the year	(8,949)	(7,414)
Other comprehensive income that might be reclassified to profit or loss in subsequent years:		
Exchange differences on translating foreign operations and share of other comprehensive income/(loss)	11,382	(15,111)
Other comprehensive (loss) profit for the year, net of tax	11,382	(15,111)
Total comprehensive (loss) for the year	2,433	(22,525)
Total comprehensive (loss) attributable to		
Equity shareholders of the Parent	2,933	(22,333)
Non-controlling interests	(500)	(192)
Total comprehensive (loss) for the year	2,433	(22,525)

The attached notes are an integral part of these Consolidated Financial Statements.

## Consolidated Financial Statements

### Statement of Financial Position

	Notes	As at 31 December 2025 US\$000	As at 31 December 2024 US\$000
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	12	14,011	15,375
Trade debtors and other accounts receivable, net, current	11	3,960	1,928
Accounts receivable from related entities, current	17	6,937	12,518
		24,908	29,821
Non-current assets			
Trade debtors and other accounts receivable, non-current	11	32	6,723
Accounts receivable from related entities, non-current	17	-	6,917
Property, plant and equipment, net	9	13,148	9,920
Exploration and evaluation assets	10	146,901	100,512
		160,081	124,072
Total assets		184,989	153,893
<b>EQUITY AND LIABILITIES</b>			
Current Liabilities			
Trade accounts payable and other accounts payable, current	14	7,131	5,118
Accounts payable to related entities, current	17	2	25
Other provisions, current	15	2,438	1,088
		9,571	6,231
Non-current liabilities			
Investment in a joint venture	7	546	114
Trade accounts payable and other accounts payable, non-current	14	-	1,300
Deferred government assistance	13	825	-
		1,371	1,414
Total liabilities		10,942	7,645
Capital and reserves attributable to shareholders of the Parent			
Equity share capital	16	190,296	165,324
Retained deficit		(39,067)	(30,618)
Other reserves		3,451	(7,061)
		154,680	127,645
Non-controlling interests		19,367	18,603
Total equity		174,047	146,248
Total equity and liabilities		184,989	153,893

The attached notes are an integral part of these Consolidated Financial Statements.

## Consolidated Financial Statements

### Statement of Cash Flow

	Notes	As at 31 December 2025 US\$000	As at 31 December 2024 US\$000
<b>Cash flows from operating activities</b>			
Cash from / (used in) operations	18	(7,912)	(9,450)
VAT refund received		6,923	-
Interests received		1,308	1,657
<b>Net cash from / (used in) operating activities</b>		<b>320</b>	<b>(7,792)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(2,502)	(394)
Purchase of exploration and evaluation assets	10	(36,651)	(19,294)
<b>Net cash from / (used in) investing activities</b>		<b>(39,153)</b>	<b>(19,688)</b>
<b>Cash flows from financing activities</b>			
Capital contributions	16	25,000	-
Capital contribution from minority shareholders		12,480	9,708
Share issuance costs	16	(836)	(98)
Funds received from the U.S. International Development Finance Corporation		825	-
<b>Cash flows from / (used in) financing activities</b>		<b>37,469</b>	<b>9,610</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>		<b>(1,364)</b>	<b>(17,871)</b>
Cash and cash equivalents at beginning of the year		15,375	33,246
<b>Cash and cash equivalents at end of the year</b>	<b>12</b>	<b>14,011</b>	<b>15,375</b>

The attached notes are an integral part of these Consolidated Financial Statements.

## Consolidated Financial Statements

### Statement of Changes in Equity

	Notes	Equity share capital US\$000	Cumulative translation adjustment US\$000	Other reserves US\$000	Total other reserves US\$000	Retained deficit US\$000	Capital and reserves attributable to shareholders of the Parent US\$000	Non-controlling interests US\$000	Total equity US\$000
Balance at 1 January 2025	16	165,324	(29,011)	21,950	(7,061)	(30,618)	127,645	18,603	146,248
Other comprehensive expense		-	11,382	-	11,382	-	11,382	-	11,382
(Loss) of the year		-	-	-	-	(8,449)	(8,449)	(500)	(8,949)
Total comprehensive (loss) for the year		-	11,382	-	11,382	(8,449)	2,933	(500)	2,433
Share-based payment expense		-	-	702	702	-	702	-	702
Share-based payments exercised / settled		808	-	(808)	(808)	-	-	-	-
Total share-based payments		808	-	(106)	(106)	-	702	-	702
Capital contribution from minority shareholders paid		-	-	-	-	-	-	12,480	12,480
Capital contribution – shares issued		25,000	-	-	-	-	25,000	-	25,000
Share issuance costs		(836)	-	-	-	-	(836)	-	(836)
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control		-	-	(764)	(764)	-	(764)	(11,216)	(11,980)
Balance at 31 December 2025	16	190,296	(17,629)	21,080	3,451	(39,067)	154,680	19,367	174,047
Balance at 1 January 2024	16	164,226	(13,900)	11,430	(2,470)	(23,395)	138,361	-	138,361
Other comprehensive expense		-	(15,111)	-	(15,111)	-	(15,111)	-	(15,111)
(Loss) of the year		-	-	-	-	(7,223)	(7,223)	(191)	(7,414)
Total comprehensive (loss) for the year		-	(15,111)	-	(15,111)	(7,223)	(22,333)	(191)	(22,524)
Share-based payment expense		-	-	96	96	-	96	-	96
Share-based payments exercised / settled		1,098	-	-	-	-	1,098	-	1,098
Total share-based payments		1,098	-	96	96	-	1,194	-	1,194
Capital contribution from minority shareholders paid		-	-	-	-	-	-	9,708	9,708
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control		-	-	10,424	10,424	-	10,424	9,086	19,509
Balance at 31 December 2024	16	165,324	(29,011)	21,950	(7,061)	(30,618)	127,645	18,603	146,248

The attached notes are an integral part of these Consolidated Financial Statements.

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## Notes to the Consolidated Financial Statements

### 1 Corporate information

Aclara Resources Inc., formerly 1303714 B.C. Ltd, (hereinafter the 'Company') is a limited Company incorporated under the Business Corporations Act (British Columbia) on May 5, 2021. The Company's registered office is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver BC V6C 2X8, Canada. On August 5, 2021, the Company established 1303714 B.C. LTD., Agencia en Chile (hereinafter the 'Agencia'), a foreign legal entity branch in Chile. On October 4, 2021, the Company changed its name to "Aclara Resources Inc.". On October 15, 2021, Agencia changed its name to "Aclara Resources Inc., Agencia en Chile".

#### Investment in subsidiaries and joint venture

- On October 2, 2019, Minera Hochschild Chile S.C.M., a Chilean subsidiary of the Hochschild Mining Group, acquired a 100% interest in Ree Uno SpA, a Chilean company incorporated on October 28, 2011. On November 27, 2020, Minera Hochschild Chile S.C.M. sold its 100% interest in Ree Uno SpA to Hochschild Mining Holdings Ltd, a UK-based subsidiary of the Hochschild Group. On October 15, 2021, Hochschild Mining Holdings Ltd contributed 100% of its ownership interest in Ree Uno SpA's shares to the Company in exchange for a total of 88,262,106 common shares in the capital of the Company as part of Hochschild Mining Group's and the Company's reorganization strategy. Immediately thereafter, the Company allocated all of its shares in the capital of Ree Uno SpA to its Chilean branch. Ree Uno SpA's registered office is located in Chile, and its principal business is the development of the Penco Module, which is also located in Chile.

As of April 16, 2024, CAP S.A., a company listed on the Chilean Stock Exchange, subscribed to shares representing 20% of the capital of REE Uno SpA, a subsidiary of the Company, for a total value of US\$ 29.125 million payable in three installments: (i) US\$ 9.708 million, paid on April 17, 2024, (ii) US\$ 12.480 paid on January 15, 2025, and (iii) US\$ 6.937 million payable on the last business day of January 2026.

This subscription allows CAP S.A. to become a shareholder of REE Uno SpA and acquire an option to purchase an additional 20%, reaching 40% of the company's capital, for an additional US\$ 50,000,000, provided that the Company's project receives favorable environmental evaluation. CAP S.A. can appoint 2 of the 5 members of the committee managing the Company, designate certain executives, and veto specific actions of the Company, including substantial budget modifications, asset disposals, and changes to the company's business line. As of the date of the Company's Consolidated Financial Statements, CAP S.A. has acquired a 10% equity interest in the Company through a capital contribution. The option to acquire an additional interest in REE Uno SpA, or up to an additional 20% interest in the Company, has not yet been granted.

- On February 25, 2022, the Company and Ree Uno SpA acquired a 99% and a 1% interest in Aclara Resources Peru SAC, respectively, which was incorporated on January 21, 2022. Aclara Resources Peru SAC's registered office is located in Peru. Aclara Resources Peru SAC's principal business is to provide management and administration services. The controlling party of Aclara Resources Peru SAC is the Company.
- Ree Uno SpA is the direct owner of 100% of the issued and outstanding share capital of Prospecciones Greenfield SpA, which was incorporated on October 4, 2021. Prospecciones Greenfield SpA's registered office is located in Chile. Prospecciones Greenfield SpA's principal business is managing exploration concessions for Ree Uno SpA for the potential development of new modules in Chile. The immediate controlling party of Prospecciones Greenfield SpA is Ree Uno SpA.
- On September 16, 2022, Aclara Resources Mineracao Ltda. was incorporated with a capital contribution from Ree Uno SpA, which acquired 100% of the issued and outstanding share capital. On February 16, 2023, Aclara Resources Mineracao Ltda. increased the capital and the Company acquired an 89,63% interest in Aclara Resources Mineracao Ltda., therefore, Ree Uno SpA was the owner of 10,37% of the issued and outstanding share capital of Aclara Resources Mineracao Ltda. On May 06, 2024, the capital of Aclara Resources Mineracao Ltda. was reduced for the total of US\$ 200,000 which representing the investment made by Ree Uno SpA., resulting in the Company being the owner of 100% of the interest in Aclara Resources Mineracao Ltda. Aclara Resources Mineracao Ltda.'s registered office is located in Brazil. Aclara Resources Mineracao Ltda.'s principal business is mining research, geological studies, exploration and extraction of mining products. The controlling party of Aclara Resources Mineracao Ltda. is the Company.
- Ree Uno SpA is the direct owner of 100% of the issued and outstanding share capital of Fundacion de Beneficiencia Publica, Medioambiental, Cientifica, Cultural y Social Queule (hereinafter the 'Fundacion Queule'), which was incorporated on September 27, 2022. Fundacion Queule's registered office is located in Chile, Fundacion Queule's principal business is carry out, encourage and support initiatives, programs, projects and activities for environmental conservation, heritage rescue and social, cultural and scientific development. The immediate controlling party of Fundacion Queule is Ree Uno SpA.
- On March 11, 2024, Ree Alloys SpA was incorporated with a capital contribution from the Company, which acquired 100% of the issued and outstanding share capital. Ree Alloys SpA's registered office is located in Chile. Ree Alloys SpA's principal business is the research and develop of technologies applicable to the production and transformation of rare earths, from the extraction and refining of minerals to the manufacture of final products. On April 16, 2024, CAP S.A. acquired a 50% interest in the joint venture Ree Alloys SpA for US\$ 3,000,000 as part of the strategic investment agreement to develop metals and alloys for the rare earths permanent magnet industry. On May 2, 2025, Ree Alloys SpA changed its name to "Aclara Metals SpA".

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- On March 22, 2024, Aclara Technologies Inc. was incorporated with a capital contribution from the Company, which acquired 100% of the issued and outstanding share capital. Aclara Technologies Inc.'s registered office is located in USA. Aclara Technologies Inc.'s principal business is developing technologies and production flowsheet capable of processing mixed rare earth carbonates. The controlling party of Aclara Technologies Inc. is the Company.
- As of February 7, 2025, Polaris Creek LLC was incorporated in the United States as a wholly owned subsidiary of Aclara Technologies Inc., which is itself wholly owned by the Company.
- On May 12, 2025, Aclara Metals Inc. was incorporated with a capital contribution from the Company, which acquired a 50% interest in the joint venture for US\$ 500. In parallel CAP S.A. acquired a 50% interest for US\$ 500 as part of the strategic investment agreement to develop metals and alloys for the rare earths permanent magnet industry. Aclara Metals Inc.'s registered office is located in the USA, and its principal business is the research and develop of technologies applicable to the production and transformation of rare earths, from the extraction and refining of minerals to the manufacture of final products.

### Business segment

The Company is involved in the exploration of rare-earth elements, operating two business segments: (a) Chile ("Penco Module") and (b) Brazil ("Carina Project"). The operations of the Penco module are conducted through the Company's partially-owned subsidiary, Ree Uno SpA. In addition, the operations of the Carina Project are conducted through the Company's wholly-owned subsidiary, Aclara Resources Mineracao Ltda.

With approximately 83,685 hectares of mining concessions in the Maule, Ñuble, Biobío, and Araucanía regions of Chile, and 48,278 hectares in the Minas Gerais, Paraná, and Goiás states of Brazil, the Company is focused on developing the Penco Module and Carina Project, which contain ionic clays rich in Rare Earth Elements. The Penco Module covers a surface area of approximately 600 ha. In comparison, the Carina Project covers a surface area of approximately 9,900 ha. The Company's future development stages will include optimizing the metallurgical process and expanding production capabilities.

Additionally, the Company, through its U.S.-based subsidiary, Aclara Technologies, is advancing the U.S. Separation Project ("Project Dynamo"), which involves developing a rare earths separation plant to refine and separate high-purity MREC from its mining projects into individual rare earth oxides (REOs). The Company is also developing alloy-making capabilities to convert refined oxides into alloys for permanent magnets, positioning itself for a vertically integrated supply chain that meets the demand for geopolitically independent, traceable, cost-competitive, and environmentally sustainable permanent magnets.

At the Penco Module, the Company is progressing through a two-stage Environmental Impact Assessment strategy (EIA 1 and EIA 2). EIA 1, submitted in June 2024, addresses the initial phase of the project and incorporates specific design improvements to mitigate impacts on native forests, a key concern raised by the Environmental Assessment Service (SEA) in response to the previous EIA filed in 2023. On March 28, 2025, the Company submitted an Addendum to EIA 1 as part of the ongoing environmental review process. On May 14, 2025, the SEA issued a Complementary ICSARA, and the Company submitted the Complementary Addendum in October 2025. In November 2025, the SEA issued a third ICSARA, and the Company expects to submit the corresponding Exceptional Addendum by the end of Q1 2026.

As part of the Company's technical validation process, pilot plant operations were completed at the Penco Module in 2023, resulting in the production of high-purity Heavy Rare Earth Elements (HREE) concentrate. In 2024, the pilot plant was relocated from Concepción, Chile, to Aparecida de Goiânia, Brazil, where operations to support semi-industrial testing activities for the Carina Project began in Q2 2025 and were completed in Q3 2025.

At the Carina Project, located in Goiás, Brazil, the Company updated its Preliminary Economic Assessment (PEA) on September 5, 2024, reinforcing the viability and strategic importance of the project in supporting the Company's long-term growth objectives. On May 29, 2025, the EIA was submitted to the State Secretariat for the Environment and Sustainable Development (SEMAD), and during Q3 2025, the Company resubmitted it following regulatory, normative, and system updates introduced by the environmental authority. The approval process remains underway, with a decision anticipated in Q2 2026.

Loss from continuing operations by segment is as follows:

	<b>Penco Module</b>	<b>Carina Project</b>
	US\$000	US\$000
Administration expenses	(2,637)	(805)
Exploration expenses	-	(754)
Financial income	657	75
Financial costs	(17)	(251)
Operating Expenses	(1,997)	(1,735)

## Consolidated Financial Statements

Segment assets and liabilities are presented as follows:

	<b>Penco Module</b>	<b>Carina Project</b>
	US\$000	US\$000
Cash and cash equivalents	5,599	570
Trade debtors and other accounts receivable, net, current	1,015	2,389
Accounts receivable from related entities, current	7,176	8
<b>Total current assets</b>	<b>13,790</b>	<b>2,967</b>
Other financial assets, non-current	7,055	-
Trade debtors and other accounts receivable, non-current	13	-
Investments accounted for using the equity method	1,547	-
Property, plant and equipment, net	9,261	468
Evaluation and exploration assets	71,182	38,391
<b>Total non-current assets</b>	<b>89,058</b>	<b>38,859</b>
<b>Total assets</b>	<b>102,848</b>	<b>41,826</b>
Trade accounts payable and other accounts payable, current	1,700	1,944
Accounts payable to related entities, current	3,011	149
Other provisions, current	-	2,438
<b>Total current liabilities</b>	<b>4,711</b>	<b>4,531</b>
Deferred government assistance	-	825
Trade accounts payable and other accounts payable, non-current	1,300	-
<b>Total non-current liabilities</b>	<b>1,300</b>	<b>825</b>
<b>Total liabilities</b>	<b>6,011</b>	<b>5,356</b>

### Presentation of Financial Statements

These Consolidated Financial Statements were approved for issue by the Board of Directors on March 18, 2026.

## 2 Basis of preparation and changes to the groups accounting policies

### (a) Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

The basis of preparation and accounting policies used in preparing these Consolidated Financial Statements have been consistently applied and are set out below. The Consolidated Financial Statements have been prepared on a historical cost basis. The Consolidated Financial Statements are presented in US dollars (US\$) and all monetary amounts are rounded to the nearest thousand (\$000) except when otherwise indicated.

The Company is a development stage company and has not generated any revenue. The economic analysis contained in the technical report titled "Amended and Restated NI 43 – 101 Technical Report – Preliminary Economic Assessment for Penco Module Project" ("Technical Report") is based, in part, on inferred mineral resources, and is preliminary in nature. Inferred mineral resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as mineral reserves. There is no certainty that economic forecasts on which the preliminary economic assessment contained in the Technical Report is based will be realized.

On December 10, 2021, the Company received net proceeds of US\$93.15 million pursuant to the IPO and concurrent private placement of common shares in the capital of the Company. The net proceeds received will be used in activities in connection with the Penco Module such as the development of the feasibility study and piloting, brownfield exploration and infill drilling, permitting and ESG-related activities, surface land purchase and mining concessions, and construction capital expenditures. In addition, the Company intends to advance activities in connection with potential new modules such as exploration, permitting processes and engineering. The Company is fully funded for the next eighteen months in terms of contemplated capital and operating expenditures. Accordingly, the Consolidated Financial Statements have been prepared on a going concern basis.

### Changes in accounting policy and disclosures

Amendments to standards and interpretations which came into force during the 2026 and 2025 periods do not have an impact on the Company's Consolidated Financial Statements and are as follows:

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## Consolidated Financial Statements

### - IAS 21 – Lack of Exchangeability

The amendments to IAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require the disclosure of information that enables users of the financial statements to understand how the lack of exchangeability between currencies affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments became effective for annual periods beginning on or after January 1, 2025. When applying the amendments, entities are not permitted to restate comparative information. The amendments had no impact on the Company's Consolidated Financial Statements.

### - IAS 21 - Translation to a Hyperinflationary Presentation Currency

In November 2025, the IASB issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency to a hyperinflationary presentation currency using the closing exchange rate.

If an entity's functional currency is the currency of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparative figures using the closing exchange rate at the date of the most recent statement of financial position.

An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy restates the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy by applying the general price index, in accordance with paragraph 34 of IAS 29, to the comparative figures of that foreign operation.

The amendments apply to annual periods beginning on or after January 1, 2027, with early application permitted. The amendments had no impact on the Company's Consolidated Financial Statements.

### - IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

In May 2024, IASB issued amendments related to the classification and measurement of financial instruments that:

- Clarify that a financial liability is derecognized on the settlement date, that is, when the related obligation is discharged, cancelled, expires, or otherwise qualifies for derecognition. The amendments also introduce an accounting policy option to derecognize financial liabilities settled through an electronic payment system before the settlement date if certain conditions are met.
- Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG) features and other similar contingent features.
- Clarify the accounting treatment of non-recourse financial assets and contractually linked instruments.
- Require additional disclosures under IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those linked to ESG features) and for equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual periods beginning on or after January 1, 2026. Entities may early adopt the amendments related to the classification of financial assets together with the related disclosures and apply the other amendments at a later date.

The new requirements will be applied retrospectively, with an adjustment to the opening balance of retained earnings. Restatement of prior periods is not required. In addition, an entity is required to disclose information about financial assets that change their measurement category as a result of the amendments. The amendments had no impact on the Company's Consolidated Financial Statements.

### - Annual Improvements to IFRS Accounting Standards

In July 2024, the IASB issued the Annual Improvements to IFRS Accounting Standards affecting IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. The annual improvements are limited to changes that clarify the wording of a standard or correct relatively minor unintended consequences, oversights, or conflicts between the requirements of IFRS Accounting Standards that may arise from imprecise wording.

These amendments apply to annual reporting periods beginning on or after January 1, 2026. Early application is permitted. The amendments had no impact on the Company's Consolidated Financial Statements.

### - IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, IASB issued IFRS 19, which allows eligible entities to apply reduced disclosure requirements while continuing to apply the recognition, measurement and presentation requirements of other IFRS Accounting Standards.

To be eligible, at the end of the reporting period an entity must be a subsidiary as defined in IFRS 10, must not have public accountability, and must have a parent (either ultimate or intermediate) that prepares consolidated financial statements available for public use that comply with IFRS Accounting Standards.

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## Consolidated Financial Statements

IFRS 19 will be effective for reporting periods beginning on or after January 1, 2027. Early application is permitted. The adoption of IFRS 19 is not expected to have an impact on the Company's Consolidated Financial Statements.

- **IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments to IFRS 10 and IAS 28 (2011) address a recognized inconsistency between the requirements of IFRS 10 and IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The amendments, issued in September 2014, establish that when the transaction involves a business (whether it is housed in a subsidiary or not), the full gain or loss generated is recognized. A partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even when those assets are housed in a subsidiary.

The mandatory effective date of these amendments has yet to be determined, as the International Accounting Standards Board (IASB) is awaiting the results of its research project on the accounting for the equity method. These amendments must be applied retrospectively, and early adoption is permitted, which must be disclosed. The amendments had no impact on the Company's Consolidated Financial Statements.

Standards, interpretations, and amendments to existing standards that are not yet effective and have not been previously adopted by the Company.

Certain new standards, amendments and interpretations to existing standards have been issued but are not yet effective for the Company's accounting periods beginning on or after January 1, 2027. The Company has not early adopted these standards. These are as follows:

- **IFRS 18 – Presentation and Disclosure in Financial Statements**

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18, which replaces IAS 1. While several sections of IAS 1 have been incorporated with limited changes, IFRS 18 introduces new presentation requirements in the statement of profit or loss, including specific totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for the aggregation and disaggregation of financial information based on the identified functions of the primary financial statements and the notes.

Limited amendments have been made to IAS 7, and certain requirements previously included in IAS 1 have been moved to IAS 8, which has been renamed IAS 8 – Basis of Preparation of Financial Statements.

IFRS 18 and all consequential amendments are effective for annual periods beginning on or after January 1, 2027. Early application is permitted. The standard must be applied retrospectively. The Company will assess the impact of this new standard once it becomes effective.

(b) Judgements in applying accounting policies and key sources of estimation uncertainty

Many of the amounts included in the Consolidated Financial Statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the Consolidated Financial Statements. Information about such judgements and estimates is contained in the accounting policies and/or the Notes to the Consolidated Financial Statements.

Significant areas of estimation uncertainty and critical judgements made by management in preparing the Consolidated Financial Statements include:

Significant estimates:

- **Ore reserves and resources – 2(e)**  
There are numerous uncertainties inherent in estimating ore reserves and resources. Assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and resources and may, ultimately, result in the reserves and resources being restated.
- **Recoverable values of mining asset**  
The value of the Company's mining assets is sensitive to a range of characteristics unique to each mine project. Key sources of estimation for all assets include uncertainty around ore resource estimates. In performing impairment reviews, the Company assesses the recoverable amount of its operating assets principally with reference to fair value less costs of disposal, assessed using an in-situ valuation to estimate the amount that would be paid by a willing third party in an arm's length transaction. There is judgement involved in determining the assumptions that are considered to be reasonable and consistent with those that would be applied by market participants. Key judgments include the estimation of future rare earths prices, future capital requirements, and exploration potential. Changes in these assumptions will affect the recoverable amount of the exploration and evaluation assets, and intangibles. The first resources and reserves report was issued on October 18, 2021.
- **Income tax**  
Judgement is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings

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## Consolidated Financial Statements

in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the balance sheet date could be impacted.

Critical judgements:

- Determination of functional currencies – 2(c)

The determination of functional currency requires management judgement, particularly where there may be several currencies in which transactions are undertaken, and which impact the economic environment in which the entity operates.

- Recognition of exploration and evaluation assets – notes 2(d) and 10.  
Exploration and evaluation expenses are capitalized when the future economic benefit of a project can be regarded as assured with supporting studies and analysis. For this purpose, the future economic benefit of the project can reasonably be regarded as assured when the Board authorizes management to conduct a feasibility study, mine-site exploration is being conducted to convert resources to reserves, or mine-site exploration is being conducted to confirm resources, all of which are based on supporting geological information.

This includes the assessment of whether there is sufficient evidence of the probability of the existence of economically recoverable minerals to justify the commencement of capitalization of costs; the timing of the end of the exploration phase, the start of the development phase; and the commencement of the production phase.

- (c) Currency translation

The functional currency for the Company is in US dollars and is determined by the currency of the primary economic environment in which it operates.

Consolidated Financial Statements expressed in their corresponding functional currencies are translated into US dollars by applying the exchange rate at period-end for assets and liabilities and the transaction date exchange rate for income statement items. The resulting difference is included as cumulative translation adjustment in equity.

The Consolidated Financial Statements are presented in US dollars (US\$).

- (d) Exploration and evaluation assets

Based on IFRS 6 “Exploration for and evaluation of mineral resources” costs of mineral properties are capitalized as exploration and evaluation assets on a project-by-project basis.

Costs related to the project that could be capitalized among others are; acquisition of rights to explore; topographical, geological, geochemical and geophysical studies; exploratory drilling; trenching; sampling; and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

Exploration and evaluation assets are transferred to mine development costs within property, plant and equipment once the work completed to date supports the future development of the property and such development receives appropriate approval.

- (e) Determination of ore reserves and resources

The Company estimates its ore reserves and mineral resources based on information compiled by internal competent persons. Reports to support these estimates are prepared each year and are stated in conformity with Canadian securities law requirements including National Instrument 41 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”). It is the Company’s policy to have the report audited by a Qualified Person.

Reserves and resources are used in the units of production calculation for depreciation as well as the determination of the timing of mine closure cost and impairment analysis. As at December 31, 2025 and December 31, 2024 there is no provision of mine closure costs.

- (f) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Cost comprises its purchase price and directly attributable costs of acquisition or construction required to bring the asset to the condition necessary for the asset to be capable of operating in the manner intended by management. Economical and physical conditions of assets have not changed substantially over this period.

The cost less residual value of each item of property, plant and equipment is depreciated over its useful life. Each item’s estimated useful life has been assessed with regard to both its own physical life limitations and the present assessment of economically recoverable reserves and resources of the mine property at which the item is located. Estimates of remaining useful lives are made on a regular basis for all mine buildings, machinery and equipment, with annual reassessments for major items. Depreciation is charged to cost of production on a unit of production basis for mine buildings and installations and plant and equipment used in the mining production process or charged directly to the income statement over the estimated useful life of the individual asset on a straight-line basis when not related to the mining production process. Changes in estimates, which mainly affect units of production calculations, are accounted for prospectively. Depreciation commences when assets are available for use. Land is not depreciated.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

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## Consolidated Financial Statements

Gains and losses on disposals are determined by comparing the net proceeds with the carrying amount and are recognized within other income/expenses, in the income statement.

The expected useful lives under the straight-line method are as follows:

	Years
Buildings	3 to 33
Plant and equipment	5 to 10
Vehicles	5

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to be ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed where incurred. For borrowings associated with a specific asset, the actual rate on that borrowing is used. Otherwise, a weighted average cost of borrowing is used. The Company capitalizes the borrowing costs related to qualifying assets with a value of US\$1,000,000 or more, considering that the substantial period of time to be ready is six or more months.

The Company has not capitalized interest as it is in a pre-construction stage of operations and consequently does not meet IAS 23 requirements.

### Mining properties and development costs

Purchased mining properties are recognized as assets at their cost of acquisition or at fair value if purchased as part of a business combination. Costs associated with developments of mining properties are capitalized when incurred.

Mine development costs are, upon commencement of commercial production, depreciated using the units of production method based on the estimated economically recoverable reserves and resources to which they relate.

When a mine construction project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalization relating to mining asset additions or improvements, underground mine development or mineable reserve development.

### Construction in progress and capital advances

Assets in the course of construction are capitalized as a separate component of property, plant and equipment when incurred. Once the asset is moved into the production phase, the cost of construction is transferred to the appropriate category. Construction in progress is not depreciated.

### Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment is capitalized separately with the carrying amount of the component being written off. Other subsequent expenditure is capitalized if future economic benefits will arise from the expenditure. All other expenditure including repairs and maintenance expenditures are recognized in the income statement as incurred.

As of December 31, 2025, and December 31, 2024, the Company does not have any balance of mining properties and development costs and construction in progress and capital advances.

### (g) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. The Company does not have intangible assets with an indefinite useful life.

The carrying amounts of exploration and evaluation assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on an asset-by-asset basis, except where such assets do not generate cash flows independent of other assets, and then the review is undertaken at the cash-generating unit ("CGU") level.

The assessment requires the use of estimates and assumptions such as long-term commodity prices, future capital requirements, and exploration potential. Changes in these assumptions will affect the recoverable amount of the exploration and evaluation assets.

If the carrying amount of an asset or its CGU exceeds the recoverable amount, an impairment provision is recorded to reflect the asset at the lower amount. Impairment losses are recognized in the income statement.

### Calculation of recoverable amount

The recoverable amount of assets is the greater of their value in use ("VIU") and fair value less costs of disposal ("FVLCD") to sell. FVLCD is based on an estimate of the amount that the Company may obtain in a sale transaction on an arm's length basis. VIU is based on estimated future cash flows discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs.

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## Consolidated Financial Statements

The recoverable values of the CGU are determined using a FVLCD methodology. FVLCD was determined using level 3 inputs to estimate the amount that would be paid by a willing third party in an arm's length transaction. Recoverable values are assessed only for CGUs that present impairment indicators.

### Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### (h) Trade and other receivables

Current trade receivables are carried at the original invoice amount less provision made for impairment of these receivables. Non-current receivables are stated at amortized cost.

Impairment of financial assets – The company recognizes a value adjustment on expected credit losses ("ECL") related to financial assets measured at amortized cost or at FVTOCI, lease accounts receivable, amounts owed by customers under construction contracts, as well as loan commitment and financial guarantee contracts. The amount of the expected credit losses is restated at each reporting date to reflect changes in the credit risk since the initial recognition of the corresponding financial asset.

The company always recognizes ECL over the life of the asset for trade accounts receivable. The expected credit losses of these financial assets are estimated using provisions matrix based on the historical experience of the Company's credit losses, adjusted for factors that are specific to the debtors, general economic conditions and an evaluation both of the real and budgeted direction of the conditions on the reporting date, including the time value of money when appropriate.

For all other financial instruments, the Company recognizes ECL over the life of the asset when there has been a significant increase in the credit risk since initial recognition. If, on the other hand, the credit risk of the financial instrument has not significantly increased since initial recognition, the Company measures the value restatement for losses for this financial instrument at an amount equal to the expected credit losses in the next twelve months. The evaluation as to whether ECL should be recognized over the life of the asset is based on a significant increase in the probability or risk of non-compliance occurring since initial recognition instead of on evidence of a credit-impaired financial asset as of the reporting date or the existence of a non-compliance event. ECL over the life of the asset represent the expected credit losses that will result from all possible non-compliance events during the expected life of a financial instrument. In contrast, the ECL in the next twelve months represents the portion of the s ECL during the life of the asset that are expected to result from a non-compliance event on a financial instrument that is possible within 12 months after the reporting date.

The Company applied a simplified focus to recognize expected credit losses over the life of the asset for its trade and other accounts receivable, as required by IFRS 9. In relation to related parties, management believes that there has not been a significant increase in the credit risk of loans with related parties from initial recognition to December 31, 2025, and December 31, 2024. Consequently, management does not expect to recognize expected credit losses in the next 12 months for loans with related companies. The amount of the provision is the difference between the carrying amount and the recoverable amount and this difference is recognized in the income statement.

#### (i) Income Tax

Income tax for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items charged or credited directly to equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted at the consolidated statement of financial position date, and any adjustment to tax payable in respect of previous years. The tax rates and applicable Canadian, Peruvian, Brazilian, American and Chilean tax regimes are as follows:

### (1) Canadian Entity

Aclara Resources Inc.	2025 and 2024 0%
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### (2) Peruvian Entity

Aclara Resources Peru SAC	2025 and 2024 29,5%
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### (3) Chilean Entities

Aclara Resources Inc., Agencia en Chile	2025 and 2024 27%, General semi-integrated 14A
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Ree Uno SpA	2025 and 2024 27%, General semi-integrated 14A
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Prospecciones Greenfield SpA	2025 and 2024 12,5%, General pro-PYME 14D
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Fundacion Queule	2025 and 2024 25%, Special regime
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Aclara Metals SpA	2025 and 2024 12,5%, General pro-PYME 14D
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## Consolidated Financial Statements

### (4) Brazilian Entities

Aclara Resources Mineracao Ltda. 2025 and 2024 25% and 9% per corporate tax ("IRPJ") and social contribution on net income ("CSLL") respectively

### (5) American Entity

Aclara Technologies Inc. 2025 and 2024 21%

Polaris Creek LLC 2025 21%

Aclara Metals Inc. 2025 21%

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized, or the liability is settled based on the tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Company has not recognized deferred tax assets as the recoverability in the foreseeable future is not more-likely-than-not to occur. Deferred taxes not recognized as of December 31, 2025, and December 31, 2024, amount to US\$ 19,516,797 and US\$ 14,481,722 respectively.

As of December 31, 2025, and December 31, 2024, the result for the year of the Company, its branch, and subsidiaries are a tax loss, for which no tax expense was recognized. The accumulated tax (income) losses as of December 31, 2025, and December 31, 2024, by entity are as follows:

Name	Country	December 31, 2025 US\$000
Aclara Resources Inc.	Canada	14,017
Aclara Resources Inc., Agencia en Chile	Chile	10
Ree Uno SpA	Chile	14,940
Aclara Resources Peru SAC	Peru	621
Prospecciones Greenfield SpA	Chile	2,882
Aclara Resources Mineracao Ltda	Brazil	7,817
Fundacion Queule	Chile	-
Aclara Metals SpA	Chile	1,321
Aclara Technologies Inc.	USA	982
Polaris Creek LLC	USA	997
Aclara Metals Inc.	USA	-

Name	Country	December 31, 2024 US\$000
Aclara Resources Inc.	Canada	10,789
Aclara Resources Inc., Agencia en Chile	Chile	5
Ree Uno SpA	Chile	11,487
Aclara Resources Peru SAC	Peru	-
Prospecciones Greenfield SpA	Chile	2,340
Aclara Resources Mineracao Ltda	Brazil	4,438
Fundacion Queule	Chile	-
Aclara Metals SpA	Chile	201
Aclara Technologies Inc.	USA	40

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## Consolidated Financial Statements

### (j) Financial instruments

#### Financial instruments — initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (a) Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through OCI, or fair value through profit or loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

##### Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognized as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include trade receivables (not subject to provisional pricing), trade receivable from related entities and other receivables.

The Company's financial assets at fair value through profit or loss include short term investments (time deposit 6 months).

##### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's Consolidated Statement of financial position) when:

- The rights to receive cash flows from the asset have expired or;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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## Consolidated Financial Statements

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### (b) Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans.

#### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and trade and other payables)

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

#### Financial liabilities at amortized cost (loans and trade and other payables)

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the liabilities are derecognized, as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to interest-bearing loans and borrowings and trade and other payables.

#### Derecognition

A financial liability is derecognized when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss and other comprehensive income.

### (c) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### (k) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of financial position, cash and cash equivalents comprise cash on hand and deposits held with banks that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents, as defined above, are shown net of outstanding bank overdrafts.

Liquidity funds are classified as cash equivalents if the amount of cash that will be received is known at the time of the initial investment and the risk of changes in value is considered insignificant.

## Consolidated Financial Statements

The Company uses the valuation technique level 1, that is, quoted (unadjusted) prices in active markets for identical assets or liabilities, for determining and disclosing the fair value of cash and cash equivalents.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorized within the fair value hierarchy.

For assets and liabilities that are recognized in the Consolidated Financial Statements on a recurring basis at fair value, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with its external valuers, where applicable, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As of December 31, 2025, and December 31, 2024, the Company does not have financial assets fair valued with these valuation techniques.

### 3 Subsidiary, joint venture and branch companies

Summary of subsidiaries, joint venture, and branch companies

Name	Country	Functional Currency	Voting power percentage	Participation % 2025 & 2024	
				Direct	Indirect
Aclara Resources Inc., Agencia en Chile	Chile	Chilean Pesos	100%	100%	-
Ree Uno SpA	Chile	Chilean Pesos	80%	80%	-
Aclara Resources Peru SAC	Peru	Peruvian Soles	100%	100%	-
Prospecciones Greenfield SpA	Chile	Chilean Pesos	80%	-	80%
Aclara Resources Mineracao Ltda.	Brazil	Brazilian real	100%	100%	-
Fundacion Queule	Chile	Chilean Pesos	80%	-	80%
Aclara Metals SpA	Chile	Chilean Pesos	50%	50%	-
Aclara Technologies Inc.	USA	American dollars	100%	100%	-
Polaris Creek LLC (1)	USA	American dollars	100%	100%	-
Aclara Metals Inc. (1)	USA	American dollars	50%	50%	-

(1) Incorporation of company Polaris Creek LLC and Aclara Metals Inc. is indicated in note 1.

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## Consolidated Financial Statements

As of December 31, 2025, and December 31, 2024, no dividends have been declared or distributed by the Company, its subsidiaries, or joint ventures.

### Consolidation basis

#### (a) Subsidiaries or affiliates

Subsidiaries or affiliates are all entities over which the Company has control. The Company is considered to have control when it:

- Has power over the entity,
- Is exposed, or has rights to variable returns from its involvement with the entity; and
- Has the ability to affect those returns through its power over the entity.

The Company has power and control over the subsidiaries due to the shares that the Company owns, which give it the current ability to direct the entity's relevant activities, that is, activities that significantly affect the entity's returns.

Subsidiaries are consolidated from the date on which control is transferred and excluded from consolidation on the date on which it ceases.

Intercompany transactions, balances, and unrealized gains by transactions between related entities are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment loss of the transferred asset.

The functional currency for subsidiaries, joint venture and branch of the company is the U.S. dollar for Aclara Technologies Inc., Polaris Creek LLC, Aclara Metals Inc., Aclara Resources Peru SAC, the Brazilian real for Aclara Resources Mineracao Ltda. and the Chilean peso for Agencia, Ree Uno SpA, Prospecciones Greenfield SpA, Aclara Metals SpA and Fundacion Queule. The functional currency is determined by the currency of the primary economic environment in which it operates. The results and financial situation of all the subsidiaries, joint venture, and branch of the Company, which have a functional currency different from the currency of presentation are translated into the presentation currency US dollars by applying the exchange rate at period-end for assets and liabilities and the transaction date exchange rate for income statement items. The resulting difference is included as cumulative translation adjustment in equity.

### Changes in the scope of consolidation

#### (a) Direct consolidation scope

The following changes have occurred in the scope of direct consolidation of our subsidiary for the periods ended December 31, 2025, and December 31, 2024:

On March 11, 2024, Aclara Metals SpA was incorporated with a capital contribution of \$1,000,000 Chilean pesos equivalent to US\$ 1,036.32 made by the Company. The Company acquired a 100% stake in Aclara Metals SpA. In addition, on March 22, 2024, Aclara Technologies Inc. was incorporated with a capital contribution of US\$ 1 made by the Company. The Company acquired a 100% stake in Aclara Technologies Inc.

On April 09, 2024, Aclara Metals SpA and the Company signed a capital contribution agreement of US\$ 3,000,000. The capital increase of US\$3,000,000 will be paid by CAP S.A., a company that acquired a 50% interest in the joint venture Aclara Metals SpA on April 16, 2024, as part of the strategic investment agreement signed by the Company and CAP S.A.

On April 16, 2024, the Company sold 20% of its shares in its subsidiary Ree Uno SpA to the new investor CAP S.A.

On May 12, 2025, Aclara Metals Inc. was incorporated with a capital contribution of US\$500 made by the Company, resulting in a 50% ownership stake.

#### (b) Indirect consolidation scope

The following changes have occurred in the scope of indirect consolidation of our subsidiaries for the periods ended December 31, 2025, and December 31, 2024:

On May 06, 2024, Ree Uno SpA reduced the investment in Aclara Mineracao Ltda. from 2,04% to 0% interest. Aclara Mineracao Ltda. made the return of the capital contribution to Ree Uno SpA on May 14, 2024.

On July 15, 2024, Ree Uno SpA and Prospecciones Greenfield SpA signed a capital contribution agreement under which Ree Uno SpA contributed the pilot plant as capital, valued at \$ 1,131,612,371 Chilean pesos equivalent to US\$ 1,306,334.04. This non-cash contribution was accounted for as an equity transaction under common control, with no gain or loss recognized in the Consolidated Financial Statements.

## Consolidated Financial Statements

### 4 Administration expenses

#### (a) Administration expenses

	Year ended December 31	
	2025	2024
	US\$000	US\$000
Personnel expenses (1)	2,745	3,316
Professional fees	1,182	1,265
Depreciation and amortization	1,029	1,388
Contractors and services	1,298	1,305
Travel expenses	420	421
Marketing expenses	583	236
Others	387	308
Total	7,644	8,239

The following expenses are not directly related to the project executed in the subsidiary Ree Uno SpA, Aclara Resources Mineracao Ltda. and Aclara Technologies Inc.:

- (1) Majority of the personnel expenses were capitalized for the periods ended December 31, 2025, and December 31, 2024. Non-capitalized personnel expenses belong to Aclara Resources Inc., and Aclara Resources Peru SAC.

### 5 Exploration expenses and other (expenses) income

#### (a) Exploration expenses

	Year ended December 31	
	2025	2024
	US\$000	US\$000
Personnel expenses	180	133
Professional fees	856	57
Mining rights	90	-
Rentals	46	167
Repair and maintenance	-	4
Analysis & technical	44	9
Studies	61	32
Technology and system	12	-
Contractors and services	341	24
Travel expenses	161	119
Freight	2	14
Laboratory supplies and materials	10	9
Others	182	26
Total	1,985	594

#### (b) Other income

	Year ended December 31	
	2025	2024
	US\$000	US\$000
Contractors and services	-	135
Total	-	135

## Consolidated Financial Statements

### 6 Financial income and costs

#### (a) Financial income

	Year ended December 31	
	2025	2024
	US\$000	US\$000
Interests	1,308	1,657
Total	1,308	1,657

#### (b) Financial costs

	Year ended December 31	
	2025	2024
	US\$000	US\$000
Bank commissions	303	65
Total	303	65

### 7 Share of loss of a joint venture

	Aclara Metals SpA	Year ended December 31	
		2025	2024
		US\$000	US\$000
Revenues		-	-
Administration expenses (1)		857	230
Financial costs		7	-
(Loss) for the period from continuing operations		864	230
Share of loss of a joint venture		432	115
Investment in a joint venture		-	(1)
Investment in a joint venture at beginning of the year		114	-
Total share of loss of a joint venture 50%		546	114

- (1) The administration expenses refer to the results of the Chilean joint venture Aclara Metals SpA. As of December 31, 2025, there have been no material transactions and results between the Company and Aclara Metals SpA that impact the Consolidated Financial Statements.

### 8 Basic and diluted earnings per share

Earnings per share ('EPS') is calculated by dividing profit for the year attributable to equity shareholders by the weighted average number of common shares issued during the period. The Company does not have dilutive potential common shares. As of December 31, 2025, and December 31, 2024, EPS has been calculated as follows:

	Year ended December 31	
	2025	2024
Basic loss per share from continuing operations		
Total for the period and from continuing operations (US\$)	(0.04)	(0.04)
Diluted loss per share from continuing operations		
Total for the period and from continuing operations (US\$)	(0.04)	(0.04)

Loss from continuing operations attributable to equity holders is derived as follows:

	Year ended December 31	
	2025	2024
Loss attributable to equity holders – continuing operations (US\$000)	(8,449)	(7,223)

## Consolidated Financial Statements

The following reflects the share data used in the basic and diluted EPS computations:

	Year ended December 31	
	2025	2024
Basic weighted average number of ordinary shares in issue (thousands)	212,538	165,628
Effect of dilutive potential ordinary shares related to contingently issuable shares (thousands)	-	-
Weighted average number of ordinary shares in issue for the purpose of diluted earnings per share (thousands)	212,538	165,628

The calculation of the weighted average number of common shares is as follows:

	Total
Balance as at January 1, 2024	163,311,439
Issuance April 03, 2024	3,097,788
Balance as at December 31, 2024	166,409,227
Weighted average number of ordinary shares as at December 31, 2024	165,628,415
	Total
Balance as at January 1, 2025	166,409,223
Issuance February 19, 2025	51,303,573
Issuance April 01, 2025	2,272,425
Balance as at December 31, 2025	219,985,221
Weighted average number of ordinary shares as at December 31, 2025	212,537,568

## 9 Property, plant and equipment

	Land US\$000	Plant and equipment US\$000	Total US\$000
Cost property, plant and equipment			
Balance as at January 1, 2024	9,234	2,877	12,111
Additions	-	394	394
Foreign exchange effect	(1,106)	(85)	(1,191)
Balance as at December 31, 2024	8,128	3,186	11,314
Additions	-	2,502	2,502
Foreign exchange effect	800	149	949
Balance as at December 31, 2025	8,928	5,837	14,765
Accumulated depreciation plant and equipment			
Balance as at January 1, 2024	-	821	821
Depreciation of the period	-	619	619
Foreign exchange effect	-	(46)	(46)
Balance as at December 31, 2024	-	1,394	1,394
Depreciation of the period	-	195	195
Foreign exchange effect	-	28	28
Balance as at December 31, 2025	-	1,617	1,617
Net book value as at December 31, 2024	8,128	1,792	9,920
Net book value as at December 31, 2025	8,928	4,220	13,148

There were no borrowing costs capitalized in property, plant and equipment as there are no qualifying assets. There are no restrictions on ownership of property, plant and equipment.

There are no capital commitments for property, plant and equipment.

As of December 31, 2025, the company capitalized expenditures of US\$ 1,978,029.52 related to equipment forming part of the separation pilot plant in the United States.

## Consolidated Financial Statements

As of November 23, 2020, a purchase agreement was signed between Ree Uno SpA and Forestal Arauco SA for the purchase of land located in Concepción, Chile. As of December 31, 2025, the company has paid six of the seven instalments indicated in the agreement described above. The Company has the right to cancel the contract at any moment if the project is proven unfeasible. As of December 31, 2023, the company has decided to continue with the purchase and settle the remaining installment of US\$ 1,300,000 in 2026.

As of December 31, 2025, and December 31, 2024, the Company has not recognized any impairment.

### 10 Exploration and evaluation assets

	Total US\$000
Cost	
Balance as at January 1, 2024	95,152
Additions (1)	19,294
Foreign exchange effect	(12,222)
Balance as at December 31, 2024	102,224
Additions (1)	36,651
Disposals	(90)
Foreign exchange effect	10,909
Balance as at December 31, 2025	149,694
Accumulated amortization and impairment	
Balance as at January 1, 2024	1,111
Additions	769
Foreign exchange effect	(168)
Balance as at December 31, 2024	1,712
Additions	929
Foreign exchange effect	152
Balance as at December 31, 2025	2,793
Net book value as at December 31, 2024	100,512
Net book value as at December 31, 2025	146,901

#### Notes:

- (1) The total investment in the Penco Module, Carina Project, Project Dynamo and mining concessions capitalized as of December 31, 2025, and December 31, 2024, amounting to US\$ 36,651 and US\$ 19,294 (respectively) is detailed below:

	December 31 2025 US\$000	December 31 2024 US\$000
Personnel expenses	8,240	4,593
Professional fees	7,043	3,059
Environmental impact study	2,736	1,367
Geochemical study	18	-
Drilling services	2,532	-
Engineering services	585	-
Mining rights	439	2,858
Feasibility studies	2,947	-
Rent building, vehicles, others	2,129	1,086
Analysis & technical	1,918	1,590
Contractors and Services	5,608	3,256
Travel expenses	1,033	583
Other	1,420	902
Total	36,651	19,294

According to the policy of capitalization of evaluation and exploration expenses, costs of mineral properties are capitalized as exploration and evaluation assets on a project-by-project basis. As of December 31, 2025, and December 31, 2024, the Company has three projects capitalized and named Penco Module (Chile), Carina Project (Brazil) and Project Dynamo (USA).

The Penco Module and Carina Project aim to produce a rare earth concentrate through a processing plant that will be fed by clays from nearby deposits, which will subsequently be refined and separated into high-purity individual REOs at the Company's U.S. separation plant. Accordingly, the Company

## Consolidated Financial Statements

capitalizes expenses related to researching and analyzing historical exploration data, gathering exploration data through geophysical studies, exploratory drilling, and sampling, determining and examining the volume and grade of the resource, surveying transportation and infrastructure requirements, and conducting market and finance studies.

There were no borrowing costs capitalized in exploration and evaluation assets as there are no qualifying assets.

There are no capital commitments and restrictions on ownership of exploration and evaluation assets.

As of December 31, 2025, and December 31, 2024, the Company has not recognized any impairment. Since the projects are subject to approval by local environmental authorities, the Company evaluated impairment indicators for the Penco Module and Carina Project and conducted an impairment test, which determined that the recoverable amount exceeds the carrying value of these assets.

### 11 Trade and other receivables

	December 31 2025 US\$000	December 31 2024 US\$000
Current		
Advances to suppliers	2,486	1,660
Loans to employees	4	8
Others	200	163
Assets classified as receivables	2,690	1,831
Prepaid expenses	25	17
Value added tax	1,245	80
Total	3,960	1,928
Non-current		
Value added tax	-	6,706
Loans to employees	-	4
Others	32	13
Total	32	6,723

In September 2025, the Company, through its Chilean subsidiary REE Uno SpA, received a Value-Added Tax ("VAT") cash refund of US\$6.9 million under a Chilean tax incentive program that supports companies carrying out investment projects. The refund applies to VAT paid on local purchases and is conditional upon the Company performing future exports that generate sales volumes which would normally accrue output VAT equivalent to the refunded amount, although such exports remain VAT-exempt under Chilean law.

The fair values of trade and other receivables approximate their book value. As of December 31, 2025, and December 31, 2024, none of the financial assets classified as receivables (net of impairment) were past due.

### 12 Cash and cash equivalents

	December 31 2025 US\$000	December 31 2024 US\$000
Current demand deposit accounts	14,011	15,375
Cash and cash equivalents considered for the statement of cash flows	14,011	15,375

The fair value of cash and cash equivalents approximates their book value. The Company does not have undrawn borrowing facilities available in the future for operating activities or capital commitments. The composition of the item by currency as of December 31, 2025, and December 31, 2024, is as follows:

	December 31 2025 US\$000	December 31 2024 US\$000
Chilean pesos (equivalent US\$)	1,248	578
Canadian dollar (equivalent US\$)	88	1,419
Peruvian soles (equivalent US\$)	17	37
Brazilian real (equivalent US\$)	420	204
American dollar	12,238	13,137
Total	14,011	15,375

## Consolidated Financial Statements

### 13 Deferred government assistance

	December 31 2025 US\$000	December 31 2024 US\$000
Funds received from the U.S. International Development Finance Corporation	825	-
Total	825	-

On September 2, 2025, the U.S. International Development Finance Corporation (DFC) committed up to US\$ 5,000,000 in project development funding to support the Carina Project. The funding bears no interest and does not include any security interest. Repayment is conditional upon the occurrence of a qualifying financing event related to the construction of the Carina Project, which may occur within ten years from the agreement's effective date. During FY 2025, the DFC funding was reclassified from trade and other accounts payables to other non-financial liabilities, non-current, to reflect its contractual terms and expected settlement profile. There was no corresponding balance in FY 2024.

### 14 Trade and other accounts payables

	December 31 2025 US\$000	December 31 2024 US\$000
Current		
Trade payables (1)	2,201	1,369
Lands	1,300	1,304
Taxes and contributions	316	203
Salaries and wages payable	3,048	2,002
Others	266	240
Total	7,131	5,118
Non-current		
Lands	-	1,300
Total	-	1,300

The fair value of trade and other payables approximate their book values.

- (1) Trade payables relate mainly to the acquisition of materials, supplies and contractors' services. These payables do not accrue interest, and no guarantees have been granted.

### 15 Other provisions

	December 31 2025 US\$000	December 31 2024 US\$000
Contractors and Services	2,438	1,088
Total	2,438	1,088

### 16 Equity

- (a) Share capital

Issued share capital and additional capital

The changes in share capital are as follows:

	Number of shares type A - Aclara Resources Inc.	Total US\$ 000
Balance as at January 01, 2024	163,311,439	164,226
Shares issued (1)	3,097,784	1,098
Balance as at December 31, 2024	166,409,223	165,324
Shares issued (2)	51,303,573	25,000
Share issuance costs	-	(836)
Shares issued (3)	2,272,425	808
Balance as at December 31, 2025	219,985,221	190,296

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### (1) Shares issued to settle Restricted Share Units:

On April 03, 2024, the Company issued 3,097,784 common shares for a total amount of \$ 1,486,936.32 Canadian dollars equivalent to US\$ 1,098,423.82.

On February 19, 2025, the Company issued 51,303,573 common shares for a total amount of US\$ 25,000,000.77.

On April 01, 2025, the Company issued 2,272,425 common shares for a total amount of \$ 1,158,936.75 Canadian dollars equivalent to US\$807,734.

Shareholder	Shares subscribed	Percentage share
Hochschild Mining Holdings Ltd	42,787,104	19.45%
New Hartsdale Capital Inc	80,340,876	36.52%
CAP S.A.	22,163,143	10.07%
Other Investors	74,694,098	33.96%
Total	219,985,221	100%

The restricted share units were issued in accordance with the terms of the Company's long-term incentive plan.

Dividends will be paid exclusively from the net earnings for the year, or from the retained earnings from balance sheets approved by the general shareholders' meeting. If the Company has accumulated losses, the profits for the year will first be used to absorb them, if there are losses for a year, these will be absorbed with retained earnings, if any. The Chairman of the Board of Directors may, under his personal responsibility, distribute provisional dividends during the fiscal year charged to the profits thereof, if there are no accumulated losses.

### (b) Other reserves

#### Cumulative translation adjustment

The cumulative translation adjustment account is used to record foreign exchange differences arising from the translation of the financial with a functional currency different to the reporting currency of the Company.

#### Other reserves

##### (1) Shared-based payments

As part of the Company's long-term compensation program, the Company grants Restricted Share Units ("RSUs") to employees, executives and members of the Board of Directors under the Omnibus Long-Term Incentive Plan. RSUs entitle the holder to receive one common share of the Company upon vesting and are equity-settled share-based payment awards.

RSUs generally vest over a three-year period from the date of grant, subject to continued employment. The vesting conditions are determined by the Board of Directors at the grant date. The awards remain outstanding for a maximum contractual term determined by the Board of Directors, which may not exceed ten years from the date of grant. Upon a change of control of the Company, any unvested equity-based awards (including RSUs) will vest immediately.

As of December 31, 2025, the Company had 3,977,220 RSUs outstanding under this plan. The movement in RSUs during the year is as follows:

	Total
As at January 1, 2025	4,614,811
RSUs settled during the period	(2,272,425)
RSUs cancelled during the period	(310,608)
RSUs granted	1,945,442
As at December 31, 2025	3,977,220

The fair value of RSUs is measured at the grant date. The fair value is determined based on the market price of the Company's common shares on the grant date and incorporates assumptions related to expected forfeitures and employee turnover. For certain awards, the Company uses option-pricing techniques, including the Black-Scholes model, to estimate the grant-date fair value of the awards.

Key assumptions used in the valuation of RSUs granted during the year include the average of the following assumptions:

	2025	2024
Share price at grant date (Canadian dollar)	0.56	0.54
Expected volatility	67.72%	10.38%
Risk-free interest rate	2.41%	4.46%
Expected forfeiture rate	10%	10%

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The Company recognized share-based payment expense related to RSUs as follows:

	Total US\$000
As at January 31, 2024	1,337
RSUs settled during the period	(1,098)
Share - based payments expense during the period	1,194
As at January 1, 2025	1,433
RSUs settled during the period	(808)
Share - based payments expense during the period	702
As at December 31, 2025	1,327

The total share-based payment expense related to RSUs exercised and settled decreased by US\$106 thousand as of December 31, 2025, compared to an increase of US\$96 thousand as of December 31, 2024.

### 17 Related-party balances and transactions

The Company had the following related-party balances and transactions as of December 31, 2025, and December 31, 2024, the related parties are companies owned or controlled by the principal shareholder of the Company or associates.

	Accounts receivable	
	December 31 2025 US\$000	December 31 2024 US\$000
Current related party balances		
Aclara Metals SpA - Joint venture	-	17
CAP S.A.	6,937	12,501
Total	6,937	12,518
Non-current related party balances		
CAP S.A.	-	6,917
Total	-	6,917

(1) Capital contribution from CAP S.A. to the subsidiary Ree Uno SpA (refer to Note 1 for additional details).

	Accounts payable	
	December 31 2025 US\$000	December 31 2024 US\$000
Current related party balances		
Compañía Minera Ares S.A.C.	2	19
CAP S.A.	-	6
Total	2	25

(a) Related-party accounts receivable and payable

No security has been granted or guarantees given by the Company in respect of these related party balances.

Principal transactions (all these amounts have been capitalized) between related parties are as follows:

	December 31 2025 US\$000	December 31 2024 US\$000
Expense recognized for the services performed by Compañía Minera Ares S.A.C.	31	53
Expense recognized for the services performed by CAP S.A.	45	6

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Related parties are as follows:

	Relationship	Country	Type of transaction
Compañía Minera Ares S.A.C.	Related parties – Shareholder	Peru	Intercompany administrative services
CAP S.A.	Related parties – Shareholder	Chile	Capital contribution to subsidiaries and rental services

### (b) Compensation of key management personnel of the Company

	December 31 2025 US\$000	December 31 2024 US\$000
Compensation of key management personnel		
Shared-based payments	702	1,198
Short-term employee benefits	4,410	3,092
Total compensation paid to key management personnel	5,112	4,290

Number of key management personnel of the Company was seven at December 31, 2025 and at December 31, 2024.

## 18 Notes to the statement of cash flows

	As at 31 December 2025 US\$000	As at 31 December 2024 US\$000
Reconciliation of loss for the year to net cash generated from operating activities		
(Loss) of the year	(8,949)	(7,414)
Adjustments to reconcile Company loss to net cash inflows from operating activities		
Depreciation and amortization of the year	1,029	1,388
Disposals	90	-
Other movements that do not represent flows	1,000	(626)
Increase/(decrease) of cash flows from operations due to changes in assets and liabilities		
Trade debtors and other accounts receivable	(3,572)	(1,876)
Accounts receivable to related entities	18	(17)
Trade accounts payable and other accounts payable	1,145	(405)
Accounts payable to related entities	(23)	11
Other provisions	1,350	(511)
<b>Cash generated from operations</b>	<b>(7,912)</b>	<b>(9,450)</b>

## 19 Contingencies

### a) Taxation:

As of December 31, 2025, and December 31, 2024, the Company is not subject to any contingencies.

### b) Guarantees:

As of December 31, 2025, and December 31, 2024, the Company does not have any guarantee in respect of exploration activities.

### c) Litigations:

As of December 31, 2025, and December 31, 2024, there are no major litigations currently affecting the Penco Module, Carina Project and Project Dynamo.

## 20 Financial risk management

The Company is exposed to a variety of risks and uncertainties which may have a financial impact on the Company.

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The Company identify and, where appropriate, implement the controls to mitigate the impact of significant risks.

### (a) Foreign currency risk

The Company is in the pre-operational stage, and no income or operating costs have been recorded. The main disbursements are in Chilean pesos,

As of December 31, 2025, and December 31, 2024, the Company has deposits, trade and other payables and account payables to related parties stated in US dollars, The sensitivity of financial assets and liabilities, on December 31, 2024, to a +/- 10% change in the US dollar exchange rate, with all other variables held constant, is +/- US\$ 465,500 for Canadian dollars, US\$ 239,000 for Brazilian real, US\$ 205,500 for Peruvian soles and US\$ 1,491,500 for Chilean pesos.

### (b) Credit risk

Credit risk arises from debtors' inability to make payment of their obligations to the Company as they become due (without taking into account the fair value of any guarantee or pledged assets). The Company does not have material exposure to credit risk since it does not have commercial activities.

### (c) Liquidity risk

Liquidity risk arises from the Company's inability to obtain the funds it requires to comply with its commitments, including the inability to sell a financial asset quickly enough and at a price close to its fair value. Management constantly monitors the Company's level of short- and medium-term liquidity, and their access to credit lines, in order to ensure appropriate financing is available for its operations.

The table below categorizes the undiscounted cash flows of Company's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position to the contractual maturity date.

	Note	Less than 1 year US\$000	Between 1 and 2 years US\$000	Between 2 and 5 years US\$000	Over 5 years US\$000	Total US\$000
As at December 31, 2025						
Trade and other payables	14	7,131	-	-	-	7,131
Trade and other payables related parties	17	2	-	-	-	2
Total		7,133	-	-	-	7,133
As at 31 December 2024						
Trade and other payables	14	5,118	1,300	-	-	6,418
Trade and other payables related parties	17	19	-	-	-	19
Total		5,137	1,300	-	-	6,437

### (d) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. Management considers as part of its capital, the financial sources of funding from shareholders and third parties.

### (e) Environmental risk

Due to the anticipated termination of the EIA review in 2023, the Company revised its permitting strategy to address concerns related to native forests while minimizing significant impacts on the Project's development timeline. To implement this strategy, the Company proposed preparing and submitting two EIAs, which will collectively cover the full life of the Project. The first assessment, EIA 1, focuses on the initial five years of the Project and includes three extraction zones (Victoria Norte, Luna, and Maite), one deposition zone (Neptuno), and the associated production facilities.

On June 10, 2024, the Company filed the new EIA 1 for the Penco Module project with the Environmental Assessment Service (SEA) in Concepción, Chile. Just two weeks later, on June 24, 2024, the Company announced that the SEA had confirmed the admissibility of the EIA 1 application. As of December 31, 2025, the Company is currently preparing the information requested by the SEA under the third ICSARA in connection with the previously submitted EIA 1.

### (f) New mining royalty risk

On August 10, 2023, the new Mining Royalty Law N° 21,591, was published in the Official Gazette. This law creates a royalty that certain mining exploiters must pay in favour of the State due to the exploitation of mining resources that belong to such State. This royalty is applicable only to exploiters with annual sales of mining products over and above the equivalent of 12,000 metric tonnes of copper equivalent (today over and above annual sales of US\$ 99,320,520).

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### 21 Subsequent events

During January 2026, wildfires affected southern Chile. As a result, the Company is currently assessing the potential impacts on the Penco Module project. Therefore, based on the information currently available, the Company has not identified any material impacts that would affect the consolidated financial statements as of December 31, 2025.

As of January 2026, the Company issued 2,376,528 common shares to the management and board of directors.

On January 20, 2026, the Company received a payment of US\$ 6.9 million from CAP S.A., representing the third and final tranche of CAP's US\$ 29.1 million strategic investment in the Company's Chilean subsidiary, Ree Uno SpA.

As of February 02, 2026, the Company appointed a new Country Manager of its wholly owned Chilean subsidiary, Ree Uno SpA.