

Railtown Capital Corp.

Filing Statement

**In Respect of the Qualifying Transaction of
Railtown Capital Corp. with
Tiernan Gold Corp.**

December 8, 2025

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement.

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GLOSSARY OF TERMS

The following is a glossary of certain definitions used in this Filing Statement. Terms and abbreviations used in the appendices to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated.

“**Affiliate**” means a company that is affiliated with another company as described below.

A company is an “affiliate” of another company if:

- (a) one of them is the subsidiary of the other; or
- (b) each of them is controlled by the same person.

A company is “controlled” by a person if:

- (a) Voting Shares of the company are held, other than by way of security only, by or for the benefit of that person, and
- (b) the Voting Shares, if voted, entitle the person to elect a majority of the directors of the company.

A person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that person, or
- (b) an affiliate of that person or an affiliate of any company controlled by that person.

“**Agency Agreement**” means the agency agreement dated November 18, 2025 among the Agents, Railtown, Tiernan and HM Holdings entered into in connection with the Financing.

“**Agents**” means, collectively, Canaccord, BMO Nesbitt Burns Inc., Raymond James Ltd. and Haywood Securities Inc.

“**Agents’ Expenses**” means all reasonable and documented fees and disbursements of the Agents’ legal counsel to a maximum of \$175,000, and all reasonable and documented “out-of-pocket” expenses incurred by the Agents in connection with the Offering, up to a maximum of \$20,000 (exclusive of applicable taxes), after which the Agents will seek prior written approval of Tiernan for any incremental “out-of-pocket” expenses expected to exceed such maximum amount of \$20,000.

“**Agents’ Fee**” means the cash commission equal to 6.0% of the gross proceeds realized in respect of the sale of the Subscription Receipts (provided that no fee shall be payable to the Agents on subscriptions by purchasers on the President’s List of Tiernan to a maximum of \$7,010,000 million and by a U.S. accredited investor of \$1.1 million), subject to a 6.0% step fee payable to Canaccord Genuity Corp. by the Agents from the Agents’ Fee.

“**Amalgamations**” means, collectively, the First Amalgamation and the Second Amalgamation.

“**Andina Minerals**” means Andina Minerals Inc.

“**Andina Minerals Chile**” means Andina Minerals Chile SpA, a wholly-owned subsidiary of Tiernan.

“**Associate**”, when used to indicate a relationship with a person, means:

- (a) an issuer of which the person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding voting securities of the issuer;
- (b) any partner of the person;
- (c) any trust or estate in which the person has a substantial beneficial interest or in respect of which the person serves as trustee or in a similar capacity,
- (d) in the case of a person who is an individual
 - (i) that person’s spouse or child, or

- (ii) any relative of the person or of his spouse who has the same residence as that person,
but:
- (e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of D.1.00 of the TSX Venture Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company.

“**BCBCA**” means the *Business Corporations Act* (British Columbia).

“**Business Combination Agreement**” means the amended and restated business combination agreement dated November 7, 2025 among Tiernan, Railtown and Subco in respect of the Proposed Qualifying Transaction.

“**Business Day**” means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Vancouver, British Columbia or Toronto, Ontario.

“**Canaccord**” means Canaccord Genuity Corp.

“**Canadian Securities Laws**” means: (a) the *Securities Act* (British Columbia) and any other applicable Canadian provincial securities Laws and the respective rules and regulations made thereunder, together with applicable published policy statements, instruments, orders and rulings of the Securities Authorities having the force of law; and (b) the policies and regulations of the Exchange.

“**Capital Pool Company**” means a corporation:

- (a) that has filed and obtained a receipt for a preliminary Capital Pool Company prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and
(b) in regard to which the Final QT Exchange Bulletin has not yet been issued.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**Closing**” means the completion of the Amalgamations pursuant to the Business Combination Agreement on the Effective Date.

“**company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“**Completion of the Proposed Qualifying Transaction**” means the date of the Final QT Exchange Bulletin issued by the Exchange.

“**Control Person**” means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding Voting Shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

“**CPC Escrow Agent**” means Odyssey Trust Company, the escrow agent of Railtown under the CPC Escrow Agreement.

“**CPC Escrow Agreement**” means the escrow agreement dated January 8, 2021 among Railtown, the CPC Escrow Agent and those certain shareholders that executed such agreement.

“**CPC Policy**” means Exchange Policy 2.4 – *Capital Pool Companies* of the Exchange’s Corporate Finance Manual.

“**Effective Date**” means the date shown on the First Certificate of Amalgamation.

“**Effective Time**” means 12:01 a.m. (Vancouver Time) on the Effective Date, which, for clarity, shall occur prior to filing the Second Amalgamation Application.

“**Escrow Release Conditions**” has the meaning ascribed under Part III – “*Information Concerning Tiernan – Description of the Business – Financing*”.

“**Escrowed Funds**” means the gross proceeds raised in connection with the Financing less the Agents’ Fee and Agents’ Expenses together with all interest and other income earned thereon.

“**Exchange**” or “**TSXV**” means the TSX Venture Exchange Inc.

“**Exchange Requirements**” means the articles, by-laws, policies, circulars, rules, guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of the Exchange (including those of any committee of the Exchange as appointed from time to time), the *Securities Act* (British Columbia) and rules and regulations thereunder as amended, and any policies, rules, orders, rulings, forms or regulations from time to time enacted by the British Columbia Securities Commission and all applicable provisions of the securities laws of any other jurisdiction.

“**Filing Statement**” means this filing statement, together with all appendices hereto and including the summary hereof.

“**Final QT Exchange Bulletin**” means the bulletin issued by the Exchange following the closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

“**Financing**” means the brokered private placement of 11,670,200 Tiernan Subscription Receipts on a best-efforts agency basis, at a price of \$5.00 per Tiernan Subscription Receipt, pursuant to the terms of the Agency Agreement, for aggregate gross proceeds of \$58,351,000 (comprised of a \$40,000,000 Treasury Offering and a \$18,351,000 Secondary Offering).

“**Financing Closing**” means the closing of the Financing on November 18, 2025.

“**First Amalco**” means the amalgamated entity resulting from the First Amalgamation pursuant to the First Amalgamation Agreement.

“**First Amalco Shares**” means the common shares in the capital of First Amalco.

“**First Amalgamation**” means the long-form amalgamation of Tiernan and Subco pursuant to the terms and conditions set out in the First Amalgamation Agreement, subject to any amendments or variations thereto made in accordance with the provisions of the Business Combination Agreement and the First Amalgamation Agreement.

“**First Amalgamation Agreement**” means the First Amalgamation Agreement to be entered into among Railtown, Subco and Tiernan with respect to the First Amalgamation, substantially in the form set forth in Schedule A to the Business Combination Agreement.

“**First Amalgamation Application**” means the filings that are required under the BCBCA to be filed with the Registrar in order to give effect to the First Amalgamation, in the form attached to the First Amalgamation Agreement.

“First Amalgamation Resolution” means the special resolution of Tiernan Shareholders authorizing the First Amalgamation, which resolution will be approved in writing.

“First Certificate of Amalgamation” means the certificate of amalgamation to be issued by the Registrar, evidencing that the First Amalgamation is effective.

“Governmental Entity” means: (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign; (b) any subdivision or authority of any of the above; (c) any quasi- governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) any stock exchange.

“HM Holdings” means Hochschild Mining Holdings Limited, a wholly-owned subsidiary of Hochschild Mining.

“Hochschild Mining” means Hochschild Mining PLC.

“IFRS” means International Financial Reporting Standards, as issued by the International Accounting Standards Board.

“Initial Listing Requirements” means the minimum financial, distribution and other standards that must be met by an issuer seeking a listing on a particular tier of the Exchange.

“Insider”, if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of a company that is an Insider or subsidiary of the issuer;
- (c) a person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the issuer; or
- (d) the issuer itself if it holds any of its own securities.

“Investor Rights Agreement” means the investor rights agreement between Tiernan and HM Holdings to be entered into at Closing, in the form set forth in Schedule E to the Business Combination Agreement.

“Issue Price” means \$5.00 per Tiernan Subscription Receipt in connection with the Financing.

“Law” means, with respect to any person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, by-law, code, rule, regulation, instrument, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended.

“Letter of Intent” means the letter of intent between Railtown and Tiernan dated September 2, 2025 with respect to the Proposed Qualifying Transaction, which was superseded by the Original Business Combination Agreement.

“Material Adverse Effect” means, with respect to any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status, any change, event, occurrence, effect, state of facts or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, state of facts or circumstances is or would reasonably be expected to be material

and adverse to the business, operations, results of operations, assets, properties, capitalization, financial condition or liabilities (contingent or otherwise) of such person and its Subsidiaries (if applicable), taken as a whole, except any such change, event, occurrence, effect, state of facts or circumstance resulting from or arising in connection with:

- (a) any change in global, national or regional political conditions (including the outbreak or escalation of war or acts of terrorism) or in general economic, business, regulatory, political or market conditions or in national or global financial or capital markets;
- (b) any change in currency exchange, interest or inflation rates or commodity, securities or general economic, financial or credit market conditions in Canada or elsewhere;
- (c) any fluctuations or changes in gold prices;
- (d) any adoption, proposal, implementation or change in Law or any interpretation of Law by any Governmental Entity;
- (e) any change in IFRS;
- (f) any natural disaster, epidemic or pandemic;
- (g) any actions taken (or omitted to be taken) upon the written request, or with the prior written consent, of all of the other parties to the Business Combination Agreement;
- (h) the announcement or performance of the Business Combination Agreement or consummation of the Proposed Qualifying Transaction;
- (i) any change in the market price or trading volume of any securities of the person (it being understood that the causes underlying such change in market price may be taken into account in determining whether a Material Adverse Effect has occurred), or any suspension of trading in securities generally on any securities exchange on which any securities of the person trade; or
- (j) the failure of the person in and of itself to meet any internal or public projections, forecasts or estimates of revenues or earnings (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred),

provided, however, that with respect to clauses (a) through to and including (e), such matter does not have a materially disproportionate effect on the person and its Subsidiaries (if applicable), taken as a whole, relative to other comparable companies and entities operating in the industries in which the person and its Subsidiaries (if applicable) operate; and unless expressly provided in any particular section of this Agreement, references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a “Material Adverse Effect” has occurred.

“**Member**” means a person who has executed the Members’ Agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange Requirements.

“**Members’ Agreement**” means the members’ agreement among the Exchange and each person who, from time to time, is accepted as and becomes a member of the Exchange.

“**NEO**” or “**Named Executive Officer**” has the meaning ascribed under Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

“**Non-Arm’s Length Party**” means:

- (a) in relation to a company:
 - (i) a Promoter, officer, director, other Insider or Control Person of that company and any Associates or Affiliates of any of such persons; or

- (ii) another entity or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the company; and
- (b) in relation to an individual, any Associate of the individual or any company of which the individual is a Promoter, officer, director, Insider or Control Person.

“**Non-Arm’s Length Qualifying Transaction**” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the Capital Pool Company and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction.

“**Original Business Combination Agreement**” means the business combination agreement dated October 6, 2025, among Tiernan, Railtown and Subco in respect of the Proposed Qualifying Transaction.

“**Outside Date**” means December 31, 2025, or such later date as may be agreed to in writing by the parties to the Business Combination Agreement.

“**person**” means a company or an individual.

“**Policy 1.1**” means Exchange Policy 1.1 – *Interpretation* of the Exchange’s Corporate Finance Manual.

“**Policy 2.2**” means Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements of the Exchange* of the Exchange’s Corporate Finance Manual.

“**Policy 4.4**” means Exchange Policy 4.4 – *Security Based Compensation* of the Exchange’s Corporate Finance Manual.

“**Policy 5.4**” means Exchange Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions* of the Exchange’s Corporate Finance Manual.

“**Post-Consolidation Railtown Common Shares**” means the common shares in the capital of Railtown after giving effect to the Railtown Consolidation.

“**Promoter**” means:

- (a) a person or company that, acting alone or in conjunction with one or more other persons, companies or a combination of them, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer; or
- (b) a person or company that, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property or both services and property, 10% or more of the issued securities of a class of securities of the issuer or 10% or more of the proceeds from the sale of a class of securities of a particular issue, but a person or company who receives the securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be considered a Promoter within the meaning of this definition where that person or company does not otherwise take part in founding, organizing or substantially reorganizing the business.

“**Proposed Qualifying Transaction**” means the proposed transactions involving Railtown, Tiernan and Subco pursuant to the terms of the Business Combination Agreement, that will result in a reverse take-over of Railtown by Tiernan pursuant to the First Amalgamation, which, once completed, will constitute the Qualifying Transaction of Railtown and following which the Tiernan Shareholders immediately prior to the Amalgamations will own the substantial majority of the Post-Consolidation Railtown Common Shares.

“Qualifying Transaction” means a transaction where the Capital Pool Company acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means.

“Railtown” means Railtown Capital Corp., a Capital Pool Company incorporated under the laws of the Province of British Columbia, Canada.

“Railtown AGM” means the annual general and special meeting of Railtown held on November 12, 2025.

“Railtown Board Directors’ Resolution” means such resolutions of the board of directors of Railtown, as may be requested by Tiernan, acting reasonably, in compliance with Law and the policies of the Exchange, to give effect to, among other things, the reconstituted board of directors of Railtown in connection with the Proposed Qualifying Transaction as contemplated in the Business Combination Agreement and this Filing Statement, which resolutions will be approved in writing.

“Railtown Common Shares” means the common shares in the capital of Railtown and for certainty, includes only common shares of Railtown prior to effecting to the Railtown Consolidation.

“Railtown Consolidation” means the consolidation of the Railtown Common Shares on the basis of one post-consolidation common share for every 7.0916667 pre-consolidation common shares (such that the post-consolidation fully diluted share count of Railtown will be approximately 3,000,000 shares).

“Railtown Consolidation Resolution” means the directors’ resolution of Railtown authorizing the Railtown Consolidation.

“Railtown Legacy Option Plan” has the meaning ascribed under Part II – *“Information Concerning Railtown – Stock Option Plan”*.

“Railtown Name Change Resolution” means the directors’ resolution of Railtown approving the change of Railtown’s name to *“Tiernan Gold Corp.”* or such other similar name as may be accepted by the relevant regulatory authorities and agreed to by Tiernan, acting reasonably.

“Railtown Options” means options to purchase Railtown Common Shares.

“Railtown Resolutions” means, collectively, the Railtown Board Directors’ Resolution, the Railtown Shareholders’ Resolution, the Railtown Consolidation Resolution, and the Railtown Name Change Resolution.

“Railtown Shareholders” means the holders of Railtown Common Shares and Post-Consolidation Railtown Common Shares, as the case may be.

“Railtown Shareholders’ Resolution” means such resolutions of the Railtown Shareholders, as may be requested by Tiernan, acting reasonably, in compliance with Law and the policies of the Exchange, to give effect to, among other things, the reconstituted board of directors of Railtown (and the election of the directors specified in the Business Combination Agreement and this Filing Statement, or such other directors as Tiernan may designate) in connection with the Proposed Qualifying Transaction, which resolutions were passed at the Railtown AGM.

“Railtown Warrants” means common share purchase warrants to purchase Railtown Common Shares.

“Registrar” means the person appointed as the Registrar of Companies under section 400 of the BCBCA.

“Resulting Issuer” means the issuer that was formerly a Capital Pool Company that exists upon issuance of the Final QT Exchange Bulletin, which, for the purposes of this Filing Statement, shall mean Railtown after Completion of the Proposed Qualifying Transaction.

“Resulting Issuer Board” means the board of directors of the Resulting Issuer.

“Resulting Issuer Options” means options to purchase Resulting Issuer Shares, after Completion of the Proposed Qualifying Transaction, specifically being Railtown Options.

“Resulting Issuer Shares” means the common shares in the capital of the Resulting Issuer, after Completion of the Proposed Qualifying Transaction, specifically being Post-Consolidation Railtown Common Shares.

“Resulting Issuer Warrants” means common share purchase warrants to purchase Resulting Issuer Shares, after Completion of the Proposed Qualifying Transaction.

“Second Amalgamation” means the short-form amalgamation of First Amalco and Railtown, subject to any amendments or variations thereto made in accordance with the provisions of the Business Combination Agreement.

“Second Amalgamation Application” means the filings that are required under the BCBCA to be filed with the Registrar in order to give effect to the Second Amalgamation, in the form set forth in Schedule B to the Business Combination Agreement.

“Second Amalgamation Resolution” means collectively, the resolutions of the reconstituted board of directors of Railtown authorizing and approving the Second Amalgamation.

“Second Certificate of Amalgamation” means the certificate of amalgamation to be issued by the Registrar, evidencing that the Second Amalgamation is effective.

“Secondary Offering” has the meaning ascribed under Part I – *“Summary of Filing Statement”*.

“Secondary Shares” has the meaning ascribed under Part I – *“Summary of Filing Statement”*.

“Securities Authorities” means the British Columbia Securities Commission and any other applicable securities commissions or securities regulatory authority of a province or territory of Canada.

“SEDAR+” means the System for Electronic Document Analysis and Retrieval+.

“Significant Assets” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the Capital Pool Company, together with any other concurrent transactions would result in the Capital Pool Company meeting the Initial Listing Requirements of the Exchange.

“Subco” means 1559261 B.C. Ltd., a wholly-owned subsidiary of Railtown incorporated under the laws of the Province of British Columbia, Canada.

“Subco Common Shares” means the common shares in the capital of Subco.

“Subscription Receipt Agent” means Odyssey Trust Company, as agent of the Tiernan Subscription Receipts pursuant to the Financing.

“Subscription Receipt Agreement” means the subscription receipt agreement dated November 18, 2025 among Tiernan, HM Holdings, Canaccord and the Subscription Receipt Agent in connection with the Financing.

“**subsidiary**” means a person that is controlled directly or indirectly by another person and includes a subsidiary of a subsidiary.

“**Tiernan**” means Tiernan Gold Corp., a corporation incorporated under the laws of the Province of British Columbia, Canada.

“**Tiernan Common Shares**” means the common shares in the capital of Tiernan.

“**Tiernan Consolidation**” means the consolidation of the Tiernan Common Shares on the basis of one post-consolidation common share for every 2.6841123 pre-consolidation common shares (such that the post-consolidation share count of Tiernan will be 37,000,000 shares).

“**Tiernan Shareholders**” means the holders of Tiernan Common Shares.

“**Tiernan Subscription Receipt Unit**” means a subscription receipt unit to be issued by Tiernan consisting of one Tiernan Common Share and one-half of one Tiernan Warrant.

“**Tiernan Subscription Receipts**” means the subscription receipts and concurrent placement units issued by Tiernan pursuant to the Financing, with each such subscription receipt and concurrent placement unit convertible, for no additional consideration, into an Tiernan Subscription Receipt Unit following the satisfaction of the Escrow Release Conditions.

“**Tiernan Warrant**” means a whole common share purchase warrant of Tiernan exercisable into one Tiernan Common Share.

“**Transfer Agent**” has the meaning ascribed under Part II – *“Information Concerning Railtown – Auditor, Transfer Agent and Registrar”*.

“**Treasury Shares**” has the meaning ascribed under Part I – *“Summary of Filing Statement”*.

“**TSXV Approval**” means all necessary approvals of the TSXV at the relevant time in connection with the Proposed Qualifying Transaction.

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“**U.S. Code**” means the United States *Internal Revenue Code of 1986*, as amended from time to time.

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

“**Volcan Project**” means Tiernan’s Volcan gold project located in Tierra Amarilla, Atacama Region, Chile.

“**Volcan Technical Report**” means the “Volcan Project NI 43-101 Technical Report and Preliminary Economic Assessment, Tierra Amarilla, Atacama Region, Chile” with an effective date of July 15, 2025 and as amended and restated on December 8, 2025, prepared by Ausenco Chile Limitada.

“**Voting Shares**” means a security of the issuer that: (a) is not a debt security; and (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

“**Warrant Indenture**” means the warrant indenture dated as of November 18, 2025 between Odyssey Trust Company, as warrant agent, and the Resulting Issuer in respect of the Resulting Issuer Warrants issued pursuant to the First Amalgamation in exchange for Tiernan Warrants issued pursuant to the Subscription Receipt Units.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Filing Statement contains forward-looking information within the meaning of Canadian Securities Laws. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “does not expect”, “is expected”, “estimates”, “intends”, “anticipates”, “does not anticipate”, or “believes”, or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken to occur or be achieved.

Forward-looking information in this Filing Statement includes but is not limited to statements regarding the structure of the Proposed Qualifying Transaction, including the First Amalgamation and Second Amalgamation, the release of the Escrowed Funds, the issuance of Post-Consolidation Railtown Common Shares, the satisfaction of the conditions precedent to Closing, the satisfaction of the Escrow Release Conditions, the continued listing of Railtown Common Shares and Resulting Issuer Shares on the TSXV, expectations of meeting the Initial Listing Requirements and public distribution requirements of a Tier 1 mining issuer, anticipated funds available to the Resulting Issuer and the use of such funds (including the ability to meet expenses for a minimum of 18 months upon Completion of the Proposed Qualifying Transaction), the ability of the Resulting Issuer to attract investors, the completion of the Railtown Consolidation and the name change of Railtown, the positive effects of brand recognition and strategic direction provided by Tiernan, the strategy of the Resulting Issuer, the intended compensation provided to directors and NEOs, the intention of the Resulting Issuer to effect certain corporate changes, the Resulting Issuer’s business objectives and milestones and their estimated completion date and cost, the anticipated composition of the Resulting Issuer Board and management team, the anticipated shareholders of the Resulting Issuer and payment of dividends.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Railtown, Tiernan or the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Although Railtown and Tiernan have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

The following are some of the assumptions upon which forward-looking information is based:

- (a) that general business and economic conditions will not change in a material adverse manner;
- (b) the successful operations of the Resulting Issuer;
- (c) the retention of key personnel; and
- (d) the obtaining of regulatory approvals.

Known and unknown factors could cause actual results or events to differ materially from those projected in the forward-looking statements. See Part VI – “*Risk Factors*”.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this Filing Statement. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this Filing Statement. All subsequent forward-looking information attributable to Railtown, Tiernan or the Resulting Issuer herein is expressly qualified in its entirety by the cautionary statements and by the risk factors contained in or referred to herein. Railtown, Tiernan and the Resulting Issuer do not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this Filing Statement or to reflect the occurrence of unanticipated events, except as may be required under Canadian Securities Laws.

INFORMATION CONTAINED IN THIS FILING STATEMENT

The information contained in this Filing Statement is given as at December 8, 2025, except where otherwise noted.

No person has been authorized to give any information or to make any representation in connection with the Proposed Qualifying Transaction and other matters described herein other than those contained in this Filing Statement and, if given or made, any such information or representation should be considered not to have been authorized by Railtown or Tiernan and should not be relied upon.

The information contained or referred to in this Filing Statement with respect to Tiernan and its industry has been provided by the management of Tiernan and is the responsibility of Tiernan. Management of Railtown has relied upon Tiernan for the accuracy of the information provided by Tiernan without independent verification.

The information contained or referred to in this Filing Statement with respect to Railtown and its industry has been provided by the management of Railtown and is the responsibility of Railtown. Management of Tiernan has relied upon Railtown for the accuracy of the information provided by Railtown without independent verification.

This Filing Statement does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction.

Information contained in this Filing Statement should not be construed as legal, tax or financial advice and readers are urged to consult their own professional advisers in connection therewith.

All dollar amounts in this Filing Statement are expressed in Canadian dollars, unless otherwise indicated.

All financial information in this Filing Statement has been prepared in accordance with IFRS. The historical financial year end for Railtown is November 30 and for Tiernan is December 31. On November 28, 2025, Railtown announced that it has changed its financial year-end from November 30 to December 31 in order to align Railtown's financial year-end with that of Tiernan in advance of Closing.

Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

SCIENTIFIC AND TECHNICAL INFORMATION

Scientific and technical information relating to the Volcan Project included in this Filing Statement is derived from, and in some instances extracted from, and based on the assumptions, qualifications and procedures set out in, the Volcan Technical Report. Scott Elfen, P.E. (Ausenco Engineering Canada ULC), James Millard, P.Geo. (Ausenco Sustainability ULC), Sergio Lagos, M.Sc. RM Ex Met CMC (Ausenco Chile Limitada), Bruno Yoshida Tomaselli, FAusIMM (Deswik Brasil), and William J. Lewis, P.Geo. (Micon International Limited), each of whom are "qualified persons" as defined by NI 43-101 and independent of Tiernan, has reviewed and approved the scientific and technical information relating to the Volcan Project contained in this Filing Statement. Reference should be made to the full text of the Volcan Technical Report, a copy of which has been filed and is available for review under Railtown's company profile on SEDAR+ at www.sedarplus.ca.

MARKET AND INDUSTRY DATA

Certain information in this Filing Statement with respect to Tiernan and Tiernan contains market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although management of Tiernan believes it to be reliable, management has not independently verified any of the data from third-party sources referred to in these risk factors or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

PART I – SUMMARY OF FILING STATEMENT

The following is a summary of information relating to Railtown, Tiernan and the Resulting Issuer (assuming Completion of the Proposed Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

This Filing Statement is prepared in accordance with the CPC Policy in connection with Railtown's Qualifying Transaction.

Parties to the Proposed Qualifying Transaction

Railtown Capital Corp.

Railtown was incorporated under the BCBCA on June 22, 2020. The registered and records office of Railtown is located at Suite 2200, RBC Place, 885 West Georgia St., Vancouver, British Columbia, V6C 3E8. Other than Subco, Railtown has no subsidiaries.

Railtown is a Capital Pool Company listed on the TSXV. The Railtown Common Shares were listed for trading on the Exchange on February 1, 2021, and commenced trading at the opening of trading on February 1, 2021, under the symbol "RLT.P". In accordance with the CPC Policy, the principal business of Railtown has been the identification and evaluation of businesses and assets with a view to completing a Qualifying Transaction and, having identified and evaluated such opportunities, negotiating an acquisition or participation subject to acceptance by the Exchange. Railtown does not have business operations or assets other than cash, and currently has no written or oral agreements in principle for the acquisition of an asset or business, other than the Business Combination Agreement.

See Part II – "*Information Concerning Railtown*".

Tiernan Gold Corp.

Tiernan was incorporated under the BCBCA on March 22, 2022. The registered and records office of Tiernan is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2X8. Other than Andina Minerals Chile, Tiernan has no subsidiaries.

Tiernan is a Canadian company focused on advancing its 100%-owned Volcan Project. The Volcan Project is strategically located in the Atacama Region of Chile, on the Maricunga gold belt, a jurisdiction that has a long-established history of mining with a number of operating mines, new mines under construction and major projects being developed.

The Volcan Project was acquired by Hochschild Mining in 2013 through the acquisition of Andina Minerals. The Volcan Project is located approximately 700 km north of Santiago, the capital of Chile, approximately 170 km (by road) east of the mining and agricultural city of Copiapó and approximately 40 km west of the border with Argentina. The property is located in Region III (Atacama) of northern Chile in the Province of Copiapó and political subdivision of Comuna Tierra Amarilla.

Tiernan is 100% owned by HM Holdings, a wholly-owned subsidiary of Hochschild Mining (LSE: HOC).

See Part III – "*Information Concerning Tiernan*".

Terms of the Proposed Qualifying Transaction

Business Combination Agreement and Proposed Qualifying Transaction

On September 2, 2025, Railtown entered into the Letter of Intent with Tiernan, which provided the terms on which Railtown and Tiernan proposed to complete a business combination by way of a share purchase, plan of arrangement, amalgamation, three-cornered amalgamation, or other similar form of transaction.

On October 6, 2025, Railtown, Subco and Tiernan entered into the Original Business Combination Agreement in connection with the Proposed Qualifying Transaction. On November 7, 2025, Railtown, Subco and Tiernan entered into the Business Combination Agreement, which amended and restated the terms of the Original Business Combination Agreement and the Proposed Qualifying Transaction. Pursuant to the Business Combination Agreement, Tiernan and Subco will amalgamate under the BCBCA to form First Amalco. First Amalco will then amalgamate with Railtown pursuant to the Second Amalgamation to form the Resulting Issuer, and the Resulting Issuer will continue Tiernan's business. Copies of the Original Business Combination Agreement and the Business Combination Agreement are available on SEDAR+ at www.sedarplus.ca. The summary contained herein is qualified in its entirety by reference to the complete text of the Business Combination Agreement.

Immediately prior to the First Amalgamation, each Tiernan Subscription Receipt will convert automatically into one Tiernan Subscription Receipt Unit. Each Tiernan Subscription Receipt Unit will consist of one Post-Tiernan Consolidation Tiernan Common Share and one-half of one Tiernan Warrant (which Tiernan Common Shares and Tiernan Warrants will in turn be exchanged for Resulting Issuer Shares and Resulting Issuer Warrants pursuant to the Proposed Qualifying Transaction, as further described below) without payment of additional consideration or further action on the part of the holder and the Escrowed Funds will be released by the Subscription Receipt Agent to Tiernan and HM Holdings.

Under the Business Combination Agreement, Railtown, Subco and Tiernan agreed to effect the combination of their respective businesses and assets by way of the Proposed Qualifying Transaction in accordance with the terms, and subject to the conditions, set forth in the Business Combination Agreement. Pursuant to the Business Combination Agreement:

- (a) Tiernan shall obtain written approval from the board of directors of Tiernan and approval from the Tiernan Shareholders, as necessary, for the purpose of approving the Proposed Qualifying Transaction, including the First Amalgamation Resolution and the Tiernan Consolidation Resolution; and
- (b) Railtown shall obtain written approval from the board of directors of Railtown for the purpose of approving the Proposed Qualifying Transaction and will use commercially reasonable efforts to obtain approval from the Railtown Shareholders of the matters at the Railtown AGM, as necessary.

Following the satisfaction of all conditions to Closing set out in the Business Combination Agreement (other than the filing of the First Amalgamation Application and the Second Amalgamation Application) and prior to filing the First Amalgamation Application:

- (a) the Railtown Consolidation shall occur and Railtown shall change its name to such name approved by the Railtown Name Change Resolution; and
- (b) the Tiernan Consolidation shall occur.

No fractional Railtown Common Shares shall be issued to holders of Railtown Common Shares in connection with the Railtown Consolidation, and in lieu of any fractional entitlement, each fractional share that is less than one-half of a share will be cancelled and each fractional share that is at least one-half of a share will be changed to one whole Railtown Post-Consolidation Common Share.

Subject to completion of the above, on the Effective Date, Tiernan and Subco shall jointly complete and file the First Amalgamation Application substantially in the form set forth in Schedule A to the Business Combination Agreement with the Registrar, giving effect to the First Amalgamation upon and subject to the terms of this Agreement and the First Amalgamation Agreement.

Upon or immediately following the filing of the First Amalgamation Application, Railtown will reconstitute its board of directors and appoint as the officers of Railtown the individuals specified in Part IV – “*Information Concerning the Resulting Issuer*” (and Railtown shall promptly file any required notices of change or other filings with the Registrar in connection therewith).

As soon as it is practicable following the filing of the First Amalgamation Application on the Effective Date, the reconstituted board of directors of Railtown shall pass the Second Amalgamation Resolution. Subject to completion of the foregoing steps, as soon as practicable following the filing of the First Amalgamation Application on the Effective Date, First Amalco and Railtown shall complete and file with the Registrar the Second Amalgamation Application substantially in the form set forth in Schedule B to the Business Combination Agreement, giving effect to the Second Amalgamation.

In connection with the First Amalgamation:

- (a) in accordance with the terms of the Subscription Receipt Agreement, upon satisfaction of the Escrow Release Conditions, each Tiernan Subscription Receipt shall be automatically converted into a Tiernan Unit, being comprised of one Tiernan Common Share and one-half of one Tiernan Warrant, in accordance with their terms, immediately prior to the First Amalgamation becoming effective; and
- (b) concurrently with receipt of the First Certificate of Amalgamation, at the Effective Time:
 - (i) each issued and outstanding Subco Common Share, all of which are held by Railtown, will be exchanged for one issued and fully paid First Amalco Share and the Subco Common Shares shall be cancelled;
 - (ii) each issued and outstanding Tiernan Common Share (including for the avoidance of doubt, the Tiernan Common Shares issued in connection with the conversion of the Tiernan Subscription Receipts) will be exchanged for one fully paid and non-assessable Railtown Common Share and the Tiernan Common Shares shall be cancelled;
 - (iii) each issued and outstanding Tiernan Warrant will be exchanged for one Resulting Issuer Warrant, substantially on the same terms as the Tiernan Warrants, and the Tiernan Warrants shall be cancelled;
 - (iv) in consideration of the issuance by Railtown of the Railtown Common Shares pursuant to the First Amalgamation Agreement, First Amalco shall issue to Railtown one fully paid and non-assessable First Amalco Share for each Railtown Common Share issued to former holders of Tiernan Common Shares;
 - (v) First Amalco shall add an amount to the capital maintained in respect of the First Amalco Shares equal to the sum of the capital of the: (A) Tiernan Common Shares, determined immediately prior to the Effective Time; and (B) Subco Common Shares, determined immediately prior to the Effective Time; and
 - (vi) Railtown shall add an amount to the capital maintained in respect of the Railtown Common Shares equal to the capital of the Tiernan Common Shares, determined immediately prior to the First Amalgamation.

Upon receipt of the Second Certificate of Amalgamation and as a result of the Second Amalgamation, all First Amalco Shares shall be cancelled without any repayment of capital in respect thereof and the Railtown Common Shares will be the common shares of the Resulting Issuer.

As soon as practicable after the date shown on the Second Certificate of Amalgamation and in accordance with normal commercial practice, the Resulting Issuer shall issue or cause to be issued certificates, direct registration statement advices or electronic positions within CDS, as the case may be, representing the

appropriate number of Resulting Issuer Shares and Resulting Issuer Warrants to the applicable former Tiernan securityholders. No fractional Resulting Issuer Shares or Resulting Issuer Warrants will be delivered to any Tiernan securityholder otherwise entitled thereto, and any such fractions will be rounded down to the nearest whole number and no cash amount will be payable in lieu thereof.

37,000,000 Post-Consolidation Railtown Common Shares are expected to be issued by Railtown to Tiernan Shareholders pursuant to the First Amalgamation, which, based on the deemed price of \$3.19 per Post-Consolidation Railtown Common Share, would represent an aggregate consideration value of approximately \$118,076,250.

Conditions to Completion of the Proposed Qualifying Transaction

The Closing will be subject to certain mutual conditions precedent in favour of each of the respective Parties pursuant to the Business Combination Agreement, including, among others, that all required consents, waivers, permits, exemptions, orders and approvals required to permit the completion of the Proposed Qualifying Transaction shall have been obtained, the TSXV Approval, subject to usual and ordinary conditions, shall have been obtained, the Railtown Common Shares to be issued pursuant to the Proposed Qualifying Transaction shall have been approved for listing on the TSXV, no Law is in effect that makes the consummation of the Proposed Qualifying Transaction illegal or otherwise prohibits or enjoins Railtown, Tiernan and Subco from consummating the Proposed Qualifying Transaction, in respect of the Financing: (i) the Closing (as such term is defined in the Subscription Receipt Agreement) of the Financing shall have been completed for aggregate gross proceeds sufficient to satisfy the minimum listing requirements of the TSXV for a Tier 1 mining issuer; and (ii) the Escrow Release Conditions shall have been satisfied and the Tiernan Subscription Receipts shall have been converted into Tiernan Common Shares and Tiernan Warrants in accordance with the Subscription Receipt Agreement, the Railtown Consolidation shall have been completed and the Tiernan Consolidation shall have been completed.

In addition, the Closing will be subject to certain additional conditions precedent in favour of Railtown and Subco and Tiernan, respectively, including, among others, as to the accuracy of the representations and warranties of the Parties as set out in the Business Combination Agreement, the fulfilment or compliance in all material respects with each of the covenants of the Parties contained in the Business Combination Agreement to be fulfilled or complied with by it on or prior to the Effective Date, and satisfaction of other customary conditions of closing for a transaction of this nature.

See Part II – “*Information Concerning Railtown – The Proposed Qualifying Transaction*”.

Pursuant to the Business Combination Agreement, the Effective Date shall occur within three Business Days, or such shorter or longer period as may be agreed upon by Railtown, Subco and Tiernan, following the satisfaction of all conditions to Closing set out in the Business Combination Agreement (other than the filing of the First Amalgamation Application and the Second Amalgamation Application). In addition, Railtown, Subco, and Tiernan may terminate the Business Combination Agreement in the circumstances provided for in the Business Combination Agreement, including where the Effective Time does not occur prior to the Outside Date or there is a Material Adverse Effect in respect of Railtown, Subco or Tiernan, as applicable.

The Financing

On November 18, 2025, Tiernan completed the Financing, comprised of 11,670,200 Tiernan Subscription Receipts at a price of \$5.00 per Tiernan Subscription Receipt for aggregate gross proceeds of \$58,351,000 (comprised of a \$40,000,000 Treasury Offering (as defined below) and \$18,351,000 Secondary Offering (as defined below)). Each Subscription Receipt entitles the holder thereof to receive, without any further action and without payment of additional consideration, and subject to adjustments in certain circumstances, one Tiernan Subscription Receipt Unit. Each Tiernan Subscription Receipt Unit will consist of one Post-Tiernan Consolidation Tiernan Common Share and one-half of one Tiernan Warrant, assuming the satisfaction of the

Escrow Release Conditions prior to the date that is 90 days following the Financing Closing, as such deadline may be extended. The Escrow Release Conditions include, among other things, that all conditions precedent to Completion of the Proposed Qualifying Transaction will have been satisfied or waived, including the TSXV Approval.

Each Tiernan Warrant issued pursuant to the Financing shall be exercisable into one Tiernan Share at a price of \$6.50 at any time up to 24 months following the Financing Closing. In connection with Completion of the Proposed Qualifying Transaction, the Tiernan Common Shares and the Tiernan Warrants issued pursuant to the Tiernan Subscription Receipt Units will be exchanged or otherwise converted into Resulting Issuer Shares and Resulting Issuer Warrants, as applicable, upon the delivery by Tiernan (for and on behalf of the Agents) to the Subscription Receipt Agent, of an escrow release notice confirming the satisfaction of the Escrow Release Conditions. The Tiernan Common Shares issuable on exercise of the Tiernan Subscription Receipts will come from: (i) Tiernan Common Shares newly issued by Tiernan from treasury (the “**Treasury Shares**”); and (ii) Tiernan Common Shares previously issued by Tiernan and currently held by HM Holdings (the “**Secondary Shares**”). The Tiernan Warrants issuable on exercise of the Tiernan Subscription Receipts will come from warrants newly issued by Tiernan from treasury and will be exercisable to acquire Tiernan Common Shares from treasury upon payment of the exercise price to Tiernan. For purposes of this Filing Statement, “**Treasury Offering**” shall include the offering of Treasury Shares and Tiernan Warrants pursuant to the Financing and “**Secondary Offering**” shall include the offering of Secondary Shares and Tiernan Warrants pursuant to the Financing. Tiernan shall not receive any proceeds from the sale of Secondary Shares and HM Holdings shall only receive proceeds from the sale of the Secondary Shares under the Financing.

See Part III – “*Information Concerning Tiernan – Financing*”.

Resulting Issuer

Concurrent with Closing, the Resulting Issuer will be named “*Tiernan Gold Corp.*” or such other similar name as may be accepted by the relevant regulatory authorities and agreed to by Tiernan, acting reasonably, and will carry on the business of Tiernan.

It is expected that the Resulting Issuer will meet the public distribution requirements of a Tier 1 issuer in the mining category, as set out in the Initial Listing Requirements.

See Part IV – “*Information Concerning the Resulting Issuer*”.

Interests of Insiders, Promoters and Control Persons

No Insider, Promoter or Control Person of Railtown, or their respective Associates and Affiliates, has any interest in the Proposed Qualifying Transaction other than any interest arising from their ownership of Railtown Common Shares, Tiernan Common Shares, Resulting Issuer Shares, or any convertible securities of Railtown, Tiernan or the Resulting Issuer, as applicable.

The ownership (directly or indirectly) by Insiders, Promoters and Control Persons of Railtown with respect to Railtown Common Shares, Tiernan Common Shares and the Resulting Issuer Shares is, in each case on a fully-diluted basis, as follows:

Insider, Promoter or Control Person	Railtown Common Shares		Tiernan Common Shares		Resulting Issuer Shares	
	Number ⁽¹⁾	Percentage ⁽²⁾	Number ⁽³⁾	Percentage ⁽⁴⁾	Number	Percentage ⁽⁵⁾
Christopher Taylor <i>CEO and Director of Railtown</i>	2,800,000	13.161%	30,000	0.059%	424,830	0.789%
Claudia Tornquist <i>CFO and Director of Railtown</i>	762,500	3.584%	–	–	107,521	0.200%
Cameron White <i>Corporate Secretary and Director of Railtown</i>	762,500 ⁽⁶⁾	3.584%	30,000	0.059%	137,521	0.255%
Adam Schatzker <i>Director of Railtown</i>	300,000	1.410%	–	–	42,303	0.079%
Jeff Sundar <i>Director of Railtown</i>	450,000	2.115%	–	–	63,455	0.118%

Notes:

- (1) Without giving effect to the Railtown Consolidation and presented on a fully-diluted basis.
- (2) Based on 21,275,000 Railtown Common Shares outstanding on a fully-diluted basis (comprised of 19,526,880 Railtown Common Shares issued and outstanding, the 1,275,000 Railtown Common Shares issuable upon exercise of the 1,275,000 Railtown Options outstanding and the 473,120 Railtown Common Shares issuable upon exercise of the 473,120 Railtown Warrants outstanding). All percentages are rounded to the nearest thousandth of a percent (three decimal places).
- (3) Such Tiernan Common Shares will be issued upon the conversion of the applicable Tiernan Subscription Receipts, including the underlying Tiernan Warrants.
- (4) Assuming 50,835,100 Tiernan Common Shares outstanding on a fully-diluted basis after the conversion of the Tiernan Subscription Receipts, including the underlying Tiernan Warrants. All percentages are rounded to the nearest thousandth of a percent (three decimal places).
- (5) Assuming 53,835,100 Resulting Issuer Shares outstanding on a fully diluted basis after giving effect to the Railtown Consolidation, the Tiernan Consolidation, the Proposed Qualifying Transaction and the Financing (including after giving effect to the exercise of any Resulting Issuer Options and/or Resulting Issuer Warrants held by such persons).
- (6) 300,000 Shares are owned by Koele Capital Corporation, a private company controlled by Cameron White. All percentages are rounded to the nearest thousandth of a percent (three decimal places).

See Part IV – “Information Concerning the Resulting Issuer – Principal Securityholders”.

Estimated Funds Available to the Resulting Issuer and Proposed Principal Uses

The following table sets forth the funds anticipated to be available to the Resulting Issuer after giving effect to the Treasury Offering and the Proposed Qualifying Transaction:

Available Funds	Estimated Amount (CAD)
Estimated working capital ⁽¹⁾	\$16,210,000
Net proceeds from the Treasury Offering ⁽²⁾	\$37,605,613
Total Available Funds	\$53,815,613
Uses of Funds	
Prefeasibility study, metallurgy and year 1 environmental baseline studies	\$8,250,000
Feasibility study and EIA completion	\$7,000,000
Community consultation	\$3,500,000
Repayment of inter-company indebtedness to related parties ⁽¹⁾	\$2,475,000
General and administrative expenses for the first 18 months	\$4,875,000
Unallocated working capital	\$27,715,613
Total Uses	\$53,815,613

Notes:

- (1) Estimated combined working capital of the Resulting Issuer as at November 30, 2025. For purposes of this table, the aggregate total of Tiernan working capital is adjusted to exclude the amount of \$2,475,000 payable primarily to HM Holdings in respect of inter-company indebtedness (as illustrated in “Use of Funds” below).
- (2) Represents gross proceeds of \$40,000,000 from the sale of Tiernan Common Shares plus gross proceeds for the Tiernan Warrants issued pursuant to the Secondary Offering of \$1,890,153, minus the Agents’ Fee (\$3,017,460) and Agents’ Expenses (\$225,080) and the Company’s legal and accounting costs incurred in connection with the Proposed Qualifying Transaction (\$1,042,000).

Based on current projections, the Resulting Issuer’s working capital available for funding operations is expected to meet its expenses for a minimum period of 18 months commencing immediately after the Completion of the Proposed Qualifying Transaction, assuming successful operations of the Resulting Issuer.

It is intended that, after accounting for the costs of the Proposed Qualifying Transaction and amounts required to fund operating costs, the Resulting Issuer will expend substantially all funds raised in the Treasury Offering or subsequently on the exploration and development of the Volcan Project.

For further details, see Part IV – *“Information Concerning the Resulting Issuer – Available Funds and Principal Purposes”* and Appendix C – *Unaudited Pro Forma Consolidated Statement of Financial Position of the Resulting Issuer.*

Non-Arm’s Length Transactions

The Proposed Qualifying Transaction is not a Non-Arm’s Length Qualifying Transaction. No Insider or Control Person of Railtown holds any interest in Tiernan or will receive any consideration should Completion of the Proposed Qualifying Transaction occur (other than the receipt of any Resulting Issuer Shares and Resulting Issuer Warrants as a result of subscription in the Financing for Tiernan Subscription Receipts). Accordingly, approval of the Proposed Qualifying Transaction by the Railtown Shareholders is not required.

Securities Law Matters

The Post-Consolidation Railtown Common Share to be issued to holders of Tiernan Common Shares upon completion of the First Amalgamation will be issued in reliance on the exemptions from prospectus requirements in accordance with section 2.11 of National Instrument 45-106 – *Prospectus Exemptions*. After Closing, pursuant to National Instrument 45-102 – *Resale of Securities*, the Resulting Issuer Shares will be freely tradeable provided: (a) the Resulting Issuer is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade; (b) the trade is not a control distribution; (c) no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade; and (d) no extraordinary commission or consideration is paid to a person or company in respect of the trade. Railtown became a reporting issuer in January 2021 and, accordingly, it will have been a reporting issuer for four months preceding the Closing. The Resulting Issuer Shares which are issued in the United States will bear a legend to the effect that the Resulting Issuer Shares are not registered under the U.S. Securities Act and may only be offered, sold, pledged or otherwise transferred, directly or indirectly, pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any applicable state of the United States. Holders of Resulting Issuer Shares are advised to consult their financial or legal advisors with respect to the tradability of the Resulting Issuer Shares that they will receive on completion of the Amalgamations.

Selected *Pro Forma* Balance Sheet Information

Statement of Financial Position (US\$ 000)	Tiernan, as at September 30, 2025 (US\$ 000) (Unaudited)	Railtown, as at August 31, 2025 (US\$ 000) (Unaudited)	Pro Forma as at August 31, 2025 after giving effect to the Financing and the Proposed Qualifying Transaction (US\$ 000) (Unaudited)
Current Assets	\$10,867	\$898	\$39,130
Non-current Assets	\$70,133	—	\$70,133
Current Liabilities	\$1,502	\$25	\$1,527
Non-current Liabilities	—	—	\$5,062
Shareholders' Equity	\$79,498	\$873	\$102,674

Such information is derived from the unaudited *pro forma* balance sheet of the Resulting Issuer as at August 31, 2025, which is attached hereto as Appendix C – *Unaudited Pro Forma Consolidated Statement of Financial Position of the Resulting Issuer*, and should be read in conjunction herewith.

Market for Securities

The Railtown Common Shares are listed on the Exchange under the trading symbol “RLT.P”. Prior to markets opening on September 3, 2025, the Railtown Common Shares were halted from trading pending the announcement that Railtown and Tiernan had entered into the Letter of Intent. The Railtown Common Shares have remained halted since September 3, 2025. The closing price on the TSXV of Railtown Common Shares on September 2, 2025, the last completed trading day, was \$0.45 per Railtown Common Share. See Part II – *“Information Concerning Railtown – Trading Price and Volume”*.

As at the date of this Filing Statement, the Tiernan Common Shares are not listed or quoted on any stock exchange in Canada, the United States or internationally.

Sponsorship

Pursuant to the request of Railtown and Tiernan, the Exchange has granted the Resulting Issuer a waiver from the Qualifying Transaction sponsorship requirements of Policy 2.2. See Part V – *“General Matters – Sponsorship and Agent Relationship”*.

Conditional Listing Approval for Transaction

The Exchange has conditionally accepted the Proposed Qualifying Transaction subject to Railtown fulfilling all of the Exchange Requirements. Railtown has applied to have the Resulting Issuer Shares listed on the Exchange upon the Completion of the Proposed Qualifying Transaction under the symbol “TNGD”.

Interests of Experts

There is no interest, direct or indirect, in any securities or property of Railtown, Tiernan or the Resulting Issuer, or of an Associate or Affiliate of Railtown, Tiernan or the Resulting Issuer, received or to be received by an expert.

For the purposes hereof, “expert” means any person whose profession or business gives authority to a statement made by that person and who is named as having prepared or certified a part of this Filing Statement, or prepared or certified a report or valuation described or included in this Filing Statement.

See Part V – *“General Matters – Interests of Experts”*.

Conflicts of Interest

Certain of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon Completion of the Proposed Qualifying Transaction are also directors, officers and/or Promoters of other reporting and non-reporting issuers, including Tiernan.

Accordingly, conflicts of interest may arise which could influence these individuals in acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the BCBCA to act at all times in good faith in the interests of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. To the best of their respective knowledge, neither Railtown nor Tiernan is aware of the existence of any conflicts of interest between Railtown or Tiernan and any of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon Completion of the Proposed Qualifying Transaction, as of the date of this Filing Statement, other than as discussed herein.

See Part VI – “*Risk Factors*”.

Risk Factors

Tiernan’s business is, and the Resulting Issuer’s business will be, subject to numerous risks and uncertainties, including those highlighted in the section titled Part VI – “*Risk Factors*”. These risks include, but are not limited to, the following:

- (a) mining operations are risky;
- (b) the Resulting Issuer may fail to comply with the law or may fail to obtain or renew necessary permits and licenses;
- (c) mining operations require geologic, metallurgic, engineering, title, environmental, economic and financial assessments that may be materially incorrect and thus the Resulting Issuer may not produce as expected;
- (d) the Resulting Issuer depends on a single mineral project;
- (e) the mining industry is intensely competitive;
- (f) geological, hydrological and climatic events could suspend mining operations or increase costs;
- (g) Chile is located in a seismic area that exposes the Volcan Project to the risk of earthquakes;
- (h) actual production, capital and operating costs may be different than those anticipated;
- (i) our mineral exploration efforts are highly speculative in nature and may be unsuccessful;
- (j) the construction and start-up of new mines is subject to a number of factors and the Resulting Issuer may not be able to successfully complete new development projects;
- (k) currency fluctuations may result in unanticipated losses;
- (l) the Volcan Project is subject to operational risks that may result in increased costs or delays that prevent its successful implementation;
- (m) the successful development and operation of the Volcan Project depend on the skills of the Resulting Issuer’s management and workforce;
- (n) operations during mining cycle peaks are more expensive;
- (o) the Resulting Issuer’s properties may be subject to title challenges or claims in the future;
- (p) the Volcan Project’s water supply could be affected by geological changes or environmental regulations;
- (q) compliance with environmental regulations can be costly;
- (r) social and environmental activism can negatively impact exploration, development and mining activities;
- (s) industry consolidation may result in increased competition, which could result in a reduction in revenue;
- (t) inadequate infrastructure may constrain mining operations;
- (u) a failure to maintain satisfactory labour relations can adversely impact the Resulting Issuer;

- (v) because of the dangers involved in our operations, there is a risk that we may incur liability or damages as we conduct our business;
- (w) the courts of the jurisdictions in which the Resulting Issuer operates or might operate in the future may offer less certainty as to the judicial outcome or less effective forms of redress or a more protracted judicial process than in Canada;
- (x) the Resulting Issuer's Chilean operations are subject to political and other risks associated with operating in a foreign jurisdiction;
- (y) the Resulting Issuer's mineral rights may be terminated or not renewed by governmental authorities and we may be negatively impacted by changes to mining laws and regulations;
- (z) our operations depend on our relations and agreements with local communities, and new projects may require carrying out a prior consultation procedure;
- (aa) the perception of higher risk in emerging economies may materially and adversely affect the Chilean economy and our business;
- (bb) the Resulting Issuer may be responsible for corruption and anti-bribery law violations;
- (cc) regulatory approval of the Qualifying Transaction may not be obtained;
- (dd) the Business Combination Agreement may be terminated;
- (ee) market Price and liquidity of Resulting Issuer Shares;
- (ff) shareholders of the Resulting Issuer will be at risk of equity dilution;
- (gg) if Tiernan or Resulting Issuer is a "passive foreign investment company", U.S. Holders of Subscription Receipts (or, upon conversion thereof, the Subscription Receipt Shares and Subscription Receipt Warrants) or Resulting Issuer Shares or Resulting Issuer Warrants, as applicable, may be subject to adverse U.S. federal income tax consequences; and
- (hh) there can be no assurances that U.S. Holders of the Subscription Receipt Shares and Subscription Receipt Warrants will not be required to recognize gain for U.S. federal income tax purposes upon the exchange of Subscription Receipt Shares and Subscription Receipt Warrants for Resulting Issuer Shares and Resulting Issuer Warrants Pursuant to the Amalgamations.

PART II – INFORMATION CONCERNING RAILTOWN

Corporate Structure

Name and Incorporation

Railtown Capital Corp. was incorporated on June 22, 2020, pursuant to the BCBCA. The registered and records office of Railtown is located at Suite 2200, RBC Place, 885 West Georgia St., Vancouver, British Columbia, V6C 3E8.

Intercorporate Relationships

Railtown does not have any subsidiaries other than Subco, which was incorporated on October 2, 2025 pursuant to the BCBCA for the purpose of completing the Proposed Qualifying Transaction. Subco is a non-operating entity and does not conduct any business.

General Development of the Business

History

Railtown is a Capital Pool Company listed on the Exchange and to date has not carried on any operations. The principal business of Railtown has been the identification and evaluation of businesses and assets with a view to completing a Qualifying Transaction and, having identified and evaluated such opportunities, negotiating an acquisition or participation subject to acceptance by the Exchange. Railtown does not have business operations or assets other than cash, and currently has no written or oral agreements in principle for the acquisition of an asset or business, other than the Business Combination Agreement.

The following is a summary description of the general development and history of Railtown's business since incorporation:

- On June 22, 2020, Railtown was incorporated. On August 31, 2020, Railtown sold 5,000,000 Railtown Common Shares at a price of \$0.05 per Railtown Common Share for aggregate gross proceeds of \$250,000. These initial 5,000,000 Railtown Common Shares are held in escrow and will be released rateably over a period following Completion of the Proposed Qualifying Transaction.
- On January 8, 2021, Railtown filed its final prospectus. On January 28, 2021, Railtown completed its Capital Pool Company initial public offering, issuing 5,000,000 Railtown Common Shares at a price of \$0.10 per Railtown Common Share for aggregate gross proceeds of \$500,000. Upon closing of the initial public offering Railtown also completed a non-brokered private placement pursuant to which it issued an additional 3,000,000 Railtown Common Shares at a price of \$0.10 per Railtown Common Share to raise additional aggregate gross proceeds of \$300,000. In connection with the offerings, the Railtown Common Shares were approved for listing on the TSXV and commenced trading effective February 1, 2021 under the symbol "RLT.P".
- Upon completion of the Railtown Capital Pool Company initial public offering, Railtown also issued 500,000 Railtown Warrants to Canaccord Genuity Corp., which warrants are exercisable for a period of 60 months from January 28, 2021 at a price of \$0.10 per Railtown Warrant. In addition, upon completion of the Railtown Capital Pool Company initial public offering, Railtown granted 1,300,000 Railtown Options to the directors and officers of Railtown, which Railtown Options expire ten years from the date of grant at a price of \$0.10 per Railtown Option.
- On March 28, 2022, Railtown announced that it signed a non-binding letter of intent dated March 17, 2022 to effect a reverse takeover of Railtown by Selten Metal Corp. ("**Selten**") (such transaction was

intended to constitute a “Qualifying Transaction” of Railtown, as such term is defined in the policies of the TSXV). On April 25, 2023, Railtown announced that letter of intent with Selten had expired and the parties had elected to not renew the letter of intent.

- On November 29, 2023, Railtown completed a non-brokered private placement, issuing 6,500,000 Railtown Common Shares at a price of \$0.10 per Railtown Common Share for aggregate gross proceeds of \$650,000.
- On October 28, 2025, Railtown issued 26,880 Railtown Common Shares upon Canaccord exercising 26,880 of its Railtown Warrants at a price of \$0.10 per Railtown Warrant.

Since the Railtown Capital Pool Company initial public offering, Railtown has not commenced operations and has no assets other than cash. Railtown is a reporting issuer under applicable securities legislation in the Provinces of British Columbia and Alberta.

The Proposed Qualifying Transaction

Business Combination Agreement and Proposed Qualifying Transaction

On September 2, 2025, Railtown entered into the Letter of Intent with Tiernan, which provided the terms on which Railtown and Tiernan proposed to complete a business combination by way of a share purchase, plan of arrangement, amalgamation, three-cornered amalgamation, or other similar form of transaction.

On October 6, 2025, Railtown, Subco and Tiernan entered into the Original Business Combination Agreement pursuant to which the parties agreed to effect the Proposed Qualifying Transaction in compliance with the Exchange Requirements. On November 7, 2025, Railtown, Subco and Tiernan entered into the Business Combination Agreement, which amended and restated the terms of the Original Business Combination Agreement and the Proposed Qualifying Transaction. Pursuant to the Business Combination Agreement, Tiernan and Subco will amalgamate under the BCBCA to form First Amalco. First Amalco will amalgamate immediately afterwards with Railtown pursuant to the Second Amalgamation to form the Resulting Issuer, and the Resulting Issuer will continue Tiernan’s business. Copies of the Original Business Combination Agreement and the Business Combination Agreement are available on SEDAR+ at www.sedarplus.ca. The summary contained herein is qualified in its entirety by reference to the complete text of the Business Combination Agreement.

Immediately prior to the First Amalgamation, each Tiernan Subscription Receipt will convert automatically into one Tiernan Subscription Receipt Unit. Each Tiernan Subscription Receipt Unit will consist of one Post-Tiernan Consolidation Tiernan Common Share and one-half of one Tiernan Warrant (which Tiernan Common Shares and Tiernan Warrants will in turn be exchanged for Resulting Issuer Shares and Resulting Issuer Warrants pursuant to the Proposed Qualifying Transaction, as further described below) without payment of additional consideration or further action on the part of the holder and the Escrowed Funds will be released by the Subscription Receipt Agent to Tiernan and HM Holdings.

Under the Business Combination Agreement, Railtown, Subco and Tiernan agreed to effect the combination of their respective businesses and assets by way of the Proposed Qualifying Transaction in accordance with the terms, and subject to the conditions, set forth in the Business Combination Agreement. The Proposed Qualifying Transaction is not a Non-Arm’s Length Qualifying Transaction. No Insider or Control Person of Railtown holds any interest in Tiernan or will receive any consideration should Completion of the Proposed Qualifying Transaction occur. Accordingly, approval of the Proposed Qualifying Transaction by the Railtown Shareholders is not required. However, pursuant to the Business Combination Agreement:

- (a) Railtown shall obtain written approval from the board of directors of Railtown for the purpose of approving the Proposed Qualifying Transaction and will use commercially reasonable efforts to obtain approval from the Railtown Shareholders of the matters at the Railtown AGM, as necessary; and
- (b) Tiernan shall obtain written approval from the board of directors of Tiernan and approval from the Tiernan Shareholders, as necessary, for the purpose of approving the Proposed Qualifying Transaction, including the First Amalgamation Resolution and the Tiernan Consolidation Resolution.

Following the satisfaction of all conditions to Closing set out in the Business Combination Agreement (other than the filing of the First Amalgamation Application and the Second Amalgamation Application) and prior to filing the First Amalgamation Application:

- (a) the Railtown Consolidation shall occur and Railtown shall change its name to such name approved by the Railtown Name Change Resolution; and
- (b) the Tiernan Consolidation shall occur.

No fractional Railtown Common Shares shall be issued to holders of Railtown Common Shares in connection with the Railtown Consolidation, and in lieu of any fractional entitlement, each fractional share that is less than one-half of a share will be cancelled and each fractional share that is at least one-half of a share will be changed to one whole Railtown Post-Consolidation Common Share.

Subject to completion of the above, on the Effective Date, Tiernan and Subco shall jointly complete and file the First Amalgamation Application substantially in the form set forth in Schedule A to the Business Combination Agreement with the Registrar, giving effect to the First Amalgamation upon and subject to the terms of this Agreement and the First Amalgamation Agreement.

Upon or immediately following the filing of the First Amalgamation Application, Railtown will reconstitute its board of directors and appoint as the officers of Railtown the individuals specified in Part IV – “*Information Concerning the Resulting Issuer*” (and Railtown shall promptly file any required notices of change or other filings with the Registrar in connection therewith).

As soon as it is practicable following the filing of the First Amalgamation Application on the Effective Date, the reconstituted board of directors of Railtown shall pass the Second Amalgamation Resolution. Subject to completion of the foregoing steps, as soon as practicable following the filing of the First Amalgamation Application on the Effective Date, First Amalco and Railtown shall complete and file with the Registrar the Second Amalgamation Application substantially in the form set forth in Schedule B to the Business Combination Agreement, giving effect to the Second Amalgamation.

In connection with the First Amalgamation:

- (a) in accordance with the terms of the Subscription Receipt Agreement, upon satisfaction of the Escrow Release Conditions, each Tiernan Subscription Receipt shall be automatically converted into a Tiernan Unit, being comprised of one Tiernan Common Share and one-half of one Tiernan Warrant, in accordance with their terms, immediately prior to the First Amalgamation becoming effective; and
- (b) concurrently with receipt of the First Certificate of Amalgamation, at the Effective Time:
 - (i) each issued and outstanding Subco Common Share, all of which are held by Railtown, will be exchanged for one issued and fully paid First Amalco Share and the Subco Common Shares shall be cancelled;
 - (ii) each issued and outstanding Tiernan Common Share (including for the avoidance of doubt, the Tiernan Common Shares issued in connection with the conversion of the Tiernan Subscription Receipts) will be exchanged for one fully paid and non-assessable Railtown Common Share and the Tiernan Common Shares shall be cancelled;

- (iii) each issued and outstanding Tiernan Warrant will be exchanged for one Resulting Issuer Warrant, substantially on the same terms as the Tiernan Warrants, and the Tiernan Warrants shall be cancelled;
- (iv) in consideration of the issuance by Railtown of the Railtown Common Shares pursuant to the First Amalgamation Agreement, First Amalco shall issue to Railtown one fully paid and non-assessable First Amalco Share for each Railtown Common Share issued to former holders of Tiernan Common Shares;
- (v) First Amalco shall add an amount to the capital maintained in respect of the First Amalco Shares equal to the sum of the capital of the: (A) Tiernan Common Shares, determined immediately prior to the Effective Time; and (B) Subco Common Shares, determined immediately prior to the Effective Time; and
- (vi) Railtown shall add an amount to the capital maintained in respect of the Railtown Common Shares equal to the capital of the Tiernan Common Shares, determined immediately prior to the First Amalgamation.

Upon receipt of the Second Certificate of Amalgamation and as a result of the Second Amalgamation, all First Amalco Shares shall be cancelled without any repayment of capital in respect thereof and the Railtown Common Shares will be the common shares of the Resulting Issuer.

As soon as practicable after the date shown on the Second Certificate of Amalgamation and in accordance with normal commercial practice, the Resulting Issuer shall issue or cause to be issued certificates, direct registration statement advices or electronic positions within CDS, as the case may be, representing the appropriate number of Resulting Issuer Shares and Resulting Issuer Warrants to the applicable former Tiernan securityholders. No fractional Resulting Issuer Shares or Resulting Issuer Warrants will be delivered to any Tiernan securityholder otherwise entitled thereto, and any such fractions will be rounded down to the nearest whole number and no cash amount will be payable in lieu thereof.

37,000,000 Post-Consolidation Railtown Common Shares are expected to be issued by Railtown to Tiernan Shareholders pursuant to the First Amalgamation, which, based on the deemed price of \$3.19 per Post-Consolidation Railtown Common Share, would represent an aggregate consideration value of approximately \$118,076,250.

Representations and Warranties and Covenants

The Business Combination Agreement contains certain customary representations and warranties of Railtown, Subco and Tiernan relating to, among other things, the organization, capitalization, operations, compliance with applicable Laws and regulations, and other matters.

In addition, pursuant to the Business Combination Agreement, each of Railtown, Subco and Tiernan has covenanted, among other things, to use commercially reasonable efforts to do or cause to be done all things necessary in order to consummate the Proposed Qualifying Transaction. In addition, each of Railtown, Subco and Tiernan has covenanted to carry on its business in the usual and ordinary course and consistent with past practice.

Conditions to Completion of the Proposed Qualifying Transaction

The Closing will be subject to the following mutual conditions precedent, among others:

- (a) all consents, waivers, permits, exemptions, orders and approvals required to permit the completion of the Proposed Qualifying Transaction, of which the failure to obtain could reasonably be expected to have a Material Adverse Effect on Railtown, Tiernan or Subco or materially impede the completion of the Proposed Qualifying Transaction, shall have been obtained, on terms acceptable to Railtown, Tiernan and Subco, each acting reasonably, and shall remain in force unmodified;

- (b) the TSXV Approval, subject to usual and ordinary conditions, shall have been obtained, on terms acceptable to Railtown, Tiernan and Subco, each acting reasonably, and shall remain in force unmodified;
- (c) the Railtown Common Shares to be issued pursuant to the Proposed Qualifying Transaction shall have been approved for listing on the TSXV, subject to standard conditions, on the Effective Date or as soon as practicable thereafter;
- (d) no Law is in effect that makes the consummation of the Proposed Qualifying Transaction illegal or otherwise prohibits or enjoins Railtown, Tiernan and Subco from consummating the Proposed Qualifying Transaction;
- (e) in respect of the Financing: (i) the Closing (as such term is defined in the Subscription Receipt Agreement) of the Financing shall have been completed for aggregate gross proceeds sufficient to satisfy the minimum listing requirements of the TSXV for a Tier 1 mining issuer; and (ii) the Escrow Release Conditions shall have been satisfied and the Tiernan Subscription Receipts shall have been converted into Tiernan Common Shares and Tiernan Warrants in accordance with the Subscription Receipt Agreement;
- (f) the Railtown Consolidation shall have been completed;
- (g) the Tiernan Consolidation shall have been completed;
- (h) if required, a resulting issuer escrow agreement shall have been entered into with all of the Persons required to be parties thereto under the rules of the TSXV;
- (i) there shall be no action or proceeding pending by a Governmental Entity that is seeking to: (i) enjoin or prohibit the ownership or operation by Tiernan of the business or assets of Railtown; or (ii) prevent or materially delay the consummation of the Proposed Qualifying Transaction, or if the Proposed Qualifying Transaction is consummated, have a Material Adverse Effect in respect of Railtown;
- (j) on the Effective Date, no cease trade order or similar restraining order of any other provincial securities administrator relating to the Railtown Common Shares, the Tiernan Common Shares or the First Amalco Shares shall be in effect; and
- (k) the distribution of the First Amalco Shares and the Railtown Common Shares pursuant to the First Amalgamation shall be exempt from the prospectus requirements of Canadian Securities Laws either by virtue of exemptive relief from the Securities Authorities of each of the provinces of Canada or by virtue of applicable exemptions under Canadian Securities Laws and shall not be subject to resale restrictions under Canadian Securities Laws (other than as mandated by the TSXV or as may be applicable under section 2.5 of National Instrument 45-102 - *Resale of Securities*); provided that Railtown, Tiernan and Subco acknowledge that the policies of the TSXV concerning escrow and/or resale restrictions may apply to issuances of Railtown Common Shares (and any securities convertible into Railtown Common Shares) to certain former Railtown Shareholders and Tiernan Shareholders and certain subscribers to the Financing.

The Closing is subject to the following conditions precedent in favour of Railtown and Subco:

- (a) the representations and warranties of Tiernan as set out in the Business Combination Agreement;
 - (i) that are set forth in Section 1 [*Organization and Qualification*], Section 2 [*Corporate Authorization*], Section 3 [*Execution and Binding Obligation*], Section 4 [*Governmental Authorization*], Section 5 [*No Conflict/Non-Contravention*], Section 14 [*Interest in Properties and Mineral Rights*] and Section 33 [*Fees and Commissions*] of Schedule D to the Business Combination Agreement were true and correct in all respects as of the date of this Agreement and are true and correct in all respects as of the Effective Time as if made at such time;
 - (ii) that are set forth in Section (7) [*Capitalization*] of Schedule C of the Business Combination Agreement were true and correct in all respects (other than *de minimis* inaccuracies) as of the date of the Business Combination Agreement and are true and correct in all respects (other than *de minimis* inaccuracies) as of the Effective Time as if made at such time; and
 - (iii) other than those to which (i) or (ii) above applies, were true and correct in all respects (without giving effect to any materiality or Material Adverse Effect qualifications set forth

therein) as of the date of the Business Combination Agreement and are true and correct in all respects (without giving effect to any materiality or Material Adverse Effect qualifications set forth therein) as of the Effective Time as if made at such time, except, in the case of this clause (iii), where the failure to be so true and correct in all respects, individually or in the aggregate, would not result in a Material Adverse Effect in respect of Tiernan;

- except, in each case, for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date only, and Tiernan has delivered a certificate confirming same to Railtown and Subco, executed by a senior officer of Tiernan (without personal liability) and dated the Effective Date;
- (b) Tiernan has fulfilled or complied in all material respects with each of the covenants of Tiernan contained in the Business Combination Agreement to be fulfilled or complied with by it on or prior to the Effective Date, and has delivered a certificate confirming same to Railtown and Subco, executed by a senior officer of Tiernan (without personal liability) addressed to Railtown and Subco and dated the Effective Date;
 - (c) no Material Adverse Effect shall have occurred since the date of the Business Combination Agreement in respect of Tiernan;
 - (d) Tiernan's board of directors and the Tiernan Shareholders (as applicable) shall have adopted the First Amalgamation Resolution and Tiernan Consolidation Resolution, and all other necessary resolutions and necessary corporate actions shall have been taken by Tiernan to permit the consummation of the Proposed Qualifying Transaction and the First Amalgamation;
 - (e) Tiernan shall have delivered, or caused to be delivered, to Railtown certain deliveries specified in the Business Combination Agreement;
 - (f) The Tiernan Shareholders shall hold marketable title to all Tiernan Common Shares and Tiernan Warrants, free and clear of any and all encumbrances, Liens, charges and demands of whatsoever nature;
 - (g) As soon as practicable after the date hereof and, in any event, prior to the filing of the Volcan Technical Report on SEDAR+, Tiernan shall have delivered, or caused to be delivered, to Railtown and the TSXV the Volcan Technical Report, in a form satisfactory to Railtown, acting reasonably, and the TSXV shall be satisfied with its review thereof;
 - (h) Tiernan shall own all of the mineral rights to the Volcan Project; and
 - (i) Tiernan shall have delivered, or caused to be delivered, to Railtown and the TSXV a title opinion in respect of the mineral rights to the Volcan Project, in a form satisfactory to Railtown, acting reasonably, and the TSXV shall be satisfied with its review thereof.

In addition, the Closing is also subject to the following conditions precedent in favour of Tiernan:

- (a) the representations and warranties of Railtown and Subco as set out in the Business Combination Agreement:
 - (i) that are set forth in Section (1) [*Organization and Qualification*], Section (2) [*Corporate Authorization*], Section (3) [*Execution and Binding Obligation*], Section (4) [*Governmental Authorization*], Section (5) [*No Conflict/Non-Contravention*] and Section (25) [*Brokers and Finders' Fees*] of Schedule C of the Business Combination Agreement were true and correct in all respects as of the date of the Business Combination Agreement and are true and correct in all respects as of the Effective Time as if made at such time;
 - (ii) that are set forth in paragraph (7) [*Capitalization*] of Schedule G of the Business Combination Agreement were true and correct in all respects (other than de minimis inaccuracies) as of the date of the Business Combination Agreement are true and correct in all respects (other than de minimis inaccuracies) as of the Effective Time as if made at such time; and
 - (iii) other than those to which (i) or (ii) above applies, were true and correct in all respects (without giving effect to any materiality or Material Adverse Effect qualifications set forth therein) as of the date of the Business Combination Agreement and are true and correct in all respects (without giving effect to any materiality or Material Adverse Effect qualifications set

forth therein) as of the Effective Time as if made at such time, except, in the case of this clause (iii), where the failure to be so true and correct in all respects, individually or in the aggregate, would not result in a Material Adverse Effect in respect of Railtown or Subco, except, in each case, for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date only, and Railtown and Subco have delivered certificates confirming same to Tiernan, executed by senior officers of Railtown and Subco (without personal liability) and dated the Effective Date;

- (b) Railtown and Subco have fulfilled or complied in all material respects with each of the respective covenants of Railtown and Subco contained in the Business Combination Agreement to be fulfilled or complied with by them on or prior to the Effective Date, and have delivered certificates confirming same to Tiernan, executed by senior officers of Railtown and Subco (without personal liability) addressed to Tiernan and dated the Effective Date;
- (c) no Material Adverse Effect shall have occurred since the date of the Business Combination Agreement in respect of Railtown;
- (d) the Railtown AGM shall have occurred and the board of directors and the Railtown Shareholders (as applicable) shall have adopted the Railtown Resolutions and all necessary resolutions and all other necessary corporate actions shall have been taken by Railtown and Subco to permit the consummation of the Proposed Qualifying Transaction, the First Amalgamation, and the reconstitution of the Railtown board of directors as contemplated herein;
- (e) the Investor Rights Agreement shall have been entered into between Railtown and HM Holdings;
- (f) directors and officers of Railtown shall have duly waived any termination, severance or change of control payments triggered upon completion of the Proposed Qualifying Transaction and provided waivers in form and substance acceptable to Tiernan, acting reasonably;
- (g) each of the directors and officers of Railtown (other than individuals specified as remaining as directors and/or officers of Railtown) shall have tendered their resignations and provided mutual releases in form and substance acceptable to Tiernan, acting reasonably;
- (h) Tiernan shall be satisfied that the exchange of Tiernan Common Shares and Tiernan Warrants for Railtown Common Shares and Railtown Warrants shall be qualified or exempt from registration or qualification under all Canadian Securities Laws; and
- (i) Railtown and Subco shall have delivered, or caused to be delivered, to Tiernan certain deliveries specified in the Business Combination Agreement.

Termination and Closing of the Proposed Qualifying Transaction

The Business Combination Agreement may be terminated prior to the Effective Time by:

- (a) the mutual written agreement of each of Railtown, Subco or Tiernan;
- (b) Railtown and Subco, or Tiernan, if:
 - (i) any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Proposed Qualifying Transaction illegal or otherwise permanently prohibits or enjoins Railtown, Subco and Tiernan from consummating the Proposed Qualifying Transaction, and such Law has, if applicable, become final and non-appealable, provided that any of Railtown, Subco or Tiernan seeking to terminate the Business Combination Agreement has used its commercially reasonable efforts to, as applicable, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Proposed Qualifying Transaction;
 - (ii) the Effective Time does not occur on or prior to the Outside Date, provided that Railtown, Subco or Tiernan, as applicable, may not terminate the Business Combination Agreement if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such party to the Business Combination Agreement of any of its respective representations or warranties or the failure to perform any of its covenants or agreements under the Business Combination Agreement; or
 - (iii) the Subscription Receipt Agreement is terminated in accordance with its terms;

- (c) Railtown and Subco if:
 - (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Tiernan under the Business Combination Agreement occurs that would cause any condition in set forth in Section 7.3(1) *[Representations and Warranties of Tiernan]* or Section 7.3(2) *[Performance of Covenants of Tiernan]* of the Business Combination Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date; provided that Railtown is not then in breach of the Business Combination Agreement so as to cause any condition in Section 7.3(1) *[Representations and Warranties of Tiernan]* or Section 7.3(2) *[Performance of Covenants of Tiernan]* of the Business Combination Agreement not to be satisfied; or
 - (ii) if there is a Material Adverse Effect in respect of Tiernan;
- (d) by Tiernan if:
 - (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Railtown or Subco under the Business Combination Agreement occurs that would cause any condition in set forth in Section 7.2(1) *[Representations and Warranties of Railtown and Subco]* or Section 7.2(2) *[Performance of Covenants of Railtown and Subco]* of the Business Combination Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date, provided that Tiernan is not then in breach of the Business Combination Agreement so as to cause any condition in Section 7.2(1) *[Representations and Warranties of Railtown and Subco]* or Section 7.2(2) *[Performance of Covenants of Railtown and Subco]* of the Business Combination Agreement not to be satisfied; or
 - (ii) if there is a Material Adverse Effect in respect of Railtown or Subco.

Pursuant to the Business Combination Agreement, the Effective Date shall occur within three Business Days, or such shorter or longer period as may be agreed upon by Railtown, Subco and Tiernan, following the satisfaction of all conditions to Closing set out in the Business Combination Agreement (other than the filing of the First Amalgamation Application and the Second Amalgamation Application).

No Finder's Fee or Commission Paid

No finder's fee or commission has been paid or is payable in relation to the Proposed Qualifying Transaction.

Financing in Connection with Proposed Qualifying Transaction

On November 18, 2025, Tiernan completed the Financing, pursuant to which 11,670,200 Tiernan Subscription Receipts were issued at a price of \$5.00 per Tiernan Subscription Receipt, for aggregate gross proceeds of \$58,351,000 (comprised of a \$40,000,000 Treasury Offering and \$18,351,000 Secondary Offering). Upon satisfaction of the Escrow Release Conditions, each Tiernan Subscription Receipt will automatically convert into one Post-Tiernan Consolidation Tiernan Common Share and one-half of one Tiernan Warrant, with each whole Tiernan Warrant exercisable at a price of \$6.50 at any time up to 24 months following the Financing Closing. Concurrently with the completion of the Proposed Qualifying Transaction, each Post-Tiernan Consolidation Tiernan Common Share and Tiernan Warrant issued on conversion will be exchanged or otherwise converted into Resulting Issuer Shares and Resulting Issuer Warrants, as applicable.

See Part III – *"The Financing"* for additional details.

Financial Information and Management’s Discussion and Analysis

Financial Statements

The audited financial statements of Railtown for the years ended November 30, 2024 and 2023 and unaudited condensed consolidated interim financial statements of Railtown for the three and nine months ended August 31, 2025 (collectively, the “**Railtown Financial Statements**”) and, if applicable, the auditor’s report on such statements, are available under Railtown’s profile on SEDAR+ at www.sedarplus.ca, and are each incorporated by reference into this Filing Statement.

Management’s Discussion and Analysis

Railtown’s management’s discussion and analysis for the years ended November 30, 2024 and 2023 and the three and nine months ended August 31, 2025 (collectively, the “**Railtown MD&A**”) are incorporated by reference herein. The Railtown MD&A should be read in accordance with the applicable Railtown Financial Statements and, if applicable, the auditor’s report on those statements. The Railtown MD&A is available under Railtown’s profile on SEDAR+ at www.sedarplus.ca.

Description of the Securities

The authorized capital of Railtown consists of an unlimited number of Railtown Common Shares in the capital of Railtown. The following table sets out, as of the date of this Filing Statement and on a pre-Railtown Consolidation basis, the issued and outstanding securities of Railtown:

Security	Authorized	Outstanding
Railtown Common Shares	Unlimited	19,526,880
Preferred shares in the capital of Railtown	–	–
Railtown Options	Unlimited ⁽¹⁾	1,275,000
Railtown Warrants	Unlimited	473,120
Total Securities		21,275,000

Notes:

- (1) Issuance of Railtown Options prior to Closing subject to the terms, conditions and limitations of the Railtown Legacy Option Plan. See “Part II – Information Concerning Railtown – Securities-Based Compensation Arrangements - Railtown Legacy Option Plan”.

Holders of Railtown Common Shares are entitled to receive notice of any meetings of shareholders of Railtown and to attend and cast one vote per Railtown Common Share at all such meetings. Holders of Railtown Common Shares are entitled to receive a proportionate share, on a per share basis, of the assets of Railtown available for distribution in the event of a liquidation, dissolution or winding-up of Railtown and the right to receive any dividend if declared by Railtown.

Prior to the Completion of the Proposed Qualifying Transaction, Railtown will effect the Railtown Consolidation such that the number of Railtown Common Shares issued and outstanding will be reduced from 19,526,880 to approximately 2,753,497, the number of Railtown Options outstanding will be reduced from 1,275,000 to 179,788, of which 95,182 Railtown Options will be exercisable at a price of \$0.71 per Railtown Option and 84,606 Railtown Options will be exercisable at a price of \$3.76 per Railtown Option. The Railtown Warrants outstanding will be reduced from 473,120 to 66,715 exercisable at a price of \$0.71 per Railtown Warrant.

Escrowed Securities of Railtown

5,660,000 Railtown Common Shares and 1,275,000 Railtown Options are currently held in escrow and are scheduled to be released over a period of 18 months following the Proposed Qualifying Transaction.

In connection with its approval of the Proposed Qualifying Transaction, the TSXV has approved the Resulting Issuer's application for an early escrow release of such securities currently subject to the CPC Escrow Agreement in accordance with the early release provisions set out in subsection 3.1(b)(i) of Policy 5.4, which early release will take effect as of the date of the Final QT Exchange Bulletin.

Securities-Based Compensation Arrangements

Railtown Legacy Option Plan

Railtown has adopted an incentive stock option plan (the "**Railtown Legacy Option Plan**") which allows the board of directors of Railtown (the "**Railtown Board**"), or a committee of the Railtown Board, to grant Railtown Options to directors, officers, consultants, technical consultants and employees of Railtown or its subsidiaries, if any, and employees of a person or company which provides management services to Railtown or its subsidiaries, if any, and which are required for the ongoing successful operation of Railtown ("**Management Company Employees**"), and Eligible Charitable Organizations (as defined in Policy 4.4) shall be eligible for selection to participate in the Current Option Plan (such persons referred to as "**Participants**").

The purpose of the Railtown Legacy Option Plan is to advance the interests of Railtown by encouraging the directors, officers, employees and consultants of Railtown, and of its subsidiaries and affiliates, if any, to acquire Railtown Shares, thereby increasing their proprietary interest in Railtown, encouraging them to remain associated with Railtown and furnishing them with additional incentive in their efforts on behalf of Railtown in the conduct of its affairs.

The Railtown Legacy Option Plan is subject to the following restrictions:

- (a) the number of Railtown Shares issuable upon the exercise of all Railtown Options granted under the Legacy Railtown Option Plan shall not exceed 10% of the total number of issued and outstanding Railton Shares;
- (b) the maximum aggregate number of Railton Shares issuable upon the exercise of all Railtown Options granted under the Railtown Legacy Option Plan to any single Participant, in any twelve-month period, when combined with all Railtown Shares issuable to such Participant pursuant to all other Security Based Compensation Plans (as defined in Policy 4.4) of Railtown, must not exceed 5% of the outstanding Railtown Shares calculated at the date of the grant, unless Railtown has obtained disinterested shareholder approval in respect the grant and meets applicable TSXV requirements;
- (c) the maximum aggregate number of Railtown Common Shares issuable upon the exercise of all Railtown Options granted under the Railtown Legacy Option Plan to any single consultant of Railtown (or any of its subsidiaries) in any twelve-month period, when combined with all Railtown Common Shares issuable to such consultant pursuant to all other Security Compensation Plans of Railtown, shall not exceed 2% of the issued Railtown Common Shares (calculated as at the date of such grant);
- (d) the maximum aggregate number of Railtown Common Shares issuable upon the exercise of all Railtown Options granted under the Railtown Legacy Option Plan to all Participants performing investor relations activities, in any twelve-month period, when combined with all Railtown Common Shares issuable to such Participants performing investor relations activities pursuant to all other Security Compensation Plans of Railtown, shall not exceed 2% of the issued Railtown Common Shares (calculated as at the date of such grant). Railtown Options granted to Participants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12

months with no more than 1/4 of the options vesting in any 3-month period after such Railtown Options were granted.

- (e) the maximum aggregate number of Railtown Common Shares issuable upon the exercise of all Railtown Options granted under the Current Option Plan to an Eligible Charitable Organization, in any twelve-month period, when combined with all Railtown Common Shares issuable to such Eligible Charitable Organization pursuant to all other Security Compensation Plans of Railtown, shall not exceed 1% of the issued Railtown Shares calculated as at the date of such grant, and any such Railtown Options must expire after the earlier of: (i) 10 years from the date of grant; and (ii) ninety (90) days after the optionee ceases to be an Eligible Charitable Organization;
- (f) the maximum aggregate number of Railtown Common Shares issuable upon the exercise of all Railtown Options granted under the Railtown Legacy Option Plan to insiders of Railtown (as a group), when combined with all Railtown Common Shares issuable to insiders pursuant to all other Security Compensation Plans of Railtown, shall not exceed 10% of the issued Railtown Common Shares at any point in time, unless Railtown has obtained disinterested shareholder approval in respect of such grant and meets applicable TSXV requirements;
- (g) the maximum aggregate number of Railtown Common Shares issuable upon the exercise of all Railtown Options granted under this Railtown Legacy Option Plan to insiders of Railtown (as a group), in any twelve-month period, when combined with all Railtown Common Shares issuable to such Participant pursuant to all other Security Compensation Plans of Railtown, shall not exceed 10% of the issued Railtown Common Shares, calculated as at the date of such grant, unless Railtown has obtained disinterested shareholder approval in respect of such grant and meets applicable TSXV requirements;
- (h) Railtown Options are not transferable or assignable unless specifically provided in the Railtown Legacy Option Plan or to the extent, if any, permitted by the TSXV. During the lifetime of a Participant any benefits, rights and Railtown Options may only be exercised by the Participant;
- (i) the Railtown Board shall ensure that Participants under the Railtown Legacy Option Plan are eligible to participate under the Railtown Legacy Option Plan, and, if required by the TSXV, shall represent and confirm that the Participant is a bona fide employee, consultant or Management Company Employee and such Participant shall represent that he or she is a bona fide employee, consultant or Management Company Employee;
- (j) if a Participant ceases to be a director, officer, consultant or employee of Railtown, or its subsidiaries, or ceases to be a Management Company Employee for any reason other than death, such Participant may exercise its Railtown Option as it was entitled to exercise it at the date of such cessation, before such Railtown Option terminates, provided that such exercise must occur within ninety (90) days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within thirty (30) days after the cessation of the Participant's services to Railtown;
- (k) if a Participant dies, the Railtown Option previously granted to that Participant shall be exercisable only within one (1) year after such death and then only by the person or persons to whom the Participant's rights under the Railtown Option shall pass by the Participant's will or the laws of descent and distribution; and if and to the extent that such Participant was entitled to exercise the Railtown Option at the date of their death; and
- (l) as long as Railtown is classified as a Capital Pool Company, the terms and conditions of the Railtown Legacy Option Plan remain subject to certain restrictions.

Under the Railtown Legacy Option Plan, the exercise price of any Railtown Option is determined by the Railtown Board at the time of grant, subject to applicable TSXV approval. In no event shall such exercise price of a Railtown Option be lower than the minimum price permitted by the TSXV. Once such Railtown Option's exercise price is established and approved (if applicable), the exercise price may only be reduced after six months have elapsed since the later of the option grant date, the date the Railtown Shares commenced trading, or the date of a previous price reduction. In the case of Railtown Options held by Insiders, any reduction in exercise price is subject to disinterested shareholder approval.

As of the date of this Filing Statement, Railtown has 675,000 Railtown Options at a price \$0.10 each expiring January 28, 2031 and 600,000 Railtown Options at a price \$0.53 each expiring March 3, 2034.

The following table sets out the Railtown Options held by directors and officers of Railtown as of the date of this Filing Statement:

Name and Position of Holder	Number of Railtown Options ⁽¹⁾	Exercise Price ⁽²⁾	Expiry Date ⁽³⁾
Christopher Taylor	200,000	\$0.53	March 4, 2034
Cameron White	412,500	\$0.10	January 28, 2031
Claudia Tornquist	262,500	\$0.10	January 28, 2031
Adam Schatzker	200,000	\$0.53	March 4, 2034
Jeff Sundar	200,000	\$0.53	March 4, 2034
Total	1,275,000		

Notes:

- (1) After the Railtown Consolidation, an aggregate of 179,788 Railtown Options will be outstanding.
- (2) After the Railtown Consolidation, the outstanding Railtown Options will be exercisable at a prices of \$0.71 and \$3.76.
- (3) As Cameron White and Jeff Sundar will each be resigning upon Closing, pursuant to the terms of the Railtown Legacy Option Plan, their outstanding Railtown Options will expire on the date that is 12 months following Closing.

New Omnibus Incentive Plan

In connection with the Proposed Qualifying Transaction, at the Railtown AGM, Railtown Shareholders adopted a proposed new omnibus equity incentive plan (the “**Omnibus Incentive Plan**”) to take effect following the Closing. The following is a summary of the material attributes and characteristics of the Omnibus Incentive Plan. This summary is qualified in its entirety by reference to the provisions of the Omnibus Incentive Plan, which contains a complete statement of those attributes and characteristics. The Omnibus Incentive Plan is attached as Schedule D to Railtown’s management information circular dated October 16, 2025, which is available for review under Railtown’s profile on SEDAR+ at www.sedarplus.ca.

Unless otherwise specified, all capitalized terms used in the following summary have the same meanings as those given to such terms in the Omnibus Incentive Plan.

Administration

Following the Closing, the Omnibus Incentive Plan will be administered by the Resulting Issuer Board, subject to the Resulting Issuer Board’s power to delegate such administrative duties and powers as it may seem fit, from time to time. The Resulting Issuer Board, or any committee that receives delegated authority to administer the Omnibus Incentive Plan from the Resulting Issuer Board (a “**Committee**”). Where a Committee has been duly appointed by the Resulting Issuer Board, such Committee shall have the authority to: (a) grant to Participants (as defined below) certain registered retirement savings plan or registered retirement income fund; (b) exercise rights reserved for the Resulting Issuer; (c) determine the awards (“**Awards**”) and the associated terms and conditions in accordance with the Omnibus Incentive Plan; (d) establish the form(s) of award agreements (“**Award Agreements**”); (e) cancel, amend, adjust or otherwise change any Award; and (f) make all other determinations regarding whether performance goals have been achieved and take actions it considers necessary to implement and administer the Omnibus Incentive Plan.

Eligibility Under the Omnibus Incentive Plan

Pursuant to the Omnibus Incentive Plan, Awards may only be granted to:

- (a) a director of the Resulting Issuer;
- (b) an officer of the Resulting Issuer;

- (c) an employee of the Resulting Issuer;
- (d) a Management Company Employee (as defined in Policy 4.4); and
- (e) a Consultant (as defined in Policy 4.4),

all of the foregoing collectively referred to as “**Participants**”. Subject to certain restrictions, the Resulting Issuer may also issue Awards to a registered retirement savings plan or registered retirement income fund established and controlled by a Participant or a company that is wholly-owned by an individual Participant. A Participant will not be entitled to receive a grant of an Award after the date that the Participant ceases to be a Director, an Officer, an Employee, a Management Company Employee or a Consultant in each case for any reason.

Shares Issuable Under the Omnibus Incentive Plan

The Omnibus Incentive Plan provides that the maximum number of Shares that may be reserved and available for issuance under the Omnibus Incentive Plan and any other share compensation arrangements shall not exceed 10% of the issued and outstanding Resulting Issuer Shares calculated on the date of the Award grant. If any Award is exercised or settled, or any Award expires, is cancelled, terminated or forfeited without being fully exercised, the Awards that were not exercised will again become available to be granted under the Omnibus Incentive Plan.

Limits on Award Grants

The following limits apply to the operation of the Omnibus Incentive Plan:

- (a) unless the Resulting Issuer has obtained the requisite disinterested shareholder approval,
 - (i) the maximum aggregate number of Resulting Issuer Shares that are issuable under all share compensation arrangements of the Resulting Issuer granted or issued in any 12-month period to any one person (and companies owned or controlled by that person) must not exceed 5% of the total number of Resulting Issuer Shares issued and outstanding, calculated as at the date any Award is granted or issued to such person;
 - (ii) the maximum aggregate number of Resulting Issuer Shares which may be issued under share compensation arrangements of the Resulting Issuer granted or issued to Insiders as a group must not exceed 10% of the Resulting Issuer Shares issued and outstanding at any point in time; and
 - (iii) the maximum aggregate number of Resulting Issuer Shares that are issuable under all share compensation arrangements of the Resulting Issuer granted or issued in any 12-month period to Insiders as a group must not exceed 10% of the Resulting Issuer Shares issued and outstanding, calculated on the date any Award is granted to an Insider;
- (b) the maximum aggregate number of Resulting Issuer Shares that are issuable under all share compensation arrangements of the Resulting Issuer granted or issued in a 12-month period to any one Consultant must not exceed 2% of the Resulting Issuer Shares issued and outstanding, calculated at the date any Award is granted to the Consultant; and
- (c) the maximum aggregate number of Resulting Issuer Shares that are issuable under all share compensation arrangements of the Resulting Issuer granted or issued in a 12-month period to all persons retained to provide Investor Relations Activities must not exceed 2% of the Resulting Issuer Shares issued and outstanding, calculated at the date any Award is granted to any such person.

Types of Awards

Awards of options, restricted share units, performance share units, deferred share units and stock appreciation rights may be made under the Omnibus Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by

the Committee, in its sole discretion. Awards are subject to limitations set out in the Omnibus Incentive Plan, and by the TSXV and will generally be evidenced by an Award Agreement.

Options

An option under the Omnibus Incentive Plan (“**OIP Option**”) entitles a holder thereof to purchase a prescribed number of treasury Resulting Issuer Shares at an exercise price set at the time of the grant. The Committee will establish the exercise price, specified in the respective Award Agreement, for each grant of an OIP Option which shall not be less than the Discounted Market Price (as defined in Policy 1.1). If the Resulting Issuer does not issue a news release to fix the Exercise Price pursuant to Policy 4.4, the Discounted Market Price is the last closing price before the date of the grant less the applicable discount. With respect to any OIP Option granted to a United States participant under the Omnibus Incentive Plan (each, a “**U.S. Participant**”), the Exercise Price shall not be less than the Fair Market Value of a Resulting Issuer Share on the date such OIP Option is granted.

Subject to any accelerated termination as set forth in the Omnibus Incentive Plan, each OIP Option expires on its respective expiry date. The Committee will have the authority to determine the vesting terms applicable to grants of OIP Options, subject to the restrictions in the Omnibus Incentive Plan relating to OIP Options granted to providers of Investor Relations Activities. Once an OIP Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the OIP Option in accordance with the Omnibus Incentive Plan. No OIP Option will be exercisable later than (i) 5:00 p.m. (Vancouver time) on the expiry date, or (ii) the tenth anniversary of the date of its grant, except where the expiry date of any OIP Option would occur in a Blackout Period, in which case the expiry date will be automatically extended to the tenth business day following the last day of the Blackout Period. No OIP Option shall expire in a period greater than one year following the date on which a Participant ceases to be an eligible Participant.

The Omnibus Incentive Plan allows OIP Option holders to elect to exercise vested OIP Options on a cashless basis, if, at the time, the Resulting Issuer has engaged a brokerage firm to facilitate cashless exercises. Cashless exercise is a process whereby the selected brokerage firm will loan money to the exercising OIP Option holder to exercise the applicable OIP Options and then sell a sufficient number of the Resulting Issuer Shares underlying the exercised OIP Options in order to repay the loan made to the exercising OIP Option holder.

Restricted Share Units

A restricted share unit under the Omnibus Incentive Plan (“**RSU**”) is a unit equivalent in value to a Resulting Issuer Share which entitles the holder to receive cash, Resulting Issuer Shares of equivalent value (based on the FMV as of the settlement date), in some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. The Committee may, at any time and from time to time, subject to the provisions of the Omnibus Incentive Plan, grant RSUs to Participants in such amounts and upon such terms as the Committee shall determine, which need not be the same for each grant or for each Participant, provided no RSUs may vest before the date that is one year following the date of grant or issue, and provided that the terms comply with Section 409A of the U.S. Code with respect to a U.S. Participant or an applicable exemption. The vesting period must fall after the end of the Period of Restriction, but no later than the last day of the Restriction Period.

When and if RSUs become payable, the Resulting Issuer shall settle the RSUs within a reasonable time and, in any event, no later than the last day of the Restriction Period, in cash, Resulting Issuer Shares of equivalent value (based on the FMV as of the settlement date), or some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. Any payment in settlement of RSUs shall be in a manner that is exempt from, or complies with, Section 409A of the U.S. Code with respect to any U.S. Participant.

Deferred Share Units

A deferred share unit under the Omnibus Incentive Plan (“**DSU**”) is a unit equivalent in value to a Resulting Issuer Share which entitles the holder to receive cash, Resulting Issuer Shares of equivalent value (based on the FMV as of the settlement date), in some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. The Committee may, at any time and from time to time, subject to the provisions of the Omnibus Incentive Plan, grant DSUs to Participants in such amounts and upon such terms as the Committee shall determine, which need not be the same for each grant or for each Participant, provided no RSUs may vest before the date that is one year following the date of grant or issue, and provided that the terms comply with Section 409A of the U.S. Code with respect to a U.S. Participant or an applicable exemption.

The Resulting Issuer Board may, in its sole discretion, make adjustments to the calculation of any DSUs granted to Participants based on its assessment of the risk level, events that may impact the value of the DSUs or when calculations do not properly reflect all of the relevant considerations, provided further that, in respect of any DSUs subject to the ITA, no such adjustments shall entitle the Participant or a person with whom the employee does not deal at arm’s length, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted or to be granted for the purpose of reducing the impact, in whole or in part, of any reduction in the Fair Market Value of the Resulting Issuer Shares.

When and if RSUs become payable, the Resulting Issuer shall settle the RSUs within a reasonable time and, in any event, no later than the last day of the Restriction Period, in cash, Resulting Issuer Shares of equivalent value (based on the FMV as of the settlement date), or some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. Unless specified otherwise in the Award Agreement, the settlement date of any DSU shall be no earlier than the date on which the Participant ceases to be an eligible Participant under the Omnibus Incentive Plan. In the case of a DSU that is subject to the ITA, all vested DSUs shall be settled no later than the last day of the calendar year following the Participant’s Termination Date. Any payment in settlement of DSUs shall be in a manner that is exempt from, or complies with, Section 409A of the U.S. Code with respect to any U.S. Participant.

Performance Share Units

A performance share unit under the Omnibus Incentive Plan (“**PSU**”) is a unit equivalent in value to a Resulting Issuer Share which entitles the holder to receive cash, Resulting Issuer Shares of equivalent value (based on the FMV as of the settlement date), in some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. The Committee may, at any time and from time to time, subject to the provisions of the Omnibus Incentive Plan, grant PSUs to Participants in such amounts and upon such terms as the Committee shall determine, which need not be the same for each grant or for each Participant, provided no PSUs may vest before the date that is one year following the date of grant or issue, and provided that the terms comply with Section 409A of the U.S. Code with respect to a U.S. Participant or an applicable exemption. The vesting period must fall after the end of the Restriction Period, but no later than the last day of the Restriction Period.

The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Committee. The Committee may modify the Performance Goals as necessary to align them with the Resulting Issuer’s corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

Based on the Omnibus Incentive Plan and applicable Award Agreements, after certain Performance Periods have ended, the holder of PSUs shall be entitled to receive payout on the value and number of PSUs, determined as a function of the extent to which the corresponding Performance Goals have been achieved. When and if PSUs become payable, the Resulting Issuer shall settle the PSUs within a reasonable time and, in any event, no later than the last day of the Restriction Period, in cash, Resulting Issuer Shares of equivalent value (based on the FMV as of the settlement date), or some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. Any payment in settlement of PSUs shall be in a manner that is exempt from, or complies with, Section 409A of the U.S. Code with respect to any U.S. Participant.

Stock Appreciation Rights

Each stock appreciation right grant under the Omnibus Incentive Plan (“SAR”) shall be evidenced by an Award Agreement that shall specify the number of SARs granted, the grant price of the SARs which shall not be less than the Market Price, the settlement date for the SARs, and any other provisions as the Committee shall determine, including certain requirements. The Committee may, at any time and from time to time, subject to the provisions of the Omnibus Incentive Plan, grant SARs to Participants in such amounts and upon such terms as the Committee shall determine, which need not be the same for each grant or for each Participant, provided no SARs may vest or become freely traded before the date that is one year following the date of grant or issue, and provided that the terms comply with Section 409A of the U.S. Code with respect to a U.S. Participant or an applicable exemption.

When and if SARs become payable, the Resulting Issuer shall settle the SARs within a reasonable time and, in any event, no later than the last day of the Restriction Period, in cash, Resulting Issuer Shares of equivalent value (based on the FMV as of the settlement date), or some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. Any payment in settlement of SARs shall be in a manner that is exempt from, or complies with, Section 409A of the U.S. Code with respect to any U.S. Participant.

Dividend Equivalents

At the discretion of the Committee, awards of RSUs, DSUs and PSUs may be credited with dividends paid with respect to the underlying Resulting Issuer Shares or Dividend Equivalents subject to the Omnibus Incentive Plan and at the discretion of the Committee. The Committee may determine the form of payment of dividends or Dividend Equivalents, including cash, Resulting Issuer Shares, RSUs, DSUs, or PSUs provided that any Dividend Equivalents paid in the form of additional Awards or Resulting Issuer Shares shall reduce the applicable pool of Resulting Issuer Shares available for issuance under all share compensation arrangements of the Resulting Issuer. Any additional RSUs, DSUs and PSUs credited to the Participant’s account in satisfaction of payment of dividends or Dividend Equivalents will vest in proportion to and will be paid under the Omnibus Incentive Plan in the same manner as the RSUs, DSUs or PSUs to which they relate.

Blackout Periods

If an expiry date, redemption date or settlement date of any Award occurs during a blackout period formally imposed by the Resulting Issuer, then, notwithstanding any other provision of the Omnibus Incentive Plan, such expiration date, redemption date or settlement date shall be extended to the tenth business day following the last day of the blackout period. The Omnibus Incentive Plan contains certain requirements applicable to eligible blackout periods including that the automatic extension of an Award will not be permitted where the Participant or the Resulting Issuer is subject to a cease trade order (or similar order under Canadian securities laws) in respect of the Resulting Issuer’s securities.

Transferability

Awards granted under the Omnibus Incentive Plan are non-transferable and non-assignable, except as specifically provided under the Omnibus Incentive Plan in the event of the death or disability of a Participant,

to a Participant's RRSP or RRIF if the Participant is the sole beneficiary of the RRSP or RRIF, or to wholly-owned or controlled entities of an individual Participant.

Effect of Death, Incapacity or Disability of Participant

If a Participant dies or becomes Incapacitated during the term of any Award, or suffers a Disability while a Participant and, as a result, his or her employment, term of office or engagement with the Resulting Issuer is terminated:

- (a) any Awards held by the Participant that are not yet vested at the Termination Date shall continue to vest in accordance with their terms;
- (b) any Awards held by the Participant that are subject to a Performance Goal shall be deemed to have been satisfied upon completion of the Performance Period;
- (c) the executor, liquidator or administrator of the Participant's estate may exercise OIP Options or other exercisable Awards of the Participant that become exercisable prior to the termination of such Awards;
- (d) any RSUs, DSUs, PSUs or SARs held by the Participant that have vested or vest prior to their termination and do not otherwise have exercise requirements, shall be paid to the Participant, executor, liquidator or administrator of the Participant's estate;
- (e) the right to exercise or be paid for an Award terminates on the earlier of: (i) the date that is 12 months after the Termination Date; (ii) the date on which the particular Award expires or terminates; and (iii) with respect to Awards subject to Section 409A of the U.S. Code awarded to U.S. Participant, the last day of the same calendar year as the Participant's Separation from Service; and
- (f) such Participant's eligibility to receive further grants of Awards under the Omnibus Incentive Plan ceases as of the Termination Date.

Retirement

If a Participant voluntarily Retires then:

- (a) any Awards held by the Participant that are not yet vested at the Termination Date shall continue to vest in accordance with their terms;
- (b) the Participant or, if applicable, the executor, liquidator or administrator of the Participant's estate may exercise OIP Options or other exercisable Awards of the Participant that become exercisable prior to the termination of such Awards;
- (c) any RSUs, DSUs, PSUs or SARs held by the Participant that have vested or vest, and do not otherwise have exercise requirements, shall be paid to the Participant or, if applicable, the executor, liquidator or administrator of the Participant's estate;
- (d) the right to exercise or be paid for an Award terminates on the earlier of: (i) the date that is 12 months after the Termination Date; (ii) the date on which the particular Award expires or terminates; and (iii) with respect to Awards subject to Section 409A of the U.S. Code awarded to U.S. Participant, to the extent necessary to comply with section 409A of the U.S. Code, the last day of the same calendar year as the Participant's Separation from Service; and
- (e) such Participant's eligibility to receive further grants of Awards under the Omnibus Incentive Plan ceases as of the Termination Date.

Termination of Awards

Except as explicitly provided otherwise in a Participant's employment agreement and subject to the discretion of the Resulting Issuer Board to determine otherwise:

- (a) if a Participant's employment, term of office or engagement terminates for just cause:
 - (i) any vested but unexercised OIP Options or other exercisable Awards held by the Participant at the Termination Date will be immediately cancelled and forfeited to the Resulting Issuer on the Termination Date for no Consideration;
 - (ii) any other Awards held by the Participant that are not yet vested or payable by the Resulting Issuer at the Termination Date will be immediately cancelled and forfeited to the Resulting Issuer on the Termination Date for no Consideration;
 - (iii) any remaining Awards held by the Participant that have vested and become payable by the Resulting Issuer before the Termination Date shall be paid to the Participant; and
 - (iv) the eligibility of a Participant to receive further grants under the Omnibus Incentive Plan ceases as of the date that the Resulting Issuer or an Affiliate, as the case may be, provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated for cause;
- (b) where a Participant's employment or term of office or engagement terminates for any reason other than for cause, death, incapacity or disability, or retirement:
 - (i) any vested but unexercised OIP Options or other exercisable Awards held by the Participant at the Termination Date will continue to be exercisable by the Participant until the earlier of: (A) the date that is 90 days after the Termination Date; (B) the date on which the exercise period of the particular OIP Option expires; and (C) with respect to Awards subject to Section 409A of the U.S. Code awarded to U.S. Participant, the last day of the same calendar year as the Participant's Separation from Service,
 - (ii) any other Awards held by the Participant that have vested or vest prior to their termination, and become payable by the Resulting Issuer before the Termination Date, shall be paid to the Participant;
 - (iii) any other Awards held by the Participant that are not yet vested or payable by the Resulting Issuer at the Termination Date will be immediately cancelled and forfeited to the Resulting Issuer on the Termination Date for no consideration; and
 - (iv) the eligibility of a Participant to receive further grants under the Omnibus Incentive Plan ceases as of the Termination Date,

provided that, in any case where the Resulting Issuer Board determines otherwise or as otherwise agreed in any contract with any Participant which has been approved by the Resulting Issuer Board, the exercise or settlement period of an Award held by a person who ceases to be a Participant shall not be longer than 12 months following the Termination Date.

Adjustment

The Omnibus Incentive Plan contains provisions for the adjustment or substitution in the number and kind of Resulting Issuer Shares subject to the Omnibus Incentive Plan and issuable upon the exercise of Awards, and the other applicable terms and conditions thereof in the event of any merger, arrangement or amalgamation that does not constitute a "change of control" (as such term is defined under the Omnibus Incentive Plan) (a "**Change of Control**"), consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, or other distribution of stock or property of the Resulting Issuer, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Resulting Issuer, or any similar corporate event or transaction which the Resulting Issuer Board determines affects the Resulting Issuer Shares such that an adjustment is equitably necessary and appropriate to prevent dilution or enlargement of Participants' rights under the Omnibus Incentive Plan.

In the event of a Change of Control transaction, the Resulting Issuer Board shall have the discretion to:

- (a) amend, abridge or eliminate any vesting terms of an Award so that it may be exercised or settled in whole or in part, conditionally or otherwise, by the Participant prior to the completion of the Change of Control transaction and, if determined appropriate by the Resulting Issuer Board, any such Award not exercised or otherwise settled at the effective time or record date (as applicable) of such Change of Control will be deemed to have expired; or
- (b) unilaterally determine that all outstanding Awards shall be cancelled upon a Change of Control, and that the value of such Awards, as determined by the Resulting Issuer Board, shall be paid out in cash in an amount based on the Change of Control Price within a reasonable time subsequent to the Change of Control, all subject to the approval of the TSXV.

Notwithstanding the foregoing, if the Resulting Issuer Board determines in good faith prior to the Change of Control that the Awards will be honoured or assumed following a Change of Control, or new rights substituted therefor that are substantially equivalent, and provided that the successor entity agrees to assume the obligation to provide Alternative Awards (subject to certain conditions as outlined in the Omnibus Incentive Plan), then no cancellation, acceleration of vesting, lapsing of restrictions or payments of an Award shall occur.

Tax Withholding

It is the responsibility of the Participant to ensure that they adhere to tax legislation in their jurisdiction, social security contributions and other liabilities arising out of or in connection with any Award or the acquisition, the exercise or settlement of an Award. Pursuant to the Omnibus Incentive Plan, the Resulting Issuer may implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

Termination of, and Amendments to, the Omnibus Incentive Plan

The Resulting Issuer Board may, from time to time:

- (a) subject to any applicable rules of the TSXV and without shareholder approval, suspend or terminate the Omnibus Incentive Plan, or amend the Omnibus Incentive Plan to:
 - (i) amend the vesting provisions of the Omnibus Incentive Plan, any OIP Option or any Award;
 - (ii) amend the Omnibus Incentive Plan, an OIP Option or Award as necessary to comply with applicable law or the requirements of the TSXV or any other regulatory body having authority over the Resulting Issuer, the Omnibus Incentive Plan or the shareholders;
 - (iii) fix typographical errors or clarify the existing provisions of the Omnibus Incentive Plan that do not substantively alter the scope, nature and intent of the provisions;
 - (iv) amend the administration of the Omnibus Incentive Plan; and
 - (v) make any other amendment that does not require the approval of shareholders,
- (b) subject to any applicable rules of the TSXV, shareholder approval is required for any of the following amendments to the Omnibus Incentive Plan or any Awards, among others listed in the Omnibus Incentive Plan, and with respect to those amendments listed in (i) – (vi), disinterested shareholder approval is required:
 - (i) any individual Award grant or amendment to the Omnibus Incentive Plan that would result in or permit the maximum aggregate number of Resulting Issuer Shares which may be issued under Awards granted or issued to Insiders (as a group) to exceed ten percent (10%) of the issued Resulting Issuer Shares at any point in time;
 - (ii) any individual Award grant or amendment to the Omnibus Incentive Plan that would result in or permit the grant to Insiders (as a group), within a twelve (12) month period, of an aggregate number of Resulting Issuer Shares exceeding ten percent (10%) of the issued Resulting Issuer Shares, calculated on the date the Award is granted to any Insider;

- (iii) any individual Award grant or amendment to the Omnibus Incentive Plan that would result in or permit the number of Resulting Issuer Shares issued to any individual in any twelve (12) month period under the Omnibus Incentive Plan to exceeding five percent (5%) of the issued Resulting Issuer Shares of the Resulting Issuer;
- (iv) any reduction in the exercise price of an OIP Option or SAR, or the extension of the term of an OIP Option, if the Participant is an Insider of the Resulting Issuer at the time of the proposed amendment;
- (v) any amendment to an Award that results in a benefit to an Insider, and for further clarity, if the Resulting Issuer cancels any Award and within one year grants or issues a new Award to the same person, that is considered an amendment;
- (vi) any individual Award grant that would result in the Total Share Authorization being exceeded;
- (vii) any change that would materially modify the eligibility requirements for participation in the Omnibus Incentive Plan;
- (viii) an increase to the Total Share Authorization; and
- (ix) any amendment that would extend the maximum permissible term of any Award.

Other than as expressly provided in an Award Agreement or as set out in the Omnibus Incentive Plan with respect to a Change of Control, the Committee shall not alter or impair any rights or increase any obligations with respect to an Award previously granted under the Omnibus Incentive Plan without the consent of the Participant.

Prior Sales

Since the date of incorporation to the date of this Filing Statement, Railtown Common Shares have been issued as follows:

Date	Number of Shares	Issue Price Per Share	Gross Aggregate Issue Price	Consideration Received
June 22, 2020 ⁽¹⁾	100	\$0.05	\$5.00	Cash
August 31, 2020	5,000,000	\$0.05	\$250,000	Cash
January 8, 2021 ⁽²⁾	8,000,000	\$0.10	\$800,000	Cash
November 29, 2023	6,500,000	\$0.10	\$650,000	Cash
October 28, 2025	26,880	\$0.10	\$2,688	Cash
Total	19,526,880	-	\$1,702,693	-

Notes:

- (1) These Railtown Common Shares were repurchased and cancelled by Railtown on August 31, 2020.
- (2) Comprised of initial public offering pursuant to long form prospectus of 5,000,000 Railtown Common Shares and concurrent private placement of 3,000,000 Railtown Common Shares.

In accordance with the CPC Policy, 5,660,000 Railtown Common Shares have been deposited into escrow by those Non-Arm's Length Parties of Railtown holding such Railtown Common Shares, as follows:

Name and Municipality of Residence of Shareholder	Number of Escrowed Railtown Common Shares	Percentage of Railtown Common Shares ⁽¹⁾
Christopher Taylor <i>Vancouver, British Columbia</i>	2,600,000	13.315%
Koele Capital Corp. <i>Vancouver, British Columbia</i>	300,000	1.536%
Plantation Capital Corp. <i>Vancouver, British Columbia</i>	350,000	1.792%
Cameron White <i>Vancouver, British Columbia</i>	50,000	0.256%
Claudia Tornquist <i>Vancouver, British Columbia</i>	500,000	2.561%
Graeme Barker <i>Vancouver, British Columbia</i>	150,000	0.768%
Kyle White <i>Vancouver, British Columbia</i>	575,000	2.945%
Evan White <i>Vancouver, British Columbia</i>	275,000	1.408%
Curtis White <i>Vancouver, British Columbia</i>	360,000	1.844%
Darryl Yea <i>Vancouver, British Columbia</i>	250,000	1.280%
Denise White <i>Vancouver, British Columbia</i>	250,000	1.280%
Total	5,660,000	28.986%

Notes:

(1) Without giving effect to the Railtown Consolidation and based on 19,526,880 Railtown Common Shares outstanding on a non-fully diluted basis. All percentages are rounded to the nearest thousandth of a percent (three decimal places).

In connection with its approval of the Proposed Qualifying Transaction, the TSXV has approved the Resulting Issuer's application for an early escrow release of the 5,660,000 Railtown Common Shares and 1,275,000 Railtown Options currently held in escrow and currently subject to the CPC Escrow Agreement in accordance with the early release provisions set out in subsection 3.1(b)(i) of Policy 5.4, which early release will take effect as of the date of the Final QT Exchange Bulletin.

Trading Price and Volume

The Railtown Common Shares were listed and posted for trading on TSXV on February 1, 2021, under the trading symbol "RCP.P", but have been halted since September 3, 2025, and are expected to remain halted until the completion of the Proposed Qualifying Transaction. The following table sets out trading information for Railtown Common Shares for the periods indicated.

The following table sets out the trading price and volume of the Railtown Common Shares on the Exchange since the date of initial listing for the periods indicated.

Time Period	Price Range of Shares		
	High	Low	Volume
October 2024	\$0.49	\$0.415	8,900
November 2024	\$0.49	\$0.45	6,000
December 2024	\$0.49	\$0.37	168,544
January 2025	\$0.49	\$0.355	225,620
February 2025	\$0.455	\$0.38	187,600
March 2025	\$0.455	\$0.40	36,290
April 2025	\$0.45	\$0.40	18,500
May 2025	\$0.40	\$0.39	21,500
June 2025	\$0.45	\$0.39	21,700
July 2025	\$0.40	\$0.385	7,834
August 2025	\$0.40	\$0.31	256,457
September 1 – September 2, 2025 ⁽¹⁾	\$0.45	\$0.45	2,000

Note:

(1) Reflects data up to and including September 2, 2025, the last day of trading prior to the trading halt of the Railtown Common Shares.

Non-Arm's Length Qualifying Transaction

The Proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction. No Insider or Control Person of Railtown holds any interest in Tiernan or will receive any consideration should Completion of the Proposed Qualifying Transaction occur (other than the receipt of any Resulting Issuer Shares and Resulting Issuer Warrants as a result of subscription in the Financing for Tiernan Subscription Receipts). Accordingly, approval of the Proposed Qualifying Transaction by the Railtown Shareholders is not required.

Legal Proceedings

As of the date of this Filing Statement, Railtown is not currently a party to any legal proceedings, nor is Railtown currently contemplating any legal proceedings, which are material to its business. Management of Railtown is currently not aware of any legal proceedings contemplated against Railtown.

Auditor, Transfer Agent and Registrar

The auditor of Railtown is MNP LLP, Chartered Professional Accountants, at Suite 2400 – 609 Granville Street, PO Box 10203, LCD Pacific Centre, Vancouver, British Columbia, V7Y 1E7.

The transfer agent and registrar of Railtown is Odyssey Trust Company at its Vancouver principal office located at United Kingdom Building, 350 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

Material Contracts

Railtown has not entered into any material contracts, outside of the ordinary course of business, prior to the date of this Filing Statement, other than:

- (a) the CPC Escrow Agreement;
- (b) the agency agreement dated January 8, 2021 between Railtown and Canaccord Genuity Corp.;
- (c) the Original Business Combination Agreement; and
- (d) the Business Combination Agreement.

Copies of the above noted material contracts are available under Railtown's profile on SEDAR+ at www.sedarplus.ca, and will be available for inspection without charge at the offices of legal counsel to Railtown, Bennett Jones LLP, 666 Burrard Street, Suite 2500, Vancouver, British Columbia, Canada V6C 2X8 during ordinary business hours from the date of this Filing Statement until the Completion of the Proposed Qualifying Transaction and for a period of 30 days thereafter.

PART III – INFORMATION CONCERNING TIERNAN

Corporate Structure

Name and Incorporation

Tiernan Gold Corp. was incorporated on March 22, 2022 pursuant to the BCBCA.

Tiernan's registered and head office is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8.

Intercorporate Relationships

Tiernan has one wholly-owned subsidiary, Andina Minerals Chile, which it originally acquired pursuant to a share contribution agreement with HM Holdings dated as of March 13, 2023.

Description of the Business

General

Tiernan is a corporation formed under the laws of the Province of British Columbia, Canada. Tiernan is focused on advancing its 100%-owned Volcan Project, which is strategically located in the Atacama Region of Chile, on the Maricunga gold belt, a jurisdiction that has a long-established history of mining with a number of operating mines, new mines under construction and major projects being developed.

The Volcan Project was acquired by Hochschild Mining in 2013 through the acquisition of Andina Minerals. Tiernan is 100% owned by HM Holdings, a wholly-owned subsidiary of Hochschild Mining (LSE: HOC). Tiernan is not a reporting issuer in any jurisdiction and no securities of Tiernan are listed or posted for trading on any stock exchange.

Upon Completion of the Proposed Qualifying Transaction, the Resulting Issuer will carry on the business of Tiernan. For information on the proposed directors and officers of the Resulting Issuer, including relevant public company experience, see Part IV – “*Information Concerning the Resulting Issuer – Directors, Officers and Promoters*”.

The Volcan Project

The Volcan Project is located approximately 700 km north of Santiago, the capital of Chile, approximately 170 km (by road) east of the mining and agricultural city of Copiapó and approximately 40 km west of the border with Argentina. The property is located in Region III (Atacama) of northern Chile in the Region of Atacama, Province of Copiapó and political subdivision of Comuna Tierra Amarilla.

As of the date of this Filing Statement, the Volcan Project is Tiernan's only material property for the purposes of NI 43-101. For details concerning the Volcan Project and the Volcan Technical Report, see Appendix D – “*Volcan Project Technical Report Summary*”.

Specialized Skills and Knowledge

The nature of Tiernan's business requires specialized skills, knowledge and technical expertise in the areas of geology, engineering, mine planning, mine operations, metallurgical processing and environmental compliance. In addition to the specialized skills listed above, Tiernan also relies on staff members, contractors and consultants with specialized knowledge of logistics and operations in Chile and local community relations. To attract and retain personnel with the required specialized skills and knowledge, Tiernan intends to maintain

competitive remuneration and compensation packages. To date, Tiernan has been able to meet its staffing requirements and is currently overseen by a team who has the skills and capabilities to develop and operate mineral resource projects in Chile and emulate the corporate and environmental, social and governance strengths of Hochschild Mining, Tiernan's sole shareholder through HM Holdings, with a track record of profitable and environmental, social and governance- focused operations in South America.

Competitive Conditions

The gold exploration and mining business is competitive. Tiernan competes with numerous other companies and individuals that have resources significantly in excess of those of Tiernan, in the search for and the acquisition of mineral properties. The ability of Tiernan to acquire mineral properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for development or mineral exploration. There is no assurance that any such investigations or negotiations will result in the completion of an acquisition. See "*Part VI - Risk Factors*".

Cycles

The mining business is subject to global economic cycles which affect the marketability of products derived from mining.

Stage of Development

Tiernan is in the exploration and development stage and does not produce, develop or sell any products at this time and consequently, has no current operating income or cash flows from the properties that it holds, nor has it had any income from operations in the past three financial years. As a consequence, operations of Tiernan will be funded solely by equity financings.

Economic Dependence

The Volcan Project is the only material property of Tiernan and is a development stage project. Any adverse condition affecting the development of the Volcan Project could have a material adverse effect on Tiernan's business, operations, results of operations, financial condition and future prospects.

Employees

As of December 31, 2024 and the date of this Filing Statement, Tiernan has three full-time employees and a number of experienced third party consultants and contractors. To continue with the development of its assets, Tiernan will require additional experienced employees and third-party consultants and contractors. Tiernan has not experienced, and does not expect to experience, significant difficulty in attracting and retaining qualified personnel. However, no assurance can be given that Tiernan will retain a sufficient number of qualified employees when necessary. For additional details, see "*Part IV - Information Concerning the Resulting Issuer – Executive Compensation – Employment Agreements*" and "*Part VI - Risk Factors*".

Foreign Operations

Overview of Chilean Operations

Tiernan indirectly holds mining concessions to mineral properties and mineral exploration concessions in Chile. As of the date of this Filing Statement, foreign operations accounted for 100% of Tiernan's assets and, accordingly, Tiernan is entirely dependent on its foreign operations for the exploration and development of mineral properties.

Chile is well-known as a mining jurisdiction globally. The country boasts a robust supplier network, a historically mining friendly government and a relatively stable economy with an investment grade credit rating. As at the date of this Filing Statement, Tiernan has not hedged its exposure to Chilean peso/U.S. dollar, or any other exchange rate fluctuations applicable to its business and is therefore exposed to currency fluctuation risks. Tiernan's operations are subject to Chilean regulations pertaining to environmental protection, the use and development of mineral properties and the acquisition or use of rural properties by foreign investors or local companies under foreign control and various other regulatory frameworks in foreign jurisdictions. See also "*Risk Factors*".

Corporate Structure Controls

The risks of the corporate structure of Tiernan and its subsidiary are risks that are typical and inherent for issuers who have material assets and property interests held indirectly through foreign subsidiaries and located in foreign jurisdictions. As a result, Tiernan's business and operations are exposed to various levels of political, economic and other risks and uncertainties associated with operating in foreign jurisdictions such as differences in laws, business cultures and practices, banking systems and internal controls over financial reporting. Such risks are mitigated by Tiernan's board of directors exercising control over the entire corporate structure by appointing administrators of Tiernan's subsidiary, by the use of local experts (legal, accounting and tax) and exercising controls over the use of cash, performing regular reviews of the consolidated books and records at Tiernan's head office and frequent personal inspection and visits to the project location of the foreign subsidiary by Tiernan's key management on a regular basis.

Management of Tiernan has control over its subsidiary, Andina Minerals Chile. Therefore, the management of Tiernan: (i) through Tiernan's direct shareholdings of its subsidiary, can impact the appointment and dismissal of its subsidiary's administrators; (ii) can effectively instruct its subsidiary's administrators to pursue Tiernan's business activities; and (iii) has legal rights, through Tiernan as a direct shareholder, as applicable, to require the administrators of Tiernan's subsidiary to comply with their fiduciary obligations and can also enforce such rights by way of shareholder remedies available to it. As a result, senior management of Tiernan can effectively align Tiernan's business objectives and effect the implementation of same at the corporate subsidiary level.

Tiernan has the ability to remove and appoint administrators of its subsidiary by the signing and filing of resolutions of the board of directors related thereto with the respective company registry. Tiernan's board of directors, through its corporate governance practices, will regularly receive management and technical updates and progress reports in connection with the Volcan Project in Chile and, in so doing, will be able to maintain effective oversight of operations. The opening and closing of bank accounts of Tiernan's subsidiary is controlled and approved by Tiernan's Chief Executive Officer. Tiernan's board of directors are able to cause Tiernan's subsidiary to transfer funds and accomplish the various operating aspects of the business by way of its ability to exert effective control over such entity as discussed above. No money is able to be transferred without approval of at least one senior officer of Tiernan. Tiernan's board of directors is not restricted in accessing minute books and corporate records and documents of its subsidiary.

Management Experience in Chile

As of the date of this Filing Statement, Tiernan's business is mainly conducted in Chile. A number of the proposed directors and officers of the Resulting Issuer have experience conducting business in markets across Latin America, including Chile. Moreover, Tiernan's administrators frequently review relevant materials created by its Chilean legal counsel and communicate with Chilean legal counsel, the officers of Tiernan's subsidiary, and local consulting staff whereby they will be apprised of new developments in the legal regime and new requirements that come into force from time to time such that management is kept aware of relevant material developments in Chile as they pertain to and affect Tiernan's business and operations. Any material developments are to be discussed with the directors of Tiernan. Additionally, directors and officers of Tiernan will attend seminars and presentations from time to time provided by legal and accounting firms on

developments in Chile. Tiernan's directors and officers also work closely with Tiernan's Chilean counsel and local consulting staff to understand and subsequently adjust firm strategies and practices in connection with changes in Chilean laws and regulatory regimes.

Operations in Chile

It is anticipated that future members of the senior management team will reside in Chile. Currently, senior officers and directors of Tiernan visit Chile on a regular basis. This ensures that Tiernan retains effective control and management of the operations of Tiernan in Chile. Tiernan also relies on the expertise and advice of Chilean counsel in conducting its business operations in accordance with local business culture and practices. In addition, Tiernan hires and engages local experts and professionals (i.e., legal, accounting and tax consultants) to advise Tiernan with respect to current and new regulations in respect of banking, financial and tax matters in Chile. Tiernan utilizes and will continue to utilize large, established and well recognized financial institutions in both Canada and Chile.

Business Language in Chile

Business in Chile is primarily conducted in Spanish and English. Certain directors and officers of Tiernan are fluent in both Spanish and English, and it is also intended that any local advisors to Tiernan in Chile will be fluent in English. The primary language used in meetings of management and board of directors is English. Material documents relating to Tiernan that is provided to its board of directors will be in English. To the extent that any original documentation is in Spanish, Chilean counsel or the respective directors or officers of Tiernan or other consultants located in Chile can assist with any translation needs. Tiernan does not currently have a formal communication plan or policy in place and has not to date, experienced any communication-related issues. Tiernan has not experienced and does not anticipate experiencing communication related issues in connection with its operations in Chile. Numerous service providers and consultants under Tiernan's employ are fluent in Spanish and English and can assist Tiernan as required. Tiernan will, from time to time, re-evaluate whether a formal communication policy is necessary.

Internal Control Over Financial Reporting in Chile

Tiernan maintains internal control over financial reporting ("ICOFR") designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. With operations in both Canada and Chile, Tiernan has implemented controls to address differences in banking systems, business practices, and regulatory environments between the two jurisdictions. These include controls over access to cash, authorization of disbursements, segregation of duties, and timely performance and review of monthly and quarterly bank reconciliations. Cash balances from Chilean operations are monitored weekly by Tiernan's management. Competent personnel are employed in both jurisdictions, with appropriate accounting expertise, familiarity with local laws and business culture, and proficiency in the local language. Tiernan will document and assess the design and effectiveness of its ICOFR on an annual basis. Key controls for significant accounts and processes will be tested annually under the supervision of the Chief Financial Officer. Any deficiencies identified through this process will be evaluated and addressed in a timely manner. While Tiernan's internal controls are designed to provide reasonable assurance of achieving their objectives, they may not prevent or detect all misstatements due to inherent limitations.

Mining Regulations in Chile

Tiernan's activities are subject to Chilean laws and regulations which are generally applicable to all companies in the mining sector. The legal framework which regulates Tiernan as an indirect holder of mining concessions is contained in the Chilean Mining Legislation. Under the Chilean Mining Legislation, the Chilean State is the owner of all mineral and fossil substances, regardless of who owns the surface land in which such substances are located. Private persons and companies may obtain mining concessions for exploration and exploitation of

mineral resources. These concessions are granted by judicial resolutions in accordance with the *Mining Code* (Law 18,248 of October 14, 1983) (the “**Mining Code**”).

Mining concessions are transferable, mortgageable and irrevocable and regulated by the same civil law that regulates real estate rights generally. Generally, the owner of a mining concession may occupy as much of the surface land as is necessary for mining activities upon the creation of a mining easement or by other rights granted upon other authorization given by the owner of the surface land, such as a lease agreement, easement or other title. Mining easements can be obtained by way of direct negotiation with the surface landowner or, if the latter refuses to grant such rights, by way of a summary procedure before the relevant court. Regardless of how the mining easement is obtained, the party granting the easement is entitled to compensation should the mining activities and works caused by the owner of the mining concession cause damage. Exploitation concessions have an indefinite duration. Exploration concessions are granted for two years and may be extended for a maximum of two additional years subject to waiving at least half of the area originally allocated. Prior to the expiration of the first or the second two-year period, exploration concessions can be converted to exploitation concessions. If they are not so converted, the exploration concession terminates.

In order for a mining concession to be recognized with respect to third parties holding pre-emptive rights over a given area or portion of the national territory, the awardee must qualify as a “discoverer.” Under the Mining Code, this status is granted to the applicant who first initiates the procedure to establish a mining concession over an unclaimed area and who is ultimately granted the corresponding concession rights. Accordingly, commencing the application process in an area free of existing mining concessions is essential to secure such pre-emptive rights and to exercise the powers associated with the relevant type of concession. The Mining Code permits the initiation of concession proceedings even where pre-emptive rights already exist in the requested area. Notably, an exploration concession may be granted even if another exploration or exploitation concession held by a third party already exists in the same area. In such cases, however, the new overlapping concession does not acquire pre-emptive rights over the area, and the holder of the original concession with pre-emptive rights may seek annulment of the overlapping concession.

The only statutory obligation imposed on mining concessionaires under Chilean law is the payment of an annual claim fee, which fulfills the “obligation of protection” (*obligación de amparo*) established by the Political Constitution of the Republic of Chile for holders of mining concessions. In addition, the holder of a mining concession must submit a report containing the geological information obtained through the exploration activities carried out under the concession. Failure to submit this report in the prescribed form and within the legally established deadlines may result in the imposition of fines.

Pursuant to the Mining Code, all mining concessions, as well as certain raw materials, assets and other property permanently dedicated to the exploration or extraction of minerals cannot be subject, except in extremely limited circumstances, to an order of attachment.

Any material change in Chile’s constitutional framework and/or in regulations including, among other things, the Chilean Mining Legislation, or shifts in political attitudes in Chile, are beyond the control of Tiernan and may adversely affect its business. Future development and operations may be affected in varying degrees by such factors as government regulations (or changes thereto) with respect to restrictions on development, production, export controls, income taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use, land claims of local people, mine safety and receipt of necessary permits. The effect of these factors cannot be accurately predicted. See “*Part VI - Risk Factors*”.

Environmental Protection

Overview

The current and future operations of Tiernan, including development and mining activities, are subject to extensive federal, regional and local laws and regulations governing environmental protection, including protection and remediation of the environment and other matters. Tiernan is in full compliance with all environmental protection requirements under applicable law, and such requirements do not have a material impact on the capital expenditures, profit or loss or the competitive position of Tiernan. However, compliance with such laws and regulations increases the costs of and delays planning, designing, drilling and developing Tiernan's properties.

Environmental Regulations in Chile

The Volcan Project is located in Chile and is subject to national, regional, and local regulations as well as international treaties subscribed to by Chile and enacted as Chilean domestic laws regarding the protection of the environment, natural resources, and their effects on human health and safety. This includes any laws and regulations concerning water, air and noise pollution, the handling, disposal and transportation of hazardous wastes and occupational health and safety.

In particular, Tiernan's operations are subject to stringent environmental laws and regulations, including the *General Environmental Law* (Law No. 19.300), enacted in 1994 and modified by Law No. 20.417, enacted in 2010 (collectively, the "**General Environmental Law**"). The General Environmental Law establishes the general environmental legal framework in Chile, including a range of environmental management mechanisms collectively known as the Environmental Impact Assessment System, the Emission Standards, and the Environmental Quality Standards. Chilean environmental laws and regulations, and the enforcement thereof, have become increasingly stringent since 2010 and even more due to recent changes. Such amendments include, among other significant modifications, the creation of a new institutional framework comprised by: (i) the Ministry of the Environment (*Ministerio del Medio Ambiente*); (ii) the Council of Ministers for Sustainability (*Consejo de Ministros para la Sustentabilidad*); (iii) the Environmental Assessment Service (*Servicio de Evaluación Ambiental*); (iv) the Bureau of the Environment (*Superintendencia del Medio Ambiente*); (v) Biodiversity and Protected Areas Service (*Servicio de Biodiversidad y Áreas Protegidas*); and (vi) the Environmental Courts (*Tribunales Ambientales*), each of which are in charge of designing, evaluating and enforcing laws and regulations relating to projects and activities that could have an environmental impact. These institutions are fully operational and are engaged in different stages of a project, ranging from regular environmental assessment to participating during potential legal and administrative challenges. Recent legal and regulatory changes are likely to impose additional restrictions or costs on Tiernan as well as increased fines due to non-compliance with such laws and regulations, relating to environmental litigation and protection of the environment, particularly those related to flora and fauna, wildlife protected areas, water quality standards, mine closure, air emissions and soil pollution.

The General Environmental Law, as complemented by additional regulations, enables the Chilean government to: (i) bring administrative and judicial proceedings against companies that violate environmental laws; (ii) close non-complying facilities; (iii) revoke required operating licenses; (iv) require that companies submit their projects for environmental evaluation as required by applicable law; and (v) impose sanctions and fines when companies act negligently, recklessly or deliberately in connection with environmental matters.

Pursuant to the General Environmental Law, in addition to the various enabling powers granted to the Chilean government to enforce the General Environmental Law, affected citizens are also granted rights to bring civil actions against companies that are not in compliance with environmental laws and regulations when such companies have caused "environmental damage," as defined in such law, after such non-compliance has been established by a judicial proceeding. Additionally, citizens affected by environmental pollution may file a petition for relief to Chilean Courts of Appeal, requiring the suspension of the offending activity and the

adoption of protective measures through the judicial process called *recurso de protección* (constitutional protection action).

Tiernan incurs and may be required in the future to continue to incur, substantial capital and operating costs related to environmental compliance. However, many of these costs, including those related to EIAs with respect to the Volcan Project and any future project or prescribed activity, workplace safety policies and procedures, mine closure safety plans and operational standard compliance, are inextricably intertwined with the operation of Tiernan's business as a whole. The General Environmental Law and its regulations also contain certain rules on environmental impact assessment, effective since April 1997, which provide that Tiernan must evaluate the environmental impact of any future project or activity listed in Article 10 of the General Environmental Laws by means of an environmental impact declaration or an environmental impact study depending on the significance of the environmental impacts associated. See "*Part VI - Risk Factors*".

Restructuring Transactions

Other than the share contribution agreement transactions between Tiernan and HM Holdings on March 13, 2023, Tiernan has not effected any material restructuring transaction since incorporation, nor is any material restructuring transaction proposed for the current financial year. See "*Three Year History*" below.

Three Year History

Tiernan was incorporated under the BCBCA on March 22, 2022. The following is a description of Tiernan's business development since its incorporation:

- On November 8, 2012, Hochschild Mining entered into a definitive support agreement pursuant to which it agreed to make an offer to purchase all of the outstanding common shares of Andina Minerals by way of a friendly take-over bid under applicable Canadian securities laws, which take-over bid was completed on January 11, 2013. On February 20, 2013, Hochschild Mining then completed a compulsory acquisition under the *Business Corporations Act* (Alberta) of all of the outstanding common shares of Andina Minerals not already owned by it following the successful take-over bid, and as a result, Hochschild Mining came to own 100% of the issued and outstanding common shares of Andina Minerals.
- Following the acquisition of Andina Minerals and the Volcan Project, Hochschild Mining undertook a substantial program to relog drill core and update the geological model for Dorado West, the main deposit at the Volcan Project. Subsequently, additional metallurgical test work was also undertaken and a preliminary geo-metallurgical model was developed by Hochschild Mining.
- On March 13, 2023, Tiernan entered into a share contribution agreement with HM Holdings pursuant to which, among other things, the ownership of the Volcan Project and Andina Minerals Chile was reorganized to be 100% owned by Tiernan.
- On July 7, 2023, Tiernan, through Andina Minerals Chile, entered into a royalty arrangement with Minera Global Copper Chile S.A., an Affiliate of Franco-Nevada Limited pursuant to which Tiernan granted a 1.5% net smelter return royalty on gold and copper production from the Volcan Project concessions in consideration for a US\$15M cash payment to Andina Minerals Chile. The royalty agreement provides for the grant of a right of first refusal in favour of Franco-Nevada Limited on future royalties or streams and an option to acquire a further 1.0% royalty at the time of a board approved construction decision based on feasibility study and consensus metal prices.
- During 2023, Hochschild engaged Ausenco Chile Limitada to prepare a preliminary economic assessment for the Volcan Project, which preliminary economic assessment was subsequently updated as part of the Volcan Technical Report by Ausenco Chile Limitada in July 2025.

- On September 2, 2025, Railtown entered into the Letter of Intent with Tiernan. On October 6, 2025, Railtown, Subco and Tiernan entered into the Original Business Combination Agreement, and on November 7, 2025, Railtown, Subco and Tiernan entered into the Business Combination Agreement, which amended and restated the terms of the Original Business Combination Agreement and the Proposed Qualifying Transaction.

The Financing

On November 18, 2025, Tiernan completed the Financing pursuant to which 11,670,200 Tiernan Subscription Receipts were issued at a price of \$5.00 per Tiernan Subscription Receipt for aggregate gross proceeds of \$58,351,000 (comprised of a \$40,000,000 Treasury Offering and \$18,351,000 Secondary Offering).

Each Subscription Receipt entitles the holder thereof to receive, without any further action and without payment of additional consideration, and subject to adjustments in certain circumstances, one Tiernan Subscription Receipt Unit. Each Tiernan Subscription Receipt Unit will consist of one Post-Tiernan Consolidation Tiernan Common Share and one-half of one Tiernan Warrant, assuming the satisfaction of the Escrow Release Conditions prior to the date that is 90 days following the Financing Closing, as such deadline may be extended. The Escrow Release Conditions include, among other things, that all conditions precedent to Completion of the Proposed Qualifying Transaction will have been satisfied or waived, including the TSXV Approval.

Each Tiernan Warrant issued pursuant to the Financing shall be exercisable into one Tiernan Share from treasury at a price of \$6.50 at any time up to 24 months following the Financing Closing. In connection with Completion of the Proposed Qualifying Transaction, Tiernan Common Shares and Tiernan Warrants will be issued pursuant to the Tiernan Subscription Receipt Units upon the delivery by Tiernan (for and on behalf of the Agents) to the Subscription Receipt Agent, of an escrow release notice confirming the satisfaction of the Escrow Release Conditions, which Tiernan Common Shares and Tiernan Warrants will then be exchanged or otherwise converted into Resulting Issuer Shares and Resulting Issuer Warrants, as applicable.

The Tiernan Common Shares issuable on exercise of the Tiernan Subscription Receipts will come from: (i) Treasury Shares newly issued by Tiernan from treasury; and (ii) Secondary Shares previously issued by Tiernan and currently held by HM Holdings. The Tiernan Warrants issuable on exercise of the Tiernan Subscription Receipts will come from warrants newly issued by Tiernan from treasury and will be exercisable to acquire Tiernan Common Shares from treasury upon payment of the exercise price to Tiernan. For purposes of this Filing Statement, the Treasury Offering shall include the offering of Treasury Shares and Tiernan Warrants pursuant to the Financing, and the Secondary Offering shall include the offering of Secondary Shares and Tiernan Warrants pursuant to the Financing. Tiernan shall not receive any proceeds from the sale of Secondary Shares and HM Holdings shall only receive proceeds from the sale of the Secondary Shares under the Financing. In consideration for the issuance of the Tiernan Warrants by Tiernan in connection with the Secondary Offering, Tiernan and HM Holdings have agreed to allocate \$0.515 of the total \$5.00 price per Subscription Receipt Unit to the one-half of one Tiernan Warrant comprising part of such Subscription Receipt Unit sold pursuant to the Secondary Offering. Accordingly, upon exercise of the Tiernan Subscription Receipts, Tiernan shall receive from HM Holdings from the Escrowed Funds additional proceeds from the Financing in the aggregate amount of \$1,890,153.

In connection with the Tiernan Subscription Receipts, the Escrowed Funds will be released to Tiernan and HM Holdings upon satisfaction of the following conditions (the “**Escrow Release Conditions**”):

- (a) the receipt of all required corporate, shareholder and regulatory approvals in connection with the Financing, the Proposed Qualifying Transaction and the listing on the TSXV, including, without limitation, the TSXV Approval for: (A) the Proposed Qualifying Transaction; and (B) the listing of the Resulting Issuer Shares (including the Resulting Issuer Warrant) issuable in connection with the

Proposed Qualifying Transaction and any relevant listing documents (subject only to standard listing conditions of the TSXV);

- (b) the completion or irrevocable waiver or satisfaction of all conditions precedent to the Proposed Qualifying Transaction, substantially in accordance with the definitive agreements relating to the Proposed Qualifying Transaction, other than the release of the Escrowed Funds, to the satisfaction of the Agents, acting reasonably;
- (c) Tiernan shall have not committed any material breach of the subscription agreement governing the Subscription Receipts or the Agency Agreement, except (in the case of the Agency Agreement only) for those material breaches that have been waived by Canaccord; and
- (d) Tiernan and Canaccord, on its own behalf and on behalf of the Agents, having delivered the notice and direction specified in the subscription receipt agreement in respect of the Subscription Receipts.

In the event that the Escrow Release Conditions are not satisfied on or before the Outside Date, the proceeds of the Financing together with accrued interest earned thereon will be returned *pro rata* to each holder of Tiernan Subscription Receipts, and the Tiernan Subscription Receipts will be automatically cancelled, void and of no value or effect.

The gross proceeds to Tiernan from the Treasury Offering, less the Agents' Fee and all of the Agents' Expenses, will be used to fund the business of the Resulting Issuer (including general and administrative expenses for the Resulting Issuer), for transaction expenses and for general working capital purposes, once the Escrow Release Conditions have been satisfied and the Subscription Receipt Agent has released those proceeds to the Resulting Issuer.

Selected Financial Information and Management's Discussion and Analysis

Item	As of September 30, 2025 (US\$ 000) (Unaudited)
Total Assets	81,000
Total Liabilities	1,502
Shareholders' Equity	79,498

Item	Nine-months ended September 30, 2025 (US\$ 000) (Unaudited)
Net income for the period	31,753
Total comprehensive profit for the period	33,126
Basic and diluted earnings per share (US dollars per share)	0.32
Cash flows from operating activities	387
Cash flows from investing activities	(1,463)

Management's Discussion and Analysis

See Appendix B – *Management's Discussion and Analysis of Tiernan* for Tiernan's management's discussion and analysis for the years ended December 31, 2024 and 2023 and for the three and nine months ended September 30, 2025.

Description of the Securities

Tiernan Common Shares, Tiernan Subscription Receipts and Tiernan Warrants

Tiernan is authorized to issue an unlimited number of Tiernan Common Shares. As at the date of this Filing Statement, 99,312,155 Tiernan Common Shares are issued and outstanding, which will be consolidated to 37,000,000 Tiernan Common Shares pursuant to the Tiernan Consolidation. On satisfaction of the Escrow Release Conditions, up to an additional 8,000,000 Tiernan Common Shares and 5,835,100 Tiernan Warrants will be issued upon the conversion of the Tiernan Subscription Receipts into Tiernan Subscription Receipt Units.

The Tiernan Shareholders are entitled to dividends, if, as and when declared by the board of directors of Tiernan, to one vote per Tiernan Common Share at meetings of Tiernan Shareholders and, upon liquidation, to share equally in such assets of Tiernan as are distributable to the holders of the Tiernan Common Shares. All of the Tiernan Common Shares to be outstanding immediately prior to the Completion of the Proposed Qualifying Transaction will be fully paid and non-assessable and are not subject to any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a shareholder to contribute additional capital.

Tiernan is authorized to issue up to 13,000,000 Tiernan Subscription Receipts pursuant to the Subscription Receipt Agreement. See "*Part III – Information Concerning Tiernan - The Financing*".

Tiernan is authorized to issue up to 5,835,100 Tiernan Warrants pursuant to the Warrant Indenture. Each Tiernan Warrant comprising part of the Tiernan Subscription Receipt Units issued upon conversion of the Tiernan Subscription Receipts shall be exercisable into one Tiernan Share at a price of \$6.50 at any time up to 24 months following the Financing Closing.

Consolidated Capitalization

There have been no changes in the consolidated capitalization of Tiernan since the date of the audited financial statements of Tiernan for the years ended December 31, 2024 and 2023 included as Appendix A – *Financial Statements of Tiernan*.

Prior Sales

Other than as described below, during the 12-month period before the date of this Filing Statement, Tiernan has not issued any Tiernan Common Shares or securities that are convertible or exchangeable into Tiernan Common Shares.

Tiernan Subscription Receipts

Date Issued	Number of Securities	Issue Price Per Security	Gross Aggregate Issue Price	Consideration Received
November 18, 2025	8,000,000 ⁽¹⁾	\$5.00	\$40,000,000	Cash
Total	8,000,000 ⁽¹⁾	-	\$40,000,000 ⁽²⁾	-

Notes:

- (1) On satisfaction of the Escrow Release Conditions, 8,000,000 Tiernan Common Shares and 5,835,100 Tiernan Warrants will be issued upon the conversion of the Tiernan Subscription Receipts into Tiernan Subscription Receipt Units. For further details with respect to the issued and outstanding Tiernan Subscription Receipts, see “Part II - Information Concerning Railtown – The Proposed Qualifying Transaction - The Financing”.
- (2) Tiernan shall also receive from HM Holdings from the Escrowed Funds additional proceeds from the Financing in the aggregate amount of \$1,890,153 in respect of the Tiernan Warrants issued in connection with the Secondary Offering. For further details with respect to the issued and outstanding Tiernan Subscription Receipts, see “Part II - Information Concerning Railtown – The Proposed Qualifying Transaction - The Financing”.

Trading Price and Volume

None of the securities of Tiernan are, or have ever been, listed for trading on any stock exchange or other securities market.

Executive Compensation

Directors and Named Executive Officers’ Compensation

The following disclosure is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

For purposes of this Executive Compensation section of this Filing Statement, the following individual included in the “Director and Named Executive Officer Compensation” section below and the related tables below is the “Named Executive Officer” or “NEO” of Tiernan for the year ended December 31, 2024:

Name	Title
Greg McCunn	Chief Executive Officer (“CEO”) and Director

The following table summarizes the compensation earned by, paid to, or awarded to the NEO and the directors of Tiernan for the year ended December 31, 2024.

Name and Position	Salary, Consulting Fee, Retainer Or Commission (\$)	Bonus	Committee Or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Greg McCunn CEO, Director ⁽¹⁾	180,000	—	—	—	—	180,000
Eduardo Landin Director ⁽²⁾	—	—	—	—	—	—
Eduardo Noriega Director ⁽³⁾	—	—	—	—	—	—

Notes:

- (1) Greg McCunn was appointed director of Tiernan on March 22, 2022. Mr. McCunn does not receive any compensation or other form of remuneration in connection with acting as a director of Tiernan.
- (2) Eduardo Landin was appointed director of Tiernan on March 22, 2022. Mr. Landin does not receive any compensation or other form

- of remuneration in connection with acting as a director of Tiernan.
- (3) Eduardo Noriega was appointed director of Tiernan on March 22, 2022. Mr. Noriega does not receive any compensation or other form of remuneration in connection with acting as a director of Tiernan.

External Management Companies

Mr. McCunn provides his services to Tiernan pursuant to a consulting agreement between Camosun Advisory Corp., a consulting company controlled by Mr. McCunn, and Tiernan. Other than Mr. McCunn, none of the current Named Executive Officers or directors provided their services through external management companies during the financial period ended December 31, 2024.

Stock Options and Other Compensation Securities

No share-based awards, option-based awards, incentive plan awards or other compensation securities have been granted or issued to, or exercised by, directors and officers of Tiernan during the period from incorporation to the date of this Filing Statement.

Employment, Consulting and Management Agreements

Tiernan entered into a consulting agreement with Camosun Advisory Corp. dated May 1, 2023, as amended May 1, 2024, whereby the services of Mr. McCunn as CEO of Tiernan are provided for an annual consulting fee of \$180,000. Under the consulting agreement, Tiernan receives the provision of the services of Mr. McCunn as CEO. In addition, Tiernan agreed to pay Camosun Advisory Corp. an incentive bonus upon a successful initial public offering or reverse take-over of Tiernan of \$200,000 in cash payable following closing. Tiernan may terminate the services agreement at any time upon notice of termination by paying any unpaid consulting fees up to the date of termination. See “– *External Management Companies*” above.

Oversight and description of director and named executive officer compensation

Tiernan does not currently have a compensation program or compensation committee in place.

Pension Plan Benefits

Tiernan does not have in place any defined benefits or defined compensation pension plans for NEOs that provides for payments or benefits at, following or in connection with retirement.

Termination and Change of Control Benefits

Tiernan does not have in place any termination or change of control benefits.

Director Compensation

The directors of Tiernan did not receive any compensation, share-based awards, option-based awards, incentive plan awards or other benefits or perquisites during the period from incorporation to the date of this Filing Statement.

Non-Arm’s Length Party Transactions

Other than inter-company indebtedness with Hochschild Mining and its Affiliates arising by virtue of the fact that Tiernan is a wholly-owned subsidiary of Hochschild Mining as of the date of this Filing Statement, Tiernan has not acquired any assets or any services from a director or officer, principal securityholder or an Associate or Affiliate of any such person in the 24 months prior to the date of this Filing Statement. The Resulting Issuer intends to repay the outstanding inter-company indebtedness owed to Hochschild Mining with a portion of the proceeds from the Financing.

For further details, see Part IV – “*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*”, Note 12 “*Related-party balances and transactions*” of the combined and consolidated audited financial statements of Tiernan for the years ended December 31, 2024 and 2023 and Note 9 “*Related-party balances and transactions*” of the unaudited condensed and consolidated interim financial statements of Tiernan for the three and nine month periods ended September 30, 2025 and 2024 contained in Appendix A – *Financial Statements of Tiernan*, and Appendix C – *Unaudited Pro Forma Consolidated Statement of Financial Position of the Resulting Issuer*.

Legal Proceedings

Tiernan is neither a party to, nor is any of its property the subject matter of, any legal proceedings, nor is any such proceedings known to Tiernan to be contemplated by any party.

Auditor

The auditor of Tiernan is BDO Canada LLP, Chartered Professional Accountants, at 1100-Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3P3.

Material Contracts

Tiernan has not entered into any material contracts, outside of the ordinary course of business, prior to the date of this Filing Statement, other than:

- (a) the Agency Agreement;
- (b) the Subscription Receipt Agreement;
- (c) the Warrant Indenture;
- (d) the Original Business Combination Agreement; and
- (e) the Business Combination Agreement.

Copies of the above noted material contracts are available under Railtown’s profile on SEDAR+ at www.sedarplus.ca and will be available for inspection without charge at the offices of at the offices of legal counsel to Railtown, Bennett Jones LLP, 666 Burrard Street, Suite 2500, Vancouver, British Columbia, Canada V6C 2X8 during ordinary business hours from the date of this Filing Statement until the Completion of the Proposed Qualifying Transaction.

PART IV – INFORMATION CONCERNING THE RESULTING ISSUER

Corporate Structure

Name and Incorporation

Immediately following Completion of the Proposed Qualifying Transaction, the Resulting Issuer, which is expected to be named “*Tiernan Gold Corp.*”, will continue to be subject to the BCBCA.

It is expected that, following the Completion of the Proposed Qualifying Transaction, the Resulting Issuer’s registered office will be located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2X8, and its head office will be located at Suite 1020 - 800 West Pender Street, Vancouver, British Columbia, V6C 2V6.

Intercorporate Relationships

Following the Completion of the Proposed Qualifying Transaction, the Resulting Issuer will have no subsidiaries other than Andina Minerals Chile.

Description of the Business

The Resulting Issuer will carry on the business of Tiernan and use the funds available to it as stated in this Filing Statement. The Resulting Issuer plans to continue with Tiernan’s business plan. See Part III – “*Information Concerning Tiernan – Description of the Business*”.

Business Objectives and Milestones

The Resulting Issuer’s primary objective is to systematically de-risk and advance the Volcan Project, the Resulting Issuer’s only material property.

The Resulting Issuer budgets \$23.6 million (approximately 46% of the estimated available funds) for the advancement of the Volcan Project. See “– *Available Funds and Principal Purposes*” below. The primary business objectives that the Resulting Issuer expects to accomplish by using the available funds following the completion of the Proposed Qualifying Transaction are to:

- (a) commence environmental baseline studies, permitting scoping and early community engagement;
- (b) develop a sustainability and ESG framework emphasizing responsible water use, biodiversity management and community collaboration;
- (c) prepare an updated mineral resource estimate incorporating confirmatory drilling and metallurgical data;
- (d) complete the recommended work program outlined in the Volcan Technical Report, including advancement of engineering and metallurgical test work towards a preliminary feasibility study to define an optimal processing route and project configuration;
- (e) complete a definitive feasibility study and environmental impact statement; and
- (f) satisfy corporate general and administrative expenses and working capital requirements.

The work program outlined in the Volcan Technical Report is targeted to allow the Resulting Issuer to complete the work program by the first quarter of 2027. See “*Schedule D – The Volcan Project*” attached hereto.

Description of the Securities

Upon Completion of the Proposed Qualifying Transaction, the authorized capital of the Resulting Issuer will consist of: (i) an unlimited number of Resulting Issuer Shares; (ii) Resulting Issuer Options; and (iii) Resulting Issuer Warrants.

Resulting Issuer Shares

Upon Completion of the Proposed Qualifying Transaction, it is anticipated that: (a) without giving effect to the Financing, an aggregate of 39,753,497 Resulting Issuer Shares will be issued and outstanding (on a non-diluted basis); and (b) after giving effect to the Financing, an aggregate of 47,753,497 Resulting Issuer Shares will be issued and outstanding, in each case on a non-diluted basis. With respect to the issued and outstanding Resulting Issuer Shares, it is expected that: (a) the current Railtown Shareholders will hold 2,753,497 Resulting Issuer Shares, representing approximately (i) 6.9% of the outstanding Resulting Issuer Shares without giving effect to the Financing and (ii) 5.8% of the outstanding Resulting Issuer Shares after giving effect to the Financing, in each case on a non-diluted basis; and (b) the current Tiernan shareholders will hold (i) 37,000,000 Resulting Issuer Shares without giving effect to the Financing, representing approximately 93.1% of the outstanding Resulting Issuer Shares and (ii) 33,329,800 Resulting Issuer Shares after giving effect to the Financing, representing approximately 69.8% of the outstanding Resulting Issuer Shares, in each case on a non-diluted basis. See “– *Pro Forma Consolidated Capitalization*” below.

The holders of Resulting Issuer Shares will be entitled to receive notice of and attend any meeting of the shareholders of the Resulting Issuer and be entitled to cast one vote for each Resulting Issuer Share held. The holders of Resulting Issuer Shares will be entitled to receive dividends if, as and when declared by the Resulting Issuer Board and to receive a proportionate share, on a per share basis, of the assets of the Resulting Issuer available for distribution in the event of a liquidation, dissolution or winding-up of the Resulting Issuer. However, the Resulting Issuer does not generally expect to declare or pay dividends.

Resulting Issuer Options

Upon Completion of the Proposed Qualifying Transaction, it is expected that 179,788 Resulting Issuer Options will be outstanding, each exercisable at a price of between \$0.71 and \$3.76 per Resulting Issuer Option, subject to the terms, conditions and limitations of the Railtown Legacy Option Plan.

Upon Completion of the Proposed Qualifying Transaction, the Omnibus Incentive Plan will be used as the principal securities-based compensation plan of the Resulting Issuer, and the Railtown Legacy Option Plan will remain in place solely for the purposes of governing the terms of existing Railtown Options issued prior to the Proposed Qualifying Transaction. See “*Part II – Information Concerning Railtown – Securities-Based Compensation Arrangements*” and “– *Resulting Issuer Options and Resulting Issuer Warrants*” below.

Resulting Issuer Warrants

Upon Completion of the Proposed Qualifying Transaction, it is expected that an aggregate of 6,308,220 Resulting Issuer Warrants to purchase Resulting Issuer Shares will be outstanding, comprised of (i) 66,715 Resulting Issuer Warrants in respect of Railtown Warrants issued prior to the Proposed Qualifying Transaction exercisable at a price of \$0.71 per Resulting Issuer Warrant and (ii) 5,835,100 Resulting Issuer Warrants issued pursuant to the Financing exercisable at a price of \$6.50 per Resulting Issuer Warrant at any time up to 24 months following the Financing Closing in accordance with the Warrant Indenture.

Securities Law Matters

The Post-Consolidation Railtown Common Share to be issued to holders of Tiernan Common Shares upon completion of the First Amalgamation will be issued in reliance on the exemptions from prospectus requirements in accordance with section 2.11 of National Instrument 45-106 – *Prospectus Exemptions*. After Closing, pursuant to National Instrument 45-102 – *Resale of Securities*, the Resulting Issuer Shares will be freely tradeable provided: (a) the Resulting Issuer is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade; (b) the trade is not a control distribution; (c) no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade; and (d) no extraordinary commission or consideration is paid to a person or company in respect of the trade. Railtown became a reporting issuer in January 2021 and, accordingly, it will have been a reporting issuer for four months preceding the Closing.

The Resulting Issuer Shares which are issued in the United States will bear a legend to the effect that the Resulting Issuer Shares are not registered under the U.S. Securities Act and may only be offered, sold, pledged or otherwise transferred, directly or indirectly, pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any applicable state of the United States. Holders of Resulting Issuer Shares are advised to consult their financial or legal advisors with respect to the tradability of the Resulting Issuer Shares that they will receive on completion of the Amalgamations.

Selected *Pro Forma* Balance Sheet Information

The following table sets forth certain *pro forma* financial information of the Resulting Issuer after giving effect to the Financing and the Proposed Qualifying Transaction. Such unaudited *pro forma* balance sheet information is based on certain assumptions and adjustments and are not necessarily indicative of the Resulting Issuer's consolidated financial position if the events reflected therein were in effect for the periods presented, nor do they purport to project the Resulting Issuer's financial position or results from operations for any future period:

Statement of Financial Position (US\$ 000)	Tiernan, as at September 30, 2025 (US\$ 000) (Unaudited)	Railtown, as at August 31, 2025 (US\$ 000) (Unaudited)	Pro Forma as at August 31, 2025 after giving effect to the Financing and the Proposed Qualifying Transaction (US\$ 000) (Unaudited)
Current Assets	\$10,867	\$898	\$39,130
Non-current Assets	\$70,133	—	\$70,133
Current Liabilities	\$1,502	\$25	\$1,527
Non-current Liabilities	—	—	\$5,062
Shareholders' Equity	\$79,498	\$873	\$102,674

Such information is derived from the unaudited *pro forma* balance sheet of the Resulting Issuer as at August 31, 2025, which is attached hereto as Appendix C – *Unaudited Pro Forma Consolidated Statement of Financial Position of the Resulting Issuer*, and should be read in conjunction herewith.

Pro Forma Consolidated Capitalization

The following table sets forth the *pro forma* share capital of the Resulting Issuer following Completion of the Proposed Qualifying Transaction, based on the *pro forma* statement of financial position contained in this Filing Statement at Appendix C – *Unaudited Pro Forma Consolidated Statement of Financial Position of the Resulting Issuer*.

Designation of Security	Authorized	Amount outstanding following Completion of the Proposed Qualifying Transaction
Resulting Issuer Shares ⁽¹⁾	Unlimited	47,753,497
Preferred Shares	Unlimited	–
Resulting Issuer Options	Unlimited ⁽²⁾	179,788
Resulting Issuer Warrants ⁽¹⁾	Unlimited	5,901,815

Notes:

- (1) The number of Resulting Issuer Shares and Resulting Issuer Warrants includes Resulting Issuer Shares and Resulting Issuer Warrants issued pursuant to the Financing.
- (2) Issuance of Railtown Options prior to Closing subject to the terms, conditions and limitations of the Railtown Legacy Option Plan. See “Part II – Information Concerning Railtown – Securities-Based Compensation Arrangements - Railtown Legacy Option Plan”.

Fully-Diluted Share Capital

The following table summarizes the securities of the Resulting Issuer to be issued and outstanding following the Completion of the Proposed Qualifying Transaction:

	Number of Securities	% of total number of Resulting Issuer Common Shares outstanding following Completion of the Proposed Qualifying Transaction ⁽¹⁾	
		(Non-Diluted) ⁽³⁾	(Fully-Diluted) ⁽⁴⁾
Resulting Issuer Shares			
Post-Consolidation Railtown Common Shares	2,753,497	5.8	5.1
Resulting Issuer Shares to be issued as consideration for the Tiernan Common Shares ⁽²⁾	37,000,000	77.5	68.7
Resulting Issuer Shares to be issued as Treasury Shares pursuant to the Financing	8,000,000	16.8	14.9
Dilutive Securities			
Railtown Options after effecting the Railtown Consolidation ⁽²⁾	179,788	–	0.3
Railtown Warrants after effecting the Railtown Consolidation ⁽²⁾	66,715	–	0.1
Resulting Issuer Warrants to be issued for Tiernan Warrants issued pursuant to the Financing	5,835,100	–	10.8
Total	53,835,100		100

Notes:

- (1) Figures may not sum exactly due to rounding.
- (2) The outstanding Railtown Options and Railtown Warrants will be consolidated on the same basis as the Railtown Common Shares in connection with the Railtown Consolidation.
- (3) Based on 47,753,497 Resulting Issuer Shares issued and outstanding on a non-fully diluted basis after giving effect to the Railtown Consolidation and the Proposed Qualifying Transaction (including after giving effect to the Financing).
- (4) Based on 53,835,100 Resulting Issuer Shares issued and outstanding on a fully-diluted basis.

Available Funds and Principal Purposes

Available Funds

Upon completion of the Proposed Qualifying Transaction, and taking into account the net proceeds to Tiernan of the Treasury Offering, upon satisfaction of the Escrow Release Conditions, the Resulting Issuer is expected to have approximately \$53.81 million in available funds, based on estimated working capital of each of Railtown and Tiernan as at August 31, 2025 (in the aggregate amount of approximately \$16.2 million).

<u>Available Funds</u>	<u>Estimated Amount</u>
Estimated working capital ⁽¹⁾	\$16,210,000
Net proceeds from the Treasury Offering ⁽²⁾	\$37,605,613
Total Available Funds	\$53,815,613

Notes:

- (1) Amount reflects the estimated working capital of the Resulting Issuer as at November 30, 2025. For purposes of this table, the aggregate total of Tiernan working capital is adjusted to exclude the amount of \$2,475,000 payable primarily to HM Holdings in respect of inter-company indebtedness (as illustrated in “*Principal Purposes*” below).
- (2) Represents gross proceeds of \$40,000,000 from the sale of Tiernan Common Shares plus gross proceeds for the Tiernan Warrants issued pursuant to the Secondary Offering of \$1,890,153, minus the Agents’ Fee (\$3,017,460) and Agents’ Expenses (\$225,080) and the Company’s legal and accounting costs incurred in connection with the Proposed Qualifying Transaction (\$1,042,000).

Principal Purposes

Upon completion of the Financing and the Proposed Qualifying Transaction, the Resulting Issuer will carry on the mineral exploration and development business conducted by Tiernan.

The principal purpose of the available funds, after giving effect to the Proposed Qualifying Transaction and for the 18 months thereafter, will be for, among other things, working capital and future exploration and development activities on the Resulting Issuer’s Volcan Project, including commencing environmental baseline studies, permitting scoping and early community engagement, developing a sustainability and ESG framework emphasizing responsible water use, biodiversity management and community collaboration, preparing an updated mineral resource estimate incorporating confirmatory drilling and metallurgical data, completing the recommended work program outlined in the Volcan Technical Report (including advancement of engineering and metallurgical test work towards a prefeasibility study to define an optimal processing route and project configuration, but excluding proposed drilling activities) and completing a definitive feasibility study and environmental impact statement, in each case based on the work program as recommended in the Volcan Technical Report, as well as general administrative expenses.

It is anticipated that the Resulting Issuer will use such funds as follows, assuming that the Treasury Offering is completed for aggregate gross proceeds to Tiernan of \$40,000,000:

Uses of Funds	Estimated Amount
Prefeasibility study, metallurgy and year 1 environmental baseline studies ⁽¹⁾	\$8,250,000
Feasibility study and EIA completion	\$7,000,000
Community consultation	\$3,500,000
Repayment of inter-company indebtedness to related parties ⁽²⁾	\$2,475,000
General and administrative expenses for the first 18 months	\$4,875,000
Unallocated working capital	\$27,715,613
Total Uses	\$53,815,613

Notes:

- (1) A detailed description of the recommended work program is outlined in the Volcan Technical Report.
- (2) Estimated amount as at November 30, 2025, which is payable primarily to HM Holdings in respect of inter-company indebtedness.

The above sources and uses of funds are estimates only. Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult at this time to definitively project the total funds necessary to execute the planned undertakings of the Resulting Issuer. For these reasons, management considers it to be in the best interests of the Resulting Issuer and its shareholders to permit management a reasonable degree of flexibility as to how the Resulting Issuer's funds are employed among the above uses or for other purposes, as the need may arise.

Based on current projections, the Resulting Issuer's working capital available for funding operations is expected to meet its expenses for a minimum period of 18 months commencing immediately after the Completion of the Proposed Qualifying Transaction. Unallocated funds available will be added to the working capital of the Resulting Issuer, and will be expended at the discretion of management of the Resulting Issuer.

Dividends

There are no restrictions in the Resulting Issuer's articles or elsewhere which could prevent the Resulting Issuer from paying dividends subsequent to Completion of the Proposed Qualifying Transaction. The Resulting Issuer does not contemplate paying any dividends on any Resulting Issuer Shares in the immediate future subsequent to the Completion of the Proposed Qualifying Transaction. The Resulting Issuer Board will determine if, and when, to declare and pay dividends in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid on a per share basis.

Principal Securityholders

To the best of the knowledge of management and the directors of Railtown and Tiernan, other than as set out in the following table, there is no person who will own of record or beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the voting rights attached to all of the outstanding Resulting Issuer Shares after the Financing and Completion of the Proposed Qualifying Transaction.

Name and Municipality of Residence	Resulting Issuer Shares upon Completion of the Financing and Proposed Qualifying Transaction ⁽²⁾
HM Holdings ⁽¹⁾ United Kingdom	33,329,800 (69.8%)

Notes:

- (1) HM Holdings is a wholly-owned subsidiary of Hochschild Mining.
(2) Based on 47,753,497 Resulting Issuer Shares issued and outstanding on a non-fully diluted basis after giving effect to the Railtown Consolidation and the Proposed Qualifying Transaction (including after giving effect to the Financing).

Investor Rights Agreement

Overview

As part of the Closing, the Resulting Issuer will enter into the Investor Rights Agreement with HM Holdings with respect to certain director nomination rights, governance matters and shareholder rights in favour of HM Holdings.

The following is a summary of the material attributes and characteristics of the Investor Rights Agreement. This summary is qualified in its entirety by reference to the provisions of that agreement, which contains a complete statement of those attributes and characteristics. The Investor Rights Agreement will be available for review under Railtown's profile on SEDAR+ at www.sedarplus.ca on Closing.

Board of Directors

Under the Investor Rights Agreement, immediately following the Effective Date, the Resulting Issuer Board shall consist of seven directors, with the initial directors being Jill Gardiner (Chair), Fausto Di Trapani, Christopher Taylor, Greg McCunn, Adam Schatzker, Eduardo Noriega and Nicolas Hochschild (with the initial nominees of HM Holdings being Jill Gardiner, Greg McCunn, Eduardo Noriega and Nicolas Hochschild).

Thereafter, in respect of any shareholders' meeting of the Resulting Issuer to elect directors, as long as HM Holdings holds, directly or indirectly:

- (a) at least 50% of the Resulting Issuer Shares outstanding (calculated on a non-diluted basis), HM Holdings shall be entitled to designate four nominees and to designate the Chair of the Resulting Issuer Board;
- (b) at least 25% of the Resulting Issuer Shares outstanding, but less than 50% thereof (each calculated on a non-diluted basis), HM Holdings shall be entitled to designate three nominees and the Chair of the Resulting Issuer Board shall be an independent director mutually agreed by HM Holdings and the Resulting Issuer Board, each acting reasonably; and
- (c) at least 10% of the Resulting Issuer Shares outstanding, but less than 25% thereof (each calculated on a non-diluted basis), HM Holdings shall be entitled to designate two nominees and the Chair of the Resulting Issuer Board shall be an independent director mutually agreed by HM Holdings and the Resulting Issuer Board, each acting reasonably.

Pre Emptive Rights and Top-Up Rights

In the event of any distribution or issuance, including by way of a share dividend (a “**Distribution**”) of the Resulting Issuer Shares or of securities convertible or exchangeable into Resulting Issuer Shares or giving the right to acquire Resulting Issuer Shares (other than options or other securities issued under compensatory plans or other plans to purchase Resulting Issuer Shares or any other securities in favour of management, directors, employees or consultants of the Resulting Issuer, and certain other exceptions to be set forth in the Investor Rights Agreement) (the “**Convertible Securities**” and, together with the Resulting Issuer Shares, the “**Distributed Securities**”), the Investor Rights Agreement will provide HM Holdings, for so long as it owns, controls or directs at least 10% of the outstanding Resulting Issuer Shares (on a non-diluted basis), the right to subscribe for that number of Resulting Issuer Shares, or, as the case may be, for securities convertible or exchangeable into or giving the right to acquire, on the same terms and conditions, including subscription or exercise price, as applicable, *mutatis mutandis* (except for the ultimate underlying securities which shall be Resulting Issuer Shares), as those stipulated in the Convertible Securities, that number of Resulting Issuer Shares, respectively, which carry, in the aggregate, a number of voting rights sufficient to fully maintain the proportion of total voting rights (on a fully-diluted basis) associated with the then outstanding Resulting Issuer Shares (the “**Rights to Subscribe**”).

The Rights to Subscribe shall be issued to HM Holdings in a proportion equal to its holdings of Resulting Issuer Shares and shall be issued concurrently with the completion of the Distribution of the applicable Distributed Securities. To the extent that any such Rights to Subscribe are exercised, in whole or in part, the securities underlying such Rights to Subscribe (the “**Subscription Securities**”) shall be issued and must be paid for concurrently with the completion of the Distribution and payment to the Resulting Issuer of the issue price for the Distributed Securities, at the lowest price permitted by the applicable securities and stock exchange regulations and subject (as to such price) to the prior consent of the exchanges but at a price not lower than (i) if the Distributed Securities are Resulting Issuer Shares, the price at which Resulting Issuer Shares are then being issued or distributed, (ii) if the Distributed Securities are Convertible Securities, the price at which the applicable Convertible Securities are then being issued or distributed; and (iii) if the Distributed Securities are voting shares other than Resulting Issuer Shares, the higher of (a) the weighted average price of transactions on the Resulting Issuer Shares on the Exchange (or such other primary stock exchange on which they are listed, as the case may be) for the 20 trading days preceding the Distribution of such voting shares or (b) the weighted average price of transactions on the Resulting Issuer Shares on the Exchange (or such other primary stock exchange on which they are listed, as the case may be), the trading day before the Distribution of such voting shares.

The privileges attached to Subscription Securities which are securities convertible or exchangeable into or giving the right to acquire Resulting Issuer Shares shall only be exercisable if and whenever the same privileges attached to the Convertible Securities are exercised and shall not result in the issuance of a number of Resulting Issuer Shares which increases the proportion (as in effect immediately prior to giving effect to the completion of the Distribution) of total voting rights associated with the Resulting Issuer Shares after giving effect to the exercise by the holder(s) of the privileges attached to such Convertible Securities.

In addition, the Investor Rights Agreement will provide HM Holdings, for so long as it owns, directly or indirectly, or exercises control or direction of at least 10% of the outstanding Resulting Issuer Shares (on a non-diluted basis), top-up rights in connection with the conversion, exercise or exchange of any Convertible Securities, including any Resulting Issuer Shares issued upon vesting pursuant to any compensatory plans or other plans to purchase securities of the Resulting Issuer so as to permit HM Holdings to maintain its pro rata equity ownership in the Resulting Issuer.

The Top-Up Right shall be exercisable from time to time following Dilutive Issuances that result in the reduction of HM Holdings’ ownership by an aggregate of 1.0% or more (the “**Top-Up Threshold**”). The Top-Up Threshold shall be calculated by aggregating all Dilutive Issuances that occurred in each case from the later of: (i) the date of the Investor Rights Agreement; (ii) the date of the last notice given in respect of the Top-Up

Right; and (iii) the date of completion of the last offering of securities pursuant to the Top-Up Right.

Registration Rights

The Investor Rights Agreement will provide HM Holdings, provided it at the relevant time owns at least 10% of the Resulting Issuer Shares outstanding (on a non-diluted basis), with the right (the “**Piggy-Back Registration Right**”) to require the Resulting Issuer to include Resulting Issuer Shares held by HM Holdings in any future public offering undertaken by the Resulting Issuer by way of prospectus that it may file with applicable Canadian securities regulatory authorities (a “**Piggy-Back Distribution**”). Upon written request of HM Holdings, the Resulting Issuer is required to use reasonable commercial efforts to cause to be included in the distribution all of the Resulting Issuer Shares that HM Holdings requests to be sold, provided that if the distribution involves an underwriting and the lead underwriter determines that the total number of Resulting Issuer Shares to be included in such distribution should be limited for certain prescribed reasons, the Resulting Issuer Shares to be included in the distribution will be first allocated to the Resulting Issuer and the remainder to HM Holdings.

In addition, the Investor Rights Agreement will provide HM Holdings, if at the relevant time it owns at least 20% of the Resulting Issuer Shares outstanding (on a non-diluted basis), with the right (the “**Demand Registration Right**”) to require the Resulting Issuer to use reasonable commercial efforts to file one or more prospectuses with applicable Canadian securities regulatory authorities qualifying Resulting Issuer Shares held or controlled by HM Holdings for public distribution (a “**Demand Distribution**”). HM Holdings will be entitled to request not more than two Demand Distributions per calendar year, but no more than once during any 90-day period, and each Demand Distribution must be comprised of such number of Resulting Issuer Shares that would be expected to result in aggregate gross proceeds of at least \$10 million; provided that, if the Demand Distribution involves an underwriting and the lead underwriter determines that the total number of Resulting Issuer Shares to be included in such Demand Distribution should be limited for certain prescribed reasons, the Resulting Issuer Shares to be included in the Demand Distribution will be first allocated to HM Holdings in full and the remainder to be allocated to the Resulting Issuer. Any Demand Distribution will be through underwriters selected by HM Holdings in consultation with the Resulting Issuer.

The Piggy-Back Registration Right and the Demand Registration Right will be subject to customary conditions and limitations, including that the Resulting Issuer shall not be obligated to take any action to effect any Demand Registration if: (i) within the preceding 90 days a Demand Registration or Registration was effected; (ii) within 12-months following the Closing Date; (iii) in the 12-month period prior to the date on which the Demand Registration Request is received by the Resulting Issuer, the Resulting Issuer has effected two Demand Registrations; (iv) it is expected to result in gross sale proceeds from the sale of Resulting Issuer Shares subject to the Demand Registration of less than \$10 million; or (v) the Resulting Issuer is prohibited from filing a prospectus at such time pursuant to any agreement between the Resulting Issuer and any underwriter or agent. All expenses in respect of a Piggy-Back Distribution or a Demand Distribution will be borne by the Resulting Issuer, except that the fees of counsel of HM Holdings, any underwriting fee, discount or commission will be borne by HM Holdings. The Investor Rights Agreement will provide that the Resulting Issuer will indemnify HM Holdings for any misrepresentation in a prospectus under which Resulting Issuer Shares held by HM Holdings is distributed (other than in respect of any information provided by HM Holdings, in respect of HM Holdings, for inclusion in the prospectus) and HM Holdings will indemnify the Resulting Issuer for any information provided by HM Holdings, in respect of HM Holdings, for inclusion in the prospectus. Unless the Resulting Issuer proposes to file a registration statement for the distribution of Resulting Issuer Shares to the public in the United States these registration rights will not require the Resulting Issuer to register Common Shares under the U.S. Securities Act.

Provided that, at the relevant time, HM Holdings owns or exercises control or direction over at least 20% of the Resulting Issuer Shares outstanding (on a non-diluted basis), the Resulting Issuer shall not, without the prior written consent of HM Holdings, which consent may be arbitrarily withheld, grant any registration rights to any person unless such rights are subordinated to the registration rights granted to HM Holdings under the

Investor Rights Agreement and are on terms reasonably satisfactory to HM Holdings.

Information and Access Rights

Under the Investor Rights Agreement, the Resulting Issuer shall, among other things, provide HM Holdings with timely access to all scientific and technical information related to the Resulting Issuer and the Volcan Project, including, without limitation, reasonable access to the Resulting Issuer's scientific and technical data, work plans and programs, and permitting information and results of operations. In addition, on reasonable prior notice, the Resulting Issuer shall also make its management available, as reasonably requested by HM Holdings or its designated agent or representative, to discuss with HM Holdings the Resulting Issuer's business strategies and objectives and financing opportunities. The Investor Rights Agreement also grants HM Holdings the right to receive certain reporting from time to time concerning the Resulting Issuer, the Volcan Project and its business and activities, and the right to visit and inspect the Volcan Project and any other properties or businesses of the Resulting Issuer.

Term

The rights of HM Holdings under the Investor Rights Agreement will terminate on the earlier of: (a) the last day of the first continuous 180-day period during which the Resulting Issuer Shares owned, controlled or directed, directly or indirectly, in the aggregate, by HM Holdings constitutes less than 10% of all of the issued and outstanding Resulting Issuer Shares (on a non-diluted basis); (b) the date on which the Investor Rights Agreement is terminated by written agreement of HM Holdings and the Resulting Issuer; or (c) upon the dissolution or liquidation of the Resulting Issuer.

Directors, Officers and Promoters

The following are summaries of the proposed directors and officers of the Resulting Issuer, including their respective proposed positions with the Resulting Issuer and relevant work and educational background.

It is expected that the agreements currently in place with respect to management services currently provided will remain in place following Completion of the Proposed Qualifying Transaction.

Directors and Officers

Fausto Di Trapani – President, Chief Executive Officer & Corporate Secretary, Director

Fausto Di Trapani is a senior mining executive with over 20 years of international experience in corporate finance, strategy, and operations. Mr. Di Trapani most recently served as Chief Financial Officer of MAG Silver Corp. (TSX: MAG) (NYSE American: MAG), where he advanced the company from late-stage developer to producer, strengthened business, communication and reporting processes, and drove multiple strategic initiatives at the Juanicipio Joint Venture with Fresnillo PLC. He also led investor relations and played a leading role in the US\$2.1 billion acquisition of MAG by Pan American Silver. Over his career, he has been at the forefront of numerous debt and equity financings, contributed to M&A transactions totaling US\$11 billion, and delivered major capital projects, including a 220koz-per-year gold mine in West Africa. He holds an Honours Bachelor of Accounting Sciences degree and is a member of the South African Institute of Chartered Accountants.

Claudia Tornquist – Interim Chief Financial Officer

Claudia Tornquist is an experienced mining executive whose background includes business development, business evaluation, M&A and financing, at both multi-national companies and in the junior sector. Ms. Tornquist is currently CEO of TSXV-listed Kodiak Copper and CFO of Railtown. Formerly, she was General Manager at Rio Tinto working with Rio Tinto's copper operations and also held the position of Executive Vice

President Business Development for the streaming company Sandstorm Gold. She is also a director of American Lithium and Silver One Resources and former director of Kennady Diamonds, leading the \$176m sale of the company to Mountain Province as Chair of the special committee of the board. She has a Master's Degree in Mechanical Engineering from the Technical University of Munich and an MBA from INSEAD.

Jill Gardiner – Chair of the Board of Directors, Director

Jill Gardiner has extensive corporate governance experience after having served on public companies and not-for-profit boards in leadership roles since 2003. Ms. Gardiner spent over 20 years in the investment banking industry in various roles in corporate finance, mergers and acquisitions, and debt capital markets in which she provided strategic advice to, and helped raise capital for, numerous corporations with a focus on the power, pipeline, infrastructure, and commodity industries. In addition to Tiernan Gold, Ms. Gardiner is currently a member of the board of directors of Hochschild Mining and Chair of the board of directors of Capital Power. Previously she served on the boards of Timber Investments, Parkbridge Lifestyle Communities, SilverBirch Hotels, Turquoise Hill Resources (Chair), Capstone Mining, and Trevali Mining (Chair). She holds a Bachelor of Science and a Master of Business Administration, both from Queen's University.

Christopher Taylor – Director

Chris Taylor is a mining entrepreneur with over 20 years of experience with both producers and exploration companies. Mr. Taylor is currently CEO of Aquitaine Metals Corp., a private high-grade gold and strategic metals exploration company focused on advancing its 100% owned Limousin project in Nouvelle-Aquitaine, France. Formerly he was President and Director of Great Bear Resources Ltd. from December 2010 until it was acquired by Kinross in December 2021 for \$1.8 billion. He is also currently Chair of Kodiak Copper Corp. and formerly a geologist with Imperial Metals, Inc., a TSXV company from 2004 to 2009. He graduated with a Bachelor of Science honors degree in Earth Sciences in 2000, and a Master of Science degree in Structural Geology from Carleton University in 2003.

Greg McCunn – Director

Greg McCunn is a Metallurgical Engineer with more than 30 years of experience in the international mining sector and an established track record operationally. Mr. McCunn is currently Chief Executive Officer of Great Pacific Gold, a leading gold-copper development company focused on Papua New Guinea. As an executive, Mr. McCunn has had a leadership role putting three different mines into production, raised over \$600 million in equity and debt financing from US and Canadian capital markets and completed over \$1 billion in merger and acquisitions transactions. He has been the Chief Executive Officer of several NYSE and TSX listed companies, including Galiano Gold most recently. He holds a B.A.Sc. in Metals and Materials Engineering from the University of British Columbia and Master of Business Administration (MBA) from Simon Fraser University.

Adam Schatzker – Director

Adam Schatzker is a mining executive with over 25 years of experience spanning corporate development, capital markets, and project evaluation across base, battery, and precious metals. Most recently Vice President, Corporate Development at Canada Nickel Company, he led government funding initiatives securing three government grants to advance the Crawford Nickel Sulphide Project, and the corporate development activities for carbon-related businesses. His career includes senior roles with RBC Capital Markets, Research Capital, Waterton Global, and Uranium One. In these roles, he built deep expertise in valuation, strategy, capital markets, and financing for resource companies. Adam holds an MBA and B.Sc. (Geology) from the University of Toronto.

Eduardo Noriega - Director

Eduardo Noriega is the Chief Financial Officer of Hochschild Mining since his appointment in December 2021. Mr. Noriega is actively involved in the definition and execution of Hochschild's growth strategy and has led several financing and M&A transactions. He joined the company in March 2007 and before his current role as CFO, he served as Head of Group Finance with responsibility for financial planning and controls, treasury, corporate finance, tax and accounting. Prior to joining Hochschild, he worked in various finance roles for Dell Inc., Union de Cervecerías Peruana Backus & Johnston and Del Mar Fishing Company. He is a graduate in Business Administration from Universidad del Pacifico and holds an MBA from the University of Texas.

Nicolas Hochschild – Director

Nicolas Hochschild served on the board of Hochschild Mining as a Non-Executive Director between 2022 and 2023, before assuming his current role of VP of Planning and Business Development. In this role, Mr. Hochschild led the negotiations which resulted in the acquisition of the Monte do Carmo project from Cerrado Gold Inc. Prior to Hochschild, he previously worked as a Mergers and Acquisitions Associate, and prior to that Senior Analyst, at Forum Brands, a Venture Capital backed e-commerce aggregator founded out of Stanford University. He holds a B.Sc. in Mechanical Engineering and an M.Sc. in Management Science and Engineering, both from Stanford University.

Name, Municipality of Residence, Occupation and Security Holdings

It is expected that, upon Completion of the Proposed Qualifying Transaction, the individuals disclosed in the table below will be the directors and officers of the Resulting Issuer, with the term of office of the directors to expire on the date of the next annual general meeting of the shareholders of the Resulting Issuer. The individuals noted below as directors were elected as directors of the Resulting Issuer at the Railtown AGM, conditional upon and effective as of Closing.

The following table lists the name, municipality of residence, proposed office, principal occupation and anticipated shareholdings of each proposed director and officer of the Resulting Issuer.

Name and Municipality of Residence	Positions and Offices to be Held	Principal Occupation During the Past Five Years	Resulting Issuer Shares owned, Beneficially Held or Controlled, Assuming Completion of the Proposed Qualifying Transaction ⁽¹⁾	Director or Officer of Tiernan Since
Fausto Di Trapani <i>British Columbia, Canada</i>	President & Chief Executive Officer, Director	Former Chief Financial Officer of MAG Silver Corp., former Chief Financial Officer of Galiano Gold Inc.	100,000	N/A
Claudia Tornquist <i>British Columbia, Canada</i>	Interim Chief Financial Officer	President & CEO of Kodiak Copper Corp.	70,505	N/A
Jill Gardiner <i>British Columbia, Canada</i>	Chair of the Board, Director	Chair of Capital Power Corporation, former Chair of Trevali Mining Corporation	5,000	N/A

Name and Municipality of Residence	Positions and Offices to be Held	Principal Occupation During the Past Five Years	Resulting Issuer Shares owned, Beneficially Held or Controlled, Assuming Completion of the Proposed Qualifying Transaction ⁽¹⁾	Director or Officer of Tiernan Since
Christopher Taylor <i>British Columbia, Canada</i>	Director	Mining Executive, current Chair of Kodiak Copper Corp. Former President and CEO of Great Bear Resources Corp.	386,627	N/A
Greg McCunn <i>British Columbia, Canada</i>	Director	Chief Executive Officer of Great Pacific Gold, Chief Executive Officer of Tiernan, former Chief Executive Officer of Galiano Gold Inc.	20,000	March 22, 2022
Adam Schatzker <i>Ontario, Canada</i>	Director	Former Vice President Corporate Development of Canada Nickel Company Inc., former Managing Director, Mining Research at Research Capital Corp.	14,101	N/A
Eduardo Noriega <i>Peru</i>	Director	Chief Financial Officer and former Head of Group Finance of Hochschild Mining PLC	2,000	March 22, 2022
Nicolas Hochschild <i>Peru</i>	Director	Vice President of Planning and Business Development and former Corporate Business Development Manager of Hochschild Mining PLC, former M&A Associate and M&A Senior Analyst of Forum Brands	–	N/A

Note:

(1) Number of Resulting Issuer Shares calculated on a non-fully diluted basis after giving effect to the Financing.

Unless indicated otherwise in the foregoing table, each director will hold office until the next meeting of shareholders of the Resulting Issuer, at which time any or all of the directors may be elected to hold office for a term expiring no later than the close of the next annual meeting of shareholders.

Upon Completion of the Proposed Qualifying Transaction, the Resulting Issuer Shares beneficially owned, directly or indirectly, by all Insiders, directors and executive officers of the Resulting Issuer, as a group, will be 598,233 Resulting Issuer Shares, or approximately 1.111% on a fully-diluted basis (approximately 1.253% on a non-diluted basis).

Promoters

HM Holdings took the initiative in founding and organizing Tiernan and may therefore be considered to be the promoter of Tiernan and the Resulting Issuer within the meaning of applicable securities legislation. As at the date of this Filing Statement, HM Holdings beneficially holds, controls or directs, directly or indirectly through

certain subsidiaries, 100% of the issued and outstanding Tiernan Common Shares. Upon completion of the Proposed Qualifying Transaction, HM Holdings will own approximately 69.8% of the issued and outstanding Resulting Issuer Shares (on a non-fully diluted basis). Other than in connection with the sale of Secondary Shares pursuant to the Secondary Offering under the Financing, HM Holdings has not and will not receive anything of value, including money, property, contracts, options or rights of any kind from Tiernan, the Resulting Issuer nor from a subsidiary of Tiernan or the Resulting Issuer in connection with the Proposed Qualifying Transaction.

Cease Trade Orders or Bankruptcies

Other than as set out below, none of the proposed directors, officers, Insiders or Promoters of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is, or within 10 years before the date of this Filing Statement has been, a director, officer, Insider or Promoter of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Jill Gardiner is a former director of Trevali Mining Corporation (“**Trevali**”), having served between July 2019 and September 2022. On August 19, 2022, Trevali received an initial order for creditor protection from the British Columbia Supreme Court under the *Companies’ Creditors Arrangement Act* (Canada) (“**CCAA**”) for an initial period of ten days. The Initial Order was subsequently extended to October 6, October 18, and finally December 16, 2022 to allow Trevali to restructure its business and financial affairs. On December 16, 2022, Trevali announced a winning bid under its sales and solicitation process and disclosed that the company would be seeking court approval of the proposed transaction. The transaction was approved by the Supreme Court of British Columbia on December 21, 2022 and was completed on June 27, 2023. On June 28, 2023 the court appointed monitor was granted enhanced powers in the CCAA proceedings with respect to Trevali’s business and affairs.

Penalties or Sanctions

None of the proposed directors, officers, Insiders or the Promoters of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

None of the proposed directors, officers, Insiders or the Promoters of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is, or within the 10 years before the date of this Filing Statement, has been declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Conflicts of Interest

There may from time to time be potential conflicts of interest to which some of the directors, officers, Insiders and Promoters of the Resulting Issuer will be subject in connection with the operations of the Resulting Issuer. Some of the individuals who will be appointed as directors or officers of the Resulting Issuer are also directors and/or officers of other reporting and non-reporting issuers. Conflicts, if any, will be subject to the procedures and remedies provided for under the BCBCA.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and Promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers or Promoters of other reporting issuers:

Name	Name of Reporting Issuer	Trading Market	Position	From	To
Fausto Di Trapani	MAG Silver Corp.	TSX/NYSE American	CFO	May 2022	October 2025
	Galiano Gold Inc.	TSX/NYSE American	CFO	January 2017	April 2022
Claudia Tornquist	Kodiak Copper Corp.	TSXV	CEO, Director	July 2016	Present
	American Lithium Corp.	TSXV	Director	July 2022	Present
	Silver One Resources Inc.	TSXV	Director	September 2016	Present
Jill Gardiner	Hochschild Mining PLC	LSE	Director	August 2020	Present
	Capital Power Corp.	TSX	Director (Chair)	May 2015	Present
	Trevali Mining Corporation	TSX	Director (Chair)	August 2019	October 2022
Christopher Taylor	Kodiak Copper Corp.	TSXV	Director (Chair)	September 2019	Present
	Great Bear Resources Ltd.	TSXV	President, Director	January 2011	December 2021
Greg McCunn	Great Pacific Gold Corp.	TSXV	CEO	August 2024	Present
	Galiano Gold Inc.	TSX/NYSE American	CEO	March 2019	June 2021
Adam Schatzker	Canada Nickel Company Inc.	TSXV	VP Corporate Development	September 2023	October 2025
Eduardo Noriega	Hochschild Mining PLC	LSE	CFO	December 2021	Present
Nicolas Hochschild	Aclara Resources Inc.	TSX	Director	May 2023	Present
	Hochschild Mining PLC	LSE	Director	May 2022	June 2023

Committees of the Resulting Issuer Board

Audit Committee

The Audit Committee will consist of individuals who are “independent” and “financially literate” as required in accordance with National Instrument 52-110 — *Audit Committees*. The members of the Audit Committee will be Jill Gardiner, Greg McCunn and Adam Schatzker, of whom Greg McCunn will be chair of the Audit Committee.

Each of the proposed members of the Audit Committee is financially literate within the meaning of NI 52-110 – *Audit Committees*. A director is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuers financial statements. Additionally, Ms. Gardiner is considered independent within the meaning of NI 52-110 – *Audit Committees*. Subject to certain exceptions, a director is “independent” if he or she has no direct or indirect material relationship with the issuer. A “material relationship” is a relationship

that could, in the view of the Resulting Issuer Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Resulting Issuer Board will adopt a written charter for the Audit Committee which sets out the Audit Committee’s responsibility in reviewing the financial statements of the Resulting Issuer and public disclosure documents containing financial information and reporting on such review to the Resulting Issuer Board, ensuring that adequate procedures are in place for the review of the Resulting Issuer’s public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management.

The Audit Committee will also be responsible for recommending the adoption of an enterprise risk management program and an environmental management program for the Resulting Issuer and for supervising the Resulting Issuer’s compliance with and implementation of the risk and environmental programs.

External Auditor Service Fees (By Category)

The aggregate fees billed by our external auditors for audit and other fees for the most recently completed financial periods ended November 30, 2024 and November 30, 2023 were as follows:

<u>Period Ended</u>	<u>Audit Fees</u>	<u>Audit Related Fees¹</u>	<u>Tax Fees²</u>	<u>All Other Fees³</u>
November 30, 2024	\$15,000	–	–	–
November 30, 2023	\$14,000	–	–	–

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit and not included under “Audit Fees”.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

Compensation, Nominating and Governance Committee

The Compensation, Nominating and Governance Committee will consist of individuals who are “independent” within the meaning of National Instrument 58-101 — *Disclosure of Corporate Governance Practices*. The members of the Compensation and Governance Committee Chris Taylor, Adam Schatzker and Jill Gardiner, of whom Chris Taylor will be chair of the Compensation and Governance Committee.

In addition, the Compensation and Governance Committee will be responsible for:

- (a) assessing the effectiveness of the Resulting Issuer Board, each of its committees and individual directors;
- (b) overseeing the recruitment and selection of candidates as directors of the Resulting Issuer;
- (c) organizing an orientation and education program for new directors and coordinating continuing director development programs;
- (d) considering and approving proposals by the directors to engage outside advisers on behalf of the Resulting Issuer Board as a whole or on behalf of the independent directors;
- (e) reviewing and making recommendations to the Resulting Issuer Board concerning any change in the number of directors composing the Resulting Issuer Board;
- (f) assessing the performance of the officers and other members of the executive management team of the Resulting Issuer;
- (g) reviewing and approving the compensation paid by the Resulting Issuer, if any, to consultants of the Resulting Issuer; and
- (h) reviewing and making recommendations to the Resulting Issuer Board concerning the level and nature of the compensation payable, if any, to the directors and officers of the Resulting Issuer.

Executive Compensation

Directors and Named Executive Officers' Compensation

The following disclosure is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

For purposes of this Executive Compensation section of this Filing Statement, the following individuals included in the “Director and Named Executive Officer Compensation” section below and the related tables below are the anticipated “Named Executive Officers” or “NEOs” of the Resulting Issuer for the 12 months commencing with Closing:

Name	Title
Fausto Di Trapani	Incoming President, CEO & Corporate Secretary and Director
Claudia Tornquist	Interim Chief Financial Officer

Based on the information available as of the date of this Filing Statement, the following table sets forth information concerning the expected initial annualized compensation of the NEOs and directors of the Resulting Issuer (excluding compensation securities) for the 12 months commencing with Closing.

Name and Position	Salary, Consulting Fee, Retainer Or Commission (\$)	Bonus	Committee Or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Fausto Di Trapani <i>President & CEO, Director</i> ⁽¹⁾	500,000	500,000	–	–	–	1,000,000
Claudia Tornquist <i>Interim CFO</i> ⁽²⁾	110,000	–	–	–	–	110,000
Jill Gardiner <i>Director (Chair)</i> ⁽³⁾	70,000	–	10,000	–	–	80,000
Christopher Taylor <i>Director</i> ⁽⁴⁾	40,000	–	10,000	–	–	50,000
Greg McCunn <i>Director</i> ⁽⁵⁾	40,000	–	10,000	–	200,000	250,000
Adam Schatzker <i>Director</i> ⁽⁶⁾	40,000	–	10,000	–	–	50,000
Eduardo Noriega <i>Director</i> ⁽⁷⁾	40,000	–	10,000	–	–	50,000
Nicolas Hochschild <i>Director</i> ⁽⁸⁾	40,000	–	10,000	–	–	50,000

Notes:

- (1) Fausto Di Trapani will be appointed as President, CEO & Corporate Secretary and as a director of the Resulting Issuer effective on Closing. Effective October 1, 2025, Mr. Di Trapani was compensated at a rate of \$41,667 per month by Tiernan for consulting services provided to Tiernan in connection with consummation of the Proposed Qualifying Transaction.
- (2) Claudia Tornquist was appointed as Chief Financial Officer and as a director of Railtown on August 5, 2020. Ms. Tornquist will resign as a director and be appointed as Interim Chief Financial Officer of the Resulting Issuer effective on Closing.
- (3) Jill Gardiner will be appointed as a director of the Resulting Issuer effective on Closing.
- (4) Christopher Taylor was appointed as Chief Executive Officer and a director of Railtown on November 3, 2023.
- (5) Greg McCunn will be appointed as a director of the Resulting Issuer effective on Closing. Amount disclosed under “*Value of all Other Compensation*” reflects incentive bonus payable by Tiernan to Camosun Advisory Corp. in connection with completion of the Proposed Qualifying Transaction.
- (6) Adam Schatzker was appointed as a director of Railtown on March 4, 2024.
- (7) Eduardo Noriega will be appointed as a director of the Resulting Issuer effective on Closing.
- (8) Nicolas Hochschild will be appointed as a director of the Resulting Issuer effective on Closing.

External Management Companies

Mr. McCunn is expected to provide his services as a director to the Resulting Issuer pursuant to a consulting agreement between Camosun Advisory Corp., a consulting company controlled by Mr. McCunn, and the Resulting Issuer. Other than the foregoing individual, none of the anticipated NEOs or directors of the Resulting Issuer are expected to provide their services through external management companies during the 12 months commencing with Closing.

Stock Options and Other Compensation Securities

No share-based awards, option-based awards, incentive plan awards or other compensation securities have been granted or issued to, or exercised by, directors and officers of Tiernan during the period from incorporation to the date of this Filing Statement.

Employment, Consulting and Management Agreements

On August 14, 2025, Tiernan entered into a letter agreement with Fausto Di Trapani which outlined the principal terms and conditions pursuant to which Mr. Di Trapani would be employed as President & Chief Executive Officer of the Resulting Issuer. The letter agreement provides that Mr. Di Trapani will receive an annual base salary of \$500,000 and will be eligible for an annual short-term incentive bonus of up to 120% of base salary, with a target level of 100% and a trigger level of 80%, based on performance objectives to be agreed with the Resulting Issuer Board. Upon successful completion of the Proposed Qualifying Transaction, Mr. Di Trapani will also be granted RSUs under the Omnibus Incentive Plan representing 1.5% of the Resulting Issuer's outstanding shares, vesting in three equal tranches over three years from the later of the Closing Date or Mr. Di Trapani's employment commencement date. Mr. Di Trapani will also be eligible for annual grants of OIP Options and/or RSUs under the Omnibus Incentive Plan valued at 200% of base salary. In the event of a termination of his employment without cause, Mr. Di Trapani would receive 12 months of base salary plus target bonus, and if such a termination occurs following a change of control, 24 months of base salary plus target bonus. Mr. Di Trapani's employment is subject to successful completion of the Proposed Qualifying Transaction and ratification by the Resulting Issuer Board.

Effective October 1, 2025, Mr. Di Trapani is being compensated \$41,667 per month for consulting services provided to Tiernan in connection with consummation of the Proposed Qualifying Transaction.

Oversight and description of director and named executive officer compensation

Tiernan does not currently have a compensation program or compensation committee in place. Following completion of the Proposed Qualifying Transaction, the Resulting Issuer Board will form the Compensation, Nominating and Governance Committee. See "*— Committees of the Resulting Issuer Board*" above.

Pension Plan Benefits

Tiernan does not have in place any defined benefits or defined compensation pension plans for NEOs that provides for payments or benefits at, following or in connection with retirement.

Termination and Change of Control Benefits

In the event of a termination without cause following a change of control of the Resulting Issuer, Fausto Di Trapani's proposed employment agreement provides that he would receive 24 months of base salary plus target bonus, contingent upon execution of a customary release of any claims. See "*— Employment, Consulting and Management Agreements*" above.

Indebtedness of Directors and Officers

No director or officer of Railtown or Tiernan, or any Associate or Affiliate of any of them was or ever has been indebted to Railtown or Tiernan nor has any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Railtown or Tiernan.

Investor Relations Arrangements

As of the date of this Filing Statement, there are no agreements or understandings, either written or oral, in place with any person or company to provide promotional or investor relations services for the Resulting Issuer.

Securities-Based Compensation Arrangements

Upon Completion of the Proposed Qualifying Transaction, the Omnibus Incentive Plan will be used as the principal securities-based compensation plan of the Resulting Issuer. The Railtown Legacy Option Plan will remain in place solely for the purposes of governing the terms of existing Railtown Options issued prior to the Proposed Qualifying Transaction.

Resulting Issuer Options and Resulting Issuer Warrants

Upon Completion of the Proposed Qualifying Transaction, it is expected that:

- (a) 179,788 Resulting Issuer Options will be outstanding, each exercisable at a price of between \$0.10 and \$3.76 per Resulting Issuer Option; and
- (b) 6,308,220 Resulting Issuer Warrants to purchase Resulting Issuer Shares will be outstanding, comprised of (i) 66,715 Resulting Issuer Warrants in respect of Railtown Warrants issued prior to the Proposed Qualifying Transaction exercisable at a price of \$0.71 per Resulting Issuer Warrant and (ii) 5,835,100 Resulting Issuer Warrants issued pursuant to the Financing exercisable at a price of \$6.50 per Resulting Issuer Warrant.

Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer

Exchange Escrowed Securities – Principals

Given that the Resulting Issuer's market capitalization will be at least \$100 million after completion of the Proposed Qualifying Transaction, the TSXV has granted the Resulting Issuer's application for an exemption from the principal escrow requirements pursuant to subsection 3.1(b)(i) of Policy 5.4.

Contractual Restrictions on Transfer

Pursuant to the Agency Agreement, each of the directors and officers of the Resulting Issuer, holding an aggregate of 598,234 Tiernan Common Shares, have agreed not to, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any Resulting Issuer Shares, whether now owned or hereinafter acquired, directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of any such securities, whether such transaction is settled by the delivery of Resulting Issuer Shares, other securities, cash or otherwise, for a period commencing at the Financing Closing and ending 120 days following the date of completion of the Proposed Qualifying Transaction without the prior written consent of Canaccord, on behalf of the Agents, such consent not to be unreasonably withheld.

CPC Escrow Agreement

5,660,000 Railtown Common Shares issued prior to the Railtown Capital Pool Company initial public offering at a prices of \$0.05 and \$0.10 per Railtown Common Share and all 1,275,000 Railtown Options have been deposited with the CPC Escrow Agent under the CPC Escrow Agreement.

The CPC Escrow Agreement provides that the Railtown Common Shares held thereunder and the beneficial ownership of or interest in them may not be sold, assigned, hypothecated, transferred within escrow, or dealt with in any manner without the prior written consent of the TSXV.

All Railtown Common Shares acquired on exercise of Railtown Options prior to the Completion of the Proposed Qualifying Transaction will be subject to escrow. In addition, all Railtown Common Shares acquired in the secondary market prior to the Completion of the Proposed Qualifying Transaction by any person or company who becomes a Control Person are required, pursuant to the CPC Policy, to be deposited in escrow and will be deposited pursuant to the CPC Escrow Agreement.

The following table sets out, as at the date of this Filing Statement, the number of Railtown Common Shares and Railtown Options that are held in escrow pursuant to the CPC Escrow Agreement:

Name and Municipality of Residence	Number of Railtown Common Shares to be Held in Escrow	Number of Railtown Options to be Held in Escrow	Percentage of Shares Prior to Giving Effect the Proposed Qualifying Transaction⁽¹⁾	Percentage of Shares After Giving Effect to the Proposed Qualifying Transaction⁽²⁾
<i>Christopher Taylor Vancouver, British Columbia</i>	2,600,000	200,000	13.161%	0.987%
<i>Koele Capital Corp. Vancouver, British Columbia</i>	300,000	–	1.410%	0.106%
<i>Plantation Capital Corp. Vancouver, British Columbia</i>	350,000	–	1.645%	0.123%
<i>Cameron White Vancouver, British Columbia</i>	50,000	412,500	2.174%	0.163%
<i>Claudia Tornquist Vancouver, British Columbia</i>	500,000	262,500	3.584%	0.269%
<i>Graeme Barker Vancouver, British Columbia</i>	150,000	–	0.705%	0.053%
<i>Kyle White Vancouver, British Columbia</i>	575,000	–	2.703%	0.203%
<i>Evan White Vancouver, British Columbia</i>	275,000	–	1.293%	0.097%
<i>Curtis White Vancouver, British Columbia</i>	360,000	–	1.692%	0.127%

Name and Municipality of Residence	Number of Railtown Common Shares to be Held in Escrow	Number of Railtown Options to be Held in Escrow	Percentage of Shares Prior to Giving Effect the Proposed Qualifying Transaction⁽¹⁾	Percentage of Shares After Giving Effect to the Proposed Qualifying Transaction⁽²⁾
Darryl Yea <i>Vancouver, British Columbia</i>	250,000	–	1.175%	0.088%
Denise White <i>Vancouver, British Columbia</i>	250,000	–	1.175%	0.088%
Adam Schatzker <i>Toronto, Ontario</i>	–	200,000	0.940%	0.071%
Jeff Sundar <i>Vancouver, British Columbia</i>	–	200,000	0.940%	0.071%
Total	5,660,000	1,275,000	32.597%	2.445%

Notes:

- (1) Without giving effect to the Railtown Consolidation and the Proposed Qualifying Transaction based on 21,275,000 Railtown Common Shares outstanding on a fully-diluted basis (comprised of 19,526,880 Railtown Common Shares, 1,275,000 Railtown Options and 473,120 Railtown Warrants). All percentages are rounded to the nearest thousandth of a percent (three decimal places).
- (2) Based on 40,000,000 Resulting Issuer Shares outstanding on a fully diluted basis after giving effect to the Railtown Consolidation and the Proposed Qualifying Transaction but without giving effect to the Financing. All percentages are rounded to the nearest thousandth of a percent (three decimal places).

Where the Railtown Common Shares and Railtown Options subject to escrow under the CPC Escrow Agreement are held by a non-individual (in this paragraph, a “**holding company**”), each holding company pursuant to the CPC Escrow Agreement has agreed, or will agree, not to carry out any transactions during the currency of the CPC Escrow Agreement which would result in a change of control of the holding company, without the consent of the TSXV. Any holding company must sign an undertaking to the TSXV that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities if such issuance or transfer could reasonably result in a change of control of the holding company. In addition, the TSXV may require an undertaking from any control person of the holding company not to transfer the shares of that company.

Pursuant to the CPC Escrow Agreement, the Resulting Issuer Shares subject to the CPC Escrow Agreement (previously being the Railtown Common Shares and Railtown Options subject to escrow under the CPC Escrow Agreement) shall be released as follows:

Release Date	Percentage to be Released
On the issuance of the Final QT Exchange Bulletin	25% of the escrowed securities
6 months after the issuance of the Final QT Exchange Bulletin	25% of the remaining escrowed securities
12 months after the issuance of the Final QT Exchange Bulletin	25% of the remaining escrowed securities
18 months after the issuance of the Final QT Exchange Bulletin	25% of the remaining escrowed securities

In connection with its approval of the Proposed Qualifying Transaction, the TSXV has approved the Resulting Issuer’s application for an early escrow release of the 5,660,000 Railtown Common Shares and 1,275,000 Railtown Options currently held in escrow and currently subject to the CPC Escrow Agreement in accordance with the early release provisions set out in subsection 3.1(b)(i) of Policy 5.4, which early release will take effect as of the date of the Final QT Exchange Bulletin.

Auditor, Transfer Agent and Registrar

Auditor

The Resulting Issuer's auditor will be determined by the Audit Committee of the Resulting Issuer, seeking competitive proposals from various audit firms. Until such time, the current auditor of Tiernan, BDO Canada LLP, Chartered Professional Accountants, will be the auditor of the Resulting Issuer.

Transfer Agent and Registrar

The registrar and transfer agent for Resulting Issuer Shares subsequent to the Completion of the Proposed Qualifying Transaction will be Odyssey Trust Company at its Vancouver principal office located at United Kingdom Building, 350 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

PART V – GENERAL MATTERS

Sponsorship and Agent Relationship

Pursuant to the request of Railtown and Tiernan, the Exchange has granted the Resulting Issuer a waiver from the Qualifying Transaction sponsorship requirements of Policy 2.2.

Except as disclosed herein, there are no actual or anticipated agreements with any registrant to provide sponsorship or corporate finance services either now or in the future.

Interests of Experts

The following persons and companies are named as having prepared or certificated a report, valuation, statement or opinion in this Filing Statement, either directly or in a document incorporated by reference in this Filing Statement, and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company:

- MNP LLP, Chartered Professional Accountants, being the auditor of Railtown;
- BDO Canada LLP, Chartered Professional Accountants, being the auditor of Tiernan;
- Scott Elfen, P.E., a qualified person who authored the Volcan Technical Report;
- James Millard, P.Geo., a qualified person who authored the Volcan Technical Report;
- Sergio Lagos, M.Sc. RM Ex Met CMC, a qualified person who authored the Volcan Technical Report;
- Bruno Yoshida Tomaselli, FAusIMM, a qualified person who authored the Volcan Technical Report; and
- William J. Lewis, P.Geo., a qualified person who authored the Volcan Technical Report.

Excluding MNP LLP and BDO Canada LLP, to the knowledge of Railtown and Tiernan, none of the persons or companies named above (i) holds, or is expected to hold, any beneficial interest, direct or indirect, in any securities or property of Railtown, Tiernan or the Resulting Issuer, or of any of their respective Associates or Affiliates, or (ii) is expected to be elected, appointed or employed as a director, officer or employee of Railtown, Tiernan or the Resulting Issuer, or of any of their respective Associates or Affiliates.

MNP LLP, Chartered Professional Accountants, is independent of Railtown within the meaning of the CPA Code of Professional Conduct for Chartered Professional Accountants of British Columbia. BDO Canada LLP, Chartered Professional Accountants, is independent of Tiernan within the meaning of the CPA Code of Professional Conduct for Chartered Professional Accountants of British Columbia.

Conditional Approval for the Proposed Qualifying Transaction

On December 8, 2025, the Exchange granted its conditional approval for the Proposed Qualifying Transaction, subject to certain conditions. As approved by the Exchange, the Resulting Issuer Shares will trade under the trading symbol “TNGD”.

Other Material Facts

There are no other material facts about Railtown, Tiernan, the Resulting Issuer or the Proposed Qualifying Transaction that are not elsewhere disclosed herein and which are necessary in order for this Filing Statement to contain full, true and plain disclosure of all material facts relating to Railtown, Tiernan and the Resulting Issuer, assuming Completion of the Proposed Qualifying Transaction.

Director Approval

The contents and the filing of this Filing Statement have been approved by directors of each of Railtown and Tiernan. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than Railtown, Railtown has relied upon information furnished by such person.

PART VI – RISK FACTORS

Following completion of the Proposed Qualifying Transaction, the Resulting Issuer's business will be subject to a number of risks. Due to the nature of Tiernan's business and its current stage of development, investment in securities of the Resulting Issuer is highly speculative and involves significant risks, which should be carefully considered by prospective investors before purchasing such securities. Upon completion of the Qualifying Transaction, the business of the Resulting Issuer will be the business of Tiernan, which is focused on the disciplined de-risking of the Volcan Project.

There are a number of factors that could negatively affect the Resulting Issuer's business and the value of its securities, including the factors listed below. Such factors could materially affect future operating results and could cause actual events to differ materially from those described in forward-looking statements. The following information pertains to the outlook and conditions currently known to Tiernan that could have a material impact on the financial condition of Tiernan and, upon the completion of the Qualifying Transaction, the Resulting Issuer. This information, by its nature, is not all-inclusive and is not a guarantee that other factors will not affect Tiernan or the Resulting Issuer in the future. Tiernan makes no undertaking to update these risk factors, except in accordance with applicable securities laws.

Risks Related to the Business and the Mining Industry

Mining operations are risky.

The development of mining operations involves various types of risks and hazards typical of companies engaged in the mining industry. Such risks include, but are not limited to: (i) industrial accidents; (ii) unusual or unexpected rock formations; (iii) structural cave ins or slides and pitfall, ground or slope failures and accidental release of water from surface storage facilities; (iv) fire, flooding and earthquakes; (v) rock bursts; (vi) metal losses in handling and transport; (vii) periodic interruptions due to inclement or hazardous weather conditions; (viii) environmental hazards; (ix) discharge of pollutants or hazardous materials; (x) failure of processing and mechanical equipment and other performance problems; (xi) geotechnical risks; (xii) unanticipated variations in grade and other geological problems, water, surface or underground conditions; (xiii) labour disputes or slowdowns; (xiv) social opposition and unrest; and (xv) work force health issues as a result of working conditions; and (xvi) force majeure events, or other unfavourable operating conditions.

These risks, conditions and events could result in, among other things: (i) damage to, or destruction of, the value of, the Volcan Project or their respective facilities; (ii) personal injury or death; (iii) environmental damage to the Volcan Project, surrounding lands and waters, or the properties of others; (iv) delays or prohibitions in respect of exploration, development, mining, transportation of minerals, and other related activities; (v) monetary losses; and (vi) potential legal liability and any of the foregoing could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operation, cash flows or prospects. In particular, underground refurbishment and exploration activities present inherent risks of injury to people and damage to equipment. Significant mine accidents could occur, potentially resulting in a complete shutdown of the Resulting Issuer's operations at the Volcan Project which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

There are also risks related to: the reliance on the reliability of current and new or developing technology; the reliance on the work performance of outside consultants, contractors, and manufacturers; changes to project parameters over which the Resulting Issuer will not have complete control such as commodities prices or labour or material costs; unknown or, unanticipated or underestimated costs or expenses; unknown or unanticipated or underestimated additions to the scope of work due to changing or adverse conditions encountered as a mine is refurbished and redeveloped; unexpected variances in the geometry or quality of ore zones; unexpected reclamation requirements or expenses; permitting time lines; unexpected or unknown ground conditions; unexpected changes to estimated parameters utilized to estimate past timelines, projections, or costs; and liquidity risks. An adverse change in any one of such factors, hazards or risks may have a

material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

The Resulting Issuer may fail to comply with the law or may fail to obtain or renew necessary permits and licenses.

The Resulting Issuer's operations will be subject to extensive laws and regulations governing, among other things, such matters as public geologic information reporting, environmental protection, management and use of toxic substances and explosives, health, exploration and development of mines, commercial production and sale of by-products, ongoing and post-closure reclamation, safety and labour, taxation and royalties, maintenance of mineral tenure, expropriation of property, and protection of indigenous property and rights. The activities of the Resulting Issuer will require licenses and permits from various governmental authorities.

The costs associated with compliance with these laws and regulations and of obtaining licenses and permits are substantial, and possible future laws and regulations, changes to existing laws and regulations and more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Resulting Issuer's operations and delays in the development of its properties. There is no assurance that future changes in such laws and regulations, if any, will not adversely affect the Resulting Issuer's operations. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Resulting Issuer's past and current operations, or possibly even the actions of former property owners, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The Resulting Issuer may fail to comply with current or future laws and regulations. Such noncompliance can lead to financial restatements, civil or criminal fines, penalties, and other material negative impacts on the Resulting Issuer.

The Resulting Issuer is required to obtain or renew further government permits and licenses for its current and contemplated operations, including the development of the Volcan Project. Obtaining, amending or renewing the necessary governmental permits and licenses can be a time-consuming process potentially involving numerous regulatory agencies, involving public hearings and costly undertakings on the Resulting Issuer's part. The duration and success of the Resulting Issuer's efforts to obtain, amend and renew permits and licenses are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the relevant permitting or licensing authority. The Resulting Issuer may not be able to obtain, amend or renew permits or licenses that are necessary to its operations, or the cost to obtain, amend or renew permits or licenses may exceed what the Resulting Issuer believes it can ultimately recover from a given property once in production. Any unexpected delays or costs associated with the permitting and licensing process could delay the development or impede the operation of the Volcan Project. To the extent necessary permits or licenses are not obtained, amended or renewed, or are subsequently suspended or revoked, the Resulting Issuer may be curtailed or prohibited from proceeding with planned development, commercialization, operation and exploration activities. Such curtailment or prohibition may result in a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

Mining operations require geologic, metallurgic, engineering, title, environmental, economic and financial assessments that may be materially incorrect and thus the Resulting Issuer may not produce as expected.

The operations of mining properties or mining companies are based in large part on geologic, metallurgic, engineering, title, environmental, economic and financial assessments, which involve uncertainty. Such assessments may differ materially from actual results, which may result in a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects. These assessments include a series of assumptions regarding such factors as the ore body geometries, grades, recoverability, regulatory and environmental restrictions, including special protection for native or endangered

species, future prices of metals and operating costs, future capital expenditures and royalties and government levies which will be imposed over the producing life of the mineral resources and mineral reserves. There are numerous uncertainties inherent in estimating quantities of mineral resources and mineral reserves and estimates in projecting potential future rates of mineral production, including factors subject to change and beyond the Resulting Issuer's control. Mineral reserves and mineral resources estimates are based on limited samples and interpretations, which may not be representative of actual mineral reserves and mineral resources. In addition, title and rights of access to the Resulting Issuer's properties can never be guaranteed. Although select title and environmental reviews were conducted in connection with the Volcan Project, this review cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat the Resulting Issuer's title to certain assets or that environmental defects, liabilities or deficiencies do not exist or are not greater than anticipated.

The Resulting Issuer's calculations of mineral resources are estimates and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be inaccurate. Actual recoveries of gold from mineralized material may be lower than those indicated by test work. Any material change in the quantity of mineralization, grade or stripping ratio, may affect the economic viability of the Resulting Issuer's properties. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Notwithstanding pilot plant tests for metallurgical recovery and other factors, there remains the possibility that the mineralized material may not perform in commercial production in the same manner as it did in testing.

Until a deposit is actually mined and processed, the quantity of mineral resources and mineral reserves and grades must be considered as estimates only. In addition, the quantity of mineral resources and mineral reserves may vary depending on, amongst other things, metal prices, cut-off grades and operating costs. Any material change in quantity of mineral reserves, mineral resources, grade, percent extraction of those mineral reserves recoverable by the relevant mining techniques or the tripping ratio for those mineral reserves recoverable by open pit mining techniques may affect the economic viability of the Resulting Issuer's mining projects and could have a material adverse effect on its future revenues, cash flows, profitability, results of operations, financial condition and prospects and result in write-downs of the Resulting Issuer's investment in mining properties and increased amortization charges.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred mineral resources are also considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven mineral reserves or probable mineral reserves as a result of continued exploration or as a result of economic considerations being applied to them.

In addition, the Technical Report was prepared to the level of a preliminary economic assessment in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects. As a preliminary economic assessment, the Technical Report is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and, as such, there is no certainty that the results of the Technical Report will be realized.

Further, market fluctuations in the price of commodities, as well as increased production costs, reduced recovery rates or increased operating and capital costs due to inflation or other factors, may render the exploitation of certain mineral reserves and mineral resources uneconomic and may ultimately result in a restatement of mineral reserves, mineral resources or both. Such a restatement could affect depreciation and amortization rates and have an adverse effect on the Resulting Issuer's financial performance.

The Resulting Issuer depends on a single mineral project.

The Volcan Project accounts for all of the Resulting Issuer's mineral resources and the current potential for the future generation of revenue. Any adverse development affecting the Volcan Project will have a material adverse effect on the Resulting Issuer's business, prospects, profitability, financial performance and results of operations. These developments include, but are not limited to, the inability to obtain necessary permits or financing to develop the Volcan Project, changes in technical parameters of project development, changes in costs or anticipated costs which may make it uneconomic to develop and/or operate the Volcan Project, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, property, and which could hinder the development and operation of the Volcan Project. Given the Volcan Project has a limited life based on mineral resource estimates, as we continue production at the Volcan Project we will be required to replace and expand our mineral resources and obtain mineral reserves. In the absence of additional modules, the Resulting Issuer will be solely dependent upon the Volcan Project for its revenue and profits, if any. The Resulting Issuer's ability to maintain or increase its annual production will be dependent in significant part on its ability to bring new modules into production and to complete acquisitions.

The Resulting Issuer has no history of operations.

The Resulting Issuer will be engaging in exploration and development activities and will have had no history of mining or refining mineral products and no history of operations or earnings. As such, any future revenues and profits are uncertain. The Resulting Issuer is subject to many risks common to such enterprises, including lack of revenues. There is no assurance that the Resulting Issuer will be successful in achieving a return on an investment in the Common Shares and the likelihood of success must be considered in light of its early stage of operations.

There can be no assurance that the Volcan Project will be successfully placed into production, produce minerals in commercial quantities or otherwise generate operating earnings. Advancing projects from the exploration stage into development and commercial production requires significant capital and time and will be subject to further technical studies, permitting requirements and construction of mines, processing plants, roads and related works and infrastructure. The Resulting Issuer will continue to incur losses until mining-related operations successfully reach commercial production levels and generate sufficient revenue to fund continuing operations. There is no certainty that the Resulting Issuer will generate revenue from any source, operate profitably or provide a return on investment in the future.

The Resulting Issuer has no operating revenues and history of losses.

The Volcan Project will require significant initial capital to construct that will likely require the involvement of multiple capital sources and participants. The actual availability of project financing and the details and terms of any eventual project financing scenario for the Volcan Project will be dependent on numerous conditions, including but not limited to general market conditions, metal prices, interest rates and other economic considerations at the time of a financing and construction decision. Many of the factors on which securing project financing may depend are outside of the Resulting Issuer's control and there can be no assurance that the Resulting Issuer will be successful in arranging project financing at all, or if so, under acceptable terms and conditions. There can be no assurance that any such financing will be available on reasonable terms, if at all, and if available, may be dilutive to existing shareholders.

The Resulting Issuer may face uncertainty of availability of additional financing.

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The mining industry is intensely competitive.

The mining and processing markets are capital intensive and competitive. Competition in the mining industry is primarily for: (i) properties which can be developed and can produce economically; (ii) the technical expertise to find, develop, and operate such properties; (iii) labour to operate such properties; and (iv) capital to fund such properties. Such competition may result in the Resulting Issuer being unable to recruit or retain qualified employees and consultants or to acquire the capital necessary to fund its operations and develop the Volcan Project. The Resulting Issuer's inability to compete with other mining companies for these resources could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

Many competitors not only explore for and mine minerals but conduct refining and marketing operations on a worldwide basis. In the future, the Resulting Issuer may also compete with such mining companies in refining and marketing its products to international markets. Any inability to compete with established competitors could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

Geological, hydrological and climatic events could suspend mining operations or increase costs.

All mining operations face geotechnical, hydrological and climate challenges. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, subsidence and uplift, embankment failures and rock fragility may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Resulting Issuer's control, such as severe weather and seismic activity. Geotechnical failures could result in limited or restricted access to mines, suspension of operations, environmental damage, government investigations, increased monitoring costs, remediation costs, loss of gold and other impacts. The potential impact of climate change on our operations is uncertain and would be specific to the geographic circumstances of our facilities and operations. It may include changes in rainfall patterns, water shortages, rising sea levels, changing storm patterns and intensities and changing temperatures. These effects may materially and adversely impact the cost, production and financial performance of our operations.

Chile is located in a seismic area that exposes the Volcan Project to the risk of earthquakes.

Chile has been adversely affected by powerful earthquakes in the past, including, most recently: (i) in 2015 when an earthquake struck the coast of Chile; (ii) in 2014 when an earthquake struck the north of Chile; and (iii) in 2010 when a severe earthquake struck the southern central region of Chile. The 2015 earthquake measured 8.3 on the Richter scale and affected the coast of Chile just north of Santiago, with no significant consequences for the rest of the country. The 2014 earthquake measured 8.2 on the Richter scale and affected mainly the Arica and Tarapacá Regions, with no significant consequences for the rest of the country. The 2010 earthquake, which measured 8.8 on the Richter scale, and its aftershocks, as well as tsunamis from adjacent coastal waters, caused severe damage to Chile's infrastructure, including roads, bridges, ports and Santiago's international airport, affecting areas across the country. Any such damages caused by an earthquake that were not covered by insurance could have an adverse effect on the Resulting Issuer's results of financial condition, results of operations or cash flow.

Actual production, capital and operating costs may be different than those anticipated.

The Resulting Issuer prepares estimates of future productions, capital costs and operating costs of production for operations at the Volcan Project. In addition, as a result of the substantial expenditures involved in the development of a mineral project such as the Volcan Project, the need to project years into the future, the need to make assumptions and use models that may not adequately approximate reality, and the fluctuation of costs over time, a development project is prone to material cost overruns. The Volcan Technical Report estimates production, capital costs and cash operating costs based upon, among other things: (i) anticipated tonnage, grades and metallurgical characteristics of the mineralization to be mined and processed; (ii) anticipated recovery rates of gold and other metals from the mineralized materials; (iii) cash operating costs of comparable facilities and equipment; (iv) anticipated availability of labour and equipment; and (v) anticipated foreign exchange rates.

Capital costs, operating costs, production and economic returns, and other estimates may differ significantly from those anticipated by the Volcan Technical Report, and there can be no assurance that the Resulting Issuer's actual capital or operating costs will not be higher than currently anticipated or that returns will not be lower than anticipated. The Resulting Issuer's actual costs may vary from estimates for a variety of reasons, including: limitations inherent in modelling; changes to assumed third party costs; short term operating factors; operational decisions made by the Resulting Issuer; revisions to mine plans; risks and hazards associated with development and mining described elsewhere herein; natural phenomena, such as inclement weather conditions, water availability, floods, and earthquakes; and unexpected labour shortages or strikes. Operating costs may also be affected by a variety of factors, including: changing strip ratios, ore metallurgical grade-recovery curves, the availability of processing operations, the availability of storage capacity, the availability of equipment and facilities necessary to complete exploration and development work at the Volcan Project, the cost of consumables and mining and processing equipment, labour costs, additional taxes to the mining sector, the availability and productivity of skilled labour, the cost of commodities, general inflationary pressures, currency exchange rates, technological and engineering problems, accidents or acts of sabotage or terrorism, the regulation of the mining industry by various levels of government and quasi-governmental organizations and political factors. Many of these factors are beyond the Resulting Issuer's control. Furthermore, significant cost overruns could make the Volcan Project uneconomical. Failure to achieve estimates or material increases in costs could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows and prospects.

Furthermore, unforeseen delays in the construction and commissioning of mining projects or other technical difficulties may result in even further capital expenditures being required. Any delay in the development of a project or cost overruns or operational difficulties with regards to the Volcan Project may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows and prospects.

Mineral exploration efforts are highly speculative in nature and may be unsuccessful.

Mineral exploration is highly speculative in nature, involves many uncertainties and risks and is frequently unsuccessful. It is performed to demonstrate the dimensions, position and mineral characteristics of mineral deposits, estimate mineral resources and mineral reserves, assess amenability of the deposit to mining and processing scenarios and estimate potential deposit value. Therefore, once mineralization is discovered, it may take a number of years from the initial exploration phases before production is possible, during which time the potential feasibility of the Volcan Project may change adversely. Substantial expenditures are required to establish proven and probable mineral reserves to determine processes to extract the metals and, if required, to construct mining and processing facilities and obtain the rights on the land and resources required to develop the mining activities. We hold exploration authorizations, mineral concessions, mining applications and exploration applications that cover a large area in Chile.

Development projects have no operating history upon which to base estimates of proven and probable mineral reserves and estimates of future cash operating costs. Estimates are, to a large extent, based upon the interpretation of geological data and modeling obtained from drill holes and other sampling techniques, and studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of material to be mined and processed, the configuration of the deposit, expected recovery rates of metal from the mill feed material, comparable facility and equipment operating costs, anticipated climatic conditions and other factors. As a result, actual cash operating costs and economic returns based upon development of proven and probable mineral reserves may differ significantly from those originally estimated. Moreover, significant decreases in actual or expected prices may mean mineralization, once found, will be uneconomical to mine.

The prospecting, construction and start-up of new mines is subject to a number of factors and the Resulting Issuer may not be able to successfully complete new development projects.

The success of the Volcan Project is subject to a number of factors including the availability and performance of engineering and construction contractors, mining contractors, suppliers and consultants, the receipt of required governmental approvals and permits in connection with the prospecting, construction of mining facilities and the conduct of mining operations (including environmental and regulatory permits), the successful completion and operation of mining stopes, processing plants and conveyors to move ore, the supply of key materials, such as ammonium sulphate, among other operational elements. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Resulting Issuer is dependent in connection with its construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements in connection with new mines could delay or prevent the construction and start-up of new mines as planned. There can be no assurance that current or future construction and start-up plans implemented by the Resulting Issuer will be successful, that the Resulting Issuer will be able to obtain sufficient funds to finance construction and start-up activities, that personnel and equipment will be available in a timely manner or on reasonable terms to successfully complete construction projects, that the Resulting Issuer will be able to obtain all necessary governmental approvals and permits or that the completion of the construction, the start-up costs and the ongoing operating costs associated with the development of new mines will not be significantly higher than anticipated by the Resulting Issuer. Any of the foregoing factors could adversely impact the Resulting Issuer's business, financial condition, results of operations, cash flows and prospects.

The capital expenditures and time required to develop new mines or other projects are considerable and changes in costs or construction schedules can affect project economics. Thus, it is possible that actual costs may change significantly and economic returns may differ materially from the Resulting Issuer's estimates.

Commercial viability of a new mine or development project is predicated on many factors. Mineral resources projected by the Volcan Technical Report and other technical assessments performed on the Resulting Issuer's projects may not be realized, and the level of future metal prices needed to ensure commercial viability may not materialize. Consequently, there is a risk that start-up of new mine and development projects may be subject to write-down and/or closure as they may not be commercially viable.

Any uncertainty and inability in the estimation, recalculation or replacement of mineral resources could materially affect the Resulting Issuer's results of operations, cash flows and financial position.

To ensure the continued operation of the business and realize the Resulting Issuer's growth strategy, it is essential that the Resulting Issuer continues to realize its existing identified mineral resources, convert mineral resources into mineral reserves, increase the Resulting Issuer's mineral resource base by adding new mineral resources from areas of identified mineralized potential and otherwise successfully undertaking exploration, and/or acquire new mineral reserves and mineral resources. The life of mine estimates included herein may not be correct.

Currency fluctuations may result in unanticipated losses.

Currency fluctuations may affect the Resulting Issuer's capital costs and the costs that the Resulting Issuer incurs at its operations. Gold is sold throughout the world based principally on a U.S. dollar price. The appreciation of the Chilean peso relative to the U.S. dollar could increase the cost of production at the Volcan Project, which could materially adversely affect the Resulting Issuer's earnings and financial condition. As at the date hereof, the Resulting Issuer has not hedged its exposure to the Chilean peso exchange rate fluctuations, or any other exchange rate fluctuations applicable to its business and is therefore exposed to currency fluctuation risks. In the future, we may use foreign exchange forwards in order to reduce the risk associated with currency volatility. However, our hedging activities could cause us to lose the benefit of an increase in the currency price. The cash flows and the mark-to-market values of our production hedges can be affected by factors such as the volatility of currency, which are not under our control.

The Volcan Project is subject to operational risks that may result in increased costs or delays that prevent its successful implementation.

The Resulting Issuer will invest in developing new operations. The Volcan Project is subject to a number of risks that may materially and adversely affect our growth prospects and profitability, including the following: (i) we may encounter delays or higher than expected costs in obtaining the necessary equipment, machinery, materials, supplies, labour or services and in implementing new technologies to develop and operate a project; (ii) our efforts to develop projects according to schedule may be hampered by a lack of infrastructure, including a reliable power supply; (iii) we may fail to obtain, or experience delays or higher than expected costs in obtaining, the required agreements, authorizations, licenses, approvals and permits to develop a project, including the prior consultation procedure and agreements with local communities (including indigenous communities); (iv) changes in market conditions or regulations may make a project less profitable than expected at the time we initiated work on it; (v) accidents, natural disasters, labour disputes and equipment failures; (vi) adverse mining conditions may delay and hamper our ability to produce the expected quantities and qualities of minerals upon which the Volcan Project was budgeted; and (vii) conflicts with local communities and/or strikes or other labour disputes may delay the implementation or the development of projects.

The successful development and operation of the Volcan Project depend on the skills of the Resulting Issuer's management and workforce.

The Resulting Issuer's business is dependent on retaining the services of its key management personnel with a variety of skills and experience, including in relation to the development and operation of mineral projects. The success of the Resulting Issuer is, and will continue to be, dependent to a significant extent on the expertise and experience of its directors and senior management. Failure to retain, or loss of, one or more of the Resulting Issuer's directors and/or senior management could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects. The Resulting Issuer's success will also depend to a significant degree upon the contributions of qualified technical personnel and the Resulting Issuer's ability to attract and retain a highly skilled workforce. Competition for such personnel is intense, and the Resulting Issuer may not be successful in attracting and retaining qualified personnel. The Resulting Issuer's inability to attract and retain these people could have a material adverse effect on its business, financial condition, results of operations, cash flows or prospects.

Operations during mining cycle peaks are more expensive.

During times of increased demand for metals and minerals, price increases may encourage expanded mining exploration, development and construction activities across the mining sector. These increased activities may result in escalating demand for and cost of contract exploration, development and construction services and equipment. Increased demand for and cost of services and equipment could cause exploration and project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due

to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project development or construction costs, result in project delays, or increase operating costs, which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows and prospects.

The Resulting Issuer's properties may be subject to title challenges or claims in the future.

Although the Resulting Issuer has received title opinions for the Volcan Project, there is no guarantee that title to such properties will not be challenged or impugned. The Resulting Issuer's claims may be subject to prior unregistered agreements or transfers and title may be affected by unidentified or unknown defects. The Resulting Issuer has conducted an investigation on the title of properties that it has acquired to confirm that there are no claims or agreements that could affect its title to its mineral tenure or surface rights. There is no guarantee that such title will not be challenged or impaired. If title to the Resulting Issuer's properties is disputed, it may result in the Resulting Issuer paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Resulting Issuer. Title insurance generally is not available for mineral tenure or surface rights and the Resulting Issuer's ability to ensure that it has obtained secure claim to title may be constrained. Mining title in Chile does not grant authorization over surface rights. Currently, the Volcan Project lacks rights over the land it covers; however, the corresponding mining legal easement granted by the mining rights will be applied for by the Resulting Issuer in due course.

The Volcan Project's water supply could be affected by geological changes or environmental regulations.

The Resulting Issuer's business is dependent on the availability of water and subject to environmental regulations regarding water usage. In the past, Chile has experienced droughts severe enough to adversely affect the energy sector of the economy in the central and southern regions of Chile. The Resulting Issuer's access to water may also be impacted by changes in geology or other natural factors that the Resulting Issuer cannot control. If Chile were to experience a drought or the Resulting Issuer was otherwise unable to obtain adequate water supplies, the Resulting Issuer's ability to conduct its operations could be impaired.

Furthermore, the government of Chile has proposed certain changes to applicable water regulations which, if adopted, could result in increased costs and additional restrictions relating to water consumption (e.g. new order of precedence for certain usages), none of which are expected to have a material impact on the activities relating to the Volcan Project, since it currently holds considerably more water rights than those required for its mining operations.

Compliance with environmental regulations can be lengthy and costly.

The Resulting Issuer's development of the Volcan Project and the exploration of its other properties are all subject to environmental regulation, including regulations for the special protection for native or endangered species. Regulations cover, among other things, water quality standards, land reclamation, the generation, transportation, storage and disposal of hazardous waste, and general health and safety matters. There is no assurance that the Resulting Issuer has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental and health and safety approvals and permits. The potential costs and delays associated with compliance with such laws, regulations, approvals and permits could prevent the Resulting Issuer from economically operating or proceeding with the further development and exploration of the Volcan Project, and any non-compliance with such laws, regulations, approvals and permits at the Volcan Project could result in a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

Environmental approvals and permits are currently, and may in the future be, required in connection with the Resulting Issuer's current and planned operations. The ability of the Resulting Issuer to advance the Volcan Project will depend on obtaining environmental approval under Chile's Environmental Impact Assessment System (*Sistema de Evaluación de Impacto Ambiental* or "SEIA"), which remains outstanding and will be required to be obtained by the Resulting Issuer in advancing the development of the Volcan Project. Projects with the potential to cause environmental effects require an Environmental Impact Assessment (*Estudio de Impacto Ambiental* or "EIA"), a comprehensive study that includes baseline data collection, alternatives analysis, impact prediction, mitigation, monitoring, public participation, and - in some cases - indigenous consultation. The SEIA process is iterative and technical, and timing is uncertain. Delays can arise at multiple stages of the process, which may delay the filing of an EIA, require the refiling of an EIA, or materially extend overall review timelines.

To the extent such environmental approvals and permits are required and not obtained, the Resulting Issuer's plans and the operation of mines may be curtailed or it may be prohibited from proceeding with planned exploration or development of additional mineral properties. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Future changes to environmental laws and regulations could potentially increase the amount of investment and work required to comply with the applicable environmental obligations, including, but not limited to, those related to the implementation of reclamation and remediation measures. Any increment in future costs could materially impact the amounts charged to operations in this regard. There is no assurance that any future changes in environmental regulation will not adversely affect the Resulting Issuer's operations. Changes in government regulations have the potential to significantly increase compliance costs and thus reduce the profitability of current or future operations.

Environmental hazards may also exist on the properties on which the Resulting Issuer holds interests that are unknown to the Resulting Issuer at present and that have been caused by previous or existing owners or operators of the properties and for which the Resulting Issuer may be liable for remediation. Parties engaged in mining operations, including the Resulting Issuer, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable environmental laws or regulations (including economic crimes laws establishing special criminal liability of companies for environmental offenses related to mining), regardless of whether the Resulting Issuer actually caused the loss or damage. The costs of such compensation, fines or penalties could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

Regulatory and industry response to climate change, restrictions, caps, taxes, or other controls on greenhouse gas emissions, including limits on emissions from the combustion of carbon-based fuels, controls on effluents and restrictions on the use of certain substances or materials could significantly increase our operating costs and our customers' operating costs. A number of authorities are evaluating regulatory changes in response to the potential impacts of climate change. These regulatory initiatives may impact our operations directly or indirectly through our suppliers or customers.

The on-going international efforts to address greenhouse gas emissions by the United Nations and certain international organizations consist of controlling the activities that may increase the atmospheric concentration of greenhouse gases. International agreements, such as the Kyoto Protocol, which set internationally binding emission reduction targets, are at different stages of negotiation and implementation. The measures included in such agreements may result in an increase of costs related to the installation of new controls aimed at reducing greenhouse gas emissions, the purchase of credits or licenses for atmospheric emissions and the monitoring and registration of greenhouse gas emissions generated by our operations. These measures, if adopted in Chile, could adversely affect our business, financial condition and results of operations.

Social and environmental activism can negatively impact exploration, development and mining activities.

There is an increasing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations (“NGOs”) who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Resulting Issuer seeks to operate in a socially responsible manner and believes it has good relationships with stakeholders in the districts in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Resulting Issuer in respect of one or more of its properties, regardless of its compliance with social and environmental best practices. The Resulting Issuer has experienced some local opposition to the development of the Volcan Project from certain groups and social organizations and cannot rule out the possibility of local and national opposition increasing in the future in respect of its development prospects or in relation to obtaining the necessary environmental and sectorial permits for the Volcan Project. Any such actions and the resulting adverse media coverage could have an adverse effect on the reputation and financial condition of the Resulting Issuer or its relationships with the communities in which it operates, which could have a material adverse effect on the Resulting Issuer’s business, financial condition, results of operations, cash flows or prospects.

Industry consolidation may result in increased competition, which could result in a reduction in revenue.

Some of our competitors have made or may make acquisitions or enter into partnerships or other strategic relationships to achieve competitive advantages. In addition, new entrants not currently considered competitors may enter our market through acquisitions, partnerships or strategic relationships. We expect these trends to continue as demand for gold increases. Industry consolidation may result in competitors with more compelling product offerings or greater pricing flexibility than we have, or business practices that make it more difficult for us to compete effectively, including on the basis of price, sales, technology or supply. These competitive pressures could have a material adverse effect on our business.

Inadequate infrastructure may constrain mining operations.

Any potential commercial production at the Volcan Project will depend on adequate infrastructure. In particular, reliable power sources, water supply, transportation and surface facilities are all necessary to develop and operate mines. Failure to adequately meet these infrastructure requirements or changes in the cost of such requirements could affect the Resulting Issuer’s ability to develop or commence production at the Volcan Project and could have a material adverse effect on the Resulting Issuer’s business, financial condition, results of operations, cash flows or prospects.

A failure to maintain satisfactory labour relations can adversely impact the Resulting Issuer.

The Resulting Issuer’s operations and further development of the Volcan Project are dependent upon the efforts of its employees and the Resulting Issuer’s relations with its employees, directly and indirectly, and the Resulting Issuer’s operations would be adversely affected if it failed to maintain satisfactory labour relations. As a result of these activities, we may be subject to unfair labour practice charges, complaints and other legal, administrative and arbitral proceedings initiated against us employees, which could divert management attention from our operations, resulting in an adverse impact on our operating results.

Because of the dangers involved in our operations, there is a risk that the Resulting Issuer may incur liability or damages as it conducts its business.

Our operations are subject to risks normally inherent in the mining industry, including potential liability which could result from, among other circumstances, personal injury, environmental claims, indigenous requirements, or property damage. We maintain insurance policies for automobile, general, employers, environmental, directors' and officers' and fiduciary liability and property insurance. The availability of, and ability to collect on, insurance coverage is subject to factors beyond our control. In addition, we may become subject to liability hazards in circumstances where we cannot or may elect not to insure (due to high premium costs or other reasons), or for occurrences which exceed maximum coverage under our policies. We also provide group employee health and dental benefits insurance coverage to our employees. We have no control over changing conditions and pricing in the insurance marketplace and the cost or availability of various types of insurance may change dramatically in the future. In addition, our costs of providing group health coverage may increase based on our claims experience. Furthermore, the inability to obtain insurance in the future for certain types of losses may require us to limit the services we provide or the areas in which we operate, thereby reducing our revenue. Furthermore, the occurrence of a significant uninsured loss could have a material adverse effect on us. Due to the variable condition of the insurance market, we may experience future increases in self insurance levels as a result of increased retention levels and increased premiums. If we elect to assume more risk for self insurance through higher retention levels, we may experience more variability in our self insurance reserves and expense.

The courts of the jurisdictions in which the Resulting Issuer operates or might operate in the future may offer less certainty as to the judicial outcome or less effective forms of redress or a more protracted judicial process than in Canada.

The courts and legal systems in the jurisdictions in which the Resulting Issuer operates or might operate in the future may offer less certainty as to judicial outcome and less effective forms of redress than is the case in Canada. Accordingly, the Resulting Issuer could, inter alia, face risks from: (i) a higher degree of discretion on the part of governmental authorities; (ii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iii) inconsistencies or conflicts between and with various laws, regulations, decrees, orders and resolutions; (iv) relative inexperience of the judiciary and courts in such matters; or (v) a more protracted judicial process resulting in delays in reaching a judicial outcome. Similarly, there may be less certainty that government officials and agencies will abide by legal requirements, licenses, permits and negotiated agreements. There can be no assurance that the foregoing would not have an adverse effect on the validity or enforceability of the joint ventures, licenses, permits or other legal arrangements entered into by the Resulting Issuer or the application or enforcement of laws and regulations to which the Resulting Issuer is subject.

As we are a holding Resulting Issuer, our subsidiary and the majority of our assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Resulting Issuer, including judgments predicated upon the civil liability provisions of applicable Canadian Securities Laws. Consequently, investors may be effectively prevented from pursuing remedies against the Resulting Issuer under Canadian Securities Laws or otherwise.

Some of the directors and officers of the Resulting Issuer reside outside of Canada. Some or all of the assets of those persons may be located outside of Canada. Therefore, it may not be possible for investors to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian Securities Laws against such persons. Moreover, it may not be possible for investors to effect service of process within Canada upon such persons.

The Resulting Issuer has a wholly-owned subsidiary incorporated in Chile. It may be difficult for an investor, or any other person or entity, to assert Canadian Securities Laws claims or otherwise in original actions instituted in Chile. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian

Securities Laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

The directors and officers may have conflicts of interest with the Resulting Issuer.

Certain directors and officers of the Resulting Issuer are or may become associated with other mining and/or mineral exploration and development companies which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer. Some of the directors of the Resulting Issuer have either other full-time employment or other business or time restrictions placed on them and accordingly, the Resulting Issuer will not be the only business enterprise of these directors. Further, any failure of the directors or officers of the Resulting Issuer to address these conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Resulting Issuer could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

The Resulting Issuer's directors who are nominees of HM Holdings may have conflicts of interests with respect to matters involving the Resulting Issuer.

Certain directors of the Resulting Issuer are affiliated with HM Holdings, a wholly-owned subsidiary of Hochschild Mining. These persons have fiduciary duties to the Resulting Issuer and, in addition, will have duties to HM Holdings. As a result, such circumstances may entail real or apparent conflicts of interest with respect to matters affecting both the Resulting Issuer and HM Holdings, whose interests, in some circumstances, may be adverse to those of the Resulting Issuer. In addition, as a result of HM Holding's ownership interest, conflicts of interest could arise with respect to transactions involving business dealings between the Resulting Issuer and HM Holdings or its respective Affiliates, including potential business transactions, potential acquisitions of businesses or properties, the issuance of additional securities, the payment of dividends by the Resulting Issuer and other matters.

The Common Shares of the Resulting Issuer shall be subject to significant ownership by HM Holdings.

HM Holdings, a wholly-owned subsidiary of Hochschild Mining PLC, will hold a significant voting interest in the Resulting Issuer. For so long as HM Holdings, either directly or indirectly, maintains a significant voting interest in the Resulting Issuer, HM Holdings will have the ability to exercise substantial influence with respect to the Resulting Issuer's affairs and significantly affect the outcome of shareholder votes, and may have the ability to prevent certain fundamental transactions. The Resulting Issuer's Common Shares may be less liquid and trade at a discount relative to the trading that could occur in circumstances where HM Holdings did not have the ability to significantly influence or determine matters affecting the Resulting Issuer. Additionally, HM Holdings' significant voting interest in the Resulting Issuer may discourage transactions involving a change of control of the Resulting Issuer, including transactions in which an investor, as a holder of Common Shares, might otherwise receive a premium for its Common Shares over the then-current market price.

Future sales of Common Shares by HM Holdings.

No prediction can be made as to the effect, if any, of future sales of Common Shares by HM Holdings on the market price of the Common Shares. However, the future sale of a substantial number of shares by HM Holdings, or the perception that such sales could occur, could adversely affect prevailing market prices for the Common Shares.

Future acquisitions may require significant expenditures and may result in inadequate returns.

The Resulting Issuer may seek to expand through future acquisitions; however, there can be no assurance that the Resulting Issuer will locate attractive acquisition candidates, or that the Resulting Issuer will be able to acquire such candidates on economically acceptable terms, if at all, or that the Resulting Issuer will not be restricted from completing acquisitions pursuant to the terms and conditions from time to time of arrangements with third parties, such as the Resulting Issuer's creditors. Future acquisitions may require the Resulting Issuer to expend significant amounts of cash, resulting in the Resulting Issuer's inability to use these funds for other business or may involve significant issuances of equity or debt. Future acquisitions may also require substantial management time commitments, and the negotiation of potential acquisitions and the integration of acquired operations could disrupt the Resulting Issuer's business by diverting management and employees' attention away from day-to-day operations. The difficulties of integration may be increased by the necessity of coordinating geographically diverse organizations, integrating personnel with disparate backgrounds and combining different corporate cultures.

Any future acquisition involves potential risks, including, among other things: (i) mistaken assumptions and incorrect expectations about mineral properties, mineral resources, mineral reserves and costs; (ii) an inability to successfully integrate any operation the Resulting Issuer acquired or acquires, as applicable; (iii) an inability to recruit, hire, train or retain qualified personnel to manage and operate the operations acquired; (iv) the assumption of unknown liabilities; (v) mistaken assumptions about the overall cost of equity or debt; (vi) unforeseen difficulties operating acquired projects, which may be in geographic areas new to the Resulting Issuer; and (vii) the loss of key employees and/or key relationships at the acquired project.

Failures of information systems or information security threats can be costly.

The Resulting Issuer has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("IT") services in connection with its operations. Such operations depend, in part, on how well the Resulting Issuer and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Resulting Issuer's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Resulting Issuer's reputation, results of operations, cash flows and financial condition.

Although to date Tiernan has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Resulting Issuer's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Resulting Issuer may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Any of these factors could have a material adverse effect on the Resulting Issuer's results of operations, cash flows and financial position.

The Resulting Issuer may be subject to costly legal proceedings.

The Resulting Issuer may be subject to regulatory investigations, civil claims, administrative proceedings, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in regulatory actions and litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. However, the defense and settlement costs of legal disputes can be substantial, even with claims that have no merit. Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes. However, if the Resulting Issuer is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

Additionally, the legal system in Chile has inherent uncertainties that could limit the legal protections available to the Resulting Issuer, which include: (i) inconsistencies between and within laws and regulations; (ii) limited judicial and administrative guidance on interpreting Chilean legislation, particularly that relating to business, corporate and securities laws; (iii) the ongoing process to amend the Chilean Constitution; (iv) substantial gaps in the regulatory structure due to a delay or absence of enabling regulations; (v) a lack of judicial independence from political, social and commercial forces; (vi) corruption; and (vii) bankruptcy procedures that are subject to abuse, any of which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects. Furthermore, it may be difficult to obtain swift and equitable enforcement of a Chilean judgement, or to obtain enforcement of a judgement by a court of another jurisdiction, which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

The Resulting Issuer will incur increased expenses as a result of being a public Resulting Issuer.

We expect to incur significant legal, accounting, insurance and other expenses as a result of being a public Resulting Issuer, which may negatively impact our performance and could cause our results of operations and financial condition to suffer. Compliance with applicable Canadian securities legislation and the rules of the Exchange substantially increases our expenses, including our legal and accounting costs, and makes some activities more time consuming and costly. Reporting obligations as a public Resulting Issuer and our anticipated growth may place a strain on our financial and management systems, processes and controls, as well as on our personnel.

We do not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially adversely affected, which could also cause investors to lose confidence in our reported financial information, which in turn could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

Changes in climate conditions may affect the Resulting Issuer's operations.

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, this may result in increased costs at the Resulting Issuer's operations. In addition, the physical risks of climate change may also have an adverse effect on the Resulting Issuer's operations. These risks include the following: (i) changes in sea levels could affect ocean transportation and shipping facilities that are used to transport supplies, equipment and workforce and products from the Resulting Issuer's operations to world markets; (ii) extreme weather events (such as prolonged drought) have the potential to disrupt operations at the Resulting Issuer's mines and may require the Resulting Issuer to make additional expenditures to mitigate the impact of such events; and (iii) the Resulting Issuer's facilities depend on regular supplies of consumables (diesel, tires, etc.) to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, production levels at the Resulting Issuer's operations may be reduced.

There can be no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have an adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

Dependence on outside parties.

The Resulting Issuer has relied upon third parties, including consultants, engineers, suppliers and others, and intends to rely on these parties for development, construction and operating expertise. The Resulting Issuer may need to engage additional third parties for new development projects, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes and to continue to develop the Volcan Project. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Resulting Issuer.

The Resulting Issuer may incur indebtedness in the future and reduce its financial flexibility.

The Resulting Issuer may incur indebtedness in the future. We are exposed to changes in interest rates on our cash and cash equivalents, bank indebtedness and long-term debt. Debt issued at variable rates exposes us to cash flow interest rate risk. Debt issued at fixed rates exposes us to fair value interest rate risk. Our borrowings, current and future, will require interest payments and need to be repaid or refinanced, could require us to divert funds identified for other purposes to debt service and could create additional cash demands or impair our liquidity position and add financial risk for us. Diverting funds identified for other purposes for debt service may adversely affect our business and growth prospects. If we cannot generate sufficient cash flow from operations to service our debt, we may need to refinance our debt, dispose of assets, reduce or delay expenditures or issue equity to obtain necessary funds. We do not know whether we would be able to take any of these actions on a timely basis, on terms satisfactory to us, or at all.

Our level of indebtedness could affect our operations in several ways, including the following: (i) significant portion of our cash flows could be used to service our indebtedness; (ii) the covenants contained in the agreements governing our outstanding indebtedness may limit our ability to borrow additional funds, dispose of assets, pay dividends and make certain investments; (iii) our debt covenants may also affect our flexibility in planning for, and reacting to, changes in the economy and in our industry; (iv) a high level of debt would increase our vulnerability to general adverse economic and industry conditions; (v) a high level of debt may place us at a competitive disadvantage compared to our competitors that are less leveraged and therefore may be able to take advantage of opportunities that our indebtedness would prevent us from pursuing; and (vi) a high level of debt may impair our ability to obtain additional financing in the future for working capital, capital expenditures, debt service requirements, acquisitions or other purposes.

In addition to our debt service obligations, our operations require material expenditures on a continuing basis. Our ability to make scheduled debt payments, to refinance our obligations with respect to our indebtedness and to fund capital and non-capital expenditures necessary to maintain the condition of our operating assets and properties, as well as to provide capacity for the growth of our business, depends on our financial and operating performance. General economic conditions and financial, business and other factors affect our operations and our future performance. Many of these factors are beyond our control. We may not be able to generate sufficient cash flows to pay the interest on our debt, and future working capital, borrowings or equity financing may not be available to pay or refinance such debt.

The Resulting Issuer's business requires substantial capital expenditures and is subject to financing risks.

Our business is capital intensive. Specifically, the exploration for and exploitation of gold, the mining costs, the maintenance of machinery and equipment and compliance with applicable laws and regulations all require substantial capital expenditures. We will need to continue to invest capital to establish mineral reserves and production. We depend partially on our cash flows for maintenance capital expenditures.

No assurance can be given that we will be able to maintain our production levels or generate sufficient cash flow, capitalize on a sufficient amount of our profit or have access to sufficient investments, loans or other financing alternatives to finance our capital expenditure program at a level necessary to continue our exploration and exploitation activities at the levels we feel appropriate. Any equity or debt financing, if available, may not be on terms that are favorable to us, and the issuance of additional equity may be subject to approval by our shareholders or our Board. If our access to external financing is limited, we may not be able to execute our strategy, which could adversely affect our business, financial condition and results of operations. In addition, there are no assurances that any of the existing projects or future projects will be approved or, if approved and executed, that such execution will be completed on schedule, within budget or achieve an adequate return on investment.

The Resulting Issuer's operating expenses could increase significantly if the price of electrical power, fuel or other energy sources increases.

Our planned operations require significant use of energy. Our operating expenses are therefore sensitive to changes in electricity prices and fuel prices, including diesel fuel, propane and natural gas prices. Prices for electricity, diesel fuel, propane, natural gas and fuel oils can fluctuate widely with availability and demand levels from other users. During periods of peak usage, supplies of energy may be curtailed and we may not be able to purchase them at historical rates. A disruption in the transmission of energy, inadequate energy transmission infrastructure, or the termination of any of our energy supply contracts could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

The Resulting Issuer is exposed to the possibility that applicable taxing authorities could take actions that result in increased tax or other costs that might reduce the Resulting Issuer's cash flow.

The Resulting Issuer pays a variety of taxes, fees and other governmental charges in connection with the operation of the Resulting Issuer's business, including federal, provincial and local income taxes, ad valorem property taxes, sales and use taxes, inventory taxes, social security contributions and various assessments in Canada and in foreign jurisdictions. These taxes, fees and other governmental charges are assessed by the Canadian Revenue Agency and other taxing authorities pursuant to applicable laws, regulations and rules. Although the Resulting Issuer believes, subject to ongoing compliance with existing laws, that it has made appropriate provisions for such taxes, fees and other governmental charges in the jurisdictions in which it operates, our position could be impacted as a result of changes in the applicable tax laws and principles, including increased tax rates, new tax laws, changes in taxing jurisdictions' administrative interpretations,

decisions, and policies, and changes in accounting principles. Any of the foregoing changes could have an adverse impact on our results of operations, cash flows, and financial condition.

The Chilean tax regime is complex and subject to a variety of interpretations by government authorities. Such complexity may expose the Resulting Issuer to unpredicted challenges to day-to-day practices in bookkeeping, accounting and payment of taxes, including, without limitation, liability for any indirect capital gain taxes and obligations under Chile's mining royalty tax. From time to time, the Resulting Issuer may enter into specific agreements with such taxing authorities that provide for the reduction, abatement or deferral of such taxes, fees or charges in exchange for certain payments or undertakings on the Resulting Issuer's part. If the Resulting Issuer enters into any such arrangements, the Resulting Issuer can give no assurance that any such reduction, abatement or deferral arrangements will be honored or that the applicable taxing authorities will not take actions that materially increase the amount of such taxes, fees or other governmental charges that the Resulting Issuer is required to pay. In addition, the Resulting Issuer may incur additional and unanticipated costs and expenses in connection with the Resulting Issuer's efforts to resist any proposed increases in such taxes, fees or other charges or in connection with the Resulting Issuer's efforts to enforce any reduction, abatement or deferral arrangements that the Resulting Issuer has previously put in place. The Resulting Issuer cannot provide assurance that it will be able to be profitable following any increases in Chilean taxes applicable to the Resulting Issuer and the Resulting Issuer's operations.

The mining business is subject to inherent risks, some of which are not insurable.

The Resulting Issuer's business is subject to a number of risks and hazards (as further described herein). Hazards associated with mining operations include fires and explosions, including those caused by flammable gas, gas and coal outbursts, cave-ins or falls of ground, rock falls, openings collapse, lack of oxygen, air pollution, discharges of tailings, hazardous substances and materials, gases and toxic chemicals, water ingress and flooding, sinkhole formation, ground subsidence, and other accidents and conditions resulting from mining activities, such as drilling, removing and processing material.

Such occurrences could result in damage to, or destruction of, our properties or production facilities, third-party property, human exposure to pollution, personal injury or death, environmental and natural resource damage or contamination, delays in mining, monetary losses and legal liability. In addition, any such occurrences could adversely affect our reputation. Damages to our reputation could result in additional environmental and health and safety legal oversight, and authorities could impose more stringent conditions in connection with the licensing process of our projects and operations. In addition, our customers may be less willing to buy metals from us if we have been subject to significant adverse publicity.

We maintain insurance typical in the mining industry, and in amounts that we believe to be adequate, but which may not provide complete coverage in certain circumstances. Insurance against certain risks (including certain liabilities for environmental contamination and other hazards as a result of exploration and production) is not generally available or is uneconomical to afford. The Resulting Issuer may also be unable to obtain or maintain insurance to cover its risks at economically feasible premiums, or at all. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development or production may not be available to the Resulting Issuer on acceptable terms. The Resulting Issuer might also become subject to liability for pollution or other hazards which it is not currently insured against and/or in the future may not insure against because of premium costs or other reasons. Losses from these events may cause the Resulting Issuer to incur significant costs which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

The Resulting Issuer may be held liable for the misconduct of its employees or third-party contractors.

We may be subject to misconduct by our employees or third-party contractors, such as theft, bribery, sabotage, fraud, insider trading, violation of laws, slander or other illegal actions. Any such misconduct may lead to fines or other penalties, slow-downs in production, increased costs, lost revenues, increased liabilities to third parties, impairment of assets or harmed reputation, any of which may have a material adverse effect on our business, results of operations or financial condition.

Risks Related to the Resulting Issuer's Foreign Operations

The Resulting Issuer's Chilean operations are subject to political and other risks associated with operating in a foreign jurisdiction.

The Volcan Project is located in Chile and our operations depend upon the performance of the Chilean economy, exposing the Resulting Issuer to the socioeconomic conditions as well as the laws governing the mining industry in the country. There are inherent risks associated with conducting foreign operations, over which we have no control. Such risks include, but are not limited to: high rates of inflation; extreme fluctuations in currency exchange rates, military repression; war or civil war; social and labour unrest; organized crime; hostage taking; terrorism; violent crime; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, approvals, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favour or require the Resulting Issuer to award contracts in, employ citizens of, or purchase supplies from, the jurisdiction.

Our results of operations and general financial condition depend in part on Chilean markets for labour and certain services, materials, supplies, machinery and equipment, and on factors relating to Chilean economic, social and political stability generally, and may be materially and adversely affected by economic downturns, currency depreciation, inflation, interest rate fluctuation, government policies, regulation, taxation, social instability, political unrest, terrorism and other developments in or affecting the country. In the past, Chile has experienced periods of weak economic activity and deterioration in economic conditions. We cannot assure you that such deterioration will not occur, nor that such a recurrence would not have a material and adverse effect on our business, financial condition or results of operations.

Changes, if any, in the Constitution, mining or investment policies or shifts in political attitude in Chile may adversely affect the Resulting Issuer's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of parts and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of concessions, licenses, approvals and permits, aboriginal rights, environmental matters, regulation of national parks and protected areas, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

A deterioration of the global economy or a sharp decrease in prices may adversely affect Chile's economy. In addition, uncertainty over the results of the upcoming national elections in November 2021 and whether the elected Chilean government and congress will implement changes in policy or regulation may contribute to economic uncertainty in Chile. Global economic crises could negatively affect investor confidence in emerging markets or the economies of the principal countries in Latin America, including Chile. Such events could materially and adversely affect the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

In addition, Chile has experienced political unrest in the past. There can be no assurance that future developments in or affecting the Chilean political situation, including economic or political instability in other emerging markets, will not result in material and adverse effects on the Resulting Issuer's business, financial condition or results of operations. The Resulting Issuer could also be adversely affected by legal or regulatory changes over which it has no control.

The Resulting Issuer will monitor developments and policies in Chile and the impact thereof to its operations. The financial condition and results of operations of the Resulting Issuer may be adversely affected by changes in Chile's political, regulatory and economic climate to the extent that such changes affect the nation's economic policies, growth, stability, outlook or regulatory environment.

The Resulting Issuer's mineral rights may be terminated or not renewed by governmental authorities and we may be negatively impacted by changes to mining laws and regulations.

The Resulting Issuer's business is subject to extensive regulation in Chile, including, among others, regulations relating to tax, environmental, labour, health and safety and mining matters. Under Chilean law, we require authorizations, permits, concessions and/or licenses from the relevant governmental regulatory bodies (including environmental and mining agencies). We have obtained, or are in the process of obtaining, all material authorizations, permits, concessions and licenses required to conduct our mining and mining-related operations. In the future, additional requirements for authorizations, permits, concessions and licenses (including environmental ones) could be implemented. These authorizations, permits, concessions and environmental licenses are subject to our compliance with conditions imposed and regulations promulgated by the relevant governmental authorities. While we anticipate that all required authorizations, permits, concessions and environmental licenses or their renewals will be granted as and when sought, there is no assurance that these items will be granted as a matter of course, and there is no assurance that new conditions will not be imposed in connection with such renewals.

If we were to violate any of the foregoing laws and regulations or the conditions of our concessions, authorizations and environmental licenses, we may be subjected to substantial fines or criminal sanctions, revocations of operating permits or licenses and possible closings of certain of our facilities. In addition, any changes in the interpretation of any of the foregoing laws and regulations may increase our compliance, operational or other costs and could potentially require us to materially alter our operations.

The Resulting Issuer's operations depend on its relations and agreements with local communities, and new projects may require carrying out a prior consultation procedure.

There are several local communities, including indigenous communities, that surround our operations in Chile. We also interact with regional and local governments and depend on our close relations with local communities and regional and local governments to carry out our operations. In the event that our relationships with the local communities or regional or local governments were to deteriorate in the future, or the local communities do not comply with agreements that may be in place with such communities or renew them upon expiration, it could have a material adverse effect on our business, properties, operating results, financial condition or prospects. Furthermore, in order to develop new projects on land owned by, or in the possession of, third parties, we need to reach an agreement with such third parties in order to use that land. Our failure to reach such agreements or obtain governmental approvals for our new projects could result in a material adverse effect on our business, properties, operating results, financial condition or prospects. Social protests relating to the environmental impact of mining projects, could also result in a material adverse effect on our business, financial condition and results of operations if they were to impede our existing operations or expansion projects.

The perception of higher risk in emerging economies may materially and adversely affect the Chilean economy and the business of the Resulting Issuer.

Financial turmoil in any emerging market country may materially and adversely affect prices in stock markets and prices for debt securities of issuers in other emerging market countries as investors move their money to more stable, developed markets. An increase in the perceived risks associated with investing in emerging markets could dampen capital flows to Chile and materially and adversely affect the Chilean economy in general. We cannot assure you that investors' interest in Chile will not be materially and adversely affected by events in other emerging markets or the global economy in general.

The Resulting Issuer may be responsible for corruption and anti-bribery law violations.

The Resulting Issuer's business is subject to the United States Foreign Corrupt Practices Act of 1977 (the "FCPA"), the *Corruption of Foreign Public Officials Act* (Canada) ("CFPOA"), and the *Criminal Liability for Corporations Acts, Law 20.393* ("CLCA"), which generally prohibit companies and Resulting Issuer employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. The FCPA also requires companies to maintain accurate books and records and internal controls, including at foreign-controlled subsidiaries. Since all of the Resulting Issuer's presently held interests are located in Chile, there is a risk of potential FCPA violations. In addition, the Resulting Issuer is subject to the CLCA and of any other countries in which it conducts business in the future. The Resulting Issuer's employees or other agents may, without its knowledge and despite its efforts, engage in prohibited conduct under the Resulting Issuer's policies and procedures and the FCPA, the CFPOA, the CLCA or other anti-bribery laws for which the Resulting Issuer may be held responsible. The Resulting Issuer intends to adopt policies that will mandate compliance with these anti-corruption and anti-bribery laws and the Resulting Issuer also intends to implement training programs, internal monitoring and controls, and reviews and audits to ensure compliance with such laws. However, there can be no assurance that the Resulting Issuer's internal control policies and procedures will always protect it from recklessness, fraudulent behavior, dishonesty or other inappropriate acts committed by its Affiliates, employees, contractors or agents. If the Resulting Issuer's employees or other agents are found to have engaged in such practices, the Resulting Issuer could suffer severe penalties and other consequences that may have a material adverse effect on its business, financial condition and results of operations.

Risks Related to the Qualifying Transaction and Ownership of Securities

Regulatory approval of the Qualifying Transaction may not be obtained.

The completion of the Qualifying Transaction is subject to the satisfaction of a number of conditions, including final acceptance of the Exchange. There can be no assurance that all of the necessary regulatory or Exchange approvals will be obtained. If the Qualifying Transaction is not completed for these reasons or for any others, Tiernan and Railtown will have incurred significant costs associated with the failed implementation of the Qualifying Transaction.

The Business Combination Agreement may be terminated.

The Business Combination Agreement specifies that the parties' obligation to effect the Qualifying Transaction is conditional upon the satisfaction of a number of conditions, and that if any of the conditions are not satisfied or waived prior to the Outside Date, the Qualifying Transaction may not be completed. Accordingly, there can be no certainty that the Business Combination Agreement will not be terminated by either party prior to the completion of the Qualifying Transaction.

Market price and liquidity of Resulting Issuer Shares.

There is no current market for Tiernan Common Shares. Securities of companies in, or investing in, the natural resource sector have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic conditions in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Resulting Issuer's securities is also likely to be significantly affected by short-term changes in commodity prices, other mineral prices, currency exchange fluctuation, changes in its financial condition or results of operations as reflected in its periodic reports and changes in general market interest in the Resulting Issuer's securities. If an active market for the common shares does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Resulting Issuer may decline such that investors could lose their entire investment in the Resulting Issuer. As a result of any of these factors, the market price of the securities of the Resulting Issuer, at any given point in time may not accurately reflect the long-term value of the Resulting Issuer.

The Resulting Issuer's principal source of funds is the issuance of equity securities. While it is not anticipated that the Resulting Issuer will pay dividends, the Resulting Issuer may not have the resources to declare any dividends or make other cash distributions.

Shareholders of the Resulting Issuer will be at risk of equity dilution.

Tiernan may, and the Resulting Issuer will be able to, issue an unlimited number of common shares without any vote or action by shareholders, subject to the rules of any stock exchange on which the Resulting Issuer's securities may be listed from time to time. Tiernan or the Resulting Issuer may make future acquisitions or enter into financings or other transactions involving the issuance of securities and may issue securities in consideration for services rendered. If Tiernan or the Resulting Issuer issue any additional equity, the percentage ownership of existing shareholders will be reduced and diluted and the price of their securities could decline.

If Tiernan or Resulting Issuer is a "passive foreign investment company", U.S. Holders of Subscription Receipts (or, upon conversion thereof, the Subscription Receipt Shares and Subscription Receipt Warrants) or Resulting Issuer Shares or Resulting Issuer Warrants, as applicable, may be subject to adverse U.S. federal income tax consequences.

A determination has not been made as to whether Tiernan or Resulting Issuer is or will be a "passive foreign investment company" (a "PFIC") within the meaning of Section 1297 of the U.S. Code for U.S. federal income tax purposes for the current taxable year. A non-U.S. corporation is classified as a PFIC under the U.S. Code for each taxable year in which (i) 75% or more of its gross income is passive income (as defined for U.S. federal income tax purposes) or (ii) 50% or more (by value) of its assets, based on a quarterly average over the year, either produces or is held for the production of passive income. The tax rules applicable to PFICs are complex and, in some cases, uncertain, including, without limitation, as such rules apply to Subscription Receipts.

If Tiernan or Resulting Issuer is or becomes a PFIC for any taxable year during a U.S. Holder's holding period of its Subscription Receipts (or, upon conversion thereof, the Subscription Receipt Shares and Subscription Receipt Warrants) or Resulting Issuer Shares or Resulting Issuer Warrants, as applicable, then such U.S. Holder may be required to treat any gain recognized upon a sale or disposition of the Subscription Receipts (or, upon conversion thereof, the Subscription Receipt Shares and Subscription Receipt Warrants) or Resulting Issuer Shares or Resulting Issuer Warrants, as applicable, as ordinary (rather than capital) income, and any resulting U.S. federal income tax may be increased by an interest charge. Even if the Amalgamations, taken together, would otherwise constitute a single integrated transaction qualifying as a tax-deferred "reorganization" within the meaning of Section 368(a) of the U.S. Code (as discussed below), if Tiernan were a PFIC for any taxable year during which a U.S. Holder held Subscription Receipts (or, upon conversion

thereof, the Subscription Receipt Shares and Subscription Receipt Warrants), then proposed U.S. Treasury Regulations would generally require that a U.S. Holder recognize gain under the foregoing rules upon the exchange of the Subscription Receipt Shares and Subscription Receipt Warrants for Resulting Issuer Shares or Resulting Issuer Warrants pursuant to the Amalgamations, subject to an exception under the proposed U.S. Treasury Regulations if the Resulting Issuer were also a PFIC for the taxable year that includes the effective date of the Amalgamations. However, such proposed U.S. Treasury Regulations remain in proposed form, and therefore the effectiveness and applicability of these rules is uncertain. Prospective investors who are subject to U.S. federal income tax should consult their own tax advisors regarding the potential application of the PFIC rules in connection with the Amalgamations, including the potential application of such proposed U.S. Treasury Regulations.

In some cases, certain elections can be made by a U.S. Holder with respect to their interests in a PFIC that may mitigate or avoid these unfavorable tax consequences. Notwithstanding, no assurances can be given that Tiernan will make available to U.S. Holders the information that may be required to enable such U.S. Holders to make certain elections. If a U.S. Holder receives Resulting Issuer Shares or Resulting Issuer Warrants in a taxable year subsequent to the taxable year in which such U.S. Holder receives its Subscription Receipts, such U.S. Holder should consult its own tax advisors regarding certain additional rules that may apply with respect to the availability and making of such elections. Prospective investors who are subject to U.S. federal income tax should consult their own tax advisors regarding the U.S. federal tax consequences to them relating to the acquisition, holding and disposition of the Subscription Receipts (or, upon conversion thereof, the Subscription Receipt Shares and Subscription Receipt Warrants) or Resulting Issuer Shares or Resulting Issuer Warrants, as applicable.

There can be no assurances that U.S. Holders of the Subscription Receipt Shares and Subscription Receipt Warrants will not be required to recognize gain for U.S. federal income tax purposes upon the exchange of Subscription Receipt Shares and Subscription Receipt Warrants for Resulting Issuer Shares and Resulting Issuer Warrants Pursuant to the Amalgamations.

Although each of Tiernan and Railtown intends that the Amalgamations, taken together, constitute a single integrated transaction qualifying as a tax-deferred “reorganization” within the meaning of Section 368(a) of the U.S. Code, there can be no assurance that the Amalgamations will so qualify. In addition, the completion of the Amalgamations is not conditioned on qualification as a tax-deferred “reorganization” or upon the receipt of an opinion of counsel or IRS ruling to that effect. U.S. Holders of the Subscription Receipt Shares and Subscription Receipt Warrants may be required to recognize gain for U.S. federal income tax purposes upon the receipt of Resulting Issuer Shares and Resulting Issuer Warrants if the Amalgamations, taken together, fail to constitute a single integrated transaction qualifying as a tax-deferred “reorganization” within the meaning of Section 368(a) of the U.S. Code. Such gain would generally be equal to the amount by which the fair market value of the Resulting Issuer Shares and Resulting Issuer Warrants on the effective date of the Amalgamations exceeds the U.S. Holder’s adjusted tax basis in their Subscription Receipt Shares and Subscription Receipt Warrants (which should generally equal the subscription price paid for the Purchased Subscription Receipts). Prospective investors who are subject to U.S. federal income tax should consult their own tax advisors to determine whether they are required to recognize gain in connection with the Amalgamations.

ACKNOWLEDGEMENT - PERSONAL INFORMATION

Dated: December 8, 2025

“Personal Information” means any information about an identifiable individual, and includes information contained in any Items in the Filing Statement that are analogous to Items 4.2, 11, 12.1, 15, 17.3, 18, 22, 23, 25, 30.3, 31, 32, 33, 34, 35, 36, 37, 40 and 41 of Form 3B2 - *Information Required in a Filing Statement for a Qualifying Transaction* of the TSXV, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the TSXV pursuant to this Filing Statement; and
- (b) the collection, use and disclosure of Personal Information by the TSXV for purposes described in Appendix 6B of the TSXV or as otherwise identified by the TSXV, from time to time.

RAILTOWN CAPITAL CORP.

(signed) “Christopher Taylor”

Christopher Taylor
Chief Executive Officer, Director

TIERNAN GOLD CORP.

(signed) “Greg McCunn”

Greg McCunn
Chief Executive Officer, Director

APPENDIX A – FINANCIAL STATEMENTS OF TIERNAN

Enclosed are:

- (a) the combined and consolidated audited financial statements of Tiernan for the years ended December 31, 2024 and 2023; and
- (b) the unaudited condensed and consolidated interim financial statements of Tiernan for the three and nine month periods ended September 30, 2025 and 2024.

Combined and Consolidated Financial Statements

TIERNAN GOLD CORP.

As at December 31, 2024 and 2023 and for the years ended December 31, 2024, and 2023



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Independent Auditor's Report

To the Directors of Tiernan Gold Corp.

Opinion

We have audited the combined and consolidated financial statements of Tiernan Gold Corp. ("the financial statements") and its subsidiaries ("the Group"), which comprise the combined and consolidated statements of financial position as at December 31, 2024 and 2023, and the combined and consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the combined and consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying combined and consolidated financial statements present fairly, in all material respects, the combined and consolidated financial position of the Group as at December 31, 2024 and 2023, and its combined and consolidated financial performance and its combined and consolidated cash flows for the years ended December 31, 2024 and 2023 in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards).

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 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 combined and 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis.

Our opinion on the combined and 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 combined and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the combined and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Combined and Consolidated Financial Statements

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

In preparing the combined and consolidated financial statements, management is responsible for assessing the Group's 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's financial reporting process.

Auditor's Responsibilities for the Audit of the Combined and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined and 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 combined and consolidated financial statements.

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 combined and 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's 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's 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 combined and 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 combined and consolidated financial statements, including the disclosures, and whether the combined and 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
December 8, 2025

Tiernan Gold Corp.
 Combined and consolidated statements of financial position
 (Expressed in thousands of US dollars)
 As at December 31,

	Notes	2024	2023
Assets			
Current assets			
Cash and cash equivalents		\$ 11,890	\$ 43
Receivables and prepaid expenses	5	<u>52</u>	<u>15,096</u>
		11,942	15,139
Non-current assets			
Mineral property	6	<u>35,420</u>	<u>41,255</u>
Total assets		<u>\$ 47,362</u>	<u>\$ 56,394</u>
Current liabilities			
Accounts payable	7	\$ 979	\$ 3,297
Income tax payable		<u>11</u>	<u>13</u>
Total liabilities		<u>990</u>	<u>3,310</u>
Shareholder's Equity			
Share capital	9	56,839	56,839
Other reserves		(20,776)	(13,896)
Retained earnings		<u>10,309</u>	<u>10,141</u>
Total equity		<u>46,372</u>	<u>53,084</u>
Total equity and liabilities		<u>\$ 47,362</u>	<u>\$ 56,394</u>

Nature of operations and going concern (Note 1)

Basis of presentation (Note 2)

Subsequent events (Note 13)

These combined and consolidated financial statements were approved on December 5, 2025 and signed on its behalf by:

(signed) Greg McCunn
 Chief Executive Officer

December 5, 2025

See accompanying notes to the combined and consolidated financial statements.

Tiernan Gold Corp.

Combined and consolidated statements of loss and comprehensive loss

(Expressed in thousands of US dollars)

	Notes	Year ended December 31, 2024	Year ended December 31, 2023
Total administrative expenses	2	\$ <u>(276)</u>	\$ <u>(522)</u>
Loss before other (expenses)/ income and income tax		(276)	(522)
Other (expenses) income			
Interests on deposits		493	–
Bank commissions		(36)	(3)
Foreign exchange loss		<u>(2)</u>	<u>(15)</u>
Income/(loss) before income tax		179	(540)
Income tax expense	8	<u>(11)</u>	<u>(14)</u>
Net income/(loss) for the period		<u>168</u>	<u>(554)</u>
Basic and diluted (loss)/earnings per common share (expressed in U.S. dollars per share)		<u>0.00</u>	<u>(0.01)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations, net of tax		<u>(6,880)</u>	<u>(1,435)</u>
Total comprehensive (loss)/profit for the year		<u>\$ (6,712)</u>	<u>\$ (1,989)</u>

See accompanying notes to the combined and consolidated financial statements.

Tiernan Gold Corp.

Combined and consolidated statement of changes in equity

(Expressed in thousands of US dollars and number of shares)

	Notes	Number	Equity share capital	Cumulative translation adjustment	Retained earnings	Total shareholder' s equity
Total combined as at January 1, 2023		26	\$ 19	\$ (12,461)	\$ 10,695	\$ (1,747)
Total comprehensive income (loss) for the year		–	–	(1,435)	(554)	(1,989)
Share subscription	9	34	26	–	–	26
Acquisition of Andina Minerals Chile SpA	6	99,252	56,794	–	–	56,794
Total combined and consolidated as at December 31, 2023		99,312	56,839	(13,896)	10,141	53,084
Total comprehensive income (loss) for the year		–	–	(6,880)	168	(6,712)
Total combined and consolidated as at December 31, 2024		99,312	\$ 56,839	\$ (20,776)	\$ 10,309	\$ 46,372

See accompanying notes to the combined and consolidated financial statements.

Tiernan Gold Corp.

Notes to the combined and consolidated financial statements

(Expressed in thousands of US dollars and number of shares)

As at December 31, 2024 and 2023 and for the years ended December 31, 2024, and 2023

1. Nature of operations and going concern

Tiernan Gold Corp. (hereinafter 'the Company') is a corporation formed under the laws of the Province of British Columbia on March 22, 2022, and a wholly-owned indirect subsidiary of Hochschild Mining PLC, a publicly listed company trading on the London Stock Exchange. The Company's registered office is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver BC, V6C 2X8.

The Company is focused on the de-risking of the Volcan gold project. The project is located in the Atacama Region of Chile, on the Maricunga gold belt (refer to note 6).

These financial statements were approved for issue on December 5, 2025.

These combined and consolidated financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realization of assets and settlement of liabilities in the normal course of business. As at December 31, 2024, the Company had a cash balance of US\$11,890. Based on the Company's budgeted expenditures, this amount of cash is sufficient to fund the Company's obligations and operating expenses for at least twelve months from the approval date of these financial statements.

2. Basis of preparation

Statement of compliance

These combined and consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards).

Basis of presentation

On March 13, 2023, the Company entered into a share contribution agreement to acquire a 100% interest in Andina Minerals Chile SpA ('Andina') from Hochschild Mining Holdings Limited ('Hochschild Mining Holdings') with the issuance of 99,252 of its shares in favour of Hochschild Mining Holdings. Andina is the owner of the Volcan gold project, located in the Atacama Region of Chile, on the Maricunga gold belt (refer to note 6).

Hochschild Mining Holdings controlled Andina prior to the transaction with the Company and maintains control over both Andina and the Company subsequent to the transaction through its 100% ownership. Andina was transferred as part of the capital reorganization, and therefore the transaction was a common control transaction. This was treated as an asset acquisition and is also considered a common control transaction. The company's accounting policy is to record the common control asset acquisitions on the date of occurrence at the historical carrying value.

As the March 13, 2023 acquisition of Andina by the Company was a common control asset acquisition carried at historic cost, the results of operations, cash flows and statement of shareholders' equity are presented on a combined basis up to March 13, 2023 and on a consolidated basis from March 14, 2023 onwards.

To reflect this continuity of interest, these combined and consolidated financial statements provide comparative information for periods prior to the March 13, 2023 acquisition as previously reported by the Company and Andina.

The combined and consolidated financial statements have been prepared on a historical cost basis.

Tiernan Gold Corp.

Notes to the combined and consolidated financial statements

(Expressed in thousands of US dollars and number of shares)

As at December 31, 2024 and 2023 and for the years ended December 31, 2024, and 2023

Consolidation

These combined and consolidated financial statements include the financial statements of the Company and its controlled subsidiaries.

Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation. All intercompany transactions and balances have been eliminated on consolidation.

These combined and consolidated financial statements include the Company's wholly owned subsidiary, Andina. Andina was incorporated in Chile on March 30, 2004 and holds the Volcan project (Note 6). Andina's functional currency is the Chilean Peso.

3. Material accounting policy information

a) Currency translation

The functional currency of Tiernan Gold Corp, the parent company, is the United States Dollars (US\$) which reflects the underlying transactions, events and conditions that are relevant to the entity. Andina, based in Chile, has the functional currency of the primary economic environment in which it operates, that is the Chilean Peso.

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 on consolidation is included as cumulative translation adjustment in equity.

(b) Financial instruments

Financial assets and liabilities are recognised when the Company becomes party to the contracts that give rise to them and are classified as loans or borrowings, receivables, payables, financial instruments fair valued through profit and loss, available-for-sale financial assets or as derivatives designated as hedging instruments in an effective hedge as appropriate. The Company determines the classification of its financial assets and liabilities at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end. When financial assets and liabilities are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial assets not at fair value through profit or loss and borrowings, directly attributable transaction costs. The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if it is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required. All regular way purchases and sales of financial assets are recognised on the trade date, being the date that the Company commits to purchase or sell the asset. Regular way transactions require delivery and receipt of assets within the timeframe generally established by regulation or convention in the marketplace. The subsequent measurement of financial assets depends on their classification, as follows:

- Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
- Financial assets at fair value through profit and loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit and loss.

Tiernan Gold Corp.

Notes to the combined and consolidated financial statements

(Expressed in thousands of US dollars and number of shares)

As at December 31, 2024 and 2023 and for the years ended December 31, 2024, and 2023

- Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Gains or losses on financial assets held for trading are recognised in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available-for-sale. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Loans and borrowings

Borrowings are recognised initially at fair value. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

Credit Risk and Expected Credit Losses

The Company's financial assets measured at amortized cost consist primarily of cash and cash equivalents, short-term deposits and other receivables.

Cash and deposits are held with major financial institutions with high credit ratings. Accordingly, the Company considers the credit risk relating to these balances to be low and has recognized only 12-month expected credit losses, which are immaterial.

Other receivables are short-term in nature and are due from government authorities or low-risk counterparties.

The Company applies the simplified approach under IFRS 9 to measure expected credit losses using lifetime expected losses. Based on historical experience and current expectations, no loss allowance has been recorded.

The Company has not experienced any credit losses during the period.

Derecognition of financial instruments

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognised 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.
- the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Company's continuing involvement in the asset.

Tiernan Gold Corp.

Notes to the combined and consolidated financial statements

(Expressed in thousands of US dollars and number of shares)

As at December 31, 2024 and 2023 and for the years ended December 31, 2024, and 2023

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.

A financial liability is generally derecognised when the contract that gives rise to it is discharged or cancelled or expires. Where 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 a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

(c) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortized 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.

(d) 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 amortised cost. A provision for impairment of trade receivables is determined by applying the simplified approach under IFRS 9 to measure expected credit losses using lifetime expected losses.

(e) Share Capital

Equity financing transactions involve the issuance of common shares. The Company allocates the proceeds from these offerings to common share capital.

Costs directly identifiable with the raising of share capital financing are charged against share capital.

(f) Loss per share

Basic loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be antidilutive. Contingently releasable escrow common shares are excluded from the calculation of weighted average number of common shares outstanding.

(g) 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 recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Tiernan Gold Corp.

Notes to the combined and consolidated financial statements

(Expressed in thousands of US dollars and number of shares)

As at December 31, 2024 and 2023 and for the years ended December 31, 2024, and 2023

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 recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(h) Fair value measurement

The Company measures financial instruments, such as, derivatives, and non-financial assets at fair value at each statement of financial position date. Also, fair values of financial instruments are measured at amortised cost.

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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

For assets and liabilities that are recognised in the 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.

Tiernan Gold Corp.

Notes to the combined and consolidated financial statements

(Expressed in thousands of US dollars and number of shares)

As at December 31, 2024 and 2023 and for the years ended December 31, 2024, and 2023

The Company determines the policies and procedures for both recurring fair value measurement and unquoted AFS financial assets, and for non-recurring measurement.

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.

(i) Intangible assets

Water permits

Water permits represent the right that allows the holder to withdraw a specified amount of water from the ground for reasonable, beneficial use. Water permits are recognized as intangible assets when acquired and are initially measured at cost. Under Chilean law, water permits are generally granted in perpetuity, are not subject to renewal or expiry terms, and can be freely sold or transferred independently of the underlying mining concessions or land.

Management has determined that these rights have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate economic benefits. Consistent with IAS 38 Intangible Assets, intangible assets with indefinite useful lives are not amortized but are subject to annual impairment testing in accordance with IAS 36 Impairment of Assets, and more frequently when indicators of impairment exist.

The classification of water rights as indefinite life intangible assets is reviewed at each reporting date to ensure that events and circumstances continue to support an indefinite life assessment.

(j) Evaluation and exploration assets

Exploration and evaluation expenses are capitalised when there is sufficient evidence that there is a future economic benefit to the Company. All other exploration and evaluation expenses are expensed as incurred. Exploration and evaluation expenses are considered to have a future benefit to the Company when there is a high degree of confidence of the existence of economically recoverable minerals. The stage, timeline and associated risks of the project are also considered.

Evaluation and exploration assets are reclassified to mineral properties under development within property, plant and equipment once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest have been demonstrated. In making this assessment, the Company considers factors such as:

- completion of a positive feasibility study or other technical studies demonstrating economic viability;
- approval by the Board of Directors of a development plan;
- receipt (or reasonable expectation of receipt) of key permits and regulatory approvals; and
- availability of financing to fund the development phase.

Upon reclassification, the assets are tested for impairment and subsequently accounted for in accordance with IAS 16 Property, Plant and Equipment. After this point, costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management are capitalized as development expenditures.

Tiernan Gold Corp.

Notes to the combined and consolidated financial statements

(Expressed in thousands of US dollars and number of shares)

As at December 31, 2024 and 2023 and for the years ended December 31, 2024, and 2023

(k) Impairment of non-financial assets

At each reporting date, the Company assesses whether there are indicators that non-financial assets (including evaluation and exploration assets, mineral properties under development, property, plant and equipment, and intangible assets) may be impaired. If any such indication exists, or when annual impairment testing is required for assets with indefinite useful lives, the Company estimates the recoverable amount of the asset or cash-generating unit ("CGU").

The recoverable amount is the higher of:

- Fair value less costs of disposal ("FVLCD"): the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal; and
- Value in use ("VIU"): the present value of the future cash flows expected to be derived from an asset or CGU, using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

For mining assets, the determination of recoverable amount requires management to make significant estimates and assumptions, including commodity price forecasts, production volumes, operating costs, capital expenditures, rehabilitation costs, discount rates, and, where applicable, mineral reserve and resource estimates and the probability of obtaining regulatory approvals.

The Company reassesses impairment indicators and the appropriateness of key assumptions at each reporting date. Reversals of impairment losses are recognized when there has been a change in the estimates used to determine the recoverable amount.

Calculation of recoverable amount

The recoverable values are determined using a FVLCD methodology. The FVLCD of the developing stage mine assets or advanced exploration projects is determined using a discounted cash flow model or the value-in-situ methodology, which applies a realisable 'enterprise value' to unprocessed mineral resources per ounce of resources, to estimate the amount that would be paid by a willing third party in an arm's length transaction.

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 amortisation, if no impairment loss had been recognised.

(l) Mine closure cost

Provisions for mine closure costs are made in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the accounting period when the related environmental disturbance occurs. The provision is discounted and the unwinding of the discount is included in finance costs. At the time of establishing the provision, a corresponding asset is capitalized and is depreciated over future production from the mine to which it relates. The provision is reviewed on an annual basis for changes in cost estimates, discount rates and operating lives of the mines.

Changes to estimated future costs are recognized in the statement of financial position by adjusting the mine closure cost liability and the related asset originally recognized. Should the related asset be reduced to \$nil, any further adjustments would be recorded in the results of operations.

Tiernan Gold Corp.

Notes to the combined and consolidated financial statements

(Expressed in thousands of US dollars and number of shares)

As at December 31, 2024 and 2023 and for the years ended December 31, 2024, and 2023

(m) New standards, interpretations and amendments adopted

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Classification of Liabilities as Current or Non-Current – Amendments to IAS 1 Presentation of Financial Statements

The IAS 1 amendments clarify that a liability is classified as current or non-current based on whether the entity has a substantive right to defer settlement for at least 12 months after the reporting period, regardless of management's intentions or expectations.

The amendments had no impact on the Company's financial statements.

(n) Future standards not yet adopted

Presentation and Disclosure in Financial Statements (IFRS 18) - IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about b-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. Management is currently assessing the impact of these standards but is not yet able to determine the extent of any changes on future financial reporting (if any). Certain pronouncements were issued by the IASB but are not yet effective as at December 31, 2024. The Company intends to adopt these standards when they become effective but does not expect these amendments to have a material effect on its combined and consolidated financial statements.

Subsidiaries without Public Accountability: Disclosures (IFRS 19) – IFRS 19 is a voluntary disclosure standard issued by the IASB in May 2024. Its purpose is to allow eligible subsidiaries to apply reduced disclosure requirements, while continuing to use the full recognition, measurement, and presentation requirements of existing IFRS standards. The Company does not expect to be eligible to apply IFRS 19.

4. Critical accounting estimates and judgements

Some of the amounts included in the 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 financial statements. Information about such judgements and estimates is contained in the accounting policies and/or the notes to the financial statements. Significant areas of estimation uncertainty and critical judgements made by management in preparing the combined and consolidated financial statements include:

Significant estimates:

Ore reserves and resources

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.

Tiernan Gold Corp.

Notes to the combined and consolidated financial statements

(Expressed in thousands of US dollars and number of shares)

As at December 31, 2024 and 2023 and for the years ended December 31, 2024, and 2023

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 the 2012 Joint Ore Reserves Committee (JORC) code.

It is the Company's policy to have the report audited by a Competent Person.

Reserves and resources are also used in the units of production method of calculating depreciation as well as the determination of the timing of mine closure cost and impairment analysis.

Recoverable values of mining assets

The value of the Company's mining assets are 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. The Company also assesses whether indicators exist that previously impaired mining assets may have recovered in value. 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.

Income tax

Judgement is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilise recognised 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 realise the net deferred tax assets recorded at the balance sheet date could be impacted.

Critical judgements:

Determination of functional currencies

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 evaluation and exploration assets

Judgement is required in determining when there is sufficient evidence that there is a future economic benefit of an exploration project, at which point the exploration costs are capitalized. This includes an assessment of whether there is a high degree of confidence of the existence of economically recoverable minerals. The stage, timeline and associated risks of the project are also considered. The exploration and evaluation assets are then assessed for impairment when facts and circumstances suggest that the carrying amount is not recoverable.

Tiernan Gold Corp.

Notes to the combined and consolidated financial statements

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As at December 31, 2024 and 2023 and for the years ended December 31, 2024, and 2023

5. Receivables and prepaid expenses

	As at December 31, 2024	As at December 31, 2023
Current balance		
Prepays	52	96
Receivable Franco-Nevada- (Note 6(1), Volcan – US\$15MM)	–	15,000
Total current balance	<u>52</u>	<u>15,096</u>

As at December 31, 2024 and 2023, none of the financial assets classified as receivables (net of impairment) were past due.

6. Mineral property

On March 13, 2023, the Company acquired the Volcan gold project, located in the Atacama Region in Chile, on the Maricunga gold belt, from Hochschild Mining Holdings (“Hochschild”), a company under common control.

The historic cost amounts of the net identifiable assets acquired by the Company from Hochschild in the Andina transaction are as below:

	Total
Cash and cash equivalents	38
Receivables and prepaid expenses	79
Mineral property	58,515
Accounts payable	(1,822)
Income tax payable	(16)
	<u>56,794</u>

The transaction was recorded in equity as below:

	Shares	Net equity
Shares issued by the Company to acquire Andina	<u>99,252</u>	<u>56,794</u>
	<u>99,252</u>	<u>56,794</u>

The Volcan project is a gold property located approximately 700 kilometers (“km”) north of Santiago, the capital of Chile. The total area controlled comprising the Volcan project is 45,289 hectares (“ha”), corresponding to the actual property boundaries. Andina owns water rights, which have been developed in two wells located approximately 21 km from the mineral resource area and 5 km east of the northern end corner of the Volcan concessions.

The Project has a Preliminary Economic Assessment (“PEA”) with an effective date of March 15, 2023, which was recently updated by a qualified person with an effective date of July 15, 2025. The study contemplates an average of 332,000 ounces of gold production per year for the first 10 years of operations with 3.8 million ounces produced over the estimated mine life. With a large resource base including measured and indicated mineral resources of 9.8 million ounces of gold and inferred mineral resources of 1.2 million ounces of gold.

Tiernan Gold Corp.

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There are three royalty agreements which apply to the concessions of the Volcan project as follows:

- First, there is a royalty agreement from May 2004, between Andina Chile and “Sociedad Legal Minera Volcan Una de la Sierra del Volcan Copiapó y Otras” (a consortium of local individuals) for: nil on the first 2 million ounces (Moz) of gold production; US\$5 for each ounce (oz) of gold produced after the first 2 Moz and up to the 4 millionth ounce; and 1% of the Net Smelter Return (NSR) on gold production from the Mining Concessions above 4 millionth ounce.
- Second, Barrick retained a 1.5% NSR royalty on all metals produced from the exploration concessions acquired from Barrick in 2009, should they be developed. This Barrick royalty is now owned by Franco-Nevada. The PEA does not contemplate any production from these exploration royalty concessions, and there are currently no known mineral resources stated on Volcan that are subject to this royalty.
- Third, in July 2023, Franco-Nevada purchased a 1.5% NSR on all gold and copper production from Volcan concessions for US\$15M (refer to (1) below).

	Exploration and evaluation assets	Water rights	Total
Combined as at January 1, 2023	45,134	11,559	56,693
Additions	996	–	996
Proceeds received for Franco-Nevada royalty (1)	(15,000)	–	(15,000)
Foreign exchange effect	(1,154)	(280)	(1,434)
Consolidated as at December 31, 2023	29,976	11,279	41,255
Additions	1,073	–	1,073
Foreign exchange effect	(5,557)	(1,351)	(6,908)
Consolidated as at December 31, 2024	25,492	9,928	35,420

(1) In July 2023, the Company executed an agreement for a \$15 million financing with the sale of a 1.5% NSR royalty on Volcan project to Franco-Nevada for 120 years. Franco-Nevada holds an option to acquire a further 1% royalty on Volcan at the time of a board- approved construction based on a feasibility study and agreed-upon commodity prices determined on the date the other conditions are satisfied for the additional royalty. The mining properties of Volcan are held as security for the royalty in favour of Franco-Nevada. Funds can be utilized for advancing the project and business expenses for the Company. Management concluded that the NSR agreement with Franco-Nevada does not give rise to an obligation as of December 31, 2023, and therefore, no liability should be recognized. The \$15 million for the 1.5% royalty granted to Franco-Nevada has been recognized as a receivable and a reduction in Exploration and Evaluation (“E&E”) assets in the 2023 combined and consolidated financial statements. The \$15 million cash was received in 2024.

The additions are as follows:

	2024	2023
Personnel expenses	81	24
Third party services	148	403
Taxes and contributions	–	100
Concessions	812	431
Other	32	38
Total	1,073	996

Tiernan Gold Corp.

Notes to the combined and consolidated financial statements

(Expressed in thousands of US dollars and number of shares)

As at December 31, 2024 and 2023 and for the years ended December 31, 2024, and 2023

7. Accounts payable

	As at December 31, 2024	As at December 31, 2023
Trade payables	76	96
Taxes and contributions	13	14
Salaries and wages payable	10	3
Accounts payable to related parties (note 12)	880	3,184
Total	<u>979</u>	<u>3,297</u>

8. Income tax

	Year ended December 31, 2024	Year ended December 31, 2024
Income/ (loss) before income taxes	179	(540)
Expected income tax	50	(143)
Non-recognized losses (utilization of prior tax losses)	(50)	143
Chilean income tax on donations	(11)	(14)
Income tax charge	<u>(11)</u>	<u>(14)</u>

The significant components of the Company's deferred income tax assets as at December 31, are as follows:

	As at December 31, 2024	As at December 31, 2023
Volcan project	7,395	7,850
Tax loss carryforward	1,043	1,093
Unrecognized deferred income tax assets	<u>(8,438)</u>	<u>(8,943)</u>
Net deferred tax assets	-	-

The Company has not recognized any deferred income tax assets or liabilities as at December 31, 2024 (2023: nil).

The weighted average statutory income tax rate was 27.7% for 2024 and 26.5% for 2023.

9. Equity

Authorized

Unlimited common shares without par value. Common shares carry equal rights with respect to voting, dividends, and repayment of capital. Holders of common shares are entitled to one vote per share at meetings of the Company. There are no preferences, conversion rights, or restrictions attached to this class of share.

Share issuances

During the year ended December 31, 2024, the Company did not issue any shares.

Tiernan Gold Corp.

Notes to the combined and consolidated financial statements

(Expressed in thousands of US dollars and number of shares)

As at December 31, 2024 and 2023 and for the years ended December 31, 2024, and 2023

During the year ended December 31, 2023, the Company:

- Issued 2,282 common shares on July 10, 2023 for cash consideration of \$2.
- Issued 99,252 common shares on March 13, 2023 following the share subscription agreement signed with its parent company to receive the Andina Minerals Chile SpA shares, amounting to \$56,794.
- Issued 16,298 common shares on May 24, 2023 for cash consideration of \$12.
- Issued 15,792 common shares on June 22, 2023. For cash consideration of \$12.

10. Management of capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

There were no changes to the Company's approach to capital management during the years ended December 31, 2024 and 2023.

11. Financial instruments

For financial instruments held by the Company, management classifies cash and cash equivalents as FVTPL and receivables and accounts payable as amortized cost.

a) Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

As at December 31, 2024 and 2023, the Company believes that the carrying values of receivables and accounts payable approximate their fair values because of their nature and relatively short maturity dates or durations.

The fair value of cash and cash equivalents is based on level 1 inputs of the fair value hierarchy.

b) Management of risks arising from financial instruments

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash and cash equivalents is held with reputable Canadian, American and Chilean banks. The credit risk related to cash and cash equivalents is considered minimal.

Tiernan Gold Corp.

Notes to the combined and consolidated financial statements

(Expressed in thousands of US dollars and number of shares)

As at December 31, 2024 and 2023 and for the years ended December 31, 2024, and 2023

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

Currency risk

The international nature of the Company's operations results in foreign exchange risk. The Company's operating costs are primarily in US dollars. Any fluctuations of the US dollar in relation to these currencies may affect the profitability of the Company and the value of the Company's assets and liabilities. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

12. Related-party balances and transactions

The Company had the following related-party balances and transactions during the years ended December 31, 2024 and 2023. The related parties are companies owned or controlled by the main shareholder of the parent Company.

	Account Payables	
	December 31, 2024	December 31, 2023
Current related party balances		
Minera Hochschild Chile SCM	118	1,394
Compañía Minera Ares S.A.C.	2	140
Hochschild Mining Holdings Ltd.	760	1,650
Total	880	3,184

As at December 31, 2024 and 2023, all amounts owing to related parties were unsecured and non-interest bearing.

Principal transactions with related parties are as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Expense recognized for the services performed by Compañía Minera Ares S.A.C.	–	(2)

Tiernan Gold Corp.

Notes to the combined and consolidated financial statements

(Expressed in thousands of US dollars and number of shares)

As at December 31, 2024 and 2023 and for the years ended December 31, 2024, and 2023

Related parties are as follows:

	Relationship	Country
Hochschild Mining PLC	Ultimate Parent	United Kingdom
Hochschild Mining Holdings Ltd	Parent	United Kingdom
Compañía Minera Ares S.A.C.	Common owners	Perú
Minera Hochschild Chile SCM	Common owners	Chile

Key management includes directors and officers of the Company. Compensation for key management personnel are as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Short-term benefits	149	413

13. Subsequent events

On November 7, 2025, Tiernan Gold Corp. (the "Company" or "Tiernan") entered into an amended and restated definitive agreement with Railtown Capital Corp. ("Railtown"), a capital pool company listed on the TSX Venture Exchange ("TSXV"), and 1559261 B.C. Ltd., pursuant to which the parties expect to complete a business combination by way of a three-cornered amalgamation that will result in Railtown acquiring all of the issued and outstanding securities of the Company in exchange for securities of Railtown. This transaction will constitute a reverse takeover of Railtown by the Company (the "RTO"), as shareholders of the Company will hold the majority of the shares in the resulting entity, and the controlling party of the Company will appoint the majority of the board seats of such entity.

As part of the transaction, Tiernan will consolidate its issued and outstanding common shares on the basis of 1 post-consolidation common share for approximately every 2.68 pre-consolidation common shares. As a result, Tiernan's 99,312 pre-consolidation common shares will be consolidated into approximately 37,000 post-consolidation common shares.

Following completion of the RTO, the resulting issuer ("Resulting Issuer") will meet the initial listing requirements of the TSXV as a Tier 1 company in the mining industry. The transaction is expected to close before year-end.

On November 18, 2025, the Company announced the closing of a private placement (the "Offering") of subscription receipts ("Subscription Receipts"). Each Subscription Receipt, priced at C\$5.00, consists of one common share ("Subscription Receipt Share") and one-half of a common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable to acquire one common share of the Company at a price of C\$6.50 for a period of twenty-four months following the closing of the Offering.

Upon completion of the RTO, the Subscription Receipts will automatically convert into shares and warrants of the Resulting Issuer. The Offering comprises: (i) new shares issued by the Company under a treasury offering (the "Treasury Offering"), and (ii) existing shares held by Hochschild under a secondary offering (the "Secondary Offering"). The accompanying Warrants from both the Treasury Offering and the Secondary Offering will be newly issued by the Company.

The Offering raised total gross proceeds of C\$58.4 million, consisting of C\$40.0 million from the Treasury Offering and C\$18.4 million from the Secondary Offering. The total includes C\$3.4 million resulting from a partial exercise by the agents of their option to increase the size of the Secondary Offering by up to C\$10.0 million up to 48 hours before closing. Gross proceeds to the Company amount to C\$41.9 million, including C\$40.0 million from the Treasury Offering and C\$1.9 million from the issuance of warrants related to the Secondary Offering.

The Offering was conducted in connection with, and as a condition to the closing of, the RTO.

Condensed Consolidated Interim Financial Statements

(Unaudited- Expressed in US Dollars)

TIERNAN GOLD CORP.

As at September 30, 2025 and December 31, 2024, and for the three and nine-month periods
ended September 30, 2025 and 2024

Tiernan Gold Corp.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
(Expressed in thousands of US dollars)

	Notes	As at September 30, 2025	As at December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		\$ 10,814	\$ 11,890
Receivables and prepaid expenses		53	52
		<u>10,867</u>	<u>11,942</u>
Non-current assets			
Mineral property	4	70,133	35,420
Total assets		<u>\$ 81,000</u>	<u>\$ 47,362</u>
Current liabilities			
Accounts payable	5	\$ 1,497	\$ 979
Income tax payable		5	11
Total liabilities		<u>1,502</u>	<u>990</u>
Shareholder's Equity			
Share capital	7	56,839	56,839
Other reserves		(19,403)	(20,776)
Retained earnings		42,062	10,309
Total equity		<u>79,498</u>	<u>46,372</u>
Total equity and liabilities		<u>\$ 81,000</u>	<u>\$ 47,362</u>

Nature of operations and going concern (Note 1)

Basis of presentation (Note 2)

Subsequent events (Note 10)

These condensed consolidated interim financial statements were approved on December 5, 2025 and signed on its behalf by:

(signed) Greg McCunn,
Chief Executive Officer

December 5, 2025

See accompanying notes to the condensed consolidated interim financial statements.

Tiernan Gold Corp.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited)
(Expressed in thousands of US dollars)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2025	2024	2025	2024
Total administrative expenses		\$ (188)	\$ (61)	\$ (405)	\$ (200)
Loss before other (expenses)/ income and income tax		(188)	(61)	(405)	(200)
Other (expenses) income					
Interests on deposits		110	146	341	354
Bank commissions		(5)	(5)	(15)	(31)
Foreign exchange loss		-	-	(4)	(1)
Impairment reversal	4	-	-	31,844	-
Income before income tax		(83)	80	31,761	122
Income tax expense	6	(3)	(3)	(8)	(8)
Net income for the period		(86)	77	31,753	114
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translating foreign operations, net of tax		(2,164)	2,758	1,373	(1,201)
Total comprehensive profit/(loss) for the period		\$ (2,250)	\$ 2,835	\$ 33,126	\$ (1,087)
Basic and diluted earnings per common share (expressed in U.S. dollars per share)		0.00	0.00	0.32	0.00

See accompanying notes to the condensed consolidated interim financial statements.

Tiernan Gold Corp.
Condensed Consolidated Interim Statement of Changes in Equity
(Unaudited)
(Expressed in thousands of US dollars and number of shares)

	Number	Equity share capital	Cumulative translation adjustment	Retained earnings	Total shareholder's equity
Total combined and consolidated as at January 1, 2024	99,312	\$ 56,839	\$ (13,896)	\$ 10,141	\$ 53,084
Total comprehensive income/(loss) for the period	-	-	(1,201)	114	(1,087)
Total condensed consolidated as at September 30, 2024	99,312	56,839	(15,097)	10,255	51,997
Total combined and consolidated as at January 1, 2025	99,312	56,839	(20,776)	10,309	46,372
Total comprehensive income for the period	-	-	1,373	31,753	33,126
Total condensed consolidated as at September 30, 2025	99,312	\$ 56,839	\$ (19,403)	\$ 42,062	\$ 79,498

See accompanying notes to the condensed consolidated interim financial statements.

Tiernan Gold Corp.
Condensed Consolidated Interim Statement of Cash Flows
(Unaudited)
(Expressed in thousands of US dollars)

		Nine months ended September 30,	
	Notes	2025	2024
Cash flows from operating activities			
Net income for the period		\$ 31,753	\$ 114
Items not involving cash:			
Impairment reversal		(31,844)	-
Finance costs		15	31
Income tax expense		8	8
Non-cash operating working capital items			
Receivable and prepaid expenses		(1)	24
Accounts payable		467	(2,457)
Income tax paid		(11)	(14)
Net cash generated from/(used in) operating activities		<u>387</u>	<u>(2,294)</u>
Cash flows (used in)/generated from investing activities			
Evaluation and exploration expenses		(1,463)	(829)
Royalty financing agreement		-	15,000
		<u>(1,463)</u>	<u>14,171</u>
		(1,076)	11,877
Net increase/(decrease) in cash and cash equivalents during the period		11,890	43
Cash and cash equivalents at beginning of period		<u>11,890</u>	<u>43</u>
Cash and cash equivalents at end of period		<u>\$ 10,814</u>	<u>\$ 11,920</u>

See accompanying notes to the condensed consolidated interim financial statements.

Tiernan Gold Corp.
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in thousands of US dollars)

As at September 30, 2025 and December 31, 2024,
and for the three and nine-month periods ended September 30, 2025 and 2024

1. Nature of operations and going concern

Tiernan Gold Corp. (hereinafter 'the Company') is a corporation formed under the laws of the Province of British Columbia on March 22, 2022, and a wholly-owned indirect subsidiary of Hochschild Mining PLC, a publicly listed company trading on the London Stock Exchange. The Company's registered office is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver BC, V6C 2X8.

The Company is focused on advancing its 100%-owned Volcan gold project. The project is located in the Atacama Region of Chile, on the Maricunga gold belt (refer to note 4).

These financial statements were approved for issue on December 5, 2025.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realization of assets and settlement of liabilities in the normal course of business. As at September 30, 2025, the Company had a cash balance of US\$10,814. Based on the Company's budgeted expenditures, this amount of cash is sufficient to fund the Company's obligations and operating expenses for at least twelve months from the approval date of these financial statements.

2. Basis of preparation

These financial statements of the Company have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively, IFRS Accounting Standards). These financial statements comply with International Accounting Standard ("IAS") 34 Interim Financial Reporting.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS Accounting Standards for annual consolidated financial statements, and therefore, should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2024 (the 2024 Annual Financial Statements).

3. Material accounting policy information

a) Changes in accounting policies

The accounting policies applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in the 2024 Annual Financial Statements with the exception of the mandatory adoption of certain amendments noted below: Effective January 1, 2025, the Company adopted the Amendment to IAS 21 - Lack of Exchangeability. The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not, as well as associated disclosure requirements when it is concluded a currency is not exchangeable. The adoption of this amendment had no impact on the Interim Financial Statements.

b) Critical accounting estimates and judgments and estimates

In preparing the Company's Interim Financial Statements for the three and nine months ended September 30, 2025, the Company applied the critical judgments and estimates disclosed in Note 4 of its 2024 Annual Financial Statements.

Recoverable values of mining assets

The FVLCD of advanced exploration projects is determined using the value-in-situ methodology. The in-situ value is based on a comparable company analysis and applies a realizable 'enterprise value' to unprocessed mineral resources per ounce

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of resources, 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. The in-situ value is based on a comparable company analysis. Changes in these assumptions will affect the recoverable amount of the mineral property.

4. Mineral property

On March 13, 2023, the Company acquired the Volcan gold project, located in the Atacama Region in Chile, on the Maricunga gold belt, from Hochschild Mining Holdings ("Hochschild"), a company under common control.

The Volcan project is a gold property located approximately 700 kilometers ("km") north of Santiago, the capital of Chile. The total area controlled comprising the Volcan project is 45,289 hectares ("ha"), corresponding to the actual property boundaries. Andina owns water rights, which have been developed in two wells located approximately 21 km from the mineral resource area and 5 km east of the northern end corner of the Volcan concessions.

The Project has a Preliminary Economic Assessment ("PEA") with an effective date of March 15, 2023, which was recently updated by a qualified person with an effective date of July 15, 2025. The study contemplates an average of 332,000 ounces of gold production per year for the first 10 years of operations with 3.8 million ounces produced over the estimated mine life. With a large resource base including measured and indicated mineral resources of 9.8 million ounces of gold and inferred mineral resources of 1.2 million ounces of gold.

There are three royalty agreements which apply to the concessions of the Volcan project as follows:

- First, there is a royalty agreement from May 2004, between Andina Chile and "Sociedad Legal Minera Volcan Una de la Sierra del Volcan Copiapó y Otras" (a consortium of local individuals) for: \$nil on the first 2 million ounces (Moz) of gold production; US\$5 for each ounce (oz) of gold produced after the first 2 Moz and up to the 4 millionth ounce; and 1% of the Net Smelter Return (NSR) on gold production from the Mining Concessions above 4 millionth ounce.
- Second, Compañía Minera Barrick Chile Limitada retained a 1.5% NSR royalty on all metals produced from the exploration concessions acquired from Barrick in 2009, should they be developed. This Barrick royalty is now owned by Franco-Nevada Corporation. The PEA does not contemplate any production from these exploration royalty concessions, and there are currently no known mineral resources stated on Volcan that are subject to this royalty.
- Third, in July 2023, Franco-Nevada purchased a 1.5% NSR on all gold and copper production from Volcan concessions for US\$15M.

	Exploration and evaluation assets	Water rights	Total
Consolidated as at January 1, 2024	29,976	11,279	41,255
Additions	1,073	-	1,073
Foreign exchange effect	(5,557)	(1,351)	(6,908)
Consolidated as at December 31, 2024	25,492	9,928	35,420
Additions	1,463	-	1,463
Foreign exchange effect	1,152	254	1,406
Impairment reversal (1)	23,446	8,398	31,844
Consolidated as at September 30, 2025	51,553	18,580	70,133

(1) In June 2025, management determined that there was a trigger of reversal of impairment in the Volcan project due to the increase in long-term gold prices. The recoverable value of the Volcan project was determined using a FVLCD

Tiernan Gold Corp.
Notes to the Condensed Consolidated Interim Financial Statements
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(Expressed in thousands of US dollars)

As at September 30, 2025 and December 31, 2024,
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methodology. As of June 30, 2024 the Company used a value in-situ methodology, which applies a realizable 'enterprise value' to unprocessed mineral resources per ounce of resources.

The enterprise value used in the calculation performed as at June 30, 2025 was a risk adjusted value per in-situ gold equivalent ounce of US\$6.57 (2024: US\$3.48). The impairment test resulted in a reversal of impairment of \$31,844 (US\$23,446 in evaluation and exploration assets and US\$8,398 in water rights). The remaining accumulated impairment loss that could be reversed in the Volcan project amounts to \$5,728.

The carrying amount of the Volcan CGU, which includes the water permits, is reviewed annually, or where there are indicators, to determine whether it is in excess of its recoverable amount.

Sensitivity Analysis

Other than as disclosed below, management believes that no reasonably possible change in any of the key assumptions above would cause the carrying value to exceed its recoverable amount. A change in the value in situ assumption could cause an impairment loss or reversal of impairment to be recognized as follows:

	US\$000
Value in situ per gold equivalent ounce (10% decrease)	(7,205)
Value in situ per gold equivalent ounce (10% increase)	5,728

The additions are as follows:

	Nine months ended September 30, 2025	Year ended December 31, 2024
Personnel expenses	46	81
Third party services	427	148
Concessions	905	812
Other	85	32
Total	<u>1,463</u>	<u>1,073</u>

5. Accounts payable

	As at September 30, 2025	As at December 31, 2024
Trade payables	175	76
Taxes and contributions	14	13
Salaries and wages payable	10	10

Tiernan Gold Corp.
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(Unaudited)
(Expressed in thousands of US dollars)

As at September 30, 2025 and December 31, 2024,
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Accounts payable to related parties (note 9)	1,298	880
Total	<u>1,497</u>	<u>979</u>

6. Income tax

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Income before income taxes	(83)	80	31,761	122
Expected income tax	(21)	22	8,503	34
Non-recognized losses (utilization of prior tax losses)	21	(22)	20	(34)
Non taxable income: reversal of impairment	-	-	(8,523)	-
Chilean income tax on donations	(3)	(3)	(8)	(8)
Income tax charge	<u>(3)</u>	<u>(3)</u>	<u>(8)</u>	<u>(8)</u>

The significant components of the Company's deferred income tax assets are as follows:

	As at September 30, 2025	As at December 31, 2024
Volcan project	3,102	7,395
Tax loss carryforward	1,080	1,043
Unrecognized deferred income tax asset	<u>(4,182)</u>	<u>(8,438)</u>
Net deferred tax	-	-

The Company has not recognized any deferred income tax assets or liabilities as at September 30, 2025 (2024: nil).

The weighted average statutory income tax rate was 26.8% for the nine-month period ended September 30, 2025 and 27.7% for the year ended December 31, 2024.

7. Equity

Authorized

Unlimited common shares without par value. Common shares carry equal rights with respect to voting, dividends, and repayment of capital. Holders of common shares are entitled to one vote per share at meetings of the Company. There are no preferences, conversion rights, or restrictions attached to this class of share.

Share issuances

During the nine-month period ended September 30, 2025, the Company did not issue any shares.

Tiernan Gold Corp.
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(Expressed in thousands of US dollars)

As at September 30, 2025 and December 31, 2024,
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During the year ended December 31, 2024, the Company did not issue any shares.

Tiernan Gold Corp.
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in thousands of US dollars)

As at September 30, 2025 and December 31, 2024,
and for the three and nine-month periods ended September 30, 2025 and 2024

8. Financial instruments

For financial instruments held by the Company, management classifies cash and cash equivalents as FVTPL and receivables and accounts payable as amortized cost.

a) Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

As at September 30, 2025 and December 31, 2024, the Company believes that the carrying values of receivables and accounts payable approximate their fair values because of their nature and relatively short maturity dates or durations.

The fair value of cash and cash equivalents is based on level 1 inputs of the fair value hierarchy.

b) Management of risks arising from financial instruments

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash and cash equivalents is held with reputable Canadian, American and Chilean banks. The credit risk related to cash and cash equivalents is considered minimal.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

Currency risk

The international nature of the Company's operations results in foreign exchange risk. The Company's operating costs are primarily in US dollars. Any fluctuations of the US dollar in relation to these currencies may affect the profitability of the Company and the value of the Company's assets and liabilities. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

9. Related-party balances and transactions

Tiernan Gold Corp.
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)

(Expressed in thousands of US dollars)

As at September 30, 2025 and December 31, 2024,
and for the three and nine-month periods ended September 30, 2025 and 2024

The Company had the following related-party balances and transactions during the nine-month period ended September 30, 2025 and the year ended December 31, 2024.

The related parties are companies owned or controlled by the main shareholder of the parent Company.

	Account Payables	
	September 30, 2025	December 31, 2024
Current related party balances		
Minera Hochschild Chile SCM	236	118
Compañía Minera Ares S.A.C.	2	2
Hochschild Mining Holdings Ltd.	1,060	760
Total	1,298	880

As at September 30, 2025 and December 31, 2024, all amounts owing to related parties were unsecured, non-interest bearing and due on demand.

The Company did not recognize any related party transactions in the income statement for the three and nine months ended September 30, 2025 and 2024.

Related parties are as follows:

	Relationship	Country
Hochschild Mining PLC	Ultimate Parent	United Kingdom
Hochschild Mining Holdings Ltd	Parent	United Kingdom
Compañía Minera Ares S.A.C.	Common owners	Perú
Minera Hochschild Chile SCM	Common owners	Chile

Key management includes directors and officers of the Company. Compensation for key management personnel are as follows:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Short-term benefits	35	39	105	116

10. Subsequent events

On November 7, 2025, Tiernan Gold Corp. (the “Company” or “Tiernan”) entered into an amended and restated definitive agreement with Railtown Capital Corp. (“Railtown”), a capital pool company listed on the TSX Venture Exchange (“TSXV”), and 1559261 B.C. Ltd., pursuant to which the parties expect to complete a business combination by way of a three-cornered amalgamation that will result in Railtown acquiring all of the issued and outstanding securities of the Company in exchange

Tiernan Gold Corp.
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)

(Expressed in thousands of US dollars)

As at September 30, 2025 and December 31, 2024,
and for the three and nine-month periods ended September 30, 2025 and 2024

for securities of Railtown. This transaction will constitute a reverse takeover of Railtown by the Company (the "RTO"), as shareholders of the Company will hold the majority of the shares in the resulting entity, and the controlling party of the Company will appoint the majority of the board seats of such entity.

As part of the transaction, Tiernan will consolidate its issued and outstanding common shares on the basis of 1 post-consolidation common share for approximately every 2.68 pre-consolidation common shares. As a result, Tiernan's 99,312 pre-consolidation common shares will be consolidated into approximately 37,000 post-consolidation common shares.

Following completion of the RTO, the resulting issuer ("Resulting Issuer") will meet the initial listing requirements of the TSXV as a Tier 1 company in the mining industry. The transaction is expected to close before year-end.

On November 18, 2025, the Company announced the closing of a private placement (the "Offering") of subscription receipts ("Subscription Receipts"). Each Subscription Receipt, priced at C\$5.00, consists of one common share ("Subscription Receipt Share") and one-half of a common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable to acquire one common share of the Company at a price of C\$6.50 for a period of twenty-four months following the closing of the Offering.

Upon completion of the RTO, the Subscription Receipts will automatically convert into shares and warrants of the Resulting Issuer. The Offering comprises: (i) new shares issued by the Company under a treasury offering (the "Treasury Offering"), and (ii) existing shares held by Hochschild under a secondary offering (the "Secondary Offering"). The accompanying Warrants from both the Treasury Offering and the Secondary Offering will be newly issued by the Company.

The Offering raised total gross proceeds of C\$58.4 million, consisting of C\$40.0 million from the Treasury Offering and C\$18.4 million from the Secondary Offering. The total includes C\$3.4 million resulting from a partial exercise by the agents of their option to increase the size of the Secondary Offering by up to C\$10.0 million up to 48 hours before closing. Gross proceeds to the Company amount to C\$41.9 million, including C\$40.0 million from the Treasury Offering and C\$1.9 million from the issuance of warrants related to the Secondary Offering.

The Offering was conducted in connection with, and as a condition to the closing of, the RTO.

APPENDIX B – MANAGEMENT’S DISCUSSION AND ANALYSIS OF TIERNAN

Enclosed is the management’s discussion and analysis of Tiernan for:

- (a) the years ended December 31, 2024 and 2023; and
- (b) the three and nine month periods ended September 30, 2025 and 2024.

TIERNAN GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2024 and 2023

(Stated in US dollars)

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

1. General

The following Management's Discussion & Analysis ("MD&A") of Tiernan Gold Corp. (the "Company" or "Tiernan") should be read in conjunction with the audited condensed consolidated financial statements of Tiernan for the years ended December 31, 2024 and 2023, and the notes thereto. The Company's consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively IFRS Accounting Standards). Unless otherwise stated, all amounts discussed herein are denominated in US dollars. This MD&A was prepared as of December 5, 2025, and all information is current as of that date.

2. Description of Business

The Company is a corporation formed under the laws of the Province of British Columbia on March 22, 2022, and a wholly-owned indirect subsidiary of Hochschild Mining PLC ("Hochschild"), a publicly listed company trading on the London Stock Exchange. The Company is focused on advancing its 100%-owned Volcan gold project ("Volcan Project"), located in the Atacama Region of Chile, on the Maricunga gold belt.

The Volcan Project is a gold property located approximately 700 kilometers ("km") north of Santiago, the capital of Chile. The total area controlled comprising the Volcan Project is 45,289 hectares ("ha"), corresponding to the actual property boundaries. Andina owns water rights, which have been developed in two wells located approximately 21 km from the mineral resource area and 5 km east of the northern end corner of the Volcan concessions.

3. Highlights and Proposed Transactions

Volcan Project

a) Franco-Nevada Royalty

In July 2023, the Company executed an agreement for a \$15 million financing with the sale of a 1.5% NSR royalty on the Volcan Project to a subsidiary of Franco Nevada Corporation (Franco-Nevada) for 120 years. Franco-Nevada holds an option to acquire a further 1% royalty on Volcan at the time of a board-approved construction based on a feasibility study and agreed-upon commodity prices determined on the date the other conditions are satisfied for the additional royalty. The mining properties of Volcan are held as security for the royalty in favour of Franco-Nevada. The \$15 million cash was received in February 2024, and funds are being utilized for advancing the project and business expenses for the Company.

b) Updated Preliminary Economic Assessment ("PEA")

An updated PEA for the Volcan Project, effective July 15, 2025, was prepared by Ausenco Chile Limitada. The study incorporates the sale of the 1.5% NSR royalty to Franco-Nevada and reflects updated capital and operating costs, metal pricing, and the new Chilean mining tax regime implemented in January 2024.

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

Key highlights from the PEA include:

- **Production:** Average annual gold production of 332,000 ounces for the first 10 years, totaling 3.8 million ounces over the estimated 14-year mine life.
- **Mineral Resources:** Measured and indicated resources of 9.8 million ounces of gold, with inferred resources of 1.2 million ounces.
- **Capital Costs:** Initial capital expenditures of \$1.02 billion and sustaining capital of \$320 million, totaling \$1.34 billion over the life of the project.
- **Operating Costs:** All-in sustaining costs (AISC), a non-IFRS measure, of \$1,094 per ounce of gold sold.
- **Economic Metrics:** After-tax net present value (NPV) at a 5% discount rate of \$1.51 billion, internal rate of return (IRR) of 28.7%, and a payback period of 2.6 years.

The PEA supports the continued advancement of the Volcan Project, including permitting, detailed engineering, and potential feasibility study advancement.

Reverse Takeover Transaction ("RTO")

On November 7, 2025, Tiernan Gold Corp. (the "Company" or "Tiernan") entered into an amended and restated definitive agreement with Railtown Capital Corp. ("Railtown"), a capital pool company listed on the TSX Venture Exchange ("TSXV"), and 1559261 B.C. Ltd., pursuant to which the parties expect to complete a business combination by way of a three-cornered amalgamation that will result in Railtown acquiring all of the issued and outstanding securities of the Company in exchange for securities of Railtown. This transaction will constitute a reverse takeover of Railtown by the Company (the "RTO"), as shareholders of the Company will hold the majority of the shares in the resulting entity, and the controlling party of the Company will appoint the majority of the board seats of such entity.

As part of the transaction, Tiernan will consolidate its issued and outstanding common shares on the basis of 1 post-consolidation common share for approximately every 2.68 pre-consolidation common shares. As a result, Tiernan's 99,312,155 pre-consolidation common shares will be consolidated into approximately 37,000,000 post-consolidation common shares.

Following completion of the RTO, the resulting issuer ("Resulting Issuer") will meet the initial listing requirements of the TSXV as a Tier 1 company in the mining industry. The transaction is expected to close before year-end.

Private Placement

On November 18, 2025, the Company announced the closing of a private placement (the "Offering") of subscription receipts ("Subscription Receipts"). Each Subscription Receipt, priced at C\$5.00, consists of one common share ("Subscription Receipt Share") and one-half of a common share purchase warrant

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

(each whole warrant, a "Warrant"). Each Warrant is exercisable to acquire one common share of the Company at a price of C\$6.50 for a period of twenty-four months following the closing of the Offering.

Upon completion of the RTO, the Subscription Receipts will automatically convert into shares and warrants of the Resulting Issuer. The Offering comprises: (i) new shares issued by the Company under a treasury offering (the "Treasury Offering"), and (ii) existing shares held by Hochschild under a secondary offering (the "Secondary Offering"). The accompanying Warrants from both the Treasury Offering and the Secondary Offering will be newly issued by the Company.

The Offering raised total gross proceeds of C\$58.4 million, consisting of C\$40.0 million from the Treasury Offering and C\$18.4 million from the Secondary Offering. The total includes C\$3.4 million resulting from a partial exercise by the agents of their option to increase the size of the Secondary Offering by up to C\$10.0 million up to 48 hours before closing. Gross proceeds to the Company amount to C\$41.9 million, including C\$40.0 million from the Treasury Offering and C\$1.9 million from the issuance of warrants related to the Secondary Offering.

The Offering was conducted in connection with, and as a condition to the closing of, the RTO.

Agents' fees will amount to 6% of the gross proceeds raised in the Offering (other than subscriptions from the President's List of the Company to a maximum of up to C\$7.0 million and purchases by a US accredited investor of C\$1.1 million), and will be paid by the Company.

Other than the matters discussed above, the Company has no material proposed transactions that are expected to have a material effect on its financial position or results of operations as of the date of this MD&A.

4. Selected Annual Information

The following is a summary of selected audited financial information of the Company for the years ended December 31, 2024 and 2023.

(In thousands of US dollars)	December 31,	
	2024	2023
Revenues	-	-
Net income/(loss) for the period	168	(554)
Earnings/(loss) per share (basic and diluted) (US dollars per share)	0.00	(0.01)
Total comprehensive profit/(loss) for the period	(6,712)	(1,989)
Total assets	47,362	56,394
Total liabilities	990	3,310

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

5. Summary of Quarterly Results (unaudited)

The following table sets out selected quarterly financial data for the most recently completed interim quarters:

(In thousands of US dollars)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Revenues	-	-	-	-	-	-	-	-
Net income/(loss) for the period	(8)	(356)	(80)	(110)	(19)	56	77	54
Earnings/(loss) per share (basic and diluted) (US dollars per share)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00	0.00	0.00
Total comprehensive profit/(loss) for the period	4,664	(1,222)	(6,471)	1,040	(5,989)	2,067	2,835	(5,625)

(In thousands of US dollars)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Total assets	62,520	61,713	55,278	56,394	47,745	49,864	52,847	47,362
Total liabilities	2,807	3,198	3,234	3,310	650	702	850	990

6. Results of Operations

Three months and year ended December 31, 2024

During the three months and year ended December 31, 2024, the Company reported a net income of \$54,000 and \$168,000, respectively (2023 – net loss of \$110,000 and \$554,000, respectively). The most significant items were as follows:

Interest income: during the three months and year ended December 31, 2024, the Company generated interests on deposits of \$139,000 and \$493,000, respectively (2023 - \$nil) on the \$15 million cash received in early 2024 from the sale of a 1.5% NSR royalty on the Volcan Project to Franco-Nevada.

Administrative expenses: during the three months and year ended December 31, 2024, the Company incurred administrative expenses of \$76,000 and \$276,000, respectively (2023 - \$106,000 and \$522,000, respectively). Administrative expenses include salaries, bonuses, professional fees, and other corporate expenses.

Exchange differences on translating foreign operations, net of tax: comprehensive profit/(loss) for the period includes the impact of exchange differences on translating foreign operations to the reporting currency, resulting in a loss of \$5,679,000, and \$6,880,000 for three months and year ended December 31, 2024, respectively (2023 – a gain of \$1,150,000 and a loss of \$1,435,000, respectively).

The decrease in total assets as of December 31, 2024, compared to December 31, 2023, is primarily due to a reduction in the carrying value of the Volcan mining property, driven by a foreign exchange loss of \$6,908,000 from translating its value from Chilean Pesos into U.S. dollars (the reporting currency), and by the settlement of accounts payable to related parties totaling \$2,304,000.

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

7. Liquidity

As of December 31, 2024, the Company had cash and cash equivalents of \$11,890,000 (compared to \$43,000 as of December 31, 2023) and a working capital deficit of \$938,000 (compared to working capital of \$11,786,000 as of December 31, 2023). The increase in cash primarily reflects the collection of the account receivable from Franco-Nevada in connection with the royalty sale, as discussed in the "Highlights and Proposed Transactions" section. This effect was partially offset by the settlement of accounts payable to related parties of \$2,304,000, payments for recurring administrative and third-party services, and expenditures related to maintaining the Company's mineral concessions. Based on the Company's budgeted expenditures, the cash balance is sufficient to fund its obligations and operating expenses for at least the next twelve months.

Operating Activities

During the year ended December 31, 2024, the Company had cash outflows of \$2,080,000, compared to cash generated of \$1,003,000 in 2023. The decrease in cash generation primarily reflects the settlement of \$2,304,000 in accounts payable to related parties that were outstanding as of December 31, 2023 (compared to an increase of \$1,520,000 in accounts payable to related parties in 2023). Excluding this non-recurring impact, cash flows from operations primarily consist of payments for recurring administrative expenses and third-party services. These outflows were partially offset by \$493,000 of interest income earned on deposits during 2024.

During the year ended December 31, 2024, the Company invested \$1,073,000 in exploration and evaluation expenses, compared to \$996,000 in 2023. The increase primarily reflects higher third-party services and greater expenditures associated with maintaining the Company's mineral concession rights. In February 2024, the Company received \$15,000,000 from the sale of a 1.5% NSR royalty on the Volcan Project to Franco-Nevada, pursuant to a financing agreement executed in July 2023.

Financing Activities

There were no financing activities during the year ended December 31, 2024. In 2023, the Company completed share issuances totaling \$26,000.

8. Capital Resources

As of December 31, 2024, the Company had cash and cash equivalents of \$11,890,000 and no external or bank debt. Management believes that the existing cash resources are sufficient to meet its short-term obligations and planned activities, including maintaining its mineral property and covering administrative and corporate costs.

9. Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

10. Related Party Transactions

The related parties are companies owned or controlled by the principal shareholder of the parent company. As of December 31, 2024, the Company had accounts payable to related parties of \$880,000, compared to \$3,184,000 as of December 31, 2023. All amounts owing to related parties are unsecured and non-interest bearing.

The Company did not record any related party transactions in the income statement for 2024 (an expense of \$2,000 was recorded in 2023).

11. Critical Accounting Estimates and Judgements

Critical Accounting Estimates and Judgements 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 financial statements.

Significant areas of estimation uncertainty and critical judgements made by management in preparing the combined and consolidated financial statements include:

Ore reserves and resources

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.

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 the 2012 Joint Ore Reserves Committee (JORC) code. It is the Company's policy to have the report audited by a Competent Person.

Reserves and resources are also used in the units of production method of calculating depreciation as well as the determination of the timing of mine closure cost and impairment analysis.

Recoverable values of mining assets

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. The Company also assesses whether indicators exist that previously impaired mining assets may have recovered in value. 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.

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

Income tax

Judgement is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilise recognised 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 realise the net deferred tax assets recorded at the balance sheet date could be impacted.

Critical judgements:

Determination of functional currencies

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 evaluation and exploration assets

Judgement is required in determining when there is sufficient evidence that there is a future economic benefit of an exploration project, at which point the exploration costs are capitalized. This includes an assessment of whether there is a high degree of confidence of the existence of economically recoverable minerals. The stage, timeline and associated risks of the project are also considered. The exploration and evaluation assets are then assessed for impairment when facts and circumstances suggest that the carrying amount is not recoverable.

12. Changes in Material Accounting Policies

New standards, interpretations and amendments adopted

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Classification of Liabilities as Current or Non-Current – Amendments to IAS 1 Presentation of Financial Statements: the IAS 1 amendments clarify that a liability is classified as current or non-current based on whether the entity has a substantive right to defer settlement for at least 12 months after the reporting period, regardless of management's intentions or expectations.

The amendments had no impact on the Company's financial statements.

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

Future standards not yet adopted

Presentation and Disclosure in Financial Statements (IFRS 18) - IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about b-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. Management is currently assessing the impact of these standards but is not yet able to determine the extent of any changes on future financial reporting (if any). Certain pronouncements were issued by the IASB but are not yet effective as at December 31, 2024. The Company intends to adopt these standards when they become effective but does not expect these amendments to have a material effect on its combined and consolidated financial statements.

Subsidiaries without Public Accountability: Disclosures (IFRS 19) – IFRS 19 is a voluntary disclosure standard issued by the IASB in May 2024. Its purpose is to allow eligible subsidiaries to apply reduced disclosure requirements, while continuing to use the full recognition, measurement, and presentation requirements of existing IFRS standards. The Company does not expect to be eligible to apply IFRS 19.

13. Financial Instruments

For financial instruments held by the Company, management classifies cash and cash equivalents as FVTPL and receivables and accounts payable as amortized cost.

a) Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

As at December 31, 2024 and 2023, the Company believes that the carrying values of receivables and accounts payable approximate their fair values because of their nature and relatively short maturity dates or durations.

The fair value of cash and cash equivalents is based on level 1 inputs of the fair value hierarchy.

b) Management of risks arising from financial instruments

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash and cash equivalents is held with reputable Canadian, American and Chilean banks. The credit risk related to cash and cash equivalents is considered minimal.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

Currency risk

The international nature of the Company's operations results in foreign exchange risk. The Company's operating costs are primarily in US dollars. Any fluctuations of the US dollar in relation to these currencies may affect the profitability of the Company and the value of the Company's assets and liabilities. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

14. Risks and Uncertainties

The Company's activities are subject to a range of market, operational, financial, and regulatory risks that are typical of the mineral exploration industry. These include risks related to commodity prices, permitting, access to capital and financing, and general economic and geopolitical conditions. As the Company is not yet generating operating income, its ability to continue as a going concern depends on maintaining adequate cash resources and, if necessary, obtaining additional funding. The following summarizes the principal risks faced by the Company.

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

Financing and Liquidity Risk

The Company does not currently generate operating cash flow and will require additional financing to support exploration, engineering, permitting, and development at the Volcan Project. There is no guarantee that such financing will be available when needed or on acceptable terms. Market conditions, commodity price fluctuations, investor sentiment toward mining and exploration companies, and general economic uncertainty could all affect the availability and cost of capital. Failure to secure sufficient funds could affect the timing of project advancement. Any equity financing may require approval by the Company's shareholders or Board. Debt or other financing could limit financial flexibility, increase exposure to economic conditions, and restrict the Company's ability to borrow further, pay dividends, or invest. It may also involve restrictive covenants or repayment obligations.

Project Development and Operational Risks

The Volcan Project accounts for all of the Company's mineral resources and the current potential for the future generation of revenue. Any adverse developments could have a material impact on its business and financial position. Development of a mining project involves numerous operational risks, including construction delays, cost increases, and technical or operational challenges during commissioning. The Company relies on contractors, suppliers, and skilled personnel to deliver key components of any development plan. Factors such as equipment or material shortages, cost inflation, transportation constraints, or disruptions in global supply chains could materially increase costs or cause schedule delays.

Once in operation, the Project could be affected by accidents, mechanical failures, labour disputes, energy supply interruptions, flooding, rock instability, seismic events, or other natural phenomena. Chile is located in an active seismic zone, and past earthquakes have caused significant damage to national infrastructure. These and other unforeseen events could lead to production interruptions, property damage, or increased costs not fully covered by insurance.

The Volcan Project will also depend on reliable access to infrastructure, including power, water, roads, and port facilities. Any deterioration or unavailability of this infrastructure could negatively affect project development and operations.

Geological, Technical and Exploration Uncertainty

Mineral resource and reserve estimates are based on geological interpretation, sampling, and modelling, which inherently involve uncertainty. Actual mineralization or metallurgical recoveries may differ from these estimates. While not all identified mineral resources may ultimately be converted into mineral reserves, these estimates provide a basis for evaluating the deposit's potential.

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

Development and operating plans are guided by assumptions regarding tonnage, grade, recovery rates, operating costs, capital requirements, and economic parameters. As the project progresses, some assumptions may be refined, which could influence the economic outcomes or operational plans. Exploration and development also involve technical considerations, such as ground conditions, water management, or metallurgical variability, which may require design or operational adjustments.

Ongoing drilling, engineering, and metallurgical testing will continue to enhance understanding of the deposit and support assessment of its commercial potential. While mineral exploration involves inherent uncertainty, continued work seeks to optimize the project and enhance the prospects for successful development.

Regulatory, Environmental and Social Risks

The Company's development of the Volcan Project and exploration of its other properties are subject to environmental regulations in Chile and internationally, including protections for native or endangered species, water quality standards, land reclamation, hazardous waste management, and health and safety requirements. Compliance may require significant investment of time and resources. The Company strives to comply with all applicable laws and obtain required permits and approvals, noting that additional permits or updates may be necessary as the project advances.

Changes in environmental laws, regulations, or permitting requirements, including those related to climate change and greenhouse gas emissions, could impact operational costs, project timelines, or reporting obligations.

The Company places strong emphasis on maintaining positive relationships with local communities, stakeholders, and regional authorities. While it operates with transparency, early engagement, and benefit-sharing, opposition from community groups, social protests, or disputes over land or resource use could impact permitting processes or project schedules. Certain Chilean laws may also require prior consultation with Indigenous communities for specific projects.

Climate-related factors, such as droughts, extreme rainfall, or changes in water availability, may affect project design, costs, or operations. The Company actively monitors potential climate impacts, evolving environmental standards, and regulatory developments to manage risks and support sustainable operations.

Overall, the Company continues to integrate environmental, social, and climate considerations into its planning and operations to uphold regulatory compliance, sustainability, and strong stakeholder relationships.

Country, Legal and Anti-Corruption Considerations

The Company's future operations are expected to be located entirely in Chile and will therefore be subject to the political, legal, and economic conditions of that country, including potential policy changes, tax reforms, changes to the tax framework or its interpretations, currency fluctuations, social dynamics, or changes in property regulations. While Chile has a well-established mining framework, evolving political or social developments could result in additional regulation or operational costs for future activities.

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

The Company is subject to anti-corruption and anti-bribery laws, including the United States Foreign Corrupt Practices Act, the Canadian Corruption of Foreign Public Officials Act, and applicable Chilean legislation. The Company has established internal controls and compliance programs to prevent violations. Despite these measures, there remains a risk that employees, contractors, or agents could engage in actions contrary to these laws, which could result in regulatory penalties or reputational consequences.

Governance, Management and Labour Risks

The Company's success depends on the continued engagement of its directors, officers, employees, and contractors, as well as access to qualified technical personnel. Competition for skilled professionals in the mining industry is strong, particularly in specialized technical fields. The loss of key personnel or difficulty in attracting experienced staff could affect the Company's ability to execute its strategic objectives.

The Company's internal systems, controls, and procedures are designed to minimize errors, fraud, or operational disruptions, though no system can entirely eliminate such risks. As a public entity, the Company is subject to ongoing reporting, governance, and compliance requirements, which may necessitate additional resources and oversight.

Market, Commodity and Economic Risks

The Company's potential future revenues and profitability are influenced by the price of gold and other metals, which are subject to fluctuations due to global supply and demand, geopolitical developments, and macroeconomic conditions. Prolonged declines in commodity prices could affect the economic feasibility of the Volcan Project. The Company is also exposed to currency exchange rate variations, particularly between the Chilean peso and the U.S. dollar, as well as inflationary pressures and rising costs for labour, energy, and materials.

Volatility in financial and commodity markets may influence investor sentiment and the availability of equity capital for mining ventures. Broader economic instability in emerging markets or slower economic growth in Chile could also impact the Company's ability to raise funds or progress its project.

Transaction, Market and Securities Risks

The completion of the Company's qualifying transaction and the continued listing on the TSX Venture Exchange or TSX are subject to regulatory approvals and compliance with listing requirements. There can be no assurance that such approvals will be obtained or maintained.

The Company's shares may experience limited liquidity and price volatility due to factors including commodity price movements, market sentiment, or the performance of comparable issuers. Future equity issuances to support project development could dilute existing shareholders' ownership.

15. Internal and Disclosure Controls Over Financial Reporting

Management has designed and maintains controls and procedures, and internal controls over financial reporting appropriate to the company's size and stage of development. There were no material changes in these controls during the year ended December 31, 2024.

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

16. Outstanding Share Data

As at December 31, 2024 and as at the date of this MD&A, the Company had 99,312,155 common shares. The Company is authorized to issue an unlimited number of common shares without par value. Common shares carry equal rights with respect to voting, dividends, and repayment of capital. Holders of common shares are entitled to one vote per share at meetings of the Company. There are no preferences, conversion rights, or restrictions attached to this class of share.

During the year ended December 31, 2024, the Company did not issue any shares.

17. Subsequent Events

Subsequent to December 31, 2024, there were no material events or transactions requiring disclosure other than the proposed RTO and related Offering described under "Highlights and Proposed Transactions" in this MD&A.

18. Forward Looking Information

This MD&A contains forward-looking information within the meaning of National Instrument 51-102, *Continuous Disclosure Obligations of the Canadian Securities Administrators*. All statements, other than statements of historical fact, included herein, including but not limited to statements regarding the Company's plans, intentions, expectations, and future financial position, the potential development of the Volcan Project, and the availability of funding, are forward-looking statements.

Forward-looking statements are based on assumptions, including but not limited to estimated production levels, mineral resource estimates, capital and operating costs, metal prices, permitting timelines, regulatory requirements, and anticipated financing activities. Forward-looking statements also include statements regarding the timing, structure, and expected proceeds of the Company's private placement, and the Company's ability to advance its business and projects as planned.

Although the Company believes that such statements are reasonable, there can be no assurance that actual results will be consistent with these statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, and similar expressions, or by statements that, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward-looking statements as a result of various factors, including, but not limited to: changes in economic conditions, fluctuations in commodity prices, inflation, currency exchange rate variations, permitting and regulatory risks, access to capital and financing, operational challenges, geopolitical events, and other factors. Actual results could differ materially due to the risks described under the "Risks" section of this MD&A, including financing, operational, regulatory, environmental, political, social, and market risks.

Management's Discussion & Analysis

For the years ended December 31, 2024 and 2023

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in any forward-looking statements. For this reason, investors should not attribute undue certainty to, or place undue reliance on, forward-looking statements. Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations.

The forward-looking statements contained in this MD&A are made as at the date of this MD&A, and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by applicable securities laws.

TIERNAN GOLD CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and nine-month periods ended
September 30, 2025 and 2024
(Stated in US dollars)

Management's Discussion & Analysis

For the three and nine-months ended September 30, 2025

1. General

The following Management's Discussion & Analysis ("MD&A") of Tiernan Gold Corp. (the "Company") should be read in conjunction with the unaudited condensed consolidated interim financial statements of Tiernan for the three and nine-months periods ended September 30, 2025, with comparatives for the unaudited three and nine-months periods ended September 30, 2024 and the notes thereto. Those financial statements and extracts of those financial statements provided in this MD&A have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Company's last annual financial statements as at and for the year ended December 31, 2024. They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively "IFRS Accounting Standards" or "IFRS"). This MD&A includes the use of certain measures with no standardised meaning under IFRS.

Unless otherwise stated, all amounts discussed herein are denominated in US dollars. This MD&A was prepared as of December 5, 2025, and all information is current as of that date.

2. Description of Business

The Company is a corporation formed under the laws of the Province of British Columbia on March 22, 2022, and a wholly-owned indirect subsidiary of Hochschild Mining PLC, a publicly listed company trading on the London Stock Exchange. The Company is focused on the de-risking of the Volcan gold project. The project is located in the Atacama Region of Chile, on the Maricunga gold belt.

The Volcan project is a gold property located approximately 700 kilometers ("km") north of Santiago, the capital of Chile. The total area controlled comprising the Volcan project is 45,289 hectares ("ha"), corresponding to the actual property boundaries. Andina owns water rights, which have been developed in two wells located approximately 21 km from the mineral resource area and 5 km east of the northern end corner of the Volcan concessions.

3. Highlights and Proposed Transactions

Volcan Project

An updated PEA for the Volcan Project, effective July 15, 2025, was prepared by Ausenco Chile Limitada. The study incorporates the sale of the 1.5% NSR royalty to Franco-Nevada and reflects updated capital and operating costs, metal pricing, and the new Chilean mining tax regime implemented in January 2024.

Key highlights from the PEA include:

- **Production:** Average annual gold production of 332,000 ounces for the first 10 years, totaling 3.8 million ounces over the estimated 14-year mine life.
- **Mineral Resources:** Measured and indicated resources of 9.8 million ounces of gold, with inferred resources of 1.2 million ounces.

Management's Discussion & Analysis

For the three and nine-months ended September 30, 2025

- **Capital Costs:** Initial capital expenditures of US\$1.02 billion and sustaining capital of US\$320 million, totaling US\$1.34 billion over the life of the project.
- **Operating Costs:** All-in sustaining costs (AISC, non IFRS measure) of \$1,094 per ounce of gold sold.
- **Economic Metrics:** After-tax net present value (NPV) at a 5% discount rate of US\$1.51 billion, internal rate of return (IRR) of 28.7%, and a payback period of 2.6 years.

The PEA supports the continued advancement of the Volcan Project, including permitting, detailed engineering, and potential feasibility study advancement.

Reverse Takeover Transaction ("RTO")

On November 7, 2025, Tiernan Gold Corp. (the "Company" or "Tiernan") entered into an amended and restated definitive agreement with Railtown Capital Corp. ("Railtown"), a capital pool company listed on the TSX Venture Exchange ("TSXV"), and 1559261 B.C. Ltd., pursuant to which the parties expect to complete a business combination by way of a three-cornered amalgamation that will result in Railtown acquiring all of the issued and outstanding securities of the Company in exchange for securities of Railtown. This transaction will constitute a reverse takeover of Railtown by the Company (the "RTO"), as shareholders of the Company will hold the majority of the shares in the resulting entity, and the controlling party of the Company will appoint the majority of the board seats of such entity.

As part of the transaction, Tiernan will consolidate its issued and outstanding common shares on the basis of 1 post-consolidation common share for approximately every 2.68 pre-consolidation common shares. As a result, Tiernan's 99,312,155 pre-consolidation common shares will be consolidated into approximately 37,000,000 post-consolidation common shares.

Following completion of the RTO, the resulting issuer ("Resulting Issuer") will meet the initial listing requirements of the TSXV as a Tier 1 company in the mining industry. The transaction is expected to close before year-end.

Private Placement

On November 18, 2025, the Company announced the closing of a private placement (the "Offering") of subscription receipts ("Subscription Receipts"). Each Subscription Receipt, priced at C\$5.00, consists of one common share ("Subscription Receipt Share") and one-half of a common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable to acquire one common share of the Company at a price of C\$6.50 for a period of twenty-four months following the closing of the Offering.

Upon completion of the RTO, the Subscription Receipts will automatically convert into shares and warrants of the Resulting Issuer. The Offering comprises: (i) new shares issued by the Company under a treasury offering (the "Treasury Offering"), and (ii) existing shares held by Hochschild under a secondary offering (the "Secondary Offering"). The accompanying Warrants from both the Treasury Offering and the Secondary Offering will be newly issued by the Company.

Management's Discussion & Analysis

For the three and nine-months ended September 30, 2025

The Offering raised total gross proceeds of C\$58.4 million, consisting of C\$40.0 million from the Treasury Offering and C\$18.4 million from the Secondary Offering. The total includes C\$3.4 million resulting from a partial exercise by the agents of their option to increase the size of the Secondary Offering by up to C\$10.0 million up to 48 hours before closing. Gross proceeds to the Company amount to C\$41.9 million, including C\$40.0 million from the Treasury Offering and C\$1.9 million from the issuance of warrants related to the Secondary Offering.

The Offering was conducted in connection with, and as a condition to the closing of, the RTO.

Agents' fees will amount to 6% of the gross proceeds raised in the Offering (other than subscriptions from the President's List of the Company to a maximum of up to C\$7.0 million and purchases by a US accredited investor of C\$1.1 million), and will be paid by the Company.

Other than the matters discussed above, the Company has no material proposed transactions that are expected to have a material effect on its financial position or results of operations as of the date of this MD&A.

4. Results of Operations

(In thousands of US dollars)	Three-months ended September 30 unaudited,		Nine-months ended September 30 unaudited,	
	2025	2024	2025	2024
Net income for the period	\$ (86)	\$ 77	\$ 31,753	\$ 114
Total comprehensive profit/(loss) for the period	(2,250)	2,835	33,126	(1,087)

(In thousands of US dollars)	As at September 30, 2025 unaudited	As at December 31, 2024
	Total assets	81,000
Total liabilities	1,502	990

Net income increase in the nine-months ended September 30, 2025 compared to the nine-months ended September 30, 2024 is mainly explained by the reversal of impairment in the Volcan project of \$31,844,000. The reversal reflects management reassessment of the mining property's recoverable amount considering improved market conditions due to increased gold prices.

Comprehensive profit/(loss) for the period includes the impact of exchange differences on translating foreign operations to the reporting currency resulting in a gain of \$1,373,000 in the nine-months ended September 30, 2025 compared to a loss of \$1,201,000 in the nine-months ended September 30, 2024.

Total assets increase as at September 30, 2025 versus December 31, 2024 is mainly explained by the reversal of the impairment in the Volcan project of \$31,844,000 and an increase in the carrying value of the mining property, driven by a foreign exchange gain of \$1,406,000 from translating its value from Chilean Pesos into U.S. dollars (the reporting currency).

Management's Discussion & Analysis

For the three and nine-months ended September 30, 2025

5. Liquidity

As at September 30, 2025, the Company's had cash and cash equivalents of \$10,814,000 (\$11,890,000 as at December 31, 2024) and a working capital deficit of \$1,449,000 (\$938,000 as at December 31, 2024). The decrease in cash during the nine-months ended September 30, 2025 primarily reflects administrative and third party services, and payments related to the maintenance of the Company's mineral concessions. Based on the Company's budgeted expenditures, the cash balance is sufficient to fund the Company's obligations and operating expenses for at least the next twelve months.

Operating Activities

In the nine-months ended September 30, 2025 the company generated \$387,000 in cash from operations (cash outflows of \$2,294,000 for the nine-months ended September 30, 2024). The increase in cash generation primarily reflects the settlement, during the prior period, of \$2,391,000 in accounts payable to related parties that were outstanding as at December 31, 2023 (compared to an increase of \$418,000 in accounts payable to related parties in the nine-months ended September 30, 2025). Excluding this non-recurring impact, cash flows from operations were slightly lower than the prior period and primarily include administrative expenses and interest income.

Investing Activities

For the nine-months ended September 30, 2025, the Company invested \$1,463,000 in exploration and evaluation expenses, compared to \$829,000 in the nine-months ended September 30, 2024. Increase is mainly explained by higher third party services and higher payments associated with the maintenance of the Company's mineral concession rights.

During the nine-months ended September 30, 2024, the Company received \$15,000,000 in connection with a financing agreement with the sale of a 1.5% NSR royalty on Volcan project to Franco-Nevada, executed in July 2023.

Financing Activities

There were no financing activities during the nine-months ended September 30, 2025 and 2024.

6. Capital Resources

As at September 30, 2025, the Company's had cash and cash equivalents of \$10,814,000 and no debt. Management believes that the existing cash resources are sufficient to meet its short-term obligations and planned activities, including maintaining its mineral property and covering administrative and corporate costs.

7. Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

8. Related Party Transactions

Management's Discussion & Analysis

For the three and nine-months ended September 30, 2025

The related parties are companies owned or controlled by the main shareholder of the parent Company. As at September 30, 2025, the Company's had accounts payable to related parties of \$1,298,000 (\$880,000 as at December 31, 2024). All amounts owing to related parties were unsecured and non-interest bearing.

The Company did not recognize any related party transactions in the income statement for the three and nine-months ended September 30, 2025 and 2024.

9. Critical Accounting Estimates and Judgements

The Company's critical accounting estimates and judgements are discussed in Note 4 of its 2024 Annual Financial Statements, and in the 2024 annual MD&A. There have been no material changes to these estimates and judgements during the nine-months ended September 30, 2025.

10. Changes in Accounting Policies

There were no changes to the Company's accounting policies during the nine-months ended September 30, 2025 and no new accounting standards or interpretations were adopted that had a material impact on the Company's financial statements.

11. Financial Instruments

The Company's financial instruments are comprised of cash and cash equivalents, accounts receivable and accounts payable.

The Company's financial instruments measurement, risk exposures, and risk management measures are discussed in note 11 of its 2024 Annual Financial Statements and in the 2024 annual MD&A. There were no material changes to the nature or classification of financial instruments, or to the Company's risk exposure related to credit risk, interest rate risk, liquidity risk or currency risk during the nine-months ended September 30, 2025.

12. Risks and Uncertainties

The Company's activities are subject to a range of market, operational, financial, and regulatory risks that are typical of the mineral exploration industry. These include risks related to commodity prices, permitting, access to capital and financing, and general economic and geopolitical conditions. As the Company is not yet generating operating income, its ability to continue as a going concern depends on maintaining adequate cash resources and, if necessary, obtaining additional funding.

The Company's risks and uncertainties are discussed in the 2024 annual MD&A. There have been no material changes to these risks or to management's risk assessment since December 31, 2024.

13. Internal and Disclosure Controls Over Financial Reporting

Management's Discussion & Analysis

For the three and nine-months ended September 30, 2025

Management has designed and maintains controls and procedures, and internal controls over financial reporting appropriate to the company's size and stage of development. There were no material changes in these controls during nine-months ended September 30, 2025.

14. Outstanding Share Data

As at September 30, 2025 and as at the date of this MD&A, the Company had 99,312,155 common shares. The Company is authorized to issue an unlimited number of common shares without par value. Common shares carry equal rights with respect to voting, dividends, and repayment of capital. Holders of common shares are entitled to one vote per share at meetings of the Company. There are no preferences, conversion rights, or restrictions attached to this class of share.

During the nine-month period ended September 30, 2025, the Company did not issue any shares.

15. Subsequent Events

Subsequent to September 30, 2025, there were no material events or transactions requiring disclosure other than the proposed RTO and related Offering described under "Highlights and Proposed Transactions" in this MD&A.

Management's Discussion & Analysis

For the three and nine-months ended September 30, 2025

16. Forward Looking Information

This MD&A contains forward-looking information within the meaning of National Instrument 51-102, *Continuous Disclosure Obligations of the Canadian Securities Administrators*. All statements, other than statements of historical fact, included herein, including but not limited to statements regarding the Company's plans, intentions, expectations, and future financial position, the potential development of the Volcan Project, and the availability of funding, are forward-looking statements.

Forward-looking statements are based on assumptions, including but not limited to estimated production levels, mineral resource estimates, capital and operating costs, metal prices, permitting timelines, regulatory requirements, and anticipated financing activities. Forward-looking statements also include statements regarding the timing, structure, and expected proceeds of the Company's private placement, and the Company's ability to advance its business and projects as planned.

Although the Company believes that such statements are reasonable, there can be no assurance that actual results will be consistent with these statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, and similar expressions, or by statements that, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward-looking statements as a result of various factors, including, but not limited to: changes in economic conditions, fluctuations in commodity prices, inflation, currency exchange rate variations, permitting and regulatory risks, access to capital and financing, operational challenges, geopolitical events, and other factors. Actual results could differ materially due to the risks described under the "Risks" section of this MD&A, including financing, operational, regulatory, environmental, political, social, and market risks.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in any forward-looking statements. For this reason, investors should not attribute undue certainty to, or place undue reliance on, forward-looking statements. Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations.

The forward-looking statements contained in this MD&A are made as at the date of this MD&A, and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by applicable securities laws.

APPENDIX C – UNAUDITED *PRO FORMA* CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE RESULTING ISSUER

Enclosed is the unaudited *pro forma* consolidated statement of financial position of the Resulting Issuer as at August 31, 2025.

TIERNAN GOLD CORP.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of August 31, 2025

(Prepared by management)

(Expressed in thousands of US dollars)

(Unaudited)

Unaudited Pro Forma Statement of Financial Position

As of August 31, 2025

(Expressed in thousands of US Dollars)

	Tiernan As of September 30, 2025 US\$'000	Railtown As of August 31, 2025 US\$'000	Pro Forma Adjustments As of August 31, 2025 US\$'000		Pro Forma Consolidated As of August 31, 2025 US\$'000
Assets					
Current assets					
Cash and cash equivalents.....	10,814	896	24,543	3(c)	39,075
			4,373	3(c)	
			(226)	3(c)	
			(403)	3(c)	
			(922)	3(d)	
Trade and other receivables.....	53	2	-		55
Total current assets	10,867	898	27,365		39,130
Non-current assets					
Mineral property	70,133	-	-		70,133
Total non-current assets	70,133	-	-		70,133
Total assets	81,000	898	27,365		109,263
Liabilities					
Current liabilities					
Trade and other payables.....	1,502	25	-		1,527
Non-current liabilities					
Financial liabilities through profit and loss .	-	-	689	3(b)	5,062
			4,373	3(c)	
Total liabilities	1,502	25	5,062		6,589
Shareholders' equity (deficiency)					
Share capital.....	56,839	1,134	(1,134)	3(a)	90,356
			8,974	3(b)	
			24,543	3(c)	
Contributed surplus		272	(272)	3(a)	-
Cumulative translation adjustment	(19,403)	-	-		(19,403)
Retained earnings (deficit)	42,062	(533)	533	3(a)	31,721
			(8,790)	3(b)	
			(226)	3(c)	
			(403)	3(c)	
			(922)	3(d)	
Total shareholders' equity	79,498	873	22,303		102,674

Unaudited Pro Forma Statement of Financial Position

As of August 31, 2025

(Expressed in thousands of US Dollars)

	Tiernan	Railtown	Pro Forma	Pro Forma
	As of	As of	Adjustments	Consolidated
	September	August 31,	As of	As of
	30, 2025	August 31,	August 31,	August 31,
	US\$'000	2025	2025	2025
		US\$'000	US\$'000	US\$'000
Total shareholders' equity and liabilities	81,000	898	27,365	109,263

1. Description of the Proposed Transaction

Reverse Takeover Transaction (“RTO”)

On November 7, 2025, Tiernan Gold Corp. (the “Company” or “Tiernan”) entered into an amended and restated business combination agreement with Railtown Capital Corp. (“Railtown”), a capital pool company listed on the TSX Venture Exchange (“TSXV”), and 1559261 B.C. Ltd., pursuant to which the parties expect to complete a business combination by way of a three-cornered amalgamation that will result in Railtown acquiring all of the issued and outstanding securities of the Company in exchange for securities of Railtown. This transaction will constitute a reverse takeover of Railtown by the Company (the “RTO”), as shareholders of the Company will hold the majority of the shares in the resulting entity, and the controlling party of the Company will appoint the majority of the board seats of such entity.

As part of the transaction, Tiernan will consolidate its issued and outstanding common shares on the basis of one (1) post-consolidation common share for approximately every 2.68 pre-consolidation common shares. As a result, Tiernan’s 99,312,155 pre-consolidation common shares will be consolidated into approximately 37,000,000 post-consolidation common shares.

Concurrently, Railtown Capital Corp. (“Railtown”) will consolidate its securities on the basis of one (1) post-consolidation security for approximately every 7.09 pre-consolidation securities. Following the consolidation, Railtown’s 19,500,000 common shares, 1,250,000 stock options, and 500,000 warrants will be consolidated into 2,749,707 common shares, 179,788 stock options, and 70,505 warrants, respectively.

Subsequent to August 31, 2025, holders of Railtown warrants exercised 26,880 warrants, resulting in the issuance of the same number of additional common shares and increasing Railtown’s pre-consolidation share count to 19,526,880. As these warrant exercises occurred after the pro-forma consolidated statement of financial position date and are not material to the reverse takeover transaction, they have not been reflected in the pro-forma consolidated statement of financial position.

The resulting entity (“Resulting Issuer”) will meet the initial listing requirements of the TSXV as a Tier 1 mining issuer. The RTO is expected to close before December 31, 2025.

Private Placement

On November 18, 2025, the Company announced the closing of a private placement (the “Offering”) of subscription receipts (“Subscription Receipts”). Each Subscription Receipt, priced at C\$5.00, consists of one common share (“Subscription Receipt Share”) priced at approximately C\$4.49 and one-half of a common share purchase warrant priced at approximately C\$0.51 (each whole warrant, a “Warrant” priced at C\$1.03). Each Warrant is exercisable to

Unaudited Pro Forma Statement of Financial Position

As of August 31, 2025

(Expressed in thousands of US Dollars)

acquire one common share of the Company at a price of C\$6.50 for a period of twenty-four months following the closing of the Offering.

Upon completion of the RTO, the Subscription Receipts will automatically convert into shares and warrants of the Resulting Issuer. The Offering comprises: (i) new shares issued by the Company pursuant to a treasury offering (the “Treasury Offering”), and (ii) existing shares held by Hochschild pursuant to a secondary offering (the “Secondary Offering”). The accompanying Warrants from both the Treasury Offering and the Secondary Offering will be newly issued by the Company.

The Offering raised total gross proceeds of C\$58.4 million, consisting of C\$40.0 million from the Treasury Offering and C\$18.4 million from the Secondary Offering. The total includes C\$3.4 million resulting from a partial exercise by the agents of their option to increase the size of the Secondary Offering by up to C\$10.0 million up to 48 hours before closing. Gross proceeds to the Company amount to C\$41.9 million, including C\$40.0 million from the Treasury Offering and C\$1.9 million from the issuance of warrants related to the Secondary Offering.

Agents’ fees will amount to 6% of the gross proceeds raised in the Offering (other than subscriptions from the President’s List of the Company of C\$7.0 million and purchases by a US accredited investor of C\$1.1 million), and will be paid by the Company.

2. Basis of Presentation and Preparation

a) *About Railtown Capital Corp.*

Railtown was incorporated pursuant to the provisions of the Business Corporations Act of British Columbia on June 22, 2020. Railtown listed on the TSX Venture Exchange (“TSXV”) and classified as a capital pool company as defined by TSXV Policy 2.4 (“Policy 2.4”).

Railtown’s objective is to complete a Qualifying Transaction (“QT”) as defined under Policy 2.4 by identifying and evaluating potential business acquisitions and to subsequently negotiate acquisition or participation agreements subject to regulatory and shareholder approvals. The shares in Railtown were listed on the TSXV on February 1, 2021 under the trading symbol “RLT.P”.

b) *About Tiernan Gold Corp.*

The Company is a corporation formed under the laws of the Province of British Columbia on March 22, 2022, and is a wholly-owned indirect subsidiary of Hochschild Mining PLC, a publicly listed company trading on the London Stock Exchange. The Company’s registered office is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver BC, V6C 2X8. The Company is focused on advancing its 100%-owned Volcan gold project. The project is located in the Atacama Region of Chile, on the Maricunga gold belt.

c) *Basis of presentation*

The accompanying unaudited pro-forma consolidated statement of financial position of the Resulting Issuer has been prepared for illustrative purposes only, to show the effect of the transaction, as if the RTO and related Offering (together the “Proposed Transaction”) had been completed as of August 31, 2025.

For accounting purposes, the Proposed Transaction constitutes a reverse takeover, with Tiernan as the acquirer as its shareholders will obtain control of the combined entity upon completion of the Proposed Transaction. Railtown does not meet the definition of a business as defined in IFRS 3 - *Business Combination*, therefore, the transaction is accounted for in accordance with IFRS 2 - *Share-based Payment*. Under this guidance, the Resulting Issuer is deemed to have issued shares in exchange for the identifiable net assets of Railtown.

Unaudited Pro Forma Statement of Financial Position

As of August 31, 2025

(Expressed in thousands of US Dollars)

The Warrants issued by the Company in connection with the Offering are denominated in Canadian dollars, while the Company's reporting currency is the US dollar. As a result, these warrants do not meet the fixed-for-fixed criteria under *IAS 32 – Financial Instruments: Presentation*, because the exercise price is subject to fluctuations in foreign exchange rates. Accordingly, the warrants are classified as a financial liability at fair value through profit or loss (“FVTPL”) rather than as equity instruments in the pro-forma Statement of Financial Position.

This unaudited pro-forma statement of financial position has been derived from and should be read in conjunction with the following:

- Unaudited condensed interim consolidated financial statements of Tiernan for the three and nine-months periods ended September 30, 2025
- Unaudited condensed interim financial statements amended and restated of Railtown for the three and nine-months periods ended August 31, 2025

The fiscal periods of Tiernan and Railtown differ by less than 93 days, therefore, the accompanying unaudited pro-forma consolidated statement of financial position has been derived from Tiernan and Railtown's respective financial positions as above.

The unaudited pro-forma consolidated financial statements have been compiled using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations (collectively IFRS Accounting Standards). The Resulting Issuer will report in US dollars.

The pro-forma consolidated statement of financial position has been prepared for illustrative purposes only and may not be indicative of the combined entities' financial position that would have occurred if the Proposed Transaction had been in effect at the date indicated. Actual amounts recorded upon consummation of the Proposed Transaction will likely differ from those recorded in the pro-forma. The pro-forma adjustments and allocations of the purchase price are based in part on estimates of the fair value of assets acquired and liabilities to be assumed. The final purchase price allocation will be completed after asset and liability valuations are finalized as of the date of the completion of the Proposed Transaction.

The actual fair values of the assets and liabilities will be determined as of the effective date of the Proposed Transaction and may differ materially from the amounts disclosed in the assumed pro-forma purchase price allocation because of changes in fair value of the assets and liabilities up to the effective date of the Proposed Transaction, and as further analysis is completed.

Consequently, the actual allocation of the purchase price may result in different adjustments than those in the pro-forma. Similarly, the calculation and allocation of the purchase price have been prepared on a preliminary basis and as a result of a number of factors is subject to change between the time such preliminary estimations were made and closing.

d) Significant accounting policies

The accounting policies used in preparing the pro-forma consolidated statement of financial position are consistent with those set out in Tiernan's annual consolidated financial statements for the year ended December 31, 2024.

The Proposed Transaction will be accounted for as a reverse takeover of Railtown by Tiernan. Although Railtown is the legal acquirer, Tiernan is identified as the accounting acquirer, as its shareholders will obtain control of the Resulting Issuer following completion of the Proposed Transaction.

Unaudited Pro Forma Statement of Financial Position

As of August 31, 2025

(Expressed in thousands of US Dollars)

As Railtown does not meet the definition of a business under IFRS 3, no goodwill will be recognized, and any excess of the deemed consideration over the fair value of Railtown's identifiable net assets will be recognized as a listing expense in accordance with IFRS 2 - *Share-based Payment*. Under this guidance, the Resulting Issuer is deemed to have issued shares in exchange for the identifiable net assets of Railtown.

The Warrants to be issued by the Company in connection with the Offering are denominated in Canadian dollars, while the Company's reporting currency is the US dollar. As a result, these warrants do not meet the fixed-for-fixed criterion under IAS 32 - *Financial Instruments: Presentation*, because the exercise price is denominated in a currency other than the functional currency of the Resulting Issuer. Accordingly, the Warrants are classified as financial liabilities measured at fair value through profit or loss ("FVTPL") rather than as equity instruments. Changes in the fair value of these warrants will be recognized in profit or loss in the Resulting Issuer in accordance with IAS 32 and IFRS 9 - *Financial Instruments*.

Railtown's stock options and warrants will remain outstanding following completion of the RTO. As the Resulting Issuer's functional currency will be the US dollar while the exercise prices of these instruments are denominated in Canadian dollars, options and warrants do not meet the "fixed-for-fixed" criterion under IAS 32 - *Financial Instruments: Presentation*. Accordingly, they are classified as financial liabilities and measured at fair value through profit or loss in accordance with IFRS 9 - *Financial Instruments*. The fair value of these instruments at the date of the RTO has been recognized as a liability in the pro forma statement of financial position, with a corresponding amount recognized as part of the reverse takeover listing expense.

The fair value of the Warrants to be issued under the Offering and Railtown's stock options and warrants has been estimated using the Black-Scholes option pricing model.

3. Pro-forma Adjustments and Assumptions

The unaudited pro-forma consolidated statement of financial position incorporates the following pro-forma assumptions:

- a) The Proposed Transaction constitutes a reverse takeover, with Tiernan as the acquirer. As Railtown does not meet the definition of a business as defined in IFRS 3, the Proposed Transaction is accounted for in accordance with IFRS 2. Accordingly, the pro-forma consolidated statement of financial position has been adjusted for the elimination of Railtown's common shares of US\$1,134 contributed surplus of US\$272 and deficit of US\$533 within shareholders' equity (deficiency).
- b) A listing expense of US\$8,790 has been recorded to reflect the difference between the estimated fair value of the Resulting Issuer shares to Railtown shareholders (deemed consideration) and the net fair value of Railtown's assets acquired.
 - The deemed consideration of US\$8,974 reflects the fair value of the 2,749,707 shares deemed issued by Tiernan to acquire Railtown. The value per share was determined based on the Offering price per Subscription Receipt of C\$5.00, consisting of approximately C\$4.49 per share, and approximately C\$0.51 per half Warrant (C\$1.03 per whole Warrant), which is approximately US\$3.26 per share.
 - The fair value of the net assets of Railtown acquired, amounts to US\$184, and includes the financial liability measured at fair value through profit or loss recognized in connection with Railtown's stock options and warrants of US\$689.
- c) Offering proceeds:
 - Treasury Offering: 8,000,000 Subscription Receipts at a value of C\$5.00 per Subscription Receipt consisting of approximately C\$4.49 per share, and approximately C\$0.51 per half Warrant (C\$1.03 per

Unaudited Pro Forma Statement of Financial Position

As of August 31, 2025

(Expressed in thousands of US Dollars)

whole Warrant) for total gross proceeds of C\$40,000 (US\$29,108). Of this, C\$35,880 (US\$26,110) relates to the share issuance, and C\$4,120 (US\$2,998) relates to the Warrant issuance.

- Secondary Offering: 3,670,200 Subscription Receipts at a value of C\$5.00 per Subscription Receipt consisting of approximately C\$4.49 per share, and C\$0.51 per half Warrant (C\$1.03 per whole Warrant) for total gross proceeds of C\$18,351 (US\$13,353). Of this, C\$1,890 (US\$1,375) relates to the Warrants issuance.
- Agent fees: US\$1,567 in connection with the Treasury Offering share issuance, US\$403 in connection with the Secondary Offering shares, and US\$226 in connection with the Warrants issuance under both the Treasury and Secondary Offerings. Subscriptions from the President's List of C\$7,010 (US\$5,101) and purchases by a U.S. accredited investor of C\$1.050 million (US\$764), and are not subject to agent fees, in accordance with the terms of the Offering.

Net proceeds:

- Net of agent fees, proceeds to Tiernan from the share issuance in the Treasury Offering total US\$24,543 and are recorded as an increase in cash and share capital.
- Gross proceeds to Tiernan from the Warrant issuances under the Treasury and Secondary Offerings total US\$4,373, which is recorded as an increase in cash and a non-current financial liability at fair value through profit or loss. The associated agent fees of US\$226 are recognized as a decrease in cash and in profit or loss for the period (retained earnings). The table below sets out the key assumptions used to estimate the fair value of the Warrants under the Black-Scholes option pricing model:

	<u>Value / Assumption</u>
Exercise Price	C\$6.50
Expiry date	November 18, 2027
Number of warrants	5,835,100
Risk-free interest rate	2.41%
Expected volatility (annualized)	59.6%
Dividend yield	0%
Per warrant fair value	C\$1.03

- Agent fees associated with the Secondary Offering shares of US\$403 are recognized as a decrease in cash and in profit or loss for the period (retained earnings).
- d) Total cash transaction costs of US\$922 are expected to be incurred for the reverse acquisition. This amount has been expensed as part of the listing expense and reflected as a reduction to cash.
- e) Railtown's Canadian-dollar balances were translated at 1USD = 1.3742 CAD. No translation gains or losses were recognized in the pro-forma adjustments.
- f) As a result of the reverse acquisition, the purchase price is allocated as follows:

Unaudited Pro Forma Statement of Financial Position

As of August 31, 2025

(Expressed in thousands of US Dollars)

	<u>US\$'000</u>
Consideration paid:	
Fair value of Railtown shares (2,749,707 shares at approximately US\$3.26 per share)	8,974
Total consideration	8,974
Net assets received:	
Cash and cash equivalents	896
Accounts receivable	2
Accounts payable	(25)
Financial liabilities through profit and loss	(689)
Total net assets received	184
Listing expense	8,790

4. Pro-Forma Share Capital

The following table sets out, on a pro-forma basis, the continuity of the share capital of Tiernan, after completing the Proposed Transaction, and does not assume the exercise of any stock options or warrants. Consequently, actual share capital may differ if these financial instruments are exercised:

	<u>Common shares</u> <u>#</u>
Tiernan common shares before Proposed Transaction	99,312,155
Tiernan share consolidation	(62,312,155)
Railtown common shares before Proposed Transaction.....	19,500,000
Railtown share consolidation	(16,750,293)
Total shares of Resulting Issuer after consolidation and before Offering.....	39,749,707
Treasury shares to be issued in the Offering	8,000,000
Common shares of Resulting Issuer post completion of Proposed Transaction	47,749,707

Subsequent to August 31, 2025, holders of Railtown warrants exercised 26,880 warrants, resulting in the issuance of the same number of additional common shares and increasing Railtown's pre-consolidation share count to

Unaudited Pro Forma Statement of Financial Position

As of August 31, 2025

(Expressed in thousands of US Dollars)

19,526,880. On a post-consolidation basis these warrant exercises correspond to 3,790 common shares of the Resulting Issuer.

As these warrant exercises occurred after the pro-forma consolidated statement of financial position date and are not material to the reverse takeover transaction, they have not been reflected in the pro-forma consolidated statement of financial position. Had these warrant exercises been included, Railtown's share consolidation adjustment in the table above would have been 16,746,503, resulting in 2,753,497 Railtown post consolidation shares. In addition, the total common shares of the Resulting Issuer post-completion of the Proposed Transaction would have been 47,753,497.

APPENDIX D – VOLCAN PROJECT TECHNICAL REPORT SUMMARY

Overview

The scientific and technical information below with respect to the Volcan Project (in this Schedule D, the “**Volcan Project**” or “**Volcan**”) has been derived from, and in some instances extracted from, the Volcan Technical Report prepared in accordance with NI 43-101 and entitled “Volcan Project NI 43-101 Technical Report and Preliminary Economic Assessment, Tierra Amarilla, Atacama Region, Chile” with an effective date of July 15, 2025 and as amended and restated on December 8, 2025, prepared by Scott Elfen, P.E., Ausenco Engineering Canada ULC, James Millard, P. Geo., Ausenco Sustainability ULC, Sergio Lagos, M.Sc., RM Ex Met CMC., Ausenco Chile Limitada, Bruno Yoshida Tomaselli, FAusIMM, Deswik Brasil (“**Deswik**”) and William J Lewis, B.Sc., P. Geo., Micon International Limited (“**Micon**”), each of whom approved the scientific and technical information contained in this Appendix D that was derived from or extracted from the portion of the Volcan Technical Report that such person authored, and is a “qualified person” (each, a “**QP**”) within the meaning of NI 43 101.

A copy of the Volcan Technical Report can be found on SEDAR+ at www.sedarplus.ca to obtain further particulars regarding the Volcan Project. Figures or charts referred to in this summary but not reproduced in the following summary may be viewed in the Volcan Technical Report. Table references are to tables in the Volcan Technical Report, certain of which are reproduced in this Appendix D. Technical information in this summary regarding the Volcan Project should be read in the context of the qualifying statements, procedures and accompanying discussion within the complete Volcan Technical Report and this summary is qualified in its entirety by the Volcan Technical Report.

Project Description, Location and Access

Project Setting

The Volcan property is located approximately 700 km north of Santiago, the capital of Chile, approximately 170 km by road east of the mining and agricultural city of Copiapó and approximately 40 km west of the border with Argentina. The property is located in Region III of northern Chile in the Region of Atacama, Province of Copiapó and political subdivision of Comuna Tierra Amarilla.

The Volcan property is located east of the headwaters of Quebrada de Paipote and lies between Laguna Santa Rosa and Laguna del Negro Francisco along the western flanks of the Chilean Andes at a mean elevation of approximately 4,800 m.

The Volcan exploration and exploitation concessions are approximately centered on latitude 27° 20’ south and longitude 69° 8.5’ west, and at UTM (Zone 19) coordinates N6,972,500 and E486,500. The property is situated within the Maricunga (gold, silver, copper) mineral belt and is located 23 km northeast of the Maricunga gold mine (previously known as Refugio) and 20 km southwest of the Lobo-Marte Gold Project, both of which are owned by Kinross Gold Corporation.

Mineral Tenure, Surface Rights, Water Rights, Royalties and Agreements

Property and Title in Chile and Project Ownership

Tiernan, through its subsidiary Andina Minerals Chile, holds 56,884 ha of registered concessions under the various Chilean categories of mineral rights holdings, some of which overlap. The 56,884 ha comprise 55 mining (exploitation) properties and 146 exploration concessions owned by Andina Minerals Chile, which are summarized in Table 4-1 of the Volcan Technical Report.

All of the exploitation concessions of the Volcan Project maintain their preferential rights over all its area.

All of the exploration concessions maintain their preferential rights with the exception of the following ones, which present partial overlapping with mining concessions owned by third parties with preferential rights: Volcan Oeste IV 28, Volcan VIII 12, Volcan VIII 13, Volcan VIII 14, Volcan VIII 15, Volcan VIII 16, Volcan VIII 20, Volcan VIII 59, Volcan VIII 65, Volcan VIII 95, Volcan VIII 101, Volcan VIII 104, Volcan VIII 138, Volcan VIII 139, Volcan VIII 140, Volcan VIII 141, Volcan VIII 142, Volcan VIII 143, Volcan VIII 144, Volcan VIII 145, Volcan VIII 146, and Volcan VIII 147.

Under the mining laws of Chile, mining concessions can be held in perpetuity, provided that the appropriate annual payments have been made. There is no requirement that the property be put into production within a specified time frame and there is no requirement to reduce concession sizes as the exploration process advances.

Payments to maintain concessions are made annually in March. The property payments, as made to date, will maintain the Volcan property in good standing until April 2026.

The land on which the Volcan Project sits is the equivalent of government owned land. Surface rights to the property can be obtained as part of the permitting process through a judicial easement on the property, only when a mining project is expected to be built. Surface rights cannot be obtained in the exploration stage of the Volcan Project by Tiernan or third parties. Surface rights are not required for the drilling programs, field investigations or environmental baseline studies considered in the recommendations set forth in the Volcan Technical Report.

Water Rights

Andina Minerals Chile owns water rights which have been developed in two wells located approximately 21 km northeast of the Dorado deposits. These wells are nominally referred to as Wells 3 and 4. The extraction rights from Wells 3 and 4, as authorized by the Dirección General de Aguas (*DGA*), are for 3,894,696 m³/a per well, for a total of 7,789,392 m³/a at an average pumping rate of 123.5 L/s per well, with a permitted maximum pumping rate of 170 L/s. Golder Associates was contracted in 2008 to prepare a preliminary evaluation of the characteristics of the wells and concluded that the wells could last for 30 years if water was produced at a rate of not more than 124 L/s per well, even when the wells are operated simultaneously. The evaluation recommended additional and more detailed hydrological studies in order to confirm this initial estimate.

Andina Minerals Chile has continued to make annual payments for maintenance of the water rights and maintains the cased wells in good operating condition (capped, locked and protected with security fencing). The wells are inspected by Andina Minerals Chile personnel every two to four weeks. In addition, the wells were inspected by a field team in March 2022 and levels were recorded at the edge of the head of each well, along with the UTM coordinates referred to Datum WGS 84, Zone19.

Royalties

There are three royalty agreements which apply to the concessions of the Volcan Project. First, there is a royalty agreement dated May 19, 2004, between Andina Minerals Chile and “Sociedad Legal Minera Volcan Una de la Sierra del Volcan Copiapó y Otras” which is a consortium of local individuals. The royalty agreement provides for no payment on the first 2 million ounces (“**Moz**”) of gold production; US\$5 for each ounce (“**oz**”) of gold produced after the first 2 Moz and up to the 4 millionth ounce; and 1% net smelter returns (“**NSR**”) royalty on gold production from the mining concessions above 4 million ounces. Second, Barrick Gold Corporation (“**Barrick**”) retained a 1.5% NSR royalty on all metals produced from the exploration concessions acquired from Barrick in 2009, should they be developed. This Barrick royalty was purchased and is now owned by Franco-Nevada Corporation (“**Franco-Nevada**”). Third, in July 2023, Franco-Nevada purchased an additional 1.5% NSR on all gold and copper production from Volcan concessions for US\$15M.

The royalty is registered against the concessions in Chile and Franco-Nevada has agreed to subordinate this security to future project finance lenders. Franco-Nevada also holds a right of first refusal on any future royalties or streaming arrangements on the Volcan Project and an option to acquire an additional 1% NSR royalty at the time of a board approved construction decision based on a definitive feasibility study and consensus metal prices.

Permitting Considerations

An Environmental Impact Study (“EIA”) of the Volcan Project was submitted by Andina Minerals Chile for evaluation by the Environmental Assessment Service (“SEA”) of the Atacama Region in July 2012. The baseline studies considered data from 2009 to 2011 for the main environmental components: biota, hydrology, hydrogeology, archaeology, paleontology, social, air quality, noise, vibrations and landscape, among others. These studies were considered for the mine-plant area and for the linear works area, based on the environmental impact analysis, mitigation, compensation and/or repair measures defined.

As part of the EIA review process, the regulatory authorities sent the Consolidated Report Requesting Clarifications, Rectifications and/or Extensions (“ICSARA”), to Andina Minerals Chile dated November 28, 2012. A number of comments were included in the report, which was received by Andina Minerals Chile following its acquisition by Hochschild Mining. After receiving the ICSARA, Hochschild Mining decided to withdraw the Volcan Project EIA submission from the SEA. In accordance with the provisions of the existing Mining Law, the Volcan Project will be required to submit an EIA compiled under current regulations. Based on recent experience, the estimated time needed to obtain an Environmental Assessment Resolution within SEA ranges between 18 and 24 months without Indigenous consultation; however, such term is understood to be an estimate only and timeframes required to permit the Volcan Project may vary.

The exploration drilling phase was environmentally approved through RCA No. 363/2008 (El Volcan Project Prospecting Drilling) and RCA No. 270/2011 (Volcan Project Prospecting Drilling Modification), which approved modifications to the original exploration project. To carry out future exploration drilling, infill drilling or hydrogeological drilling work, an environmental analysis must be conducted to evaluate the potential of using the existing authorizations or to assess the need for a new environmental license, presumably through the presentation of an Environmental Impact Declaration.

The area where the Volcan Project is located is inside and close to priority sites and national parks managed by the National Forestry Corporation; therefore, an entry permit granted by that authority is required. This permit takes approximately two to three months to process. Once granted, it is valid for 1 year. This permit will be necessary for any baseline surveys, installation of equipment or monitoring stations. Therefore, this permit must be taken into consideration when planning field campaigns, in addition to those permits that must be requested from the Agricultural and Livestock Service (*SAG*) and the Fisheries and Aquaculture Service (*Subpesca*) for the capture of species for the purpose of establishing baselines.

Environmental and Social Considerations

The main environmental consideration for the Volcan Project is derived from its location near protected areas. The main protected areas in proximity to the Volcan Project area are the Nevado Tres Cruces National Park and the Laguna del Negro Francisco and Laguna Santa Rosa RAMSAR site.

There are several local stakeholders who belong to the Colla ethnic group and use the natural resources within the area of influence of the Volcan project area. The Colla ethnic group is recognized by Indigenous Law No. 19,253, which requires the application of Indigenous Consultation, within the framework of ILO Convention 169, among other regulations corresponding to native peoples in Chile.

History

The first formal evaluation of the gold potential of the Volcan area was carried out by Zentilli (1990) who recognized that sulphur mineralization and the surrounding alteration were the result of high-level, high sulphidation hydrothermal systems related to deeper intrusive activity, and who established that the sulphur carried anomalous arsenic, antimony, mercury and gold.

The property was optioned by the Chilean subsidiary of Homestake Mining Company (“**Homestake**”) in 1990, which identified a gold geochemical anomaly and then conducted mapping and a reverse circulation (“**RC**”) drill program. Further work, including a 15 line-km IP geophysical survey, resulted in identification of three target areas that are equivalent to the Dorado Central, Oeste and Norte nomenclature adopted later by Cameco Corp. (“**Cameco**”). The property was returned to the owners by Homestake in 1993 as not meeting corporate objectives. In 1994, the property was optioned to Compañía Minera Cameco (Chile) Ltda., the Chilean subsidiary of Cameco, which carried out exploration work until 1997. This work included mapping, relogging of some drill material, additional assaying and metallurgical and petrographic studies. The option was dropped for reasons including the-then perceived low tonnage and grade potential and unfavorable metallurgical results.

Andina Minerals Chile carried out seven phases of exploration at the Volcan property, starting with the 2004 to 2005 field season and ending in the 2010 to 2011 field season. Andina Minerals was acquired by Hochschild Mining in 2013 and as a result Andina Minerals Chile has been owned by Hochschild Mining (including indirectly through Tiernan) since 2013.

Geological Setting, Mineralization and Deposit Types

Regional, Local, and Property Geology

The Maricunga gold belt extends over a distance of approximately 150 km from north to south and is approximately 30 km wide, close to the border with Argentina. Mineralization is related to the emplacement of Miocene age calc-alkaline volcanic and sub-volcanic units over basement rocks of Paleozoic to Cenozoic age. The Maricunga belt hosts a number of gold and gold-copper (silver) deposits including La Coipa, Maricunga, Aldebaran, La Pepa, Soledad, Pantanillo, Lobo, Escondido and Marte.

The structural setting of the Volcan property is related to, and associated with, the formation of the Copiapó stratovolcano (Volcan Copiapó) and may also be related to regional northerly-trending high-angle reverse faulting. Cameco originally identified three generally moderate to steeply dipping fault systems, trending northwest-southeast, northeast-southwest and east-west, and considered the northeast-southwest and east-west trending systems to be the more important structural controls on alteration and mineralization.

The principal rock types identified on the Volcan property are:

- Dacite, rhyodacite and andesite lavas;
- Volcanic flow and dome complex rocks;
- Pyroclastic flows;
- Hydrothermal breccias; and
- Sub-volcanic porphyry.

Mineralization

Gold-copper mineralization at Volcan is related to the intensely developed hydrothermal alteration that gave rise to the native sulphur deposits in the area. The hydrothermal system was a consequence of the sub-volcanic intrusion of dacitic to microdioritic porphyry into a complex of domes and lava flows of dacitic composition.

The Maricunga gold belt is a prolific mineral belt in Chile which hosts a number of gold mines. Generally, the style of hydrothermal mineralization found in the Refugio district of the Maricunga belt is well recognized and Andina Minerals Chile has based its exploration strategies on this style of mineralization. As with all mineral deposits, there is variation within deposits themselves no matter how well known the deposit or mineralization styles are, and Andina Minerals Chile has been taking this into account during its exploration campaigns. Further geological and mineralogical work is warranted as this refines the knowledge of a particular deposit better and can possibly lead to further discoveries of economic mineralization at the Volcan Project or optimize the existing economic mineralization.

Deposit Types

The Maricunga belt is a region of numerous gold-silver-copper prospects and deposits in the high Andes of northern Chile. Zones of hydrothermally altered rocks give rise to strong color anomalies detectable by satellite imagery and aerial photography. Several of the altered zones host significant metal concentrations including high sulphidation epithermal gold-silver deposits (La Coipa, La Pepa) and porphyry gold-copper deposits (Refugio, Aldebaran, Marte, Lobo).

Three main structural trends are present in the Maricunga belt. First, north to northeast-trending high-angle reverse faults that bound basement rocks are probably coincident with the onset of flattening of the subduction zone. A second structural trend consists of northwest-striking normal faults, dikes and veins, suggesting southwest-northeast extension. A third structural trend is defined by east-northeast satellite lineaments interpreted as dextral shear zones that mark the southern boundary of the Altiplano-Puna plateau.

Gold mineralization at Verde is hosted by a composite intrusive center consisting of massive dacite porphyry emplaced before mineralization, intrusive breccia bodies emplaced during mineralization, and small stocks of quartz diorite porphyry emplaced during the final stages of mineralization. The main host rock at Verde West is a body of intrusive breccia, 800 m in diameter, with contacts dipping within 10° of vertical. The breccia body cuts dacite porphyry and volcanoclastic breccias of the andesite flow and breccia unit. Quartz veinlets hosted by intrusive breccia and dacite porphyry are commonly truncated at steep contacts with late quartz diorite porphyry. Vein abundance in the quartz diorite porphyry at Verde West decreases from 2.5 volume percent along its margins to mostly less than 0.25 percent in its interior. Quartz diorite porphyry in the center of the Verde East orebody contains no quartz veinlets.

Exploration

Andina Minerals Chile has carried out its exploration programs with its own staff supported by SBX Asesorías e Inversiones Ltda. and related company, SBX Consultores Ltda, collectively SBX. Hochschild Mining acquired Andina Minerals Chile in 2013.

Most of the exploration programs were related to conducting infill and exploration drilling to expand the resources identified at the Volcan Project, and these are described in Section 10 of the Volcan Technical Report. However, Andina Minerals Chile's Phase V surface-based exploration activities were undertaken on the Volcan Project between October 2008 and May 2009, as follows:

- Azufrera sector (sulphur): Recognition, sampling and evaluation of native sulphur occurrences. A total of 365 samples (trenches and chips) were taken, with maximum assays of 43% S and an average of 17% S found in the Torre Corfo sector. Three RC drill holes were completed (total 192 m) that suggested a thickness of 20 m for this sulphur deposit, with an average of 20% S in the native state and a peak value of 38% S. A weakly anomalous of gold value of 38 parts per billion (ppb) was detected.
- Paton Creek sector (limestone): Recognition and evaluation of the calcium carbonate (CaCO₃) content of the limestone deposits in the area. The work included sampling of five profiles in a vertical wall

and completion of 6 diamond drill (“DD”) holes (total 250 m). The purpose of the drill holes was to define the grade and continuity of the limestone beds at Quebrada Paton (Echaurren).

- Dorado, Florencia and Andrea sectors: Geological mapping completed at a scale of 1:5,000. Selective sampling was undertaken on narrow veins of varying compositions, as well as detailed geological/alteration/structural mapping of trenches and outcrops, refinement of geological unit definitions and stratigraphic relationships.
- A district-scale geological map at a scale of 1:25,000 was prepared, focusing on structures, narrow veins/veinlet distribution and composition, alteration styles, and intensity of silicification of portions of the property.
- Between the district-scale and detailed exploration, a total of 251 selective samples (chips of narrow veins of varying compositions) were collected and described, and were analyzed for gold, copper and molybdenum. The gold content was found to reach up to 336 ppb Au.
- Phase V was followed by the 2009 to 2010 exploration program (Phase VI) which was conducted between November 16, 2009, and May 4, 2010. In Dorado Oeste (DO) the main focus of this phase was to conduct further infill drilling, as well as to explore the possibility of porphyry copper style mineralization at depth and detect lateral extensions of gold mineralization on Sections 1250, 1200 and 1300. In addition, detailed exploration was started at the ODAE Prospect.

Since 2013, neither Hochschild Mining, after it acquired Andina Minerals Chile, nor Tiernan has conducted exploration at Volcan. However, some work has been conducted regarding the metallurgical aspects of the Volcan Project. Andina Minerals Chile has been working on a new geometallurgical model for the Volcan Project, but it remains at a very early stage and further work is necessary in order for the new model to be used as the basis for further exploration or studies.

Drilling

Hochschild Mining acquired Andina in 2013. Andina Minerals Chile carried out seven phases of exploration at the Volcan property, starting with the 2004 to 2005 field season. The five exploration drilling programs up to the 2008 to 2009 campaign are summarized in the Volcan Technical Report.

Since 2011, neither Hochschild Mining nor Tiernan have conducted drilling programs at Volcan, after they acquired Andina Minerals Chile.

In its 2004 to 2005 season (Phase I), Andina Minerals Chile drilled one 359.60-m DD hole (DVA-001) in the Dorado Oeste sector. Easdon (2005) reported that the bulk of the gold intersected in this hole (1.26 g/t Au in 148 m) is contained within the hydrothermal breccias previously recognized by Cameco as being the core of the Dorado Oeste zone. The drilling was performed by Major Drilling of Santiago. A Total Station digital survey unit was used. Metson of Copiapó was retained to conduct down-hole surveys of all new holes drilled.

Drilling in the 2005 to 2006 season (Phase II) was completed by Terra Services Drilling of Santiago. Geomensura of Santiago carried out the surveying of drill collars. This survey program was considered accurate to 10 to 15 cm horizontally and 30 cm vertically and utilized Total Station digital surveying equipment. Metson of Copiapó and Comprobe of Santiago were retained to complete down-hole surveying of the drill hole deviation, and they used either Maxibor Reflex or Girosopion D29 equipment (Easdon 2008).

The Phase III drilling program was largely directed at drill testing the strike and dip extensions of the mineralization in the three Dorado Zones and to increase the level of confidence in resource estimation.

As summarized in the Volcan Technical Report, the majority of holes drilled in the Phase IV program were on the Dorado Oeste sector. Two of the holes that are attributed to the Dorado Oeste zone were drilled between the Dorado Oeste and the Dorado Este zones to test the potential for joining the two deposits. Andina Minerals Chile contracted a surveyor from Copiapó to survey all drill hole collars, as well as carry out a detailed topographic survey for the entire Dorado Oeste zone. The surveying, which is considered to be accurate to 10

cm to 15 cm horizontally and 30 cm vertically, utilized Total Station digital surveying equipment. The surveying was integrated with the Quickbird and Google Earth satellite imagery. Andina Minerals Chile contracted Comprobe, also from Copiapó, to complete down-hole surveying of all of the holes drilled by Andina Minerals Chile in the 2007 to 2008 season. Comprobe utilized a gyroscope survey tool, model Giroscopio DG 29. Readings were taken at intervals of 10 m over the length of the holes. On the completion of each hole, PVC pipe was inserted into the collar and cemented in place in such a way as to indicate the direction and inclination of the hole. A metal reinforcing rod was driven into the ground which had a metal plate, approximately 10 cm by 20 cm, welded to the top of it. The drill hole identification number was arc-weld inscribed so that the hole can be permanently identified in the field. All drill hole numbers were prefixed with a "D" indicating a diamond drill hole and an "R" for a reverse circulation drill hole. All holes were numbered in sequence beginning at number 690. Diamond drill core and RC recovery was excellent with recovery averaging 98%, or better, for both the diamond drill and the RC drill holes. The core runs were routinely measured by tape and the recovery calculated. The 2 m RC sample runs were weighed and the sample recovery for each sample was calculated using the theoretical volume extracted multiplied by the specific gravity of the rock.

The objective of the Phase V drilling campaign was to complete infill drilling on those sections where the existing information was believed to be incomplete. Some of the Phase V drill holes were completed as twin holes, the purpose of which was to validate the results of holes completed by previous operators for the Dorado Central and Dorado Este deposits.

The objective of the Phase VI drilling campaign at Dorado Oeste and Ojo de Agua Este from 2009 to 2010 was to conduct further infill drilling in the Dorado Oeste zone to determine the continuity of, and to identify any trends in, the higher-grade mineralization. The Phase VI drilling program was conducted between November 16, 2009, and May 4, 2010. During this period, a total of 8,719.40 m of DD was conducted in 21 holes and 8,998.00 m of RC drilling was conducted in 31 holes. At the end of Andina Minerals Chile's Phase VI drilling campaign, a total of 82,901.12 m in 202 holes had been completed on the Dorado Oeste deposit since 2004. The DD totaled 51,610.82 m, RC drilling totaled 30,086 m and mixed drilling comprised 1,204.30 m. During the 2009 to 2010 season, drilling was completed by Major Drilling Chile S.A. while the down-hole surveying was conducted by Servicios Geofísicos Comprobe Limitada, located in Santiago. The survey was conducted nominally at intervals equating to every 10 m using a digital gyroscope. Collars may vary ± 5 m from the proposed collar locations. Azimuth and dip measurements may vary up to $\pm 2^\circ$.

The ODAE Prospect is located 6.5 km northeast of the Dorado deposits and 3 km due east of Andrea and Florencia prospects. Together with the latter two, it is a significantly mineralized area on the Volcan property. The area of principal interest in which all the drill holes and most of the trenches are located covers 1.5 km². Major Drilling Chile S.A., located in La Serena, carried out 2,375 m of drilling in 10 holes (2,242 m of reverse circulation and 133.5 m of DD). Both methods were beset by problems with ground conditions, particularly faulting and high-water pressures, and, as a result, the planned depths of most holes were not attained. The early onset of winter finally curtailed the diamond drill program in May 2010. The 2010 to 2011 drilling campaign was focused on the ODAE Prospect to further infill and define the extent of the mineralization that had been discovered during the 2010 field season. The drilling was performed by Geotec Boyles with the down-the-hole surveying performed by Data Well Services Ltda. of Copiapó.

Thus, at the end of Andina Minerals Chile's drilling over the two field seasons 2009-2010 and 2010-2011 (Phases VI and VII), a total of 43 holes totaling 13,207.15 m were completed. Of the total drilled meters, 8,491.60 m are RC drill holes and 4,715.55 m are DD holes. Of the 43 holes drilled, 34 are RC holes, 3 are DD holes, and 6 holes are combined RC/DD. The area drilled has dimension of 700 m north-south x 350 m east-west.

In 2010, Micon's QP reviewed the drilling results for Volcan and believed that the drilling was conducted according to the best practices described by the CIM. Micon's QP reviewed the drilling again prior to updating

the 2022 mineral resource estimate and continues to believe that the drilling was conducted according to current best practices.

Since 2013, neither Hochschild Mining, after it acquired Andina Minerals Chile, nor Tiernan has conducted any drilling or sampling programs at the Volcan Project.

Sampling, Analysis and Data Verification

Sample Preparation, Analyses and Security

This section discusses sample preparation, analysis and security used by Andina Minerals Chile at Volcan. Please note that all assay laboratories described in this section are independent of the various historical companies and Andina Minerals Chile. It should also be noted that during Andina Minerals Chile's various exploration stages, the sample preparation, analysis, and security changed over time as various phases of exploration were undertaken. As a result, the sample preparation, analysis and security protocols for only the most recent two phases (Phase VI and Phase VII) of Andina Minerals Chile's will be discussed in this section. Phase VI was conducted on the Dorado Oeste deposit which is one of the deposits upon which the mineral resource estimates were undertaken and Phase VII was undertaken on the Ojo de Agua Este (ODAE) Prospect, which is a secondary mineral deposit upon which there is no current mineral resource.

The Phase VI drilling program comprised a total of 52 drill holes (21 DD and 31 RC), for which Andina Minerals Chile continued to follow its established QA/QC protocols. A total of 270 duplicate samples were prepared from the 31 RC drill holes completed during this program. Analysis of the samples was undertaken by Geoanalítica. The correlation coefficients are high (very close to 1), intercepts are low, and slopes close to 1.

A total of 230 duplicate samples were prepared from the coarse rejects of the 21 diamond drill holes completed during this program. A good correlation is present between the original and the duplicate sample results. It is concluded that the protocols for sample preparation and analysis produce very good results and that the sample processing was carefully performed. A total of 500 sample pulps from the 52 drill holes completed during the Phase VI, 2009-2010 field season were submitted for duplicate assaying. As a control on accuracy, Andina Minerals Chile inserted standards at a rate of 5% of the total samples taken, for a total of 492 standard reference and 169 blank samples. Cumulative sum plots relative to the observed mean (i.e., the mean of the gold ppb values reported by the laboratory) show that standard reference samples G301-1 and G303-8 had relatively small (less than 30%) fluctuations around a cumulative sum value of 0. Standard reference sample G303-6 shows the largest deviations from the mean laboratory value (-68.4%), with an initial period (from December 17, 2009, to March 9, 2010/9/2010) where the standard reference was underestimated, followed by a period (from March 9, 2010, to June 1, 2010) where the standard reference value was overestimated.

However, when the analysis is repeated relative to the known mean (nominal value) of the standards, only standards G303-6 and G303-8 are close to a cumulative sum of 0, whereas standard G301-1 shows large relative deviations from the nominal values, indicating that this standard was generally underestimated by the laboratory. The regression line has a slope of 0.9895, which indicates that there is no significant overall bias in the analysis of these standard reference samples. It is evident that standard reference sample G301-1 was generally underestimated by the laboratory. This was also noted previously during the earlier exploration phases. These results indicate that, in general, the standard reference sample analyses for the Phase VI exploration campaign were acceptable. Analysis of the results for blank samples indicated that only 9 of the 169 blank samples (5.3%) returned values outside the 95% confidence intervals for each batch of blanks. However, analysis of blanks by means of confidence intervals based on the assays of the blanks, rather than on the nominal (certified) values for the batch of blanks, is of limited value as one would expect 5% of the data to fall outside the 95% confidence intervals. It would be better to evaluate laboratory contamination by analyzing blanks which followed high valued samples in the laboratory's processing order. For the Andina Minerals

Chile Volcan Project, it would be better to obtain blanks which are truly blank, instead of using rejects from low valued samples, as these contain small but variable amounts of gold.

William J. Lewis, B.Sc., P.Geo., a Principal Geologist with Micon, observed the sample preparation and security procedures followed by Andina Minerals Chile during his 2010 site visit and its contractors confirmed that at no time is an officer or director of Andina Minerals Chile involved in sample preparation. As no further exploration or drilling programs were conducted by Andina Minerals Chile, Hochschild or Tiernan on the Dorado Oeste, Dorado Este and Dorado Central deposits after the April 2010 site visit by Mr. Lewis the data remains sufficient upon which to conduct an updated mineral resource estimate.

As noted previously, Mr. Lewis conducted a site visit between April 17 and 19, 2010, and concluded that the field procedures that were being used to set up the diamond drill, recover the core, transport the core to the logging facilities and the logging and sampling procedures were all being carried out in accordance with the best practices currently in use by the mining industry.

Section 11 of the Volcan Technical Report also includes a review of the QA/QC for the 2010 to 2011 (Phase VII) Drilling Campaign ODAE Prospect.

As no further exploration or drilling programs were conducted on the Dorado Oeste, Dorado Este or Dorado Central deposits by Andina Minerals Chile, Hochschild Mining or Tiernan after the April 2010 site visit by Mr. Lewis, the data remains sufficient upon which to conduct an updated mineral resource estimate. It should be noted that no mineral resource estimate has been conducted on the Ojo de Agua Este (ODAE) Prospect but the drilling procedures used at the ODAE Prospect as described above are the same procedures used at the Dorado Oeste, Dorado Este or Dorado Central deposits.

Mr. Lewis has reviewed the various sample preparation, analysis and security protocols conducted by Andina Minerals Chile and believes that Andina Minerals Chile conducted its QA/QC program using best practice while it was undertaking its exploration and drilling programs. Mr. Lewis further believes that the information obtained remains suitable to be used as the basis of a mineral resource estimate, even though several years have passed since the last exploration and drilling program was completed prior to Hochschild Mining acquiring Andina Minerals Chile in 2012.

Data Verification

William J. Lewis, B.Sc., P.Geo., a Principal Geologist with Micon, conducted a site visit to the Volcan Project, as well as to the core logging and Geoanalitica assay preparation facilities in Copiapó, between April 17 and 19, 2010. During this period, the field procedures for the drilling program were examined, examples of the host rock type, alteration and veining were observed in outcrop and representative sections of drill core were reviewed. In addition, the quality assurance/quality control (“QA/QC”) program, incorporation of data into the electronic database and backup of the database were discussed. For the mineral resource update no site visit was conducted primarily because no further exploration or drilling programs had been conducted since Andina had produced the previous mineral resource estimate. However, extensive discussions with Tiernan personnel were conducted regarding the geological model and the database which the QP deemed sufficient for the current work, given no new data has been generated since the previous site visit.

Deswik’s QP Bruno Tomaselli visited site in November 2022. Ausenco QP Sergio Lagos visited site in April 2025. Both Mr. Tomaselli and Mr. Lagos are satisfied that the data utilized is adequate for the purposes used in their respective sections of this technical report.

Messrs. Millard and Elfen did not complete a personal site inspection as it was not integral to their respective data verification.

Mineral Processing and Metallurgical Testing

Three major phases of test work were conducted. The first consisted of initial leach, flotation tests, and comminution tests to assess the potential of the Volcan Project. This early phase of work culminated in the last previously published NI 43-101 technical report entitled “Technical Report on the Results of the Pre-Feasibility Study on the Dorado Deposits, Volcan Gold Project, Region III, Chile” dated January 31, 2011 and published on SEDAR+ by Andina Minerals.

This was followed by more detailed work to optimize process conditions and considerations. Andina Minerals carried out a further phase of test work in 2010, 2011 and 2012 to support a potential feasibility study for the Volcan Project. Following its acquisition of Andina Minerals in 2013, Hochschild Mining undertook further rounds of metallurgical testing in 2017, to develop a geometallurgical model; and in 2020, to evaluate ore sorting technology and copper flotation, and also to determine gold recovery and reagent consumption (lime and cyanide).

The testwork recommended key design parameters, as follows:

- The feed grades for the heap leach range from 0.4 to 1.2 g/t Au.
- Particle size has an inverse linear relationship with recovery. Recovery increases as the particle size decreases.
- The copper present in the sample present as cyanide soluble is sufficient to affect cyanide consumption. Evaluation of specific process steps to remove copper and minimize cyanide consumption is required.
- The impact of three potential mineralized material pre-treatments was determined. The selection of crusher technology was conducted, conventional tertiary crushing products or high-pressure grinding roll (“HPGR”), and the removal of fines from HPGR products affect the gold size distribution in the heap feed for material with the same P80 size distribution.
- The use of HPGR shows an improvement in recovery; however, the effect of additional fines reporting to the heap leach must be determined to ensure no permeability issues are observed.
- Geometallurgical model indicated that >90% of the deposit is contained in two main breccia units.

Mineral Resource Estimates

The updated mineral resource estimate for the Dorado deposits (Dorado Oeste (DO), Dorado Central (DC) and Dorado Este (DE)) of the Volcan Project were prepared as a collaborative effort involving representatives of Hochschild Mining and Mr. Lewis. The current mineral resource is based on the 2010 block model which was prepared as a collaborative effort involving representatives of Hochschild Mining, SRK Consulting Chile S.A., Magri Consultores Ltda. (consultant retained by Andina Minerals Chile), Vector S.A. and Micon. As a result of the 2010 collaborative effort, the description of the procedures followed in the preparation of the updated estimate will retain references to the various organizations below where applicable.

William J. Lewis, B.Sc., P.Geo., Principal Geologist of Micon has reviewed and supervised the updated resource estimate on the mineral resource estimate completed for the Volcan deposit. Mr. Lewis is the QP for the mineral resource estimate in Section 14 of the Volcan Technical Report.

The database used for the mineral estimate was provided to Micon by Andina Minerals Chile in 2010. The database underwent an exhaustive validation at the time was used as the basis of a mineral resource estimate. Micon re-examined the database when it was submitted to Micon by Tiernan and confirmed it was the same database used by Micon previously.

The gold mineralization at the Volcan Project is an example of a Maricunga-style deposit. This style of deposit is typified by the presence of a system of quartz veinlets and stockworks that are typically formed at relatively

shallow levels in a porphyry-style environment. The veinlets are associated with a number of different styles of porphyry-associated alteration, including argillic, potassic and propylitic, and can also be associated with minor amounts of disseminated, patchy and stringer sulphide minerals. Field observations at Volcan have shown that the gold contents do not have a consistent relationship with either the primary rock type or alteration style.

However, analysis of the data gathered from the exploration programs has shown that, while gold grades do not show any consistent relationships with many of the different types of veinlet compositions, a distinct association can be seen between the intensity of veinlets/stockworks of Black Banded Veins (“**BBV**”), Gray Banded Veins (“**GBV**”) and Quartz-Rich Veins (“**QV**”). Due to the complexity of these individual gold/veinlets intensity associations, the BBV, GBV and QV were combined into one and were expressed as 0, Tr (trace), 1, 2, and 3 intensity levels related to every sample of the assay table in the database. An assay investigation was conducted on the entire assay table to determine whether or not this association could be demonstrated statistically. Encouraging results were obtained indicating that gold, in the majority of the cases, is directly associated with the combined veinlet intensity throughout the Dorado Oeste deposit. This finding led to the creation of a model in three-dimensions, in which if veinlet intensity was equal to 1, 2, or 3 it was labeled “Mineralization with Veins”. The resulting solid or domain was later constrained with the 100 ppb Au grade envelope and the 300 ppb Au envelope, in Dorado Oeste, Dorado Central and Dorado Este. If veinlet intensity was equal to 0 or Tr, those intervals were labeled “Mineralization No Veins”, representing mineralized material outside of the veinlet zone solid.

An analysis of the lengths for all samples contained within the drill hole database was conducted. This analysis revealed that the majority of the samples were 2 m in length. No compositing was required on this data set, and the raw samples were used for the preparation of the mineral resource estimate.

The Volcan Project topography was provided by Hochschild Mining as a digital terrain model (DTM) in DXF format. It was used for the open pit optimization for the Dorado deposits. The database contains 809 density measurements. The overall average density value for the entire Volcan Project is 2.46 grams per cubic centimeter (g/cm^3). Hochschild Mining provided Micon with the wireframes provided for the Dorado mineralization. Micon reviewed and agreed with all of the wireframes.

The mineral resource estimate is effective as of July 22, 2022. Mineral resources which are not mineral reserves do not have demonstrated economic viability. William J. Lewis, B.Sc., P.Geo., Principal Geologist of Micon, has reviewed and supervised the 2022 resource mineral estimate completed for the Volcan deposit. Mr. Lewis is the QP responsible for the 2022 mineral resource estimate in the Volcan Technical Report which remains current as of the effective date of the Volcan Technical Report.

Volcan Project Mineral Resources Summarized by Deposit (Effective Date July 22, 2022)

Deposit	Au Cut-off (g/t)	Category	Tonnage (kt)	Au Grade (g/t)	Au Content (koz)
Dorado Oeste (DO)	0.29	Measured	97,194	0.698	2,181
		Indicated	337,820	0.643	6,980
		M+I	435,014	0.655	9,160
		Inferred	74,724	0.517	1,241
Dorado Este (DE)	0.29	Measured	24,276	0.673	525
		Indicated	1,113	0.639	23
		M+I	25,389	0.672	548
		Inferred	235	0.357	3
Dorado Central (DC)	0.75	Measured	2,509	1.064	86
		Indicated	341	0.909	10
		M+I	2,849	1.045	96
		Inferred	59	0.850	2
Total		Measured	123,979	0.700	2,792
		Indicated	339,274	0.643	7,013
		M+I	463,253	0.658	9,804
		Inferred	75,018	0.516	1,246

Notes:

- (1) The updated mineral resources are reported at a cut-off grade of 0.29 g/t gold for the Dorado Oeste (DO) and Dorado Este (DE) and are reported at a cut-off of 0.75 g/t for Dorado Central.
- (2) The cut-off grade was calculated using a gold price of US\$1,800/oz, mining cost is US\$2.22/t rehandling cost is US\$1.00/t, heap leach cost is US\$6.15/t, and G&A cost is US\$1.40/t.
- (3) The effective date of the updated mineral resource estimate is July 22, 2022 and remains current as of the effective date of the Volcan Technical Report. Tonnages and metal content in the table are rounded to the nearest thousand, thus, numbers may not total precisely due to rounding.
- (4) The mineral resources are reported according to the latest edition of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definitions and standards which was adopted by the CIM council on May 10, 2014.
- (5) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal title, market conditions and other Modifying Factors. At the time of the Volcan Technical Report, Mr. Lewis has not been able to determine any factors that would adversely impact the current mineral resource estimate.

Micon has considered the mineral resource estimates in light of known environmental, permitting, legal, title, taxation, socio-economic, marketing, political and other relevant issues and has no reason to believe at this time that the mineral resources will be materially affected by these items.

The Volcan Technical Project does not include any estimate of mineral reserves at the Volcan Project.

Mining Operations

Mining Methods

Mineralized materials amenable to open pit mining methods were estimated through an open pit optimization exercise using the measured, indicated and inferred mineral resources. The engineered pit designs were reported using cut-off grades estimated by rock type, based on a gold price of US\$1,600/oz. At Volcan, the mineralized material is near surface and continues at depth.

Two Non-Economic Rock Storage Facilities (“NERSF”) were designed. NERSF 1 site is located on the west side of the Dorado Oeste/Central pit. NERSF 2 site is located south of the Dorado Este pit, to reduce non-economic rock haulage distance. The primary crusher area is located south of the Dorado Oeste/Central pit ramp exit, as well as the low-grade stockpile.

The mine layout and operation are based on the following criteria:

- Two independent open-pit areas named Dorado Oeste/Central and Dorado Este, each one with a dedicated Non-Economic Rock Storage Facility.
- Independent access from both pits to the run-of-mine (“ROM”)/crushing pad.
- Low-grade stockpiling strategy near the ROM/crushing pad.
- 20-m height benches.

The estimated open pit mine life is 14 years, providing feed to the crushing circuit at an average rate of 60,000 t/d. Pushbacks or pit phases were designed to drive the mine scheduling. Pushbacks were designed based on pit shells from the pit optimization.

The life-of-mine (“LOM”) runs for 14 years. The basis for the scheduling includes:

- Plant feed of 60 kt/d.
- Maximum 85 Mt of material movement.
- Low-grade stockpile to increase head grade for initial years.

The drill and blast requirements will include: bench height: 20 m; burden and spacing for mineralized material are estimated at 9.0 m x 8.0 m respectively; burden and spacing for non-economic material are estimated at 10.0 m x 9.0 m respectively; hole length 21.5 m, including 1.5 m subdrill; hole diameter for mineralized and non-economic material is 12 ¼ inches; a powder factor of 0.82 kg/t was considered for mineralized material; and a powder factor of 0.46 kg/t was considered for non-economic material. In Chile, blasting activities for an open pit are generally performed by a contractor, who manages the explosives magazine, down-the-hole delivery truck fleet and completes all the paperwork for operational control and for presentation before the authorities to abide by the law and maintain good practice.

The open pit mining activities were assumed to be primarily undertaken by a contractor-operated fleet. The proposed mining operations are based on the use of hydraulic excavators and a haul truck fleet engaged in conventional open pit mining techniques. Excavated material will be loaded to trucks and hauled to either the ROM pad, the low-grade stockpile or the NERSF. Mineralized material excavation and haulage will be monitored by quality control personnel employed by the geology department and details of material movement will be recorded by a radio dispatch system. Almost all rock is fresh rock that will generally be blasted on 20 m benches.

The mine personnel will work two shifts with four crews to provide coverage 24 hours a day, 7 days a week. The production and maintenance will be carried out by contractors. The total labor force for the mine represents a total of 654 people. In the pits, any water drainage will be directed through the benches to the bottom of the pit where it will be collected in a sump and pumped to the surface. The pit sump and pump system will have to be re-established for each sinking cut. Water from the pits will be used for haul road dust suppression and/or utilized in the process plant. Groundwater is not expected inside the pit limits. If there is any groundwater, it will not be possible to separate the surface runoff in the base of the pit from groundwater. Any water that cannot be diverted would have to be pumped from the sump at the base of the pit, or from diversion sumps on haul ramps.

In the opinion of Mr. Bruno Tomaselli, Deswik’s QP, the proposed mining methods are appropriate and reasonable for the anticipated conditions.

Processing and Recovery Operations

The proposed plant is designed to process material at a rate of 60,000 t/d with an average head grade of 0.63 g/t of Au. The plant is designed to be operated 24 hours per day, 365 days per year.

The process plant includes the following units, processes, and facilities:

- primary crushing of ROM;
- overland conveyor system to transport coarse material;
- coarse material stockpile;
- secondary crushing and screening in closed circuit;
- tertiary crushing (HPGR);
- agglomeration and heap stacking;
- heap leach pad and ponds;
- sulphidization, acidification, recycling, and thickening (SART) plant; and
- Adsorption, Desorption, and Recovery (ADR) - carbon-in-column (CIC), Desorption and Regeneration, and Refinery.

The process plant has been designed in accordance with engineering practices for heap leach plants. Where data was not available at the time of flowsheet development, Ausenco's criteria for the sizing and equipment selection are based on comparable industry applications, benchmarking, and the use of modeling and simulation techniques. The process plant is designed to treat a nominal 60,000 t/d. Key design criteria used in the plant design are summarized in the Volcan Technical Report, which also summarizes the forecast feed grade and recovery data.

Water requirements are estimated at 0.15 m³/t of leached material for the whole process, including consumption for evaporation and residual moisture on the leach pad, resulting in a total water consumption of 3.31 Mm³/a. Air systems for the operation will be as follows: High-pressure air for various plant services will be supplied by dedicated air compressors; and Instrument air will be dried and stored for use at the main process plant site. Section 17 of the Volcan Technical Report also summarizes the power requirements for the Volcan Project processing facilities.

Infrastructure, Permitting and Compliance Activities

Project Infrastructure

Infrastructure to support the Volcan Project will consist of mine area, process plant area and complementary infrastructure.

The mine area will have the following infrastructure:

- Mine truck shop including electromechanical, welding shop, tire changing & truck wash facilities.
- Mine warehouse.
- Diesel fuel storage and filling station.
- Mine haul roads.
- Mine administrative offices.
- Explosive and emulsion storage.
- Mine electrical substation.

The process plant area will have the following infrastructure in addition to that described above:

- Plant electrical substation.
- Reagents warehouse.
- Cyanide handling facilities.
- Propane storage tank.
- Laboratory.
- Administrative offices.

- Gatehouse.

Complementary infrastructure will consist of the following:

- Accommodation camp.
- Fresh water supply (water pipeline and pumping station).
- Potable water system, and sewage treatment systems.
- High-Voltage electrical power line.
- Access roads.
- Interior roads.
- Surface water management.
- Solid waste disposal landfill area.

The Volcan Project envisions a low-grade stockpile to improve grades for the initial years, thereby improving project economics. Low-grade mineralized material will be stocked during the operation of both pits and reclaimed at the end of the LOM. The low-grade stockpile will have a total capacity of 40 Mm³ and will be located near the Dorado Oeste/Central Pit exit and the ROM pad.

Sterile rock or material below cut-off grade that will not be processed, will either be stored or used on site (within the mine or on surface). Non-economic rock will mainly be deposited on the NERSFs. During pre-production years, non-economic rock generated from road construction and pre-stripping may be used for bulk earthworks, including the construction of collection ponds and the ROM pad. It is planned that two NERSFs will be constructed to minimize haulage distances, with haul roads of at least 32 m in width providing access. Water inflows into the NERSF will be limited to direct rainfall, as surface runoff from higher elevations in the catchment will be diverted around the facility using earthwork bunds and open-diversion channels as required. Contact water from the NERSF will be captured in a downstream sedimentation pond for evaporation or for appropriate use in haul-road dust suppression and/or within the process plant facilities.

In its current configuration, the project does not involve tailings production; consequently, a tailings storage facility is not included in the Volcan Technical Report.

The crushed mineralized material from the Volcan deposit will be processed by heap leaching. A single heap leach facility (“HLF”) has been designed for the site. The HLF is located east of the El Volcan pit, in a valley with acceptable slopes for construction of a leach pad. The HLF has capacity for 293 Mt of mineralized material at a dry density of 1.5 t/m³. The HLF will be designed in five phases over the LOM. The HLF has been designed in accordance with both international and national standards.

Environmental, Permitting and Social Considerations

The Volcan property is located approximately 700 km north of Santiago, the capital of Chile, approximately 170 km (by road) east of the mining and agricultural city of Copiapó, and approximately 40 km west of the border with Argentina. The property is in Region III (Atacama) of northern Chile in the Province of Copiapó and Tierra Amarilla commune. The mine area of the Volcan Project is located in the Andean highlands area of the Atacama Region, which is characterized by subtropical semi-arid desert climate. In this area, hyper-arid conditions, intense solar radiation, high wind speeds and daily surface freezing of watercourses constitute adverse conditions for vegetation and in general for the occurrence of biota. Terrestrial vegetation is scarce, and one of the main characteristics of these ecosystems is the presence of wetlands located at the bottom of valleys. The distribution patterns of these wetlands show a high dependence on river systems and are therefore sensitive to the hydrological conditions and prevailing climate of the area. The project includes two wells that will supply fresh water through a 24 km pipeline to the plant site. These wells are located in the Pantanillo Biological Corridor, adjacent to the azonal vegetation systems of Cienega Redonda to the north and Valle Ancho to the south.

Human settlements are also infrequent, due to the lack of available water resources and the hostile climatic conditions during the winter, with the exception of lands used seasonally by Indigenous communities, some tourism and conservation activities.

A key environmental consideration for the Volcan Project is its location within protected areas in the case of the mining area near the mine and within protected wetlands (“**RAMSAR**”) in the case of the pipeline. The protected areas in proximity to the Volcan Project are the Nevado Tres Cruces National Park, the Laguna del Negro Francisco and Laguna Santa Rosa RAMSAR site and the Priority Sites for Biodiversity Conservation Nevado Tres Cruces and Corredor Biológico Pantanillo.

The exploration drilling phase of the Volcan Project was environmentally approved through RCA No. 363/2008 (El Volcan Project Prospecting Drilling) and RCA No. 270/2011 (Volcan Project Prospecting Drilling Modification), but a valid RCA has not yet been obtained for the execution of Volcan Project. An EIA was submitted by Andina Minerals Chile for evaluation by the environmental authority in July 2012, but Andina Minerals Chile, following its acquisition by Hochschild Mining, decided to withdraw the Volcan Project EIA submission from the Environmental Impact Assessment System (SEIA). Considering this, the Volcan Project will be required to submit an EIA compiled under current regulations and with updated baseline information. The Volcan Project may also trigger the requirement for an Indigenous People Consultation Process under the requirements of the International Labor Organization (ILO) Indigenous and Tribal Peoples Convention 1691.

Social baseline studies were conducted as part of the 2012 EIA preparation. Based on the most recent information available, there are at least nine community groups within the Volcan Project area: one non-Indigenous group at La Puerta sector in Quebrada Paipote (community of Copiapó), seven Indigenous communities (communes of Copiapó and Tierra Amarilla), and one Indigenous association (registered in the commune of Tierra Amarilla).

In terms of legal requirements, part of the environmental permitting process of an EIA is the Community Consultation Process, where the community (Indigenous and non-Indigenous) will become familiar with the Volcan Project and can communicate (or later submit) their questions and concerns. Additionally, the Volcan Project may be required to conduct an Indigenous Peoples Consultation Process, given its location within Indigenous territory.

Capital and Operating Costs

Capital Cost Estimates

The following basic information pertains to the estimate of both capital and operating costs: base date for these estimates is Q1 2025; all costs are expressed in United States dollars (“**US\$**” or “**USD**”); USD to Chilean peso currency exchange rate used is US\$1.00 = CLP\$940; unit of measurement is metric (unless otherwise indicated); and operating and sustaining capital costs are based on an estimated mine life of 14 years.

The overall capital cost estimate was developed by Ausenco with contributions from Deswik for the mining costs. The capital cost estimate utilized historical pricing and budgetary quotations for main mechanical equipment supplemented by factored, scaled values for major disciplines from Ausenco’s database of costs for similar projects in the region. Where appropriate, historical costs have been escalated to account for inflation.

The cost estimates were developed in accordance with the Association for the Advancement of Cost Engineering (AACE) Class 5 Estimate, with an expected accuracy range of -30% to +50%. The total initial capital cost estimate for the Volcan Project is US\$1,019M; with sustaining capital cost of US\$320M; and the total project cost of US\$1,339M. The following table provides the Volcan Project cost summary for initial and sustaining capital cost.

Summary of Capital Costs

Description	Initial 60 kt/d	Sustaining Capital 60 kt/d	Total 60 kt/d
Mining, (US\$M)	82.8	18.7	101.4
Process, (US\$M)	372.3	168.9	541.2
Infrastructure – On-site, (US\$M)	65.0	-	65.0
Infrastructure – Off-site, (US\$M)	88.5	-	88.5
Total Direct, (US\$M)	608.6	187.6	796.2
Project Indirect Cost, (US\$M)	161.4	60.5	221.8
Owner Cost, (US\$M)	43.7	15.2	58.9
Contingency, (US\$M)	205.6	56.3	261.9
Total Capex Class 5, (US\$M)	1,019.3	319.5	1,338.9

Operating Cost Estimates

A summary of the individual components that make up the LOM operating costs is presented in the following table. Mine operating cost weighted averages are indicated separately for the Years 1-10 which correspond to the active mining period and Years 11-14 which corresponds to low grade stockpile rehandle only.

Summary of Operating Cost Estimates

Area	Units	Avg. Y 1 – Y10	Avg. Y11 - Y14	Avg. LOM
Mining	US\$/t moved	2.10	0.73	1.94
Mining	US\$/t processed	7.14	0.73	5.44
Processing	US\$/t processed	6.75	6.75	6.75
G&A	US\$/t processed	1.09	0.66	0.97
Total Operating Cost	US\$/t processed	14.98	8.14	13.17

Economic Analysis

An engineering economic model was developed to estimate annual pre-tax and post-tax cash flows and sensitivities of the Volcan Project based on a 5% discount rate. It must be noted, however, that tax estimates involve many complex variables that can only be accurately calculated during operations and, as such, the post-tax results are only approximations. Sensitivity analyses were performed to assess the impact of variations in gold prices, head grades, operating costs and capital costs. The capital and operating cost estimates were developed specifically for the Volcan Project (presented in Q1 2025 USD). The economic analysis was run with no inflation (constant dollar basis).

The economic analysis was performed using the following assumptions: construction starts on January 1, 2030; ramp-up production start-up in Q1 2032; mine life of 13.6 years; gold price at US\$2,400/oz and copper price at US\$4.50/lb; cost estimates are constant in Q1 2025 USD; no price inflation or escalation factors were taken into account; results are based on 100% ownership; capital costs funded with 100% equity (i.e., no financing costs assumed); all cash flows discounted to beginning of construction January 1, 2028; all gold doré are assumed sold in the same period they are produced; project revenue is derived from the sale of gold doré and copper concentrate; no contractual arrangements currently in place; and the royalty to Franco-Nevada will be payable.

The economic analysis was performed assuming a 5% discount rate. Cash flows have been discounted to the beginning of construction on January 1, 2030, assuming that the Volcan Project execution decision will be made, and major project financing will be carried out at this time.

The pre-tax net present value (“NPV”) discounted at 5% (NPV5%) is US\$2,470M, the internal rate of return (“IRR”) is 36.6%, and payback is 2.3 years. On a post-tax basis, the NPV5% is US\$1,513M, the IRR is

28.7%, and the payback period is 2.6 years. A summary of the Volcan Project economic analysis is included in the table below.

Readers are cautioned that the preliminary economic assessment contained in the Volcan Technical Report is preliminary in nature. It includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized. Commodity prices can be volatile, and there is the potential for deviation from the forecast.

Economic Analysis Summary

General	LOM Total / Avg
Gold Price (US\$/oz)	2,400
Copper Price (US\$/lb)	4.50
Mine Life (years)	13.6
Production	LOM Total / Avg
Total Plant Feed Tonnes (kt)	293,165
Plant Feed Head Grade Gold (g/t)	0.63
Plant Feed Head Grade Copper (%)	0.05
Leach Recovery Rate Gold (%)	64.2
Overall Recovery Copper (%)	16.2
Total Gold Ounces Recovered (koz)	3,820
Total Copper Recovered (klb)	49,994
Total Average Annual Gold Production (koz)	281
Average Year 1 to 10 Annual Gold Production (koz)	332
Total Average Annual Copper Production (klb)	3,675
Operating Costs	LOM Total / Avg
Mining Cost (US\$/t Mined)	\$1.9
Processing Cost (US\$/t Processed)	\$6.7
G&A Cost (US\$/t Processed)	\$1.0
Refining & Transport Cost (US\$/oz Au)	\$8.0
Total Operating Costs (US\$/t Processed)	\$13.2
Cash Costs* (US\$/oz Au)	\$1,002
AISC** (US\$/oz Au)	\$1,094
Capital Costs	LOM Total / Avg
Initial Capital (US\$M)	\$1,019
Sustaining Capital (US\$M)	\$320
Closure Costs (US\$M)	\$30
Financials - Pre-Tax	LOM Total / Avg
NPV (5%) (US\$M)	\$2,470
IRR (%)	36.6%
Payback (years)	2.3
Financials - Post-Tax	LOM Total Avg
NPV (5%) (US\$M)	\$1,513
IRR (%)	28.7%
Payback (years)	2.6

Notes:

- (1) Cash costs consist of mining costs, processing costs, mine-level G&A, copper revenue credit, refining charges and royalties over payable gold ounces
- (2) All-in sustaining cost (AISC) includes cash costs plus sustaining capital and closure cost over payable gold ounces.

A sensitivity analysis was conducted on the base case pre-tax and post-tax NPV, IRR, and payback of the Volcan Project, using the following variables: metal price, discount rate, leach recovery, initial capital costs, and operating costs. Analysis revealed that the Volcan Project is most sensitive to changes in metal price, leach recovery, then, to a lesser extent, to operating costs and initial capital costs.

The following tables present a summary of the pre-tax and post-tax sensitivity analyses of the economic analysis of the Volcan Project.

Pre-Tax Sensitivity Analysis Summary

Gold Price	Base Case		Total CAPEX		Total OPEX	
	NPV (5%)	IRR	-25%	25%	-25%	25%
\$1,800	\$916	18.5%	\$1,219	\$613	\$1,574	\$258
\$2,400	\$2,470	36.6%	\$2,773	\$2,167	\$3,128	\$1,812
\$3,000	\$4,024	52.6%	\$4,327	\$3,721	\$4,683	\$3,366
\$3,600	\$5,579	67.3%	\$5,881	\$5,276	\$6,237	\$4,920

Post-Tax Sensitivity Analysis Summary

Gold Price	Base Case		Total CAPEX		Total OPEX	
	NPV (5%)	IRR	-25%	25%	-25%	25%
\$1,800	\$531	14.3%	\$748	\$315	\$947	\$93
\$2,400	\$1,513	28.7%	\$1,658	\$1,302	\$1,932	\$1,128
\$3,000	\$2,357	38.2%	\$2,513	\$2,289	\$2,780	\$2,020
\$3,600	\$3,246	47.0%	\$3,382	\$3,119	\$3,638	\$2,854

Exploration, Development, and Production

For a detailed description of the Resulting Issuer’s proposed current and contemplated development activities at the Volcan Project following completion of the Proposed Qualifying Transaction, please see “*Part IV – Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*”.

CERTIFICATE OF RAILTOWN CAPITAL CORP.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Railtown Capital Corp. assuming Completion of the Proposed Qualifying Transaction.

DATED December 8, 2025.

(signed) "*Christopher Taylor*"

Christopher Taylor
Chief Executive Officer, Director

(signed) "*Claudia Tornquist*"

Claudia Tornquist
Chief Financial Officer, Director

On behalf of the Board of Directors

(signed) "*Cameron White*"

Cameron White
Director

(signed) "*Adam Schatzker*"

Adam Schatzker
Director

CERTIFICATE OF TIERNAN GOLD CORP.

The foregoing, as it relates to Tiernan Gold Corp., constitutes full, true and plain disclosure of all material facts relating to the securities of Tiernan Gold Corp.

DATED December 8, 2025.

(signed) "*Greg McCunn*"

Greg McCunn
Chief Executive Officer, Director

(signed) "*Fausto Di Trapani*"

Fausto Di Trapani
Corporate Secretary

On behalf of the Board of Directors

(signed) "*Eduardo Landin*"

Eduardo Landin
Director

(signed) "*Eduardo Noriega*"

Eduardo Noriega
Director