(An exploration stage business)

TIER ONE SILVER INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2026

Dated: August 25, 2026

1. HIGHLIGHTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026, AND SUBSEQUENT EVENTS UP TO THE DATE OF FILING

1.1 Operational Highlights

- On June 11, 2026, Tier One Silver Inc. ("Tier One" or the "Company") announced additional high-grade drill results from the remaining holes of its Phase 2 diamond drill program at its high-grade Curibaya epithermal silver-gold copper project in Tacna, Peru. The eight-hole, 1,133.6 metre ("m") drill program, completed by the Company's wholly owned Peruvian subsidiary, Magma Minerals S.A.C., successfully confirmed the continued presence of high-grade silver-gold mineralization below surface in the Cambaya I target area of the project. All four of the final holes drilled in the Cambaya I corridor intercepted silver and gold with highlights including 1.0 m of 448.2 grams per tonne ("g/t") silver ("Ag") and 0.37 g/t gold ("Au"), within a broader interval of 4.0 m of 136.2 g/t Ag and 0.15 g/t Au, in hole 26CUR-023, the seventh hole of the program. These results complement previously released intercepts and further define the scale and continuity of precious metal mineralization within the Cambaya I corridor and across the Curibaya project area drilled to date.
- On April 21, 2026, the Company announced assay results from the first four drill holes from its Phase 2 diamond drill program at Curibaya. Assay result highlights include 0.7 metres ("m") of 1,015 g/t Ag and 4.52 g/t Au, within a broader interval of 2.7 m of 284.4 g/t Ag and 1.29 g/t Au, in hole 26CUR-018, the second hole of Phase 2 drilling. Highlights are further discussed below in section 3.1.1.
- On February 18, 2026, the Company announced the commencement of drilling at its Curibaya project. San Jose Drilling S.A.C, a well-established Peruvian drilling contractor, had been engaged to conduct the diamond drill program, the Company's first follow-up program since its inaugural drill campaign in 2021. The Phase 2 program, which was completed in April 2026, focused on the Cambaya I corridor, an undrilled, high-level portion of the epithermal system located more than 250 m above the areas tested in Phase 1. Drilling commenced from platform 1 to test beneath channel samples 55 and 80 which returned 20 m of 243 g/t Ag and 0.71 g/t Au, including 7 m of 667 g/t Ag and 1.48 g/t Au, and 4.5 m of 408 g/t Ag and 1.48 g/t Au, including 1 m of 1,768 g/t Ag and 6.33 g/t Au, respectively (see news releases dated October 14, 2021, and September 26, 2022).

1.2 Corporate Highlights

- On June 29, 2026, the Company signed a letter of intent ("LOI") to conditionally acquire a 70% interest ("Ruta Option") in Compañía Minera Ruta de Cobre S.A. ("CMRDC"), holder of the Ruta de Cobre copper-molybdenum project in Ecuador ("Ruta Project"). Pursuant to the LOI, Tier One would acquire the right to purchase 70% of the currently issued shares in CMRDC (the " Control Shares ") from two arms-length shareholders and their spouses (collectively, the "Sellers"). The parties continue to negotiate a binding legal agreement (the "Definitive Agreement"), which will reflect the commercial terms, including the payment schedule and work requirements, as summarized in section 11.1 below. While the parties are currently in advanced negotiations to finalize the Definitive Agreement, no assurances can be given that they will ultimately be able to reach a mutually acceptable Definitive Agreement or, if signed, that its conditions for completion, principally financing (see discussion below of the private placement financing announced August 13, 2026) and regulatory approval, can be met.

- On August 13, 2026, subsequent to quarter end, the Company announced a best-efforts private placement offering (the "August 2026 Offering") of common equity units of the Company at a price of $0.07 per unit (the "Issue Price"). The August 2026 Offering is for minimum gross proceeds of $12 million and a maximum of $17 million subject to the over-allotment option granted to lead agent 3L Capital Inc. ("3L") as described below. Each unit consists of one common share of the Company and one full common share purchase warrant of the Company. Each warrant is exercisable to purchase one common share of the Company at a price of $0.15 for three years from the completion of the August 2026 Offering, which is targeted for early September 2026. The Company has granted the agents the option to offer for sale up to an additional $8.5 million worth of units at the Issue Price, exercisable in whole or in part, at any time until 48 hours prior to the closing of the August 2026 Offering. In the event that the over-allotment option is exercised in full, the maximum size of the August 2026 Offering would be $25.5 million.

  The Company plans to use US$1.8 million of the minimum net proceeds of the August 2026 Offering to fund the initial purchase payment requirements of the Ruta Option. The remaining net proceeds will be used to establish Ecuadoran exploration operations, commence the first phase of exploration at the Ruta Project and provide working capital. Amounts raised in excess of the $12 million minimum will be used to accelerate exploration, and for additional working capital. Closing of the August 2026 Offering is conditional on concurrent execution and closing of the Ruta Option and both transactions remain subject to customary closing conditions including receipt of subscription agreements, professional opinions and TSX Venture Exchange approval.

2 DATE AND FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis ("MD&A") of Tier One has been prepared by management to assist the reader in assessing material changes in the condensed consolidated interim financial statements and results of operations of the Company as at June 30, 2026 (the "financial statements") and for the six months then ended.

This MD&A should be read in conjunction with the financial statements of the Company. All financial information has been prepared in accordance with IFRS accounting standards and all dollar amounts presented are Canadian dollars unless otherwise stated. United States readers should be aware that the Company uses mineral terminology based on the Canadian Institute of Mining and Metallurgy ("CIM"). Applicable CIM standards may not be the same as those accepted by the US Securities Exchange Commission for US domestic mining company disclosure. Further details of these differences can be found in our 2023 Annual Information Form.

The effective date of this MD&A is August 25, 2026.

2.1 Forward-looking statements and risk factors

Certain statements made in this MD&A contain forward-looking information within the meaning of applicable Canadian and United States securities laws ("forward-looking statements"). These forward-looking statements are presented for the purpose of assisting the Company's shareholders and prospective investors in understanding management's intentions and views regarding future outcomes and are inherently uncertain and therefore should not be heavily relied upon. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, identify such forward-looking statements. Specific forward-looking statements in this MD&A may include, but are not limited to: the Company's ability to execute on its exploration and financing plans, the likelihood of discovering resources; the potential for access to and exploration of the Company's projects, permitting timelines; government regulation of mining operations; environmental and climate-related risks; the possible impairment of mining interests; any objectives, expectations, intentions, plans, results, levels of activity, goals or achievements; the timing and amount of estimated exploration expenditures and capital raises for the Company; the liquidity of the common shares in the capital of the Company and other events or conditions that may occur in the future; the Company's intention to grow its business and its operations; the Company's competitive position; the completion of the proposed Ruta Option, including the satisfaction of the conditions and option terms thereof, and the Company's plans for the exploration and development of the Ruta Project; the completion of the August 2026 Offering, and the use of proceeds therefrom to fund the Ruta Option and exploration and for general corporate purposes; and changes to government regulation, in particular Peruvian and Ecuadoran.

The forward-looking statements contained in this MD&A represent the Company's views as of the date hereof. The assumptions related to these plans, estimates, projections, beliefs and opinions may change without notice and in unanticipated ways. Many assumptions may prove to be incorrect, including the Company's ability to achieve its financing and budgeting plans, expected costs, assumptions regarding market conditions and other factors upon which the Company has based its expenditure and funding expectations; the Company's ability to obtain or renew the licenses and permits necessary for exploration; the Company's ability to complete and successfully integrate acquisitions; the possible effects of climate change, extreme weather events, water scarcity, and seismic events, and the effectiveness of strategies to deal with these issues; the Company's expectations regarding the future demand for, and supply and price of, precious metals; the Company's ability to recruit and retain qualified personnel; the Company's ability to comply with current and future environmental, safety and other regulatory requirements and to obtain and maintain required regulatory approvals.

Inherent in the forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to control or accurately predict, that may cause the actual results, performance or achievements of the Company, or developments in the Company's business or in its industry, to differ materially and adversely from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking statements and information contained in this MD&A include, but are not limited to: risks in investigating, optioning or otherwise acquiring interests in mineral projects of merit followed by the high risk of exploration failure, including the risk that the Company does not complete the proposed option over the Ruta de Cobre project in Ecuador or realize its anticipated benefits; risks in our ability to secure governmental permits and a social license to explore the projects, risks that the financial markets will lose their appetite to finance junior resources issuers; including the risk that the Company does not complete the August 2026 Offering, completes it on less favourable terms than anticipated, or that the net proceeds are insufficient to fund the Ruta Option and planned exploration; fluctuations in the current and projected prices for precious and base metals; technical risks and hazards associated with the mineral exploration including environmental hazards, potential unintended releases of contaminants, industrial accidents, unusual or unexpected geological or structural formations, and flooding; the uncertainty in the process of estimation and valuation of any mineral resources that may be discovered, changes in Peruvian and Ecuadoran tax, title and mining laws and regulations impacting exploration activities; the risk of the Company's mineral properties being subject to unknown prior unregistered agreements, transfers or claims and other defects in title; general opposition to mining activities and attendant legal and litigation risks; statutory and regulatory compliance; insurance and uninsurable risks; the Company's limited business history and history of losses and negative cash flow, which will continue into the foreseeable future, and its inability to pay dividends; the continued involvement of the key management team and the Company's ability to secure the specialized skill and knowledge necessary to operate in the mining industry; relations with and potential demands and claims by local communities and non-governmental organizations, including indigenous populations and affected local communities with whom the Company is required to pursue local community surface access agreements in order to explore; the expenses and other requirements of being a public company; risks associated with the significant resources required to maintain regulatory compliance as a public company; the effectiveness of the Company's internal control over financial reporting; cybersecurity risks; risks relating to the Company's reputation; general business, economic, competitive, political and social uncertainties; and public health crises such as the COVID-19 pandemic and other uninsurable risks. While the Company has sought to provide a list of the principal risks, these are the known risks and hence cannot be an exhaustive list of the risks and other factors that may affect any of the Company's forward-looking statements as there are likely also unknown risks. Additional disclosure documents with information relating to the Company and its operations is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.tieronesilver.com. These documents are for supplemental information purposes only and not incorporated by reference in this MD&A.

The Company's management periodically reviews information reflected in forward-looking statements. The Company has and continues to disclose in its MD&A and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

3 DESCRIPTION OF THE BUSINESS

The Company is a junior resource exploration issuer seeking to create significant value for shareholders through the exploration for silver, gold and copper deposits in South America. The focus of the Company has been on its 100% owned Curibaya project, located in Southern Peru, which consists of approximately 17,000 hectares ("ha") approximately 48 kilometres ("km") north-northeast of the provincial capital, Tacna, accessible by road. The Company has also been reviewing other resource projects in South America with a longer-term goal of selectively rebuilding a pipeline of prospects for future exploration and, having identified the Ruta Project as a project of interest, has been working to negotiate the Definitive Agreement for the Ruta Option. Subject to closing, the copper-molybdenum porphyry Ruta Project would become the Company's flagship project.

Figure 1 – Location of Tier One's Curibaya property within Peru.

Beyond having title to its mineral properties, the Company must secure environmental permits and local community access agreements in order to conduct its exploration activities. Therefore, building and maintaining relationships with its key stakeholders, namely governmental bodies and local communities, among others, is crucial to the Company's continued success. In this regard, the Company believes that it conducts itself to the highest standards around environmental and social responsibility and corporate governance.

As a normal part of the exploration process, Tier One enters into access and use agreements with the local communities, a process that requires achieving local community consensus through positive dialogue. The Company's most recent Curibaya community agreement expired on June 11, 2026, and, as a planned and cost-conscious measure, the Company elected not to renew it at this time while it advances several concurrent priorities at Curibaya, including its expanded drill permit (EIA-sd as defined below) application and the review and interpretation of Phase 2 drilling data to define future programs. Curibaya remains a priority project, and the Company continues to prioritize community engagement to maintain the relationships built over the years, positioning the Company to re-establish a formal access agreement when it is ready to resume field activities.

The Company's common shares trade on the TSXV under the symbol "TSLV" and on the OTCQB Venture Market under the symbol "TSLVF" and are listed in the Unofficial Market of the Frankfurt Stock Exchange and the Stuttgart Stock Exchange under the symbol "TOV0".

3.1 Mineral Property Interests

3.1.1 Curibaya Project

The Curibaya property is currently comprised of approximately 17,000 ha. Tier One has a 100% interest in the Curibaya project, which is comprised of numerous concessions acquired through staking efforts, mostly by the Company's corporate predecessor, and the Sambalay and Salvador concessions, which were acquired in 2019. The Sambalay concessions are subject to a 1.5% net smelter return ("NSR") royalty in favor of each of Teck Peru, S.A.C. ("Teck") and Compañia de Exploraciones Orion S.A. One third or 0.5% of the Teck NSR royalty is buyable for US$1.0 million. The Salvador concessions are subject to a 2.0% NSR royalty and a US$2.0 million production payment, payable at the time a production decision is made, and to secure payment of such consideration, a legal mortgage in favor of Teck is recorded in the registry files of the Salvador concessions.

Located on a prolific copper porphyry belt that hosts some of Peru's largest porphyry deposits, the Curibaya project hosts both high-grade silver, gold and copper exploration potential. Despite extensive mineralization indicators, only a fraction of the property has been explored. Six distinct silver-gold mineralized corridors, and a compelling porphyry copper target have been identified.

<u>2026 Activities and Plans</u>

During the six months ended June 30, 2026, the Company conducted its Phase 2 drilling which focused on its high-priority silver-gold target: the Cambaya area. The Cambaya structural corridors, referred to as Cambaya I and II, are located in the northeast area of the project, which is the highest target in topographic elevation (2,400 m above sea level).

The 2026 drill program, which was completed in early April, consisted of 1,133.6 m of drilling focused on following up high-grade silver-gold mineralization identified at surface. The program was carried out from four of the 20 identified drill platforms and concentrated on the Cambaya I corridor. Channel and rock sampling were completed concurrently. Highlights from the program, including assay results from the eight holes, are summarized below (see news releases from June 11, and April 21, 2026).

- The completed Phase 2 program comprised eight diamond drill holes (1,133.6 m) in the Cambaya I corridor, seven of which returned significant high-grade silver-gold intercepts (see Table 1), including:
  - 0.7 m of 1,015 g/t Ag and 4.52 g/t Au, within a broader interval of 2.7 m of 284.4 g/t Ag and 1.29 g/t Au, in hole 26CUR-018,
  - 1.0 m of 448.2 g/t Ag and 0.37 g/t Au, within a broader interval of 4.0 m of 136.2 g/t Ag, and a separate 0.5 m of 598 g/t Ag and 0.50 g/t Au, in hole 26CUR-023; and
  - 0.5 m of 368 g/t Ag and 0.23 g/t Au, within 1.5 m of 168.4 g/t Ag, in hole 26CUR-021
- Results support continuity of precious metals mineralization across multiple corridors, with approximately 6 km of mineralized structures identified to date.
- Step-out drilling indicates strong lateral and vertical continuity relative to prior Phase 1 drilling high-grade intercepts.
  - Mineralization encountered in Phase 2 is located more than 1 km away horizontally and 250 m away vertically from hole 21CUR-016 of the Company's 2021 Phase 1 drilling which returned 1.5 m of 1,128.7 g/t Ag and 1.04 g/t Au (see news release February 14, 2022).

For the three and six months ended June 30, 2026 (In Canadian dollars, unless otherwise noted)

Table 1. Cambaya I Phase 2 Drilling Intercept Highlights

Corridor	Hole ID		From (m)	To (m)	Length (m)	Ag (g/t)	Au (g/t)
Cambaya I	26CUR-017	1	75.55	76.55	1	56.9	0.305
		1	80.15	81.15	1	42.9	0.689
	26CUR-018	1	72.10	74.80	2.70	284.41	1.29
		Incl. 2	73.10	73.80	0.70	1,015.00	4.52
	26CUR-019		No significant intercepts				
	26CUR-020	1	77.80	78.80	1	81.8	0.057
	26CUR-021	1	47.35	48.85	1.50	168.4	0.122
		Incl. 2	47.85	48.35	0.50	368.0	0.228
	26CUR-022	1	12.30	12.80	0.50	102.0	0.108
	26CUR-023	1	17.60	18.10	0.50	598.0	0.504
		1	26.10	30.10	4	136.2	0.150
		Incl. 2	26.10	27.10	1	448.2	0.373
		1	103.10	103.70	0.60	80.0	0.064
	26CUR-024	1	17.50	21.15	3.65	48.8	0.201
		Incl. 2	18.50	19	0.50	139.0	0.481
		1	54.30	54.88	0.58	207.0	0.298
		1	57.30	57.80	0.50	43.6	0.122

1. Intervals - no less than 1m of >= 40 g/t Ag, maximum consecutive dilution 2m >=20g/t Ag or less grades for internal dilution.
2. Intervals - no less than 0.5m of >= 300 g/t
True widths of mineralization are unknown based on current geometric understanding of the mineralized intervals.

Exploration at the Curibaya project remains at an early stage, with a relatively limited amount of drilling completed to date. In total, 6,481.5 m of drilling has been conducted over two phases, which has tested only a small portion of the overall project area.

Given the limited drilling completed to date, the Company believes the project remains underexplored. The high-grade silver mineralization encountered supports the potential for additional mineralization, which would require further drilling to properly evaluate. Having confirmed continuity of mineralization in Cambaya I, the Company's next phase of drilling, which is subject to obtaining additional financing, will target the Cambaya II corridor, and then aim to tighten drill spacing across all identified corridors.

The Company is in the process of advancing applications to expand drill permits at Curibaya through a new semi-detailed Environmental Impact Study ("EIA-sd"), targeting an increase to up to 220 drill holes within an expanded permit area. Baseline environmental studies have been initiated, with submission of the application anticipated in Q3 2026. Additional field work has now been temporarily paused while the Company progresses its expanded permit application and awaits the interpretation and incorporation of the full Phase 2 program results into an updated geological model to guide future exploration planning.

In addition to the near-surface silver-gold mineralization, the Company notes that portions of the project have prospective characteristics for copper mineralization, which has seen little exploration to date. Future planning will consider both the expansion of known mineralized zones and the evaluation of additional targets as part of a broader exploration strategy.

The scope, timing and scale of future exploration programs will be determined following completion of data review and subject to additional funding.

During the three and six months ended June 30, 2026, the Company incurred $415,622 and $2,368,360, respectively, of exploration and evaluation expenses on Curibaya ($106,361 and $232,324 for the three and six months ended June 30, 2025, respectively).

3.1.2 Project Investigation and Portfolio Diversification

During the three and six months ended June 30, 2026, the Company continued to work towards the potential acquisition of the Ruta Project with continued project due diligence and exclusive agreement negotiations to obtain an option on the project. Any binding option agreement, if ultimately reached, would be subject to TSXV approval before becoming effective.

3.2 Qualified person and technical disclosures

Christian Rios, P.Geo., SVP of Exploration of the Company, is the Qualified Person who has reviewed and approved the technical disclosures in this MD&A.

Drilling

Analytical samples were taken by sawing HQ or NQ diameter core into equal halves on site and sent one of the halves to ALS Lab in Arequipa, Peru for preparation and then to Lima, Peru for analysis. All samples are assayed using 30 g nominal weight fire assay with atomic absorption finish (Au-AA25) and multi-element four acid digest ICP-AES/ICP-MS method (ME-MS61). Where MS61 results were greater or near 10,000 ppm Cu, 10,000 ppm Pb or 100 ppm Ag the assays were repeated with ore grade four acid digest method (Cu, Pb, Ag-OG62). Where OG62 results were greater or near 1,500 ppm Ag the assay were repeated with 30 g.

QA/QC programs for 2026 core samples using company and lab duplicates, standards and blanks indicate good accuracy and precision in a large majority of standards assayed.

Silver equivalent grades (AgEq), which were used for interval selection only, were calculated using silver price of US$18/oz and gold price of US$1,300/oz. Metallurgical recoveries were not applied to the silver equivalent calculation.

Main Interval - AgEq (Ag, Au) intervals at 25 ppm (minimum 5 m, max consecutive dilution 6 m)

Sub-Interval - AgEq (Ag, Au) intervals at 75 ppm (minimum 1 m, max consecutive dilution 2 m)

True widths of mineralization are unknown due to the unknown mineralized zones orientation.

Channel Sampling

Analytical samples were taken from each 1-metre interval of channel floor resulting in approximately 2-3 kg of rock chips material per sample. Collected samples were sent to ALS Lab in Arequipa, Peru for preparation and then to Lima, Peru for analysis. All samples are assayed using 30 g nominal weight fire assay with atomic absorption finish (Au-AA25) and multi-element four acid digest ICP-AES/ICP-MS method (ME-MS61). Where MS61 results were greater or near 10000 ppm Cu, 10000 ppm Pb or 100 ppm Ag the assays were repeated with ore grade four acid digest method (Cu, Pb, Ag-OG62). Where OG62 results were greater or near 1500 ppm Ag the assay were repeated with 30 g nominal weight fire assay with gravimetric finish (Ag-GRA21). QA/QC programs for channel samples using internal standard and blank samples; field and lab duplicates indicate good overall accuracy and precision.

Silver equivalent grades (AgEq), which were use for interval selection only, were calculated using a $1300/oz gold price and $18/oz silver price. AgEq = Ag (ppm) + Au (ppm) * (Ag $/troy oz/Au $/troy oz). No metallurgy recoveries were used for the AgEq calculation.

Main Interval - AgEq (Ag, Au) intervals at 25 ppm (minimum 5 m, max consecutive dilution 6 m)

Sub-Interval - AgEq (Ag, Au) intervals at 75 ppm (minimum 1 m, max consecutive dilution 2 m)

True widths of mineralization are unknown based on current geometric understanding of the mineralized intervals.

4 DISCUSSION OF OPERATIONS

4.1 Three months ended June 30, 2026 and 2025 (Q2 2026 vs Q2 2025)

During the three months ended June 30, 2026, the Company reported a loss of $824,372 compared to a loss of $544,348 for the comparable period in 2025. Significant variances within operating expenses and other expenses, which in combination resulted in a $280,024 increase in the current period's loss, are discussed as follows:

- Exploration and evaluation costs in Q2 2026 were $415,622 compared to $88,364 in Q2 2025. The increase was driven by the Phase 2 drill program, which was completed in early April and followed by demobilization and data interpretation, while activities in the comparable period were very limited.

- Fees, salaries and benefits increased to $271,459 in Q2 2026 compared to $215,143 in Q2 2025. The change is primarily attributable to the allocation of $43,673 of share-based payment, compared to $62 in the comparable period.

- Partially offsetting the factors mentioned above, in Q2 2025, the Company recorded a loss of $95,794 upon dissolving its Peruvian subsidiary, Corisur Peru, S.A.C. ("Corisur"), which increased the prior period loss. In contrast, there were no impairment losses recorded in the current quarter.

For the three and six months ended June 30, 2026 (In Canadian dollars, unless otherwise noted)

4.2 Six months ended June 30, 2026 and 2025 (YTD 2026 vs YTD 2025)

During the six months ended June 30, 2026, the Company reported a loss of $3,253,343 compared to a loss of $1,063,600 for the comparable period in 2025. Significant variances for the comparable six-month period are generally driven by the same factors discussed above for the three-month period with the Phase 2 drill program driving the increase in exploration and evaluation costs, as well as higher fees, salaries and other employee benefits resulting from additional administrative support required during drilling.

4.3 Summary of Quarterly Results

Quarter ended	Interest income	Loss for the period	Comprehensive loss for the period	Net loss per share
June 30, 2026	**$8,485**	**$824,372**	**$837,837**	**$0.00**
March 31, 2026	20,416	2,428,971	2,446,765	0.01
December 31, 2025	24,739	1,727,940	1,725,369	0.01
September 30, 2025	1,255	461,495	458,141	0.00
June 30, 2025	1,271	544,348	547,410	0.00
March 31, 2025	1,845	519,252	519,532	0.00
December 31, 2024	2,246	832,804	812,510	0.00
September 30, 2024	10,527	840,323	845,237	0.00

During the last eight quarters, the Company's net loss has ranged between $461,495 and $2,428,971. Quarterly losses are closely correlated to the level of exploration activity in any given quarter, which can fluctuate significantly. Additionally, the Company incurs expenditures on administrative activities, professional fees, corporate outreach and communications, and regulatory compliance, to support its exploration activities, public listings and to promote the Company's activities in the market. These expenses fluctuate to a significant degree depending on the funding opportunities available to the Company to pursue exploration.

In addition to the quarterly loss trends discussed above, the Company also recognized impairment charges in Q4 2024 in relation to its decommissioning of equipment and again in Q2 2025 in relation to the dissolution of its foreign subsidiary. Beyond the fluctuations driven by activity levels, the impairment charges resulted in increased losses during those periods.

4.4 Summary of Project Costs

During the six months ended June 30, 2026, the Company incurred $2,368,360 in exploration and evaluation costs on its projects.

Mineral property interests	Curibaya
Balance as at December 31, 2024	$ 1,448,612
Currency translation adjustment	(44,150)
Balance as at December 31, 2025	**$ 1,404,462**
Recognition of reclamation provision	**546,494**
Currency translation adjustment	**43,204**
Balance as at June 30, 2026	**$ 1,994,160**

Exploration and evaluation costs	Curibaya
Surface exploration	$ 81,741
Exploration drilling	1,767,661
Camp and project support	82,100
Concession holding	95,128
Permitting, environmental and community	329,759
Share-based payments	11,971
Total for the period ended June 30, 2026	**$ 2,368,360**

4.5 Future Operations

Current financial resources continue to support progress at Curibaya, specifically in relation to the Company's second phase of drilling, which was recently completed and represented the Company's first opportunity to drill the Cambaya target area. The program tested only four of the 20 drill pad locations identified to date, and only the Cambaya I structural corridor (see section 3.1.1). The assay results from the Phase 2 drill holes (Table 1) reconfirmed the presence of a high-grade epithermal silver-gold system at Curibaya that spans approximately 6 km across multiple corridors, and the system remains open in multiple directions, with further drilling required to test its expansion potential. The Company is preparing an expanded EIA-sd drill permit application that would increase the permitted area and number of holes, and additional field work has been paused while the Company progresses the permit application and incorporates the Phase 2 results into an updated geological model to guide future exploration.

For the three and six months ended June 30, 2026 (In Canadian dollars, unless otherwise noted)

Curibaya remains a core asset and a priority for the Company, which continues to see multiple opportunities across the significantly underexplored project, including the high-grade silver mineralization encountered near surface and the potential for a copper porphyry source at depth. Consistent with its strategy of rebuilding a pipeline of exploration projects, the Company continues the negotiations of the Ruta Option with respect to the Ruta Project in Ecuador. In the near term, the Company is directing its resources toward completing the proposed transaction and the related financing, while continuing to advance the Curibaya permit application and technical work described above.

On August 13, 2026, subsequent to quarter end, the Company announced the proposed August 2026 Offering intended to fund the acquisition of, and initial exploration at, the Ruta Project and for general corporate purposes. Completion of the proposed Ruta Option, the advancement of the next phase of drilling and permitting at Curibaya, and the payment of government concession fees required to maintain Curibaya (including approximately $843,924 due in 2027), will depend on the Company completing this financing and/or securing additional financing, most likely through the sale of common shares. The proposed financing has not closed, and there can be no assurance that the Company will complete it or otherwise raise sufficient funds on acceptable terms or at all, to fund the Ruta Option, its planned exploration and project acquisition activities, or the continued advancement of Curibaya.

5 FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

5.1 Financial position and liquidity

	June 30, 2026	December 31, 2025
Cash	**$ 593,645**	$ 3,895,840
Amounts receivable	**12,577**	10,368
Current other assets	**58,258**	145,588
Non-current other assets	**657,581**	396,325
Mineral property interests	**1,994,160**	1,404,462
Current liabilities	**(2,639,098)**	(1,296,748)
Non-current liabilities	**-**	(729,352)

As at June 30, 2026, the Company had cash of $593,645 (December 31, 2025, $3,895,840) and a working capital deficit of $1,974,618 (December 31, 2025 – working capital surplus of $2,755,048).

As at June 30, 2026, the Company had current liabilities of $2,639,098, which include accounts payable and accrued liabilities totaling $1,670,004 due to be paid within twelve months. The Company has recorded accrued liabilities related to Curibaya government concession fees totaling $843,924 due by June 30, 2027. The Company also has a current provision of $969,094 for site reclamation and closure at the Curibaya project resulting from the disturbance caused by its 2021 and 2026 drill programs. Timing of the reclamation work is currently expected for 2026 in accordance with the Company's current permit, however, the EIA-sd permit for which the Company is preparing an application, is expected to extend the timing of such work. Additionally, the Company has certain commitments related to the Universal Mineral Services ("UMS Canada") lease obligation disclosed in Note 6 of the annual audited consolidated financial statements for the year ended December 31, 2025.

During the six months ended June 30, 2026, the Company used cash of $3,148,845 in operating activities compared to $503,744 during the comparative period in 2025, with the higher cash outflow being driven by exploration activities as discussed above.

During the six months ended June 30, 2026, the Company used cash in investing activities of $158,838 compared to cash generated of $3,116 during the comparable period. Since signing the original exclusivity agreement in relation to the Ruta Option in October 2025, direct acquisition costs, including transaction costs, have been deferred in accordance with the Company's accounting policy. During the reporting period, $187,739 of these costs were paid and classified as investing activities. This was partially offset by $28,901 of interest income earned on the Company's cash balance.

For the three and six months ended June 30, 2026 (In Canadian dollars, unless otherwise noted)

During the six months ended June 30, 2026, cash provided by financing activities was $nil, compared to cash generated from financing activities of $501,147 in the comparable period. The cash inflow during the six months ended June 30, 2025, related to the January 2025 private placement, a $175,000 short-term loan and $119,008 of LIFE offering subscriptions (subsequently terminated and funds returned).

Capital markets have been challenging in recent years for junior exploration companies, and the Company has made significant efforts to minimize and contain expenditures during periods of inactivity. In Q4 2025, activities ramped up as the Company prepared for its Phase 2 drill program and continued its project evaluation and Ruta Option negotiation. As of the date of this MD&A, the Company currently projects to require $1.4 million annually to cover corporate compliance and overhead costs, including corporate communications and marketing, and $2.3 million for project related costs, to keep the Curibaya project and community relationships in good standing and to maintain and expand its permits and complete remediation of environmental disturbances. As previously noted, reclamation and closure activities, and the estimated $1.0 million cost, may be deferred if the expanded EIA-sd permit is obtained. The estimated annual cash requirements outlined above, do not include the funds required to undertake exploration activities, the amount of which is dependent on the size and extent of the planned program(s), or costs related to the potential purchase price payments (see section 11.1) and increased administrative support, corporate communications and investor outreach activities that would be required upon completion of the Ruta Option. The Company is currently incurring legal and technical costs in connection with the Company's ongoing exclusive negotiations for the Ruta Option, the amount of which will be dependent on the timing of a final agreement, if one is reached.

Despite having some ability to limit and contain its expenditures, the Company has incurred operating losses to date and does not generate operating revenue to support its activities. With no source of operating revenue, there can be no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. The ability to continue as a going concern remains dependent upon the Company's ability to obtain the financing necessary to continue to fund its mineral properties and exploration programs, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. These conditions create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and expose the Company to liquidity risk, being the risk that it will have difficulty in meeting obligations associated with its financial liabilities. While the Company has been successful in completing financings in the past and is currently working to complete the August 2026 Offering, as of June 30, 2026, the Company did not have sufficient cash on hand to discharge its financial liabilities as they become due and will require additional funding to continue operations for the next twelve months.

5.2 Capital Resources

The Company, like virtually all junior explorers, relies on equity financings to fund its activities. The Company also has share purchase options and warrants outstanding as at the date of this MD&A that could be a potential source of capital for the Company.

<u>Outstanding options and warrants</u>

Expiry date	Security type	Securities outstanding	Exercise price
January 3, 2028	Warrants	5,354,333	$0.15
September 11, 2028	Warrants	44,052,660	$0.11
September 15, 2028	Options	2,860,000	$0.30
September 16, 2028	Warrants	43,086,520	$0.11
December 28, 2028	Options	295,000	$0.30
January 23, 2029	Options	500,000	$0.10
July 2, 2029	Options	300,000	$0.30
October 24, 2030	Options	4,778,000	$0.12

The above table excludes 102,500 options that expired unexercised subsequent to June 30, 2026. There is no assurance that any of the above securities will be exercised. They are all exercisable at prices above the $0.07 Issue Price of the August 2026 Offering.

<u>Equity Financings</u>

On August 13, 2026, the Company announced the proposed August 2026 Offering which, if completed, would generate minimum gross proceeds of $12 million and a maximum of $17 million, subject to the over-allotment option of an additional $8.5 million that if exercised in full would be a maximum of $25.5 million in gross proceeds. The closing of the August 2026 Offering is subject to reaching the minimum gross proceeds and other customary closing conditions including receipt of subscription agreements and TSX Venture Exchange approval. It is also conditional on the closing of the Ruta Option.

For the three and six months ended June 30, 2026 (In Canadian dollars, unless otherwise noted)

On September 16, 2025, the Company closed a private placement (the "September 2025 Placement") for gross proceeds of $6,500,000. The net proceeds from the September 2025 Placement were intended to be, and have been, used to fund exploration at Curibaya, new project investigation and general working capital. A reconciliation of the net proceeds is as follows:

	Number of common shares		Proceeds
Units issued at $0.08 per unit	81,250,000	$	6,500,000
Share issuance costs			(421,171)
Net proceeds		$	6,078,829

A summary of how the funds were used up until June 30, 2026, is as follows:

Cash balance at September 11, 2025	**$**	**25,090**
Net proceeds from September 2025 Placement	$	6,078,829
Actual use of proceeds – 2025		
Repayment of promissory note and interest		(179,775)
Expenditures on the Curibaya project		(533,396)
General working capital		(1,222,681)
Expenditures on project investigation and negotiations		(272,227)
Proceeds remaining at December 31, 2025	**$**	**3,895,840**
Actual use of proceeds – 2026		
Expenditures on the Curibaya project		(2,458,377)
General working capital		(579,259)
Expenditures on project investigation and negotiations		(264,559)
Proceeds remaining at June 30, 2026	**$**	**593,645**

6 OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have off-balance sheet arrangements. Earn-in arrangements are not viewed as off-balance sheet arrangements, and there are no other material commitments held by the Company at the balance sheet date other than those disclosed in section 5.1 above.

7 RELATED PARTY TRANSACTIONS

Related party transactions, as defined by IFRS (and for clarity, not Canadian securities regulatory multi-lateral instrument 61-101 – Protection of Minority Shareholders, which is based on an entirely different meaning for "related party transaction"), are those with entities over which the Company has control or significant influence, or with key management personnel, being persons having the authority and responsibility for planning, directing, and controlling the Company.

A summary of the Company's related party transactions for the three and six months ended June 30, 2026, and 2025, is as follows:

7.1 UMS Canada

Due to the Company having an ownership interest in UMS Canada it is classified as a related party. All transactions with UMS Canada during the three and six months ended June 30, 2026, and 2025 have occurred in the normal course of operations and are summarized in the table below. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

	Three months ended June 30,				**Six months ended June 30,**			
		2026		2025		**2026**		2025
Exploration and evaluation (recovery)	**$**	**8,764**	$	(31,584)	**$**	**24,980**	$	(41,656)
General and administration		**102,076**		81,498		**237,791**		167,681
Marketing and investor relations		**387**		-		**3,798**		-
Project investigation		**14,784**		3,352		**25,632**		9,770
Total transactions	**$**	**126,011**	$	53,266	**$**	**292,201**	$	135,795

For the three and six months ended June 30, 2026 (In Canadian dollars, unless otherwise noted)

As at June 30, 2026, $28,061 (December 31, 2025 - $36,763) was included in accounts payable and accrued liabilities and $26,823 (December 31, 2025 - $39,628) in prepaid expenses, deposits and other relating to transactions with UMS Canada. Including the initial deposit of $150,000 advanced to UMS Canada for working capital purposes, the Company had a net deposit of $148,761 with UMS Canada as at June 30, 2026.

7.2 Key management transactions

In addition to the transactions disclosed above, the Company provided or accrued the following compensation to key management members, being its three executives, of which one, the CEO, is a Board director, and five non-executive independent directors:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Executive salaries and benefits	**$ 148,776**	$ 138,069	**$ 304,714**	$ 287,820
Non-executive, independent director fees	**40,661**	40,245	**80,906**	80,490
Share-based payments	**37,555**	-	**95,855**	3,588
Total transactions	**$ 226,992**	$ 178,314	**$ 481,475**	$ 371,898

The Company's Chief Financial Officer provides services, on a less than full-time basis, under a secondment employment arrangement between the Company and UMS Canada. As at June 30, 2026, the Company had an accounts payable balance with all key management personnel of $50,305 ($941 as at December 31, 2025).

8 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

In preparing the Company's financial statements, the Company applied the significant accounting estimates and judgments disclosed in Note 3 of the audited consolidated financial statements for the year ended December 31, 2025.

9 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The accounting policies followed in the financial statements are the same as those applied in the Company's most recent audited annual consolidated financial statements for the year ended December 31, 2025, as disclosed in Note 3 therein, with the exception of those amended standards discussed below.

On May 30, 2024, the IASB issued Amendments IFRS 9 and IFRS 7 which clarify the date of initial recognition or derecognition of financial liabilities, including financial liabilities that are settled in cash using an electronic payment system. The amendments also introduce additional disclosure requirements to enhance transparency regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. These amendments are effective for annual periods beginning on or after January 1, 2026. The adoption of the new standard did not have an impact on the financial statements of the Company.

Standards issued but not yet effective

On April 9, 2024, the IASB issued a new standard, IFRS 18 Presentation and Disclosure in Financial Statements, to improve the reporting of financial performance. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. IFRS 18 replaces IAS 1 Presentation of Financial Statements and will be effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is in the process of assessing the impact of this new accounting standard on the financial statements but recognizes that it will have an impact on the presentation of its statements of loss and comprehensive loss, and cash flows. At this time, the Company has not identified any management-defined performance measures that will require disclosure.

For the three and six months ended June 30, 2026 (In Canadian dollars, unless otherwise noted)

10 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at June 30, 2026, the Company's financial instruments consist of cash, amounts receivable, deposits, and accounts payable and accrued liabilities which are classified as and measured at amortized cost. The fair values of the current financial instruments approximate their carrying values due to their short-term nature.

The Company's financial instruments are exposed to certain financial risks including credit risk, liquidity risk and currency risk. Details of the primary risks that the Company is exposed to are further laid out in Note 10 to the Company's financial statements.

11 OTHER REQUIRED DISCLOSURES

11.1 Proposed transactions

After signing an original exclusivity agreement and term sheet in October 2025, on June 29, 2026, the Company signed the LOI to acquire an option to earn a 70% controlling interest in CMRDC, which holds the Ruta Project, comprising three mineral concessions in Azuay Province, Ecuador. As of the date of this MD&A, the parties continue to work toward a Definitive Agreement.

To acquire and maintain the 70% interest over a purchase period of up to seven years from execution of the Definitive Agreement (the "Option Period"), the Company would be required to make aggregate cash payments of US$39.4 million and incur minimum exploration and development expenditures on the Ruta Project totaling US$64.4 million over the Option Period. From initial completion, the Company (or its designate) would act as operator/exploration manager and be entitled to a management fee of 8% of expenditures. Should the Sellers' interest be diluted below 10%, it would convert to a 2.0% NSR royalty.

Completion of the transaction is subject to a number of conditions, including negotiation and execution of the Definitive Agreement, satisfactory due diligence, receipt of TSX Venture Exchange acceptance (which is non-waivable), and the Company obtaining sufficient financing to fund its initial obligations, including the closing of the Company's August 2026 Offering. The LOI is non-binding, and there can be no assurance that the Company will enter into the Definitive Agreement or complete the transaction on the terms described above, or at all. See news release dated June 30, 2026 for full discussion of terms and conditions.

11.2 Capital structure

The capital structure of the Company consists of:

Authorized: Unlimited number of common shares.

The following common shares, share options and share purchase warrants were outstanding as at June 30, 2026, and at the date of this MD&A:

	As at June 30, 2026	**As at date of MD&A**
Common shares	258,732,856	258,732,856
Share options	8,835,500	8,733,000
Share purchase warrants	92,493,513	92,493,513

11.3 Disclosure controls and procedures

As defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out therein.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, have evaluated the design of the Company's disclosure controls and procedures and the design of internal controls over financial reporting as required by Canadian securities laws, and have concluded that such procedures are adequate to ensure accurate and complete disclosures in public filings.

There are inherent limitations in all control systems, and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR+ website at www.sedarplus.ca under Tier One Silver Inc.'s profile.

On behalf of the Board of Directors,

"Peter Dembicki"
Peter Dembicki
President, Chief Executive Officer and Director
August 25, 2026