Unaudited Interim Consolidated Financial Statements

ACLARA

RESOURCES INC.

As of September 30 2026 and 2025

Income Statement

	Notes	Three months		Nine months	
		As at 30 September 2026	As at 30 September 2025	As at 30 September 2026	As at 30 September 2025
		US$000	US$000	US$000	US$000
Continuing operations					
Administration expenses	4	(6,487)	(1,633)	(11,272)	(5,596)
Exploration expenses	5	(268)	(682)	(827)	(1,662)
(Loss) from continuing operations before net finance income/(cost) and income tax		(6,755)	(2,315)	(12,099)	(7,258)
Share of loss of a joint venture	7	12	(139)	(208)	(329)
Financial income	6	549	417	973	892
Financial costs	6	(126)	(82)	(389)	(172)
Foreign exchange differences		(4)	(17)	(136)	94
(Loss) for the period from continuing operations before income tax		(6,324)	(2,136)	(11,859)	(6,773)
Income tax expense		-	-	-	-
(Loss) for the period from continuing operations		(6,324)	(2,136)	(11,859)	(6,773)
Attributable to:					
Equity shareholders of the Parent		(6,218)	(2,118)	(11,719)	(6,677)
Non-controlling interests		(106)	(18)	(140)	(96)
		(6,324)	(2,136)	(11,859)	(6,773)
Basic loss per share US$	8	(0.03)	(0.01)	(0.05)	(0.03)
Diluted loss per share US$	8	(0.03)	(0.01)	(0.05)	(0.03)

Statement of Comprehensive Income

	Three months		Nine months	
	As at 30 September 2026	As at 30 September 2025	As at 30 September 2026	As at 30 September 2025
	US$000	US$000	US$000	US$000
(Loss) for the period	(6,324)	(2,136)	(11,859)	(6,773)
Other comprehensive income that might be reclassified to profit or loss in subsequent periods:				
Exchange differences on translating foreign operations and share of other comprehensive income/(loss)	(7,006)	(2,827)	(9,269)	6,579
Other comprehensive (loss) profit for the period, net of tax	(7,006)	(2,827)	(9,269)	6,579
Total comprehensive (loss) for the period	(13,330)	(4,963)	(21,128)	(194)
Total comprehensive (loss) attributable to				
Equity shareholders of the Parent	(13,224)	(4,945)	(20,988)	(98)
Non-controlling interests	(106)	(18)	(140)	(96)
Total comprehensive (loss) for the period	(13,330)	(4,963)	(21,128)	(194)

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

Statement of Financial Position

	Notes	As at 30 September 2026 US$000	As at 31 December 2025 US$000
ASSETS			
Current assets			
Cash and cash equivalents	12	28,466	14,011
Trade debtors and other accounts receivable, net, current	11	4,587	3,960
Accounts receivable from related entities, current	17	-	6,937
		33,053	24,908
Non-current assets			
Trade debtors and other accounts receivable, non-current	11	110	32
Accounts receivable from related entities, non-current	17	2,121	-
Property, plant and equipment, net	9	27,415	16,473
Exploration and evaluation assets	10	160,911	143,576
		190,557	160,081
Total assets		223,610	184,989
EQUITY AND LIABILITIES			
Current Liabilities			
Trade accounts payable and other accounts payable, current	14	7,988	7,131
Accounts payable to related entities, current	17	4	2
Other provisions, current	15	-	2,438
		7,992	9,571
Non-current liabilities			
Investment in a joint venture	7	755	546
Deferred government assistance	13	4,250	825
		5,005	1,371
Total liabilities		12,997	10,942
Capital and reserves attributable to shareholders of the Parent			
Equity share capital	16	248,627	190,296
Retained deficit		(50,786)	(39,067)
Other reserves		(5,039)	3,451
		192,802	154,680
Non-controlling interests		17,811	19,367
Total equity		210,613	174,047
Total equity and liabilities		223,610	184,989

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

Statement of Cash Flow

	Notes	As at 30 September 2026 US$000	As at 30 September 2025 US$000
Cash flows from operating activities			
Cash from / (used in) operations	18	(9,232)	(2,208)
Interests received		973	892
Net cash from / (used in) operating activities		(8,259)	(1,316)
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(11,914)	(1,995)
Purchase of exploration and evaluation assets	10	(23,288)	(21,625)
Loan to joint venture		(2,121)	-
Net cash from / (used in) investing activities		(37,323)	(23,620)
Cash flows from financing activities			
Capital contributions	16	50,000	25,000
Capital contribution from minority shareholders		6,937	12,480
Share issuance costs	16	(325)	(836)
Funds received from the U.S. International Development Finance Corporation		3,425	-
Cash flows from / (used in) financing activities		60,037	36,644
Net increase / (decrease) in cash and cash equivalents during the period		14,455	11,708
Cash and cash equivalents at beginning of the period		14,011	15,375
Cash and cash equivalents at end of the period	12	28,466	27,083

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

Statement of Changes in Equity

	Notes	Equity share capital	Cumulative translation adjustment	Other reserves	Total other reserves	Retained deficit	Capital and reserves attributable to shareholders of the Parent	Non-controlling interests	Total equity
		US$000	US$000	US$000	US$000	US$000	US$000	US$000	US$000
Balance at 1 January 2026	16	190,296	(17,629)	21,080	3,451	(39,067)	154,680	19,367	174,047
Other comprehensive expense		-	(9,269)	-	(9,269)	-	(9,269)	-	(9,269)
(Loss) of the period		-	-	-	-	(11,719)	(11,719)	(140)	(11,859)
Total comprehensive (loss) for the period		-	(9,269)	-	(9,269)	(11,719)	(20,988)	(140)	(21,128)
Share-based payment expense		-	-	7,879	7,879	-	7,879	-	7,879
Share-based payments exercised / settled		8,657	-	(8,657)	(8,657)	-	-	-	-
Total share-based payments		8,657	-	(778)	(778)	-	7,879	-	7,879
Capital contribution – shares issued		50,000	-	-	-	-	50,000	-	50,000
Share issuance costs		(325)	-	-	-	-	(325)	-	(325)
Capital contribution from minority shareholders paid		-	-	-	-	-	-	6,937	6,937
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control		-	-	1,556	1,556	-	1,556	(8,353)	(6,797)
Balance at 30 September 2026	16	248,627	(26,898)	21,858	(5,039)	(50,786)	192,802	17,811	210,613
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		-	6,579	-	6,579	-	6,579	-	6,579
(Loss) of the period		-	-	-	-	(6,677)	(6,677)	(96)	(6,773)
Total comprehensive (loss) for the period		-	6,579	-	6,579	(6,677)	(98)	(96)	(194)
Share-based payment expense		-	-	(222)	(222)	-	(222)	-	(222)
Share-based payments exercised / settled		808	-	-	-	-	808	-	808
Total share-based payments		808	-	(222)	(222)	-	586	-	586
Capital contribution from minority shareholders paid		-	-	-	-	-	-	12,480	12,480
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control		-	-	(543)	(543)	-	(543)	(11,841)	(12,384)
Capital contribution – shares issued		25,000	-	-	-	-	25,000	-	25,000
Share issuance costs		(836)	-	-	-	-	(836)	-	(836)
Balance at 30 September 2025	16	190,296	(22,432)	21,185	(1,247)	(37,294)	151,754	19,146	170,900

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

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Notes to the Unaudited Interim 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 Unaudited Interim Consolidated Financial Statements, CAP S.A. has acquired a 12.83% 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, Aclara Resources Peru SAC was acquired. 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. On November 28, 2024 the Agencia acquired 0.1%, while the Company retained the remaining 99.9%. 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 represented 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 to 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 development 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".

- 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 a 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 Aclara Technologies Inc., a wholly owned subsidiary of 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 development 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 August 4, 2026, SPV Pesquisa & Mineracao Ltda. (hereinafter the 'SPV Mineracao') was incorporated in Brazil with a capital contribution of R$10,000 from Aclara Resources Mineracao Ltda., its sole shareholder. The Company's registered office is located in Belo Horizonte, State of Minas Gerais, Brazil, and its principal business is the development of mineral projects, including mineral exploration, geological studies and the development of mineral deposits.

  On September 4, 2026, the Company, together with SPV Mineracao, entered into a joint exploration agreement with the Japan Organization for Metals and Energy Security ("JOGMEC") to jointly explore and advance the development of one of the Company's exploration projects in Brazil (the "Project"). Under the agreement, JOGMEC may earn a 30% participating interest in the Project by funding up to US$3.0 million in exploration expenditures. Subject to certain conditions, JOGMEC may contribute an additional US$1.5 million.

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 85,585 hectares of mining concessions in the Maule, Ñuble and Biobío regions of Chile, and 70,194 hectares in the Minas Gerais, Paraná, Bahia 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 earth separation plant to refine and separate Super Pure Rare Earth Carbonate ("SPREC") expected to be produced from its mining projects into individual rare earth oxides (REOs). The Company, through its joint venture with CAP S.A., is advancing the Metals and Alloys Project to develop alloy-making capabilities to convert refined rare earth oxides into alloys for permanent magnets, positioning itself to establish 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. Following the issuance of a third ICSARA in November 2025 and the submission of the corresponding Exceptional Addendum on March 31, 2026, the favorable Environmental Qualification Resolution ("RCA") was formally issued in June 2026, concluding the environmental assessment process for EIA 1. The Company is now advancing the sectoral permits required for construction and operation, while also undertaking the technical work required to prepare EIA 2.

At the Carina Project, located in Goiás, Brazil, the Company updated its Preliminary Economic Assessment (PEA) on September 5, 2024, and announced the results and filing of the PFS based on Mineral Reserves on November 6, 2025, supporting the continued technical advancement of the project. 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 Q1 2027.

Loss from continuing operations by segment as of September 30, 2026, is as follows:

	Penco Module	**Carina Project**
	US$000	US$000
Administration expenses	(625)	(702)
Exploration expenses	-	(798)
Financial income	362	353
Financial costs	(8)	(345)
Operating Expenses	(271)	(1,492)

Segment assets and liabilities are presented as follows:

	Penco Module	Carina Project
	US$000	US$000
Cash and cash equivalents	2,393	5,064
Trade debtors and other accounts receivable, net, current	982	2,755
Accounts receivable from related entities, current	224	-
Total current assets	3,599	7,819
Trade debtors and other accounts receivable, non-current	14	79
Accounts receivable from related entities, non-current	5,788	-
Investments accounted for using the equity method	1,372	-
Property, plant and equipment, net	8,728	544
Evaluation and exploration assets	74,402	54,869
Total non-current assets	90,304	55,492
Total assets	93,903	63,311
Trade accounts payable and other accounts payable, current	3,658	2,290
Accounts payable to related entities, current	1,191	1,058
Total current liabilities	4,849	3,348
Deferred government assistance	-	4,250
Total non-current liabilities	-	4,250
Total liabilities	4,849	7,598

Presentation of Financial Statements

These Unaudited Interim Consolidated Financial Statements were approved for issue by the Board of Directors on November 5, 2026.

2 Basis of preparation and changes to the group's accounting policies

(a) Basis of preparation

The Unaudited Interim Consolidated Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

The basis of preparation and accounting policies used in preparing these Unaudited Interim Consolidated Financial Statements have been consistently applied and are set out below. The Unaudited Interim Consolidated Financial Statements have been prepared on a historical cost basis. The Unaudited Interim 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.

The Company completed a private placement of common shares in two tranches, on April 2 and May 13, 2026, for aggregate gross proceeds of US$50 million. The net proceeds received will be used to fund activities in connection with its projects, such as the development of the feasibility studies and piloting, brownfield exploration and infill drilling, permitting and ESG-related activities, surface land purchases, 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 has commitments with certain shareholders to provide additional financing, as required, to support its planned activities. Based on its existing cash resources and these commitments, management expects the Company to have sufficient liquidity to meet its obligations. Accordingly, the 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 Unaudited Interim Consolidated Financial Statements and are as follows:

- **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 Unaudited Interim 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 Unaudited Interim 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 Unaudited Interim 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 Unaudited Interim 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 Unaudited Interim 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 IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company has commenced its assessment of IFRS 18 and is evaluating the potential impact of the new presentation and disclosure requirements on its financial statements and reporting processes. The assessment is expected to continue through 2026 in preparation for adoption once it becomes effective.

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

Many of the amounts included in the Unaudited Interim 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 Unaudited Interim Consolidated Financial Statements. Information about such judgements and estimates is contained in the accounting policies and/or the Notes to the Unaudited Interim Consolidated Financial Statements.

Significant areas of estimation uncertainty and critical judgements made by management in preparing the Unaudited Interim 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, which is determined as the higher of value in use and fair value less costs of disposal. The Company principally determines the recoverable amount with reference to value in use. Where FVLCD is used, it is 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 most recent NI 43-101 Technical Reports for the Penco Module and Carina Project are dated effective September 18, 2026 and March 20, 2026, respectively.

- 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

  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.

Unaudited Interim 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 Unaudited Interim 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 43-101 – *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 September 30, 2026 and December 31, 2025 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.

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 September 30, 2026, and December 31, 2025, 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 or are not yet available for use 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.

The recoverable values of the CGU are determined using a VIU methodology. 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 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 September 30, 2026, and December 31, 2025. 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 applicable tax rates are as follows:

Name	Country	2026	2025
Aclara Resources Inc.	Canada	27%	0%
Aclara Resources Peru SAC	Peru	29.5%	29.5%
Aclara Technologies Inc.	USA	21%	21%
Polaris Creek LLC	USA	21%	21%
Aclara Metals Inc.	USA	21%	21%
Aclara Resources Mineracao Ltda.	Brazil	34%	34%
Aclara Resources Inc., Agencia en Chile	Chile	27%	27%
Ree Uno SpA	Chile	27%	27%
Prospecciones Greenfield SpA	Chile	12.5%	12.5%
Fundacion Queule	Chile	25%	25%
SPV Pesquisa & Mineracao Ltda.	Brazil	34%	-
Aclara Metals SpA	Chile	12.5%	12.5%

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 September 30, 2026, and December 31, 2025, amount to US$ 21,672 and US$ 19,517 respectively.

As of September 30, 2026, and December 31, 2025, the result for the year of the Company, its branch, subsidiaries and joint venture are a tax loss, for which no tax expense was recognized. The accumulated tax (income) losses as of September 30, 2026, and December 31, 2025, by entity are as follows:

		September 30, 2026
Name	Country	US$000
Aclara Resources Inc.	Canada	16,328
Aclara Resources Inc., Agencia en Chile	Chile	17
Ree Uno SpA	Chile	13,429
Aclara Resources Peru SAC	Peru	196
Prospecciones Greenfield SpA	Chile	3,169
Aclara Resources Mineracao Ltda.	Brazil	9,816
Fundacion Queule	Chile	17
Aclara Metals SpA	Chile	1,024
Aclara Technologies Inc.	USA	1,920
Polaris Creek LLC	USA	1,004
Aclara Metals Inc.	USA	-
SPV Pesquisa & Mineracao Ltda.	Brazil	-

		December 31, 2025
Name	Country	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
Polaris Creek LLC	USA	982
Aclara Technologies Inc.	USA	997
Aclara Metals Inc.	USA	-

(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.

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.

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 Unaudited Interim Consolidated Financial Statements are categorized within the fair value hierarchy.

For assets and liabilities that are recognized in the Unaudited Interim 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 September 30, 2026, and December 31, 2025, 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	Voting power percentage	Participation % 2026 & 2025	
			Direct	Indirect
Aclara Resources Inc., Agencia en Chile	Chile	100%	100%	-
Ree Uno SpA	Chile	80%	80%	-
Aclara Resources Peru SAC	Peru	100%	100%	-
Prospecciones Greenfield SpA	Chile	80%	-	80%
Aclara Resources Mineracao Ltda.	Brazil	100%	100%	-
Fundacion Queule	Chile	80%	-	80%
Aclara Metals SpA	Chile	50%	50%	-
Aclara Technologies Inc.	USA	100%	100%	-
Polaris Creek LLC	USA	100%	-	100%
SPV Pesquisa & Mineracao Ltda.	Brazil	100%	-	100%
Aclara Metals Inc.	USA	50%	-	50%

As of September 30, 2026, and December 31, 2025, 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. 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 SPV Pesquisa & 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 & indirect consolidation scope

The following changes occurred in the scope of the Company’s direct and indirect consolidation for the periods ended September 30, 2026 and December 31, 2025:

On February 7, 2025, Polaris Creek LLC was incorporated.

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

On August 4, 2026, SPV Pesquisa & Mineracao Ltda. was incorporated.

4 Administration expenses

(a) Administration expenses

	Three months ended September 30		Nine months ended September 30	
	2026 US$000	2025 US$000	2026 US$000	2025 US$000
Personnel expenses (1)	4,472	473	6,489	2,080
Professional fees	488	157	1,513	897
Depreciation and amortization	481	183	863	546
Contractors and services	720	371	1,316	1,105
Travel expenses	25	84	453	323
Marketing expenses	33	269	193	464
Others	268	96	445	181
Total	6,487	1,633	11,272	5,596

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 September 30, 2026, and September 30, 2025. Non-capitalized personnel expenses belong to Aclara Resources Inc., and Aclara Resources Peru SAC.

5 Exploration expenses

(a) Exploration expenses

	Three months ended September 30		Nine months ended September 30	
	2026 US$000	2025 US$000	2026 US$000	2025 US$000
Personnel expenses	106	55	346	138
Professional fees	4	240	17	815
Mining rights	-	-	-	90
Rentals	28	8	54	30
Analysis & technical	-	19	25	19
Studies	3	5	17	61
Technology and system	10	-	62	11
Contractors and services	8	306	38	308
Travel expenses	27	16	67	113
Laboratory supplies and materials	1	2	2	8
Others	81	31	199	69
Total	268	682	827	1,662

6 Financial income and costs

(a) Financial income

	Three months ended September 30		Nine months ended September 30	
	2026 US$000	2025 US$000	2026 US$000	2025 US$000
Interests	549	417	973	892
Total	549	417	973	892

(b) Financial costs

	Three months ended September 30		Nine months ended September 30	
	2026 US$000	2025 US$000	2026 US$000	2025 US$000
Bank commissions	126	82	389	172
Total	126	82	389	172

7 Share of loss of a joint venture

(a) Share of loss (income) of a joint venture

Aclara Metals SpA	Three months ended September 30		Nine months ended September 30	
	2026 US$000	2025 US$000	2026 US$000	2025 US$000
Administration expenses (1)	(44)	275	395	653
Financial income	22	2	22	4
Loss for the period from continuing operations	(22)	277	417	657
Share of loss of a joint venture	(12)	139	208	329
Investment in a joint venture	-	-	-	(1)
Investment in a joint venture at beginning of the year	-	-	546	114
Total share of loss of a joint venture 50%	(12)	139	755	442

(1) The administration expenses refer to the results of the Chilean joint venture Aclara Metals SpA. As of September 30, 2026, there have been no material transactions and results between the Company and Aclara Metals SpA that impact the Unaudited Interim 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 September 30, 2026, and September 30, 2025, EPS has been calculated as follows:

	Three months ended September 30		Nine months ended September 30	
	2026 US$	2025 US$	2026 US$	2025 US$
Total basic loss per share for the period and from continuing operations	(0.03)	(0.01)	(0.05)	(0.03)
Total diluted loss per share for the period and from continuing operations	(0.03)	(0.01)	(0.05)	(0.03)

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

	Three months ended September 30		Nine months ended September 30	
	2026 US$000	2025 US$000	2026 US$000	2025 US$000
Loss attributable to equity holders – continuing operations	(6,218)	(2,118)	(11,719)	(6,677)

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

	Three months ended September 30		Nine months ended September 30	
	2026	2025	2026	2025
Basic weighted average number of ordinary shares in issue	248,044	219,985	233,724	199,033
Effect of dilutive potential ordinary shares related to contingently issuable shares	-	-	-	-
Weighted average number of ordinary shares in issue for the purpose of diluted earnings per share	248,044	219,985	233,724	199,033

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

	Total
Balance as at January 1, 2025	166,409,223
Issuance April 01, 2025	2,272,425
Issuance February 19, 2025	51,303,573
Balance as at September 30, 2025	219,985,221
Weighted average number of ordinary shares as at September 30, 2025	199,033,481

	Total
Balance as at January 1, 2026	219,985,221
Issuance January 02, 2026	1,405,676
Issuance January 06, 2026	804,089
Issuance January 07, 2026	166,763
Issuance April 02, 2026	20,078,697
Issuance May 13, 2026	4,136,851
Issuance July 06, 2026	1,466,303
Issuance August 11, 2026	143,655
Balance as at September 30, 2026	248,187,255
Weighted average number of ordinary shares as at September 30, 2026	233,724,616

9 Property, plant and equipment

	Land	Plant and equipment	Total
	US$000	US$000	US$000
Cost property, plant and equipment			
Balance as at January 1, 2025	8,128	3,186	11,314
Additions	-	5,827	5,827
Foreign exchange effect	800	149	949
Balance as at December 31, 2025	8,928	9,162	18,090
Additions	-	11,914	11,914
Foreign exchange effect	(601)	(119)	(720)
Balance as at September 30, 2026	8,327	20,957	29,284
Accumulated depreciation plant and equipment			
Balance as at January 1, 2025	-	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
Depreciation of the period	-	285	285
Foreign exchange effect	-	(33)	(33)
Balance as at September 30, 2026	-	1,869	1,869
Net book value as at December 31, 2025	8,928	7,545	16,473
Net book value as at September 30, 2026	8,327	19,088	27,415

As of September 2026, the Company reassessed the accounting classification of Project Dynamo and reclassified qualifying costs previously presented as exploration and evaluation assets to property, plant and equipment under IAS 16. Comparative balances as at December 31, 2025, have been reclassified accordingly.

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 September 30, 2026, and December 31, 2025, the Company has not recognized any impairment.

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 September 30, 2026, 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 in 2026.

10 Exploration and evaluation assets

	Total
	US$000
Cost	
Balance as at January 1, 2025	102,224
Additions (1)	33,326
Disposals	(90)
Foreign exchange effect	10,909

Balance as at December 31, 2025	146,369
Additions (1)	23,288
Foreign exchange effect	(5,802)
Balance as at September 30, 2026	163,855
Accumulated amortization and impairment	
Balance as at January 1, 2025	1,712
Additions	929
Foreign exchange effect	152
Balance as at December 31, 2025	2,793
Additions	578
Foreign exchange effect	(427)
Balance as at September 30, 2026	2,944
Net book value as at December 31, 2025	143,576
Net book value as at September 30, 2026	160,911

(1) The total investment capitalized in exploration and evaluation assets as of September 30, 2026, and December 31, 2025, amounting to US$ 23,288 and US$ 33,326, respectively, is detailed below:

	September 30 2026 US$000	December 31 2025 US$000
Personnel expenses	8,437	7,523
Professional fees	6,499	5,959
Environmental impact study	1,236	2,722
Geochemical study	5	18
Drilling services	-	2,532
Engineering services	696	585
Mining rights	743	439
Feasibility studies	1,690	2,947
Rent building, vehicles, others	827	2,062
Analysis & technical	492	1,918
Contractors and Services	854	4,625
Travel expenses	546	845
Other	1,263	1,151
Total	23,288	33,326

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 September 30, 2026 and December 31, 2025, the Company has two projects capitalized: Penco Module (Chile) and Carina Project (Brazil).

The Penco Module and Carina Project aim to produce a rare earth concentrate through their respective processing plants, which will be fed by clays from nearby deposits. The resulting carbonate will subsequently be refined and separated into high-purity individual REOs at the Company's U.S. separation plant. Accordingly, the Company 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 financial 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 September 30, 2026, and December 31, 2025, 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

	September 30 2026 US$000	December 31 2025 US$000
Current		
Advances to suppliers	3,020	2,486
Loans to employees	1	4
Others	453	200
Assets classified as receivables	3,474	2,690
Prepaid expenses	52	25
Value added tax	1,061	1,245
Total	4,587	3,960
Non-current		
Others	110	32
Total	110	32

The fair values of trade and other receivables approximate their book value. As of September 30, 2026, and December 31, 2025, none of the financial assets classified as receivables (net of impairment) were past due.

12 Cash and cash equivalents

	September 30 2026 US$000	December 31 2025 US$000
Current demand deposit accounts	28,466	14,011
Cash and cash equivalents considered for the statement of cash flows	28,466	14,011

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 September 30, 2026, and December 31, 2025, is as follows:

	September 30 2026 US$000	December 31 2025 US$000
Chilean pesos (equivalent US$)	1,086	1,248
Canadian dollar (equivalent US$)	191	88
Peruvian soles (equivalent US$)	18	17
Brazilian real (equivalent US$)	4,706	420
American dollar	22,465	12,238
Total	28,466	14,011

13 Deferred government assistance

	September 30 2026 US$000	December 31 2025 US$000
Funds received from the U.S. International Development Finance Corporation	4,250	825
Total	4,250	825

On September 2, 2025, the U.S. International Development Finance Corporation (DFC) committed up to US$ 5,000 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.

14 Trade and other accounts payables

	September 30 2026 US$000	December 31 2025 US$000
Current		
Trade payables (1)	2,140	2,201
Lands	1,300	1,300
Taxes and contributions	340	316
Salaries and wages payable	3,752	3,048
Others	456	266
Total	7,988	7,131

As of September 30, 2026, and December 31, 2025, the Company has no non-current trade and other payable.

The fair value of trade and other payables approximates 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

	September 30 2026 US$000	December 31 2025 US$000
Contractors and Services	-	2,438
Total	-	2,438

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 1, 2025	**166,409,223**	**165,324**
Shares issued	51,303,573	25,000
Share issuance costs	-	(836)
Shares issued (1)	2,272,425	808
Balance as at December 31, 2025	**219,985,221**	**190,296**
Shares issued (1)	3,986,486	8,657
Shares issued	24,215,548	50,000
Share issuance costs	-	(325)
Balance as at September 30, 2026	**248,187,255**	**248,627**

(1) Shares issued to settle Restricted Share Units in accordance with the Company's long-term incentive plan.

Shareholder	Shares subscribed	Percentage share
Hochschild Mining Holdings Ltd	47,630,213	19.19%
New Hartsdale Capital Inc	90,027,095	36.27%
CAP S.A.	31,849,363	12.83%
Other Investors	78,680,584	31.71%
Total	248,187,255	100%

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 statements with a functional currency different to the reporting currency of the Company.

Other reserves

(1) Share-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 September 30, 2026, the Company had 2,250,611 RSUs outstanding under this plan. The movement in RSUs during the period 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
RSUs settled during the period	(3,986,486)
RSUs cancelled during the period	(315,305)
RSUs granted	2,575,182
As at September 30, 2026	2,250,611

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

The movement in the share-based payment reserve related to RSUs as follows:

	Total US$000
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
RSUs settled during the period	(8,657)
Share-based payments expense during the period	7,879
As at September 30, 2026	549

17 Related-party balances and transactions

The Company had the following related-party balances and transactions as of September 30, 2026, and December 31, 2025, the related parties are companies owned or controlled by the principal shareholder of the Company or associates.

	Accounts receivable	
	September 30 2026	December 31 2025
Related party balances	US$000	US$000
Aclara Metals SpA – Joint venture	2,121	-
CAP S.A.	-	6,937
Total	2,121	6,937

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

	Accounts payable	
	September 30 2026	December 31 2025
Related party balances	US$000	US$000
Compañia Minera Ares S.A.C.	4	2
Total	4	2

(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:

	September 30 2026	September 30 2025
	US$000	US$000
Expense recognized for the services performed by Compañia Minera Ares S.A.C.	31	21
Expense recognized for the services performed by CAP SA	125	30

Related parties are as follows:

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

(b) Compensation of key management personnel of the Company

	September 30 2026	December 31 2025
Compensation of key management personnel	US$000	US$000
Share-based payments	7,166	702
Short-term employee benefits	5,715	4,410
Total compensation paid to key management personnel	12,881	5,112

Number of key management personnel of the Company was seven at September 30, 2026 and December 31, 2025.

18 Notes to the statement of cash flows

	September 30 2026	September 30 2025
	US$000	US$000
Reconciliation of loss for the year to net cash generated from operating activities		
(Loss) of the period	(11,859)	(6,773)
Adjustments to reconcile Company loss to net cash inflows from operating activities		
Depreciation and amortization of the period	863	546
Movements related to minority interest and other that do not represent flows	4,796	1,088
Increase/(decrease) of cash flows from operations due to changes in assets and liabilities		
Trade debtors and other accounts receivable	(1,663)	(4,177)
Trade accounts payable and other accounts payable	1,067	1,278
Accounts payable to related entities	2	(23)
Accounts receivable to related entities	-	6,941
Other provisions	(2,438)	(1,088)
Cash generated from operations	(9,232)	(2,208)

19 Contingencies

a) Taxation:

As of September 30, 2026, and December 31, 2025, the Company is not subject to any contingencies.

b) Guarantees:

As of September 30, 2026, and December 31, 2025, the Company does not have any guarantee in respect of exploration activities.

c) Litigations:

As of September 30, 2026, and December 31, 2025, 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.

The Company identifies and, where appropriate, implements 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.

As of September 30, 2026, and December 31, 2025, the Company has deposits, trade and other receivables, trade and other payables and accounts payable to related parties stated in US dollars and other currencies. The sensitivity of financial assets and liabilities, on September 30, 2026, to a +/- 10% change in the US dollar exchange rate, with all other variables held constant, is -/+ US$ 2,492 for Canadian dollars, US$ 30 for Brazilian real, US$ 794 for Peruvian soles and US$ 460 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 September 30, 2026						
Trade and other payables	14	7,988	-	-	-	7,988
Trade and other payables related parties	17	4	-	-	-	4
Total		7,992	-	-	-	7,992
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

(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

Following the issuance of the favorable RCA for EIA 1 in June 2026, the Penco Module remains subject to environmental and permitting risks. These risks relate to compliance with the conditions of the RCA, obtaining the sectoral permits required for construction and operation.

(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).

21 Subsequent events

On October 17, 2026, Law No. 21,850 for National Reconstruction and Economic and Social Development was published in the Official Gazette of Chile. Among its main provisions, the law provides for a gradual reduction in the corporate income tax rate to 25.5% in 2027, 24% in 2028 and 23% from 2029 onwards, with the rate remaining at 27% for 2026. The Company is assessing the impact of these changes on its tax position.