# Talamore Mining Corp.

**(formerly, Fuerte Metals Corporation)**

# MANAGEMENT'S DISCUSSION AND ANALYSIS

**For The Three and Six Months Ended June 30, 2026**

www.talamoremining.com
TSX.V: **TALA**
OTCQB: **TALMF**

## INTRODUCTION

Talamore Mining Corp. ("Talamore" or the "Company"), formerly Fuerte Metals Corporation ("Fuerte") was incorporated under the Business Corporations Act of British Columbia on April 8, 2020. The Company's head office is in Vancouver, Canada. The principal business of the Company is to identify, explore and evaluate mineral properties, primarily in the Americas. The Company's common shares are listed on the TSX Venture Exchange ("TSXV"), trading under the symbol "TALA" and also trade on the OTCQB under the symbol "TALMF".

On February 9, 2024, the Company completed a reverse takeover transaction (the "RTO"), pursuant to a Business Combination Agreement dated December 15, 2023, between the Company, 1000723052 Ontario Corporation, a newly incorporated subsidiary of the Company, and TCP1 Corporation ("TCP1"). Pursuant to the RTO, the Company acquired all of the issued and outstanding common shares of TCP1 in exchange for common shares of Fuerte (the "Transaction"). Upon completion of the Transaction, the shareholders of TCP1 controlled the Company and accordingly, for accounting purposes, the transaction was accounted for as a reverse acquisition of Fuerte by TCP1 and TCP1 was identified as the accounting acquirer and the condensed consolidated interim financial statements were prepared as a continuation of TCP1.

On October 17, 2025, the Company closed the acquisition of Goldcorp Kaminak Ltd., the owner of the Coffee Gold Project (the "Coffee Project") in Yukon, Canada, from Newmont Corporation ("Newmont"), (the "Coffee Transaction"). On November 10, 2025, Goldcorp Kaminak Ltd. changed its corporate name to Kaminak Gold Ltd. ("Kaminak"). Pursuant to the Coffee Transaction, the Company paid approximately US$10 million in cash and issued 22,729,126 common shares and 10,842,989 preferred shares to an affiliate of Newmont. The Company also granted Newmont a 3% net smelter return (the "Newmont NSR") royalty on the Coffee Project. The Newmont NSR may be repurchased for US$100 million within one year following the announcement of commercial production. The preferred shares were non-voting and economically equivalent to the common shares and automatically converted to common shares on a one-for-one basis on February 16, 2026.

In connection with the acquisition of Kaminak, the Company completed a private placement of 34,848,485 subscription receipts at $1.65 per receipt (the "Offering") for gross proceeds of approximately $57.5 million on October 9, 2025. Each subscription receipt converted into one common share and one common share purchase warrant exercisable at $2.50 per common share for five years upon closing.

On April 27, 2026, the Company changed its name to Talamore Mining Corp. from Fuerte Metals Corporation.

On August 10, 2026, the Company announced that it will be graduating to the Toronto Stock Exchange ("TSX") effective at market open on August 11, 2026, and the common shares will be voluntarily delisted from the TSXV, effective as of the close of market on August 10, 2026.

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Talamore and its subsidiaries during the relevant reporting period and to the date of this report. The MD&A supplements, but does not form part of, the unaudited condensed consolidated interim financial statements of the Company and the notes thereto for the three and six months ended June 30, 2026 and 2025, and, consequently, should be read in conjunction with the aforementioned financial statements and notes thereto. This MD&A should also be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2025.

## ADDITIONAL INFORMATION

Additional information about the Company is available under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.talamoremining.com. The Company reports its financial information in Canadian dollars and all monetary amounts set forth herein are expressed in Canadian dollars unless specifically stated otherwise. The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB"). The Company's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2026 and 2025 were prepared in accordance with IAS 34 *Interim Financial Reporting*.

Denis Flood, P.Eng., is a qualified person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed and approved for inclusion the scientific and technical disclosure in this MD&A. Mr. Flood is the Chief Operating Officer of the Company.

This MD&A is current to August 10, 2026.

## FORWARD LOOKING STATEMENTS AND RISK FACTORS

This MD&A contains "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation. Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as "expect", "plan", "anticipate", "project", "target", "potential", "schedule", "forecast", "budget", "estimate", "intend" or "believe" and similar expressions or their negative connotations, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. In particular, this MD&A includes forward-looking statements with respect to the Company's future exploration and development plans and the results thereof for the Company's mineral properties; the Company's ability to raise additional funds, as required; plans relating to the proposed debt facility and warrant exercise incentive program and the terms thereof; the estimation of mineral resources; the results of the Preliminary Economic Assessment ("PEA") for the Coffee Project, including planned mine life and anticipated production; the early works program planned for the Coffee Project; the Company obtaining necessary permits and licenses; the anticipated timing of a construction decision for the Coffee Project; the timing and amount of estimated future exploration; anticipated costs and expenses; success of exploration activities; government regulation of mineral exploration and mining operations; and outlook, guidance, and other forecasts.

Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond the Company's control, including risks associated with or related to: the volatility of metal prices; changes in tax laws; the dangers inherent in exploration, development and mining activities; the uncertainty of mineral resource estimates; title matters; cost or other estimates; actual exploration plans and costs differing materially from the Company's expectations; the ability to obtain and maintain any necessary permits, consents or authorizations required for exploration activities; environmental regulations or hazards and compliance with complex regulations associated with exploration activities; the availability and need for financing and debt activities, including potential restrictions imposed on the Company's operations as a result thereof and the ability to ultimately generate sufficient cash flows; remote operations and the availability of adequate infrastructure; shortages or cost increases in necessary equipment, supplies and labour; the reliance upon contractors and other third parties; the dependence on key personnel and the ability to attract and retain skilled personnel; the risk of an uninsurable or uninsured loss; adverse climate and weather conditions; litigation risk; competition with other mineral exploration and mining companies; community support for the Company's operations; conflicts with small scale miners; failures of information systems or information security threats; compliance with anti-corruption laws, and sanctions or other similar measures. The list is not exhaustive of the factors that may affect Talamore's forward-looking statements.

The Company's forward-looking statements are based on the applicable assumptions and factors management considers reasonable as of the date hereof, based on the information available to management at such time. These assumptions and factors include, but are not limited to, assumptions and factors related to Talamore's ability to carry on current and future planned exploration operations; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the availability and cost of inputs; the timely receipt of necessary regulatory approvals or permits; the ability to meet current and future obligations; the ability to obtain timely financing on reasonable terms when required; and all necessary shareholder and stock exchange approvals being obtained for the financing transactions; the current and future social, economic and political conditions in the jurisdictions in which the Company operates; and other assumptions and factors generally associated with the mining industry.

The Company's forward-looking statements are based on the opinions and estimates of management and reflect their current expectations regarding future events and operating performance and speak only as of the date hereof. The Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, and actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits or liabilities the Company will derive therefrom. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

For additional discussion of risk factors, please refer to the Company's Annual Information Form for the year ended December 31, 2025, which is available on the Company's website www.talamoremining.com and on www.sedarplus.ca.

## OVERVIEW OF SIGNIFICANT EVENTS, REVIEW OF ACTIVITIES AND FINANCING ACTIVITY

In order to better understand the Company's financial results, it is important to gain an appreciation of the significant events, transactions and activities involving mineral property interests that occurred during the three and six months ended June 30, 2026 and to the date of this MD&A. This overview should be read in conjunction with the remainder of this MD&A to appreciate more fully the Company's results and activities for the three and six months ended June 30, 2026.

### Project Updates

The Company's mineral property assets include the following:

Coffee Project

On October 17, 2025, the Company closed the acquisition of Kaminak, the owner of 100% of the Coffee Project in Yukon, Canada, from Newmont. Pursuant to the transaction, the Company paid approximately US$10 million in cash and issued 22,729,126 common shares and 10,842,989 preferred to an affiliate of Newmont. The Company also granted Newmont a 3% net smelter return (Newmont NSR) royalty on the Coffee Project. The Newmont NSR may be repurchased for US$100 million within one year following the announcement of commercial production.

The Coffee Project is approximately 130 km south of Dawson City and is currently accessible by air or by barge along the Yukon River. A proposed 214 km all-season road from Dawson City is currently in the permitting process and a preferred contractor for road construction has been engaged. A secondary all-weather airstrip has also been designed and construction has commenced. The Coffee Project was subject to an assessment under the Yukon Environmental and Socio-economic Assessment Act (YESAA), administered by the Yukon Environmental and Socio-economic Assessment Board (YESAB), which was completed in March 2022. The significant remaining approvals required for mine construction and operation are a Type A Water Use Licence and a Quartz Mining Licence. Applications for these permits were submitted to the respective licensing bodies in November 2023 and are under review by regulators. Other authorizations, including those required for all-season access road construction are also being reviewed by regulators. Along with the announcement of the Coffee Project acquisition on September 15, 2025, the Company provided an updated resource estimate for the project which established a Measured and Indicated gold resource of 2.96 Moz, consisting of 80 Mt at a grade of 1.15 g/t gold at a weighted average cut-off of 0.18 g/t. and an Inferred resource of 0.8 Moz, consisting of 21 Mt at a grade of 1.17 g/t gold. The entire resource is amenable to conventional open-pit mining and heap-leach processing to produce gold doré bars.

In December 2025, the Company announced a partnership with G Mining Services to produce a Feasibility Study, which is currently underway, to perform preliminary engineering for critical-path items and to lead the eventual mine construction for the Coffee Project. In addition, the Company engaged WSP Canada Inc. to complete a Preliminary Economic Assessment ("PEA") which was completed in Q2 2026.

On February 22, 2026, the Company announced the results of a PEA for the Coffee Project. The PEA contemplates a high-grade open-pit heap-leach mine with an initial planned mine life of approximately 13 years. Coffee is expected to produce 249,000 saleable gold ounces per year on average for the first full five years of production and an average of 217,000 saleable gold ounces per year over the life of mine. The PEA includes inferred resources. The Company filed the corresponding Coffee PEA Technical Report on April 8, 2026. With the positive results of the PEA, the Company commenced an Early Works program to complete several strategic initiatives that will help accelerate the construction timeline once a construction decision is made. The initiatives permissible under our existing permits include a new airstrip that allows larger aircraft and flights without sunlight; installation of a construction camp; development of laydown areas; and other minor projects (e.g., aggregate stockpiling, powder magazine, etc.).

In March 2026, the Company announced the award of the construction contract for the Northern Access Route ("NAR"), which will connect the Coffee Project to the City of Dawson and the Yukon highway network. The NAR marks the first stage of early infrastructure development, positioning the Company to make a final construction decision, following the release of an updated feasibility study and receipt of final mine permits. Additionally in March 2026, a 40,000-metre drill program commenced, part of which is focussed on infill drilling to convert a portion of the 0.8 Moz Inferred gold resource to the Indicated category for inclusion in the Feasibility Study, noted earlier.

In May 2026, the Company announced several measures to strengthen the design, construction, operation and governance of the Heap Leach Facility at the Coffee Project including the appointment of a new Engineer of Record, establishment of an Independent Technical Review Board and membership in the Mining Association of Canada to adopt the Towards Sustainable Mining protocols.

In June 2026, the Company reported initial results from the start of the 40,000-metre infill and exploration drilling program, which are the first publicly released results since 2017. The first 15 drill holes totaled 1,961 metres and were part of a planned 25,000 metres of infill drilling focussed at the Supremo Extension target. Drill intercepts had a grade meaningfully higher than the resource grade from the September 2025 resource estimate and provide a compelling target for converting high-grade ounces to the indicated category for inclusion in the Feasibility Study, currently underway.

In July 2026, the Company reported results from another 55 infill drill holes totaling 7,447 metres at Supremo Extension which continue to deliver drill intercepts with grades meaningfully higher than the resource grades in the September 2025 resource estimate.

A total of 157 drill holes for approximately 22,348 metres has been completed through June 30, 2026, with assays pending on a number of drill holes.

Cristina Project

The Company holds a 100% interest in the Cristina Project ("Cristina") located in Chihuahua State, Mexico. There is an existing 2% net smelter royalty ("NSR") over all minerals produced from certain exploitation tenements included in the Cristina Project. The Company has the right to buy back 1% of the NSR for US$1,000,000.

In June 2026, the Company announced the results of an updated mineral resource estimate ("MRE") for Cristina with the bulk of the resource contained within the Guadalupe vein system, which is just one of four major vein systems on the property. The MRE update resulted in an increase in the Indicated resource for a contained 795,000

AuEq ounces and in the Inferred resource for a contained 1,243,000 AuEq ounces. These results reflect drilling up to April 1, 2025.

Placeton Project

The Company holds the rights to the Placeton Project located in the Atacama region of Chile which consists of the Placeton, Caballo Muerto and Los Naranjos targets. Altogether, the Placeton Project is comprised of thirty-nine mining concession tenement groups. The Placeton Project's mineral claims are subject to a 2% NSR.

No work has been undertaken at the Placeton Project in 2026.

Yecora Project

The Company holds a 100% interest in the Yecora Project ("Yecora") located in Sonora State, Mexico. Pursuant to the terms of the Yecora acquisition agreement, the Company is required to pay a sum of US$500,000 when the Company makes the decision to start production, and US$2,000,000 when the Company starts commercial production on any of the claims within Yecora.

No work has been undertaken at the Yecora Project in 2026.

*El Cofre Project*

On September 12, 2025, the Company entered into a definitive agreement (the "Agreement") to sell the El Cofre Project to Chilean Cobalt Corp. ("Chilean Cobalt"). Under the terms of the Agreement, the Company transferred all of the mining concessions that comprise the El Cofre Project to Baltum Minería SpA, a wholly owned subsidiary of Chilean Cobalt, in exchange for 4,500,000 common shares of Chilean Cobalt and reimbursement of the 2025 annual concession payments. The Company received 4,500,000 common shares on October 6, 2025; and a cash payment of $147,715 (CLP 101,833,291) on October 7, 2025.

**Financing Activity**

During the six months ended June 30, 2026, the Company received aggregate gross proceeds of $7,444,764 from the exercise of 2,558,883 warrants at exercise prices ranging from $1.08 to $3.60 per share. The Company also received $842,101 from the exercise of 655,000 stock options at exercise prices ranging from $0.91 to $2.52 per share.

On February 16, 2026, 10,842,989 preferred shares were automatically converted on a one-for-one basis into 10,842,989 common shares.

At June 30, 2026, the Company had $27,082,011 in cash on hand with outstanding accounts payable and accrued liabilities of $17,405,930.

Subsequent to June 30, 2026, the Company announced a construction financing package comprised of a combination of equity, a secured project debt facility and an early exercise incentive program with respect to its existing warrants to be used to fund the advancement and development of the Coffee Project.

On July 21, 2026, the Company closed a brokered private placement of 18,687,500 common shares at a price of C$8.00 per share for aggregate gross proceeds of C$149,500,000.

In addition, the Company entered into a commitment letter with respect to a secured project debt facility of C$400,000,000, with a term of seven years and a fixed interest rate of 8.65% per annum. 42,000,000 common share purchase warrants are to be issued to the lenders on initial drawdown of the facility with an exercise price of C$15.50 per warrant, and a seven-year term. The debt facility will be available for drawdown in tranches, including:

an initial tranche of C$20,000,000 on closing; a second tranche of C$80,000,000 upon Northern Access Route permits being received; and the remainder subject to the receipt of the final mine permits. The debt facility and the issuance of warrants is subject to regulatory and shareholder approval and closing is expected in Q3 2026.

As part of the acquisition financing for the Coffee Project in October 2025, the Company issued 34,848,485 warrants with an exercise price of C$2.50 and a five-year term. The Company plans to provide these existing warrant holders with an incentive to early exercise their warrants during a 30-day early exercise period expected to commence in September 2026. Under the incentive program, existing warrant holders will be entitled to one half new warrant upon the exercise of each existing warrant. Each new incentive warrant will be exercisable into one common share at a price of C$15.50 for a term of seven years. The incentive program is subject to regulatory and shareholder approval.

## OUTLOOK

Subsequent to the Coffee Transaction, the Company's primary focus has become the advancement of the Coffee Project in Yukon, Canada. The Company is advancing the project through permitting and technical studies, including a feasibility study, with the objective of making a construction decision in early 2027.

Other assets will be advanced on a measured basis. At Cristina (Mexico), the Company is focusing on preserving optionality, following the completion of the updated geologic model in June 2026. At Placeton (Chile), the Company will maintain community dialogue and access to the project in order to preserve the option to drill-test targets pending partnership or permitting progress. No work is currently planned in the near term at Yécora (Mexico).

Following the October 2025, December 2025 and recently announced financings, the Company's near-term liquidity has improved. However additional funding will be required to support the Coffee Project's longer-term development program. Plans and timelines remain subject to permitting outcomes, technical results, commodity prices, cost inflation, labour and supply chain availability, stakeholder engagement, and access to capital.

## REVIEW OF FINANCIAL RESULTS

This review of the results of operations should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three and six months ended June 30, 2026 and 2025, along with other public disclosure documents of the Company. For the three and six months ended June 30, 2026, the Company reported net losses of $32,793,101 and $45,983,474 respectively, compared to net losses of $963,826 and $3,467,381 for the three and six months ended June 30, 2025. The commentary that follows provides additional details on the Company's reported net losses for the three and six months ended June 30, 2026 and 2025.

### Exploration and Evaluation Assets (Mineral Properties)

The Company capitalizes costs incurred acquiring exploration and evaluation assets (mineral projects) and any required licenses related thereto with a term of more than one year. At June 30, 2026, the carrying value of the exploration and evaluation assets was $122,623,520 (December 31, 2025 - $122,600,810).

Below is a summary of the carrying value of the Company's exploration and evaluation assets:

| | Coffee | Yecora | Cristina | Placeton | Total |
|---|---|---|---|---|---|
| **Balance, December 31, 2025** | **$ 116,524,692** | **$ 1,905,936** | **$ 13,788** | **$ 4,156,394** | **$ 122,600,810** |
| Change in the period | 22,710 | - | - | - | 22,710 |
| Balance, June 30, 2026 | **$ 116,547,402** | **$ 1,905,936** | **$ 13,788** | **$ 4,156,394** | **$ 122,623,520** |

Exploration and evaluation ("E&E") expenditures are expensed to profit and loss as incurred. These are discussed in more detail below.

## Expenses

### *Exploration and evaluation expenditures*

The Company's E&E expenditures were as follows for the three and six months ended June 30, 2026 and 2025:

| Three months ended June 30, 2026 | Coffee | Yecora | Cristina | Placeton | Total |
|---|---|---|---|---|---|
| Camp | $ 2,517,609 | $ - | $ - | $ - | $ 2,517,609 |
| Claims, licenses and permitting | 1,102,842 | 301 | - | - | 1,103,143 |
| Equipment and supplies | 1,563,202 | - | - | - | 1,563,202 |
| Consultants | 90,120 | - | 82,520 | - | 172,640 |
| Drilling | 4,547,225 | - | - | - | 4,547,225 |
| Engineering and early works | 13,898,240 | - | - | - | 13,898,240 |
| Depreciation | 794,047 | - | - | - | 794,047 |
| Salaries and Benefits | 733,520 | - | - | - | 733,520 |
| Sustainability & Environment | 690,744 | - | - | - | 690,744 |
| Geology and geophysics | 733,810 | - | 10,375 | - | 744,185 |
| Miscellaneous field costs | 1,669,321 | 89 | 25,149 | 8,836 | 1,703,395 |
| Travel | 2,755,542 | - | - | - | 2,755,542 |
| **Total** | **$ 31,096,222** | **$ 390** | **$ 118,044** | **$ 8,836** | **$ 31,223,492** |

| Three months ended June 30, 2025 | El Cofre | Yecora | Cristina | Placeton | Total |
|---|---|---|---|---|---|
| Claims, licenses and permits | $ - | $ - | $ - | $ 2,103 | $ 2,103 |
| Consultants | - | - | 25,207 | - | 25,207 |
| Drilling | - | 6,838 | 266,870 | - | 273,708 |
| Geology and geophysics | - | - | 32,870 | - | 32,870 |
| Miscellaneous field costs | 16,650 | 3,708 | 3,708 | 3,709 | 27,775 |
| Property management | 1,365 | - | - | - | 1,365 |
| Total | $ 18,015 | $ 10,546 | $ 328,655 | $ 5,812 | $ 363,028 |

| Six months ended June 30, 2026 | Coffee | Yecora | Cristina | Placeton | Total |
|---|---|---|---|---|---|
| Camp | $ 3,226,848 | $ - | $ - | $ - | $ 3,226,848 |
| Claims, licenses and permitting | 1,659,177 | 12,551 | 239,575 | 313,602 | 2,224,905 |
| Equipment and supplies | 2,038,104 | - | - | - | 2,038,104 |
| Consultants | 107,960 | - | 118,371 | - | 226,331 |
| Drilling | 5,086,377 | - | - | - | 5,086,377 |
| Engineering and early works | 15,643,002 | - | - | - | 15,643,002 |
| Depreciation | 1,584,339 | - | - | - | 1,584,339 |
| Salaries and Benefits | 1,042,657 | - | - | - | 1,042,657 |
| Sustainability & Environment | 729,693 | - | - | - | 729,693 |
| Geology and geophysics | 869,436 | - | 14,422 | - | 883,858 |
| Miscellaneous field costs | 1,913,361 | 20,333 | 71,547 | 14,303 | 2,019,544 |
| Travel | 4,026,725 | - | 199 | - | 4,026,924 |
| **Total** | **$ 37,927,679** | **$ 32,884** | **$ 444,114** | **$ 327,905** | **$ 38,732,582** |

| Six months ended June 30, 2025 | El Cofre | Yecora | Cristina | Placeton | Total |
|---|---|---|---|---|---|
| Claims, licenses and permits | $ 151,654 | $ 10,550 | $ 54,880 | $ 298,355 | $ 515,439 |
| Consultants | - | - | 50,806 | 1,350 | 52,156 |
| Drilling | - | 14,810 | 1,076,332 | - | 1,091,142 |
| Geology and geophysics | - | - | 80,782 | - | 80,782 |
| Miscellaneous field costs | 23,392 | 9,438 | 9,438 | 11,445 | 53,713 |
| Property management | 2,795 | - | - | - | 2,795 |
| Total | $ 177,841 | $ 34,798 | $ 1,272,238 | $ 311,150 | $ 1,796,027 |

As discussed earlier in this MD&A, the Company's primary focus is to advance the Coffee Project through permitting and engineering studies, towards making a construction decision in early 2027.

In the six months ended June 30, 2026, the Company renewed the Yecora, Cristina and Placeton mineral concessions for the 2026 calendar year.

During the three and six months ended June 30, 2025, a drilling program was conducted at Cristina. Only minimal other expenditures were incurred on the Company's mineral properties during the periods under review outside of drilling and concession fees.

### *Other operating expenses*

The Company's other operating expenses for the three and six months ended June 30, 2026 and 2025 were as follows:

| | Three months ended June 30, 2026 | Three months ended June 30, 2025 |
|---|---|---|
| Consulting fees | $ 16,727 | $ 23,230 |
| Pre-exploration and evaluation expenditures | - | 75,108 |
| Salaries, management and director fees | 820,572 | 120,467 |
| Professional fees | 241,864 | 33,899 |
| Share-based compensation | 3,421,032 | 202,805 |
| Shareholder communications | 191,945 | 62,960 |
| Other operating expenses | 600,082 | 97,932 |
| | **$ 5,292,222** | **$ 616,401** |

| | Six months ended June 30, 2026 | Six months ended June 30, 2025 |
|---|---|---|
| Consulting fees | $ 41,703 | $ 46,767 |
| Pre-exploration and evaluation expenditures | - | 220,601 |
| Salaries, management and director fees | 1,586,319 | 242,876 |
| Professional fees | 458,600 | 124,643 |
| Share-based compensation | 6,852,704 | 592,511 |
| Shareholder communications | 435,478 | 162,467 |
| Other operating expenses | 1,014,909 | 319,209 |
| | **$ 10,389,713** | **$ 1,709,074** |

Significant variances in other operating expenses were as follows:

- Pre-exploration and evaluation expenditures related to due diligence expenditures in connection with the review of new opportunities, primarily related to the Coffee Project acquisition.
- Salaries, management and directors fees of $820,572 and $1,586,319 respectively, for the three and six months ended June 30, 2026 increased in comparison to $120,467 and $242,876 in 2025 due to the significantly increased workforce required to advance the Coffee Project.
- Share-based compensation of $3,421,032 and $6,852,704 for the three and six months ended June 30, 2026, was significantly higher compared to $202,805 and $592,511 in the same periods in 2025 due to the

increase in the number of stock options and bonus shares granted in connection with the Coffee Project acquisition, as well as the increase in the fair value of these awards.

- Professional fees, Shareholder communications and Other operating expenses increased for the three and six months ended June 30, 2026 compared to the same periods in 2025 because of the increased activity related to the advancement of the Coffee Project.

***Other income (expenses)***

Other income (expenses) for the three and six months ended June 30, 2026 and 2025 were as follows:

| | | Three months ended June 30, 2026 | | 2025 |
|---|---|---|---|---|
| Fair value gain on investment in marketable securities | $ | 2,816,400 | $ | - |
| Royalties | | (20,000) | | - |
| Interest income | | 340,398 | | 23,634 |
| Flow-through share premium recovery | | 1,315,513 | | - |
| IVA recovery | | 34,506 | | - |
| Foreign exchange gain (loss) | | (60,204) | | (8,031) |
| | **$** | **4,426,613** | **$** | **15,603** |

| | | Six months ended June 30, 2026 | | 2025 |
|---|---|---|---|---|
| Fair value gain on investment in marketable securities | $ | 1,471,650 | $ | - |
| Royalties | | (20,000) | | - |
| Interest income | | 624,502 | | 65,619 |
| Flow-through share premium recovery | | 1,451,363 | | - |
| IVA recovery | | 34,506 | | 13,265 |
| Foreign exchange gain (loss) | | (55,200) | | (41,164) |
| | **$** | **3,506,821** | **$** | **37,720** |

Significant variances in other income (expenses) were as follows:

- The fair value gain on investment in marketable securities of $2,816,400 and $1,471,650 for the three and six months ended June 30, 2026, respectively, represents the increase in the unrealized fair value of the 4.5 million common shares of Chilean Cobalt Corp. acquired as consideration in the sale of the El Cofre Project.
- The flow-through share premium recovery of $1,315,513 and $1,451,363 recognized during the three and six months ended June 30, 2026, respectively, relates to the settlement of the flow-through premium liability pursuant to $9,947,469 of qualifying exploration expenditures incurred during the periods.

**Related Party Transactions**

*Key management personnel compensation*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals.

Compensation paid to key management personnel for the three and six months ended June 30, 2026 and 2025 were as follows:

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Short-term benefits (i) | $ 404,277 | $ 137,136 | $ 808,071 | $ 276,607 |
| Share-based compensation | 2,704,157 | 176,828 | 5,411,134 | 512,236 |
| Total remuneration | $ 3,108,434 | $ 313,964 | $ 6,219,205 | $ 788,843 |

(i) Short-term benefits include fees and salaries and include fees paid to CLMLC LLC.

Related party transactions are recognized at the amounts agreed between the parties. Outstanding balances are unsecured and normally are settled in cash. CLMLC LLC is related to the Company by way of a common officer.

$27,294 owing to CLMLC LLC was included in accounts payable and accrued liabilities at June 30, 2026 (December 31, 2025 - $27,095).

## SUMMARY OF QUARTERLY RESULTS

The information presented below highlights the Company's unaudited quarterly results for the past eight quarters.

| Three months ended: | June 30, 2026 | March 31, 2026 | December 31, 2025 | September 30, 2025 |
|---|---|---|---|---|
| Revenue | $ - | $ - | $ - | $ - |
| E&E expenditures | (31,223,492) | (7,509,090) | (1,930,279) | (178,959) |
| Other operating expenses | (5,292,222) | (5,097,491) | (8,602,131) | (1,381,934) |
| Other income (expenses) | 4,426,613 | (919,792) | 5,530,748 | 19,147 |
| Loss for the period | (32,793,101) | (13,190,373) | (5,001,662) | (1,541,746) |
| Basic and diluted loss per share | (0.23) | (0.10) | (0.04) | (0.02) |

| Three months ended: | June 30, 2025 | March 31, 2025 | December 31, 2024 | September 30, 2024 |
|---|---|---|---|---|
| Revenue | $ - | $ - | $ - | $ - |
| E&E expenses | (363,028) | (1,432,999) | (1,010,706) | (502,037) |
| Other operating expenses | (616,401) | (1,092,673) | (870,921) | (654,037) |
| Other income | 15,603 | 22,117 | 175,118 | 129,945 |
| Loss for the period | (963,826) | (2,503,555) | (1,706,509) | (1,026,129) |
| Basic and diluted loss per share | (0.02) | (0.04) | (0.03) | (0.02) |

The Company's operating expenses vary from period to period primarily as a result of the level of exploration and evaluation activities that are being carried out at a particular time. Given that the Company is in the exploration phase it can easily ramp operations up or down for the current exploration program being conducted.

Prior to September 15, 2025, the Company's primary focus had been conducting a drilling program at Cristina, with a seasonal slowdown during the quarter ended September 30, 2024. With the announcement of the Coffee Project acquisition in September 2025, the Company's focus shifted to advancing the Coffee Project through permitting and engineering studies, and as such exploration and evaluation expenditures and other operating expenses for the three months ended June 30, 2026, March 31, 2026 and December 31, 2025 increased compared to prior quarters. Other income for the three months ended December 31, 2025 related to the gain on sale of the El Cofre Project and the fair value gain (loss) on investment in marketable securities.

## ADDITONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's expenses and mineral property costs is provided earlier in this MD&A.

## LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2026, the Company had cash of $27,082,011 compared to $56,864,178 at December 31, 2025. The Company had working capital of $16,273,281 at June 30, 2026, compared to $54,974,680 at December 31, 2025. The Company's current working capital is sufficient to fund immediate operations, subject to the discussion below.

Working capital is defined as current assets minus current liabilities. Working capital calculations or changes are not measures of financial performance, nor do they have standardized meanings, under IFRS. Readers are cautioned that this calculation may differ among companies and analysts and therefore may not be directly comparable. Management believes that disclosure of the Company's working capital is of value to assess the available capital resources of the Company at a reporting period end.

As at June 30, 2026, the Company's cash was held at a major chartered bank in Canada, one bank in Chile and one bank in Mexico. Management is not aware of any liquidity issues associated with any of the banks in which funds have been deposited.

The Company had no long-term debt obligations or off-balance sheet arrangements as at June 30, 2026.

To date, the capital requirements of the Company have been met by equity or loan proceeds. As described in Note 2(b) to the unaudited condensed consolidated interim financial statements of the Company for the three and six months ended June 30, 2026, the Company has incurred cumulative losses of $86,768,356 and will continue to incur losses and utilize cash for operating activities in the development of its business.

In October 2025, the Company completed a private placement for gross proceeds of approximately $57.5 million. In December 2025, the Company completed a flow-through share issuance for gross proceeds of approximately $17.25 million. In July 2026, the Company completed a private placement for gross proceeds of approximately $149.5 million and announced an additional debt financing and an early warrant exercise incentive program that will provide further financing. While these financings have strengthened the Company's near-term liquidity position, additional funding may be required to support engineering and development activities at the Coffee Project, as well as the measured advancement of exploration programs across Talamore's broader asset portfolio.

The impact of global events could adversely impact the Company's ability to carry out its plans and raise capital. The ability to raise additional financing for future activities beyond those contemplated by the aforementioned financing activity may be impaired, or such financing may not be available on favourable terms, due to conditions beyond the control of the Company, such as uncertainty in the capital markets, depressed commodity prices or country risk factors. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

## CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make certain judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The Company evaluates its estimates on an ongoing basis and bases them on various assumptions that are believed to be reasonable under the circumstances. The Company's estimates are used for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results are likely to differ from these estimates. Should the Company be unable to meet its ongoing obligations, the realizable value of its assets may decline materially from current estimates. The accounting policy estimates and judgments described below are considered by management to be essential to the understanding and reasoning used in the preparation of the Company's consolidated financial statements and the uncertainties that could have a bearing on its financial results. Further details, and a description of certain other areas of estimation and judgment, can be found in Note 4 in the Company's audited consolidated financial statements for the year ended December 31, 2025 and in the details that follow.

**Going concern**

The assessment of the Company's ability to continue as a going concern requires significant judgment. As disclosed in Note 2(b) of the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2026, the Company has incurred cumulative losses of $86,768,356. The ability of the Company to continue as a going concern is dependent upon obtaining additional financing to meet its ongoing operational needs and while the Company has successfully raised funds in the past, including in October 2025, December 2025, and July 2026, there is no certainty that it will be able to do so successfully in the future. Factors that the Company evaluates include forecasts, the ability to reduce expenditures if required, and indications of shareholder support.

**Acquisition of the Coffee Project**

Significant estimates and assumptions were required to determine the fair value of the consideration transferred by the Company to acquire the Coffee Project, and in addition to determine the fair value of the net assets acquired. More details are provided in Note 5 of the audited consolidated financial statements of the Company for the year ended December 31, 2025.

**Valuation of non-financial assets**

The carrying amount of the Company's long-lived assets including property, plant and equipment and exploration and evaluation assets do not necessarily represent present or future values and have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the exploration and development and upon future profitable production or proceeds from the disposition of the mineral property interests themselves. Judgment is required in assessing indicators of impairment and there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its mineral property interests or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's property, plant and equipment and exploration and evaluation assets.

**Provision for reclamation and remediation**

The Company assesses its provision for reclamation and remediation on an annual basis or when new material information becomes available. Exploration activities are subject to various laws and regulations governing the protection of the environment. The reclamation and remediation obligations are determined using estimates of the nature, timing and amount of future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each property. Future changes to environmental laws and regulations could change the nature and extent of reclamation and remediation work required to be performed by the Company. Changes in the nature, timing and amount of future costs, as well as inflation, foreign exchange and discount rate assumptions, could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

**Income tax**

The estimation of income taxes includes evaluating the recoverability of deferred income and resource tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

**Refundable tax credits and flow-through expenditures**

The Company is required to spend proceeds received from the issuance of flow-through shares on qualifying resource expenditures. Management's judgment is applied in determining whether qualifying expenditures have been incurred. Differences in judgment between management and regulatory authorities could materially decrease refundable tax credits and increase the flow-through share premium liability and flow-through expenditure commitment.

**Share-based compensation**

Share-based compensation expense is measured by reference to the fair value of the stock options, restricted stock units and bonus shares at the date at which they are granted. Estimating fair value for granted stock options and bonus shares requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

**Valuation of investment in marketable securities**

The Company received common shares of Chilean Cobalt Corp. in connection with the sale of the El Cofre Project that required the use of the Chaffe and Finnerty option pricing models to determine the discount for lack of marketability applied to the value of these common shares. Typical inputs into the Chaffe and Finnerty option pricing models include: stock price, restriction period, holding period and volatility. Historical volatility in particular requires judgment around the reference period or benchmark rate used as inputs into the option pricing models.

## CHANGES IN ACCOUNTING STANDARDS

There were no accounting standards effective January 1, 2026, which were adopted by the Company, and which had a material impact on the condensed consolidated interim financial statements for the three and six months ended June 30, 2026.

## FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

At June 30, 2026, the Company's financial instruments consist of cash, receivables, investment in marketable securities and accounts payable and accrued liabilities. The fair values of cash, receivables and accounts payable and accrued liabilities approximate their carrying values due to their short terms to maturity or capacity for prompt liquidation and the interest rates being charged or earned on these amounts. The fair value of investment in marketable securities is determined using the Chaffe and Finnerty option pricing models to determine the appropriate discount for the lack of marketability of the common shares reflecting their contractual lock-up restrictions.

The Company's financial instruments have been classified as follows under IFRS:

- Cash: amortized cost
- Receivables: amortized cost
- Investment in marketable securities: fair value through profit and loss
- Accounts payable and accrued liabilities: amortized cost

The types of financial risk exposure and the way in which such exposure is managed by the Company is described in more detail below.

**Credit risk**

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and receivables. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company believes its credit risk with respect to receivables is minimal.

**Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At June 30, 2026, the Company had working capital of $16,273,281 (December 31, 2025: $54,974,680).

**Interest rate risk**

The Company is exposed to interest rate risk to the extent that the cash maintained at its main financial institution are subject to floating rates of interest. The interest rate risk on cash is not considered significant.

**Foreign currency risk**

The Company is exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities, denominated in Chilean Pesos or Mexican Pesos. A 5% fluctuation between the Canadian dollar against these currencies at June 30, 2026, would have resulted in a change in foreign exchange recorded of approximately $1,757.

**Price risk**

The Company is exposed to price risk with respect to equity prices through its investment in marketable securities. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company's maximum exposure to price risk on its investment in marketable securities is the carrying value at June 30, 2026 of $8,397,000 (December 31, 2025 - $6,925,350). A 5% fluctuation in equity price at June 30, 2026, would have resulted in a change in the fair value gain on investment in marketable securities recorded of approximately $420,000.

## OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As at the date of this MD&A, the following common shares, common share purchase options, bonus shares, restricted stock units ("RSUs") and common share purchase warrants were outstanding:

| | | |
|---|---|---|
| Common shares: | 160,142,188 | includes 2.6 million bonus common shares vesting subject to achieving market prices of $5.00, $7.00, and $9.00 |
| Common share purchase options: | 9,912,085 | exercisable between $0.91 - $4.51 per option |
| RSUs: | 808,009 | |
| Common share purchase warrants: | 35,197,380 | exercisable at $2.50 per warrant |