

Submission Data File

| General Information | |
|---|--------------------------------------|
| Form Type* | 40-F |
| Contact Name | EDGAR AGENTS, LLC |
| Contact Phone | 212-265-3347 |
| Filer File Number | |
| Filer CIK* | 0002013223 (Highlander Silver Corp.) |
| Filer CCC* | ***** |
| Confirming Copy | No |
| Notify via Website only | No |
| Return Copy | No |
| SROS* | AMEX |
| Period* | 12-31-2025 |
| Emerging Growth Company | Yes |
| Elected not to use extended transition period | No |
| (End General Information) | |

| Document Information | |
|-------------------------|--|
| File Count* | 20 |
| Document Name 1* | ea0282558-40f_highland.htm |
| Document Type 1* | 40-F |
| Document Description 1 | Annual Report |
| Document Name 2* | ea028255801ex97-1.htm |
| Document Type 2* | EX-97.1 |
| Document Description 2 | Highlander Silver Corp. Incentive Compensation Recovery Policy |
| Document Name 3* | ea028255801ex99-1.htm |
| Document Type 3* | EX-99.1 |
| Document Description 3 | Annual Information Form of the Registrant for the fifteen months ended December 31, 2025 |
| Document Name 4* | ea028255801ex99-2.htm |
| Document Type 4* | EX-99.2 |
| Document Description 4 | Audited Consolidated Financial Statements of the Registrant for the fifteen months ended December 31, 2025 and the fiscal year ended September 30, 2024, together with the report of the Independent Registered Public Accounting Firm thereon |
| Document Name 5* | ea028255801ex99-3.htm |
| Document Type 5* | EX-99.3 |
| Document Description 5 | Management's Discussion and Analysis of the Registrant for the fifteen months ended December 31, 2025 |
| Document Name 6* | ea028255801ex99-4.htm |
| Document Type 6* | EX-99.4 |
| Document Description 6 | Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the United States Securities Exchange Act of 1934 |
| Document Name 7* | ea028255801ex99-5.htm |
| Document Type 7* | EX-99.5 |
| Document Description 7 | Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the United States Securities Exchange Act of 1934 |
| Document Name 8* | ea028255801ex99-6.htm |
| Document Type 8* | EX-99.6 |
| Document Description 8 | Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the United States Sarbanes Oxley Act of 2002 |
| Document Name 9* | ea028255801ex99-7.htm |
| Document Type 9* | EX-99.7 |
| Document Description 9 | Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the United States Sarbanes Oxley Act of 2002 |
| Document Name 10* | ea028255801ex99-8.htm |
| Document Type 10* | EX-99.8 |
| Document Description 10 | Consent of Independent Registered Public Accounting Firm - Davidson & Company LLP |
| Document Name 11* | ea028255801ex99-9.htm |
| Document Type 11* | EX-99.9 |
| Document Description 11 | Consent of Martin Mount, MSc, MCSM, FGS, CGeol, FIMMM |
| Document Name 12* | ea028255801_ex99-1img1.jpg |

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|----------------------------|----------------------------|
| Document Type 12* | GRAPHIC |
| Document Description 12 | Graphic |
| Document Name 13* | ea028255801_ex99-1img2.jpg |
| Document Type 13* | GRAPHIC |
| Document Description 13 | Graphic |
| Document Name 14* | ea028255801_ex99-2img1.jpg |
| Document Type 14* | GRAPHIC |
| Document Description 14 | Graphic |
| Document Name 15* | ea028255801_ex99-3img1.jpg |
| Document Type 15* | GRAPHIC |
| Document Description 15 | Graphic |
| Document Name 16* | hslv-20251231.xsd |
| Document Type 16* | EX-101.SCH |
| Document Description 16 | XBRL Schema File |
| Document Name 17* | hslv-20251231_cal.xml |
| Document Type 17* | EX-101.CAL |
| Document Description 17 | XBRL Calculation File |
| Document Name 18* | hslv-20251231_def.xml |
| Document Type 18* | EX-101.DEF |
| Document Description 18 | XBRL Definition File |
| Document Name 19* | hslv-20251231_lab.xml |
| Document Type 19* | EX-101.LAB |
| Document Description 19 | XBRL Label File |
| Document Name 20* | hslv-20251231_pre.xml |
| Document Type 20* | EX-101.PRE |
| Document Description 20 | XBRL Presentation File |
| (End Document Information) | |

| Notifications | |
|-------------------------|-------------------------|
| Notify via Website only | No |
| E-mail 1 | filings@edgaragents.com |
| (End Notifications) | |

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 40-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: **December 31, 2025**

Commission File Number: **001-43170**

Highlander Silver Corp.

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English (if applicable))

British Columbia, Canada

(Province or other jurisdiction of incorporation or organization)

1040

(Primary Standard Industrial Classification Code Number (if applicable))

Not Applicable

(I.R.S. Employer Identification Number (if applicable))

**2500 – 100 King Street West
Toronto, Ontario, Canada M5X 1A9
(416) 366-5678**

(Address and telephone number of Registrant's principal executive offices)

**C T Corporation System
28 Liberty Street
New York, New York 10005
(212) 894-8940**

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

| Title of each class | Ticker Symbol(s) | Name of each exchange on which registered |
|-----------------------------|------------------|---|
| Common Shares, no par value | HSLV | NYSE American LLC |

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None
(Title of Class)

For annual reports, indicate by check mark the information filed with this Form:

Annual information form Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 130,910,687 common shares.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

YES NO

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act.

[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the Registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the Registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Auditor Firm Id:

731

Auditor Name:

Davidson & Company LLP

Auditor Location:

Vancouver, British Columbia, Canada

Highlander Silver Corp.**EXPLANATORY NOTE**

Highlander Silver Corp. (the “Registrant”) is a Canadian corporation eligible to file its Annual Report pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), on Form 40-F. The Registrant is a “foreign private issuer” as defined in Rule 3b-4 under the Exchange Act. Equity securities of the Registrant are accordingly exempt from Sections 14(a), 14(b), 14(c), and 14(f) of the Exchange Act pursuant to Rule 3a12-3 thereunder. Furthermore, as a Canadian issuer, insiders of the Registrant are also exempt from Section 16 of the Exchange Act.

Effective October 31, 2025, the Registrant changed its fiscal year end from September 30 to December 31. This Annual Report on Form 40-F contains (i) the audited consolidated financial statements of the Registrant for the fifteen months ended December 31, 2025 and for the fiscal year ended September 30, 2024, including the report of the independent auditor with respect thereto, (ii) the Registrant’s Management’s Discussion and Analysis for the fifteen months ended December 31, 2025, and (iii) the Registrant’s Annual Information Form for the fifteen months ended December 31, 2025.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report on Form 40-F are forward-looking statements within the meaning of Section 21E of the Exchange Act and Section 27A of the Securities Act of 1933, as amended (the “Securities Act”). Additionally, the safe harbor provided in Section 21E of the Exchange Act and Section 27A of the Securities Act applies to any forward-looking information provided pursuant to “Off-Balance Sheet Arrangements” and “Disclosure of Contractual Obligations” in this Annual Report on Form 40-F. Please see “Cautionary Note Regarding Forward-Looking Information” beginning on page 1 of the Management’s Discussion and Analysis for the fifteen months ended December 31, 2025 of the Registrant, attached as Exhibit 99.3 to this Annual Report on Form 40-F, and “Cautionary Note Regarding Forward Looking Statements and Forward Looking Information” beginning on page 1 of the Annual Information Form for the fifteen months ended December 31, 2025 of the Registrant, attached as Exhibit 99.1 to this Annual Report on Form 40-F.

MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Unless otherwise indicated, all mineral resource and mineral reserve estimates included in the documents incorporated by reference into this Annual Report on Form 40-F have been prepared in accordance with Canadian National Instrument 43-101 (“NI 43-101”) and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian securities administrators, which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ from the requirements of the United States Securities and Exchange Commission (the “SEC”). Accordingly, mineral resource and mineral reserve estimates, and other scientific and technical information, contained in the documents incorporated by reference into this Annual Report on Form 40-F may not be comparable to similar information disclosed by U.S. companies.

DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Registrant is permitted, under the multijurisdictional disclosure system adopted by the United States, to prepare this Annual Report on Form 40-F in accordance with Canadian disclosure requirements, which are different from those of the United States.

The Registrant prepares its consolidated financial statements, which are filed with this Annual Report on Form 40-F, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Such financial statements may not be comparable to financial statements prepared in accordance with United States generally accepted accounting principles.

Unless otherwise indicated, all dollar amounts in this Annual Report on Form 40-F are in United States dollars. The exchange rate of United States dollars into Canadian dollars, on December 31, 2025, based upon historical rates published by the Bank of Canada, was U.S.\$1.00 = C\$1.37.

Purchasing, holding, or disposing of securities of the Registrant may have tax consequences under the laws of the United States and Canada that are not described in this Annual Report on Form 40-F.

PRINCIPAL DOCUMENTS

Annual Information Form

The Registrant's Annual Information Form for the fifteen months ended December 31, 2025 is filed as Exhibit 99.1 and incorporated by reference in this Annual Report on Form 40-F.

Audited Annual Financial Statements

The audited consolidated financial statements of the Registrant for the fifteen months ended December 31, 2025 and the fiscal year ended September 30, 2024, including the report of Davidson & Company LLP, the Registrant's Independent Registered Public Accounting Firm, are filed as Exhibit 99.2 and incorporated by reference in this Annual Report on Form 40-F.

Management's Discussion and Analysis

The Registrant's Management's Discussion and Analysis for the fifteen months ended December 31, 2025 is filed as Exhibit 99.3 and incorporated by reference in this Annual Report on Form 40-F.

CONTROLS AND PROCEDURES

Certifications

The required certifications are included in Exhibits 99.4, 99.5, 99.6 and 99.7 of this Annual Report on Form 40-F.

Disclosure Controls and Procedures

At the end of the period covered by this report, an evaluation of the effectiveness of the design and operation of the Registrant's "disclosure controls and procedures" (as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act) was carried out by the Registrant's principal executive officer (the "PEO") and principal financial officer (the "PFO"). Based upon that evaluation, the Registrant's PEO and PFO have concluded that, as of the end of the period covered by this report, the design and operation of the Registrant's disclosure controls and procedures were effective to ensure that (i) information required to be disclosed in reports that the Registrant files or submits to regulatory authorities is recorded, processed, summarized and reported within the time periods specified by regulation, and (ii) is accumulated and communicated to management, including the Registrant's PEO and PFO, to allow timely decisions regarding required disclosure.

Management Report on Internal Control Over Financial Reporting & Auditor Attestation

This Annual Report on Form 40-F does not include a report of management's assessment regarding internal control over financial reporting ("ICFR") or an attestation report of the company's registered public accounting firm due to a transition period established by rules of the Securities and Exchange Commission for newly public companies.

Changes in Internal Control over Financial Reporting

During the fifteen months ended December 31, 2025, there were no changes in the Registrant's ICFR that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

NOTICES PURSUANT TO REGULATION BTR

There were no notices required by Rule 104 of Regulation BTR that the Registrant sent during the fifteen months ended December 31, 2025 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

AUDIT COMMITTEE AND AUDIT COMMITTEE FINANCIAL EXPERT

Audit Committee

The Board of Directors has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act for the purpose of overseeing the accounting and financial reporting processes of the Registrant and audits of the Registrant's annual financial statements. As of the date of this Annual Report on Form 40-F, the members of the Audit Committee are Thomas Whelan, Jerrold Anett and Daniel Earle.

The Board of Directors of the Registrant has determined that Messrs. Whelan and Annett are "independent," as such term is defined under the rules of the NYSE American LLC ("NYSE American"). Mr. Earle is not independent. The Registrant is relying upon a transition period with respect to the composition of the Audit Committee and the independence of its members. Further, the Registrant has determined that all members of the Audit Committee are financially literate, meaning that they are able to read and understand fundamental financial statements.

Audit Committee Financial Expert

The Board of Directors of the Registrant has determined that Thomas Whelan is an "audit committee financial expert," as defined in General Instruction B(8) (b) of Form 40-F. The U.S. Securities and Exchange Commission (the "Commission") has indicated that the designation of Mr. Whelan, as an audit committee financial expert, does not make him an "expert" for any purpose, impose any duties, obligations or liability on him that are greater than those imposed on members of the audit committee and board of directors who do not carry this designation or affect the duties, obligations or liability of any other member of the audit committee.

CODE OF ETHICS

The Registrant has adopted a written code of ethics for its directors, officers and employees entitled "Code of Business Conduct and Ethics" (the "Code") that complies with Section 406 of the Sarbanes-Oxley Act of 2002 and with Section 807 of the NYSE American Company Guide. The Code includes, among other things, written standards for the Registrant's Chief Executive Officer, Chief Financial Officer and principal accounting officer or controller, or persons performing similar functions, which are required by the Commission for a code of ethics applicable to such officers. A copy of the Code is posted on the Registrant's website at <https://highlandersilver.com/about/corporate-governance>.

No substantive amendments to the Code were adopted during the fifteen months ended December 31, 2025. No "waiver" or "implicit waiver," as such terms are defined in Note 6 to General Instruction B(9) of Form 40-F, was granted relating to any provision of the Code during the fifteen months ended December 31, 2025.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The fees paid to the independent registered public accounting firm are included under the heading “*Audit Committee Information - External Auditor Service Fees*” in the AIF, which is filed as Exhibit 99.1 to this Annual Report on Form 40-F and incorporated by reference herein.

The Registrant’s Audit Committee has not adopted a specific pre-approval policy. The information relating to the Audit Committee’s pre-approval policies and procedures is included under the heading “*Audit Committee Information - Pre-Approval Policies and Procedures*” in the AIF, which is filed as Exhibit 99.1 to this Annual Report on Form 40-F and is hereby incorporated by reference herein.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2025, the Registrant does not have any “off-balance sheet arrangements” (as that term is defined in paragraph 11 of General Instruction B to Form 40-F) that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The information provided under the heading “Commitments and Contingencies” in the Management’s Discussion and Analysis for the fifteen months ended December 31, 2025 included as Exhibit 99.3 to this Annual Report on Form 40-F, is incorporated herein by reference.

MINE SAFETY DISCLOSURE

Not applicable.

DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

Not applicable.

NYSE AMERICAN CORPORATE GOVERNANCE

The Registrant is a “foreign private issuer” as defined in Rule 3b-4 under the Exchange Act and its common shares are listed on the NYSE American. Section 808 of the NYSE American Company Guide permits a foreign private issuer to follow its home country practices in lieu of certain requirements in the NYSE American Company Guide. A foreign private issuer that follows home country practices in lieu of certain corporate governance provisions of the NYSE American Company Guide must disclose each NYSE American governance requirement that it does not follow and include a brief statement of the home country practice the issuer follows in lieu of the NYSE American governance requirement(s), either on its website or in its annual filings with the Commission. A description of the significant ways in which the Registrant’s corporate governance practices differ from those followed by domestic companies pursuant to the applicable NYSE American Company Guide requirements is disclosed on the Registrant’s website at <https://highlandersilver.com/about/corporate-governance>.

UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an Annual Report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Registrant filed an Appointment of Agent for Service of Process and Undertaking on Form F-X with the Commission on February 27, 2026 with respect to the class of securities in relation to which the obligation to file this Annual Report on Form 40-F arises.

Any change to the name or address of the Registrant’s agent for service of process shall be communicated promptly to the Commission by an amendment to the Form F-X referencing the file number of the Registrant.

EXHIBIT INDEX

| Exhibit No. | Title of Exhibit |
|-------------|--|
| 97.1 | Highlander Silver Corp. Incentive Compensation Recovery Policy |
| 99.1 | Annual Information Form of the Registrant for the fifteen months ended December 31, 2025 |
| 99.2 | Audited Consolidated Financial Statements of the Registrant for the fifteen months ended December 31, 2025 and the fiscal year ended September 30, 2024, together with the report of the Independent Registered Public Accounting Firm thereon |
| 99.3 | Management's Discussion and Analysis of the Registrant for the fifteen months ended December 31, 2025 |
| 99.4 | Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the United States Securities Exchange Act of 1934 |
| 99.5 | Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the United States Securities Exchange Act of 1934 |
| 99.6 | Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the United States Sarbanes Oxley Act of 2002 |
| 99.7 | Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the United States Sarbanes Oxley Act of 2002 |
| 99.8 | Consent of Independent Registered Public Accounting Firm – Davidson & Company LLP (PCAOB ID: 731) |
| 99.9 | Consent of Martin Mount, MSc, MCSM, FGS, CGeol, FIMMM |
| 101.INS | Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Interactive Data File (formatted as Inline eXtensible Business Reporting Language (iXBRL) and contained in Exhibit 101). |

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Highlander Silver Corp.

By: /s/ Daniel Earle

Name: Daniel Earle

Title: President and Chief Executive Officer

Date: March 30, 2026

HIGHLANDER SILVER CORP.**INCENTIVE COMPENSATION RECOVERY POLICY****1. Introduction.**

The Board of Directors of Highlander Silver Corp. (the “**Company**”) believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company’s compensation philosophy. The Board has therefore adopted this policy, which provides for the recovery of erroneously awarded incentive compensation in the event that the Company is required to prepare an accounting restatement due to material noncompliance of the Company with any financial reporting requirements under the federal securities laws (the “**Policy**”). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), related rules and the listing standards of the NYSE American LLC (“**NYSE American**”), including but not limited to Section 811 of the NYSE American Company Guide, or any other securities exchange on which the Company’s shares are listed in the future.

2. Administration.

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee (the “**Committee**”), in which case, all references herein to the Board shall be deemed references to the Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

3. Covered Executives.

Unless and until the Board determines otherwise, for purposes of this Policy, the term “**Covered Executive**” means a current or former employee who is or was identified by the Company as the Company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Executive officers of the Company’s subsidiaries are deemed “Covered Executives” if they perform such policy-making functions for the Company. “Policy-making function” is not intended to include policy-making functions that are not significant. “Covered Executives” will include, at minimum, the executive officers identified by the Company in its disclosure prepared in response to Item B.19 of Form 40-F if the Company files its annual report with the SEC on Form 40-F or Item 6.B of Form 20-F if the Company files its annual report with the SEC on Form 20-F. For the avoidance of doubt, “Covered Executives” will include at least the following Company officers: (a) Executive Chairman, (b) Chief Executive Officer, (c) President, (d) Chief Financial Officer, (e) Chief Operating Officer and (f) Senior Vice Presidents.

This Policy covers Incentive Compensation received by a person after beginning service as a Covered Executive and who served as a Covered Executive at any time during the performance period for that Incentive Compensation.

4. Recovery: Accounting Restatement.

In the event of an Accounting Restatement, the Company will recover reasonably promptly any excess Incentive Compensation received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement, including transition periods resulting from a change in the Company's fiscal year as provided in Rule 10D-1 of the Exchange Act. Incentive Compensation is deemed "**received**" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

(a) Definition of Accounting Restatement.

For the purposes of this Policy, an "**Accounting Restatement**" means the Company is required to prepare an accounting restatement of its financial statements filed with the Securities and Exchange Commission (the "**SEC**") due to the Company's material noncompliance with any financial reporting requirements under the federal securities laws (including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period).

The determination of the time when the Company is "**required**" to prepare an Accounting Restatement shall be made in accordance with applicable SEC and national securities exchange rules and regulations.

An Accounting Restatement does not include situations in which financial statement changes did not result from material non-compliance with financial reporting requirements, such as, but not limited to retrospective: (i) application of a change in accounting principles; (ii) revision to reportable segment information due to a change in the structure of the Company's internal organization; (iii) reclassification due to a discontinued operation; (iv) application of a change in reporting entity, such as from a reorganization of entities under common control; (v) adjustment to provision amounts in connection with a prior business combination; and (vi) revision for stock splits, stock dividends, reverse stock splits or other changes in capital structure.

(b) Definition of Incentive Compensation.

For purposes of this Policy, "**Incentive Compensation**" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure, including, for example, bonuses or awards under the Company's short and long-term incentive plans, grants and awards under the Company's equity incentive plans, and contributions of such bonuses or awards to the Company's deferred compensation plans or other employee benefit plans that are not tax-qualified plans. For avoidance of doubt, Incentive Compensation that is deferred (either mandatorily or voluntarily) under the Company's non-qualified deferred compensation plans, as well as any matching amounts and earnings thereon, are subject to this Policy. Incentive Compensation does not include awards which are granted, earned and vested without regard to attainment of Financial Reporting Measures, such as time-vesting awards, discretionary awards and awards based wholly on subjective standards, strategic measures or operational measures.

(c) Financial Reporting Measures.

“**Financial Reporting Measures**” are those that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements (including non-GAAP financial measures) and any measures derived wholly or in part from such financial measures. For the avoidance of doubt, Financial Reporting Measures include stock price and total shareholder return. A measure need not be presented within the financial statements or included in a filing with the SEC or other applicable securities regulators to constitute a Financial Reporting Measure for purposes of this Policy.

(d) Excess Incentive Compensation: Amount Subject to Recovery.

The amount(s) to be recovered from the Covered Executive will be the amount(s) by which the Covered Executive’s Incentive Compensation for the relevant period(s) exceeded the amount(s) that the Covered Executive otherwise would have received had such Incentive Compensation been determined based on the restated amounts contained in the Accounting Restatement. All amounts shall be computed without regard to taxes paid.

For Incentive Compensation based on Financial Reporting Measures such as stock price or total shareholder return, where the amount of excess compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the Board will calculate the amount to be reimbursed based on a reasonable estimate of the effect of the Accounting Restatement on such Financial Reporting Measure upon which the Incentive Compensation was received. The Company will maintain documentation of that reasonable estimate and will provide such documentation to the applicable national securities exchange.

(e) Method of Recovery.

The Board will determine, in its sole discretion, the method(s) for recovering reasonably promptly excess Incentive Compensation hereunder. Such methods may include, without limitation:

- (i) requiring reimbursement of Incentive Compensation previously paid;
- (ii) forfeiting any Incentive Compensation contribution made under the Company’s deferred compensation plans;

- (iii) offsetting the recovered amount from any compensation or Incentive Compensation that the Covered Executive may earn or be awarded in the future;
- (iv) some combination of the foregoing; or
- (v) taking any other remedial and recovery action permitted by law, as determined by the Board.

Before the Board makes a final determination as to whether an Accounting Restatement is required and any recovery of excess Incentive Compensation is payable under the Policy from a Covered Officer, the Board shall provide the Covered Officer with written notice thereof and the opportunity to be heard at a duly held meeting of the Board, which may take place either in person or by way of a conference or video call, as determined by the Board.

If the Board makes a final determination that an Accounting Restatement is required and recovery of excess Incentive Compensation is payable under the Policy, the Board shall reasonably promptly make a written demand for recovery from the Covered Officer, and in the event that the Covered Officer does not, within a reasonably promptly period thereafter, tender repayment and/or reimbursement in response to such demand, the Board shall be entitled to pursue such other actions or remedies, including, without limitation, legal recourse against the Covered Officer to obtain such repayment and/or reimbursement of excess Incentive Compensation under this Policy, as applicable.

To the extent practicable and as permitted by all applicable laws, including, without limitation, securities legislation and stock exchange rules, all investigations and related findings under this Policy shall be conducted, undertaken and treated in a confidential manner.

5. No Indemnification or Advance.

Subject to applicable law, the Company shall not indemnify, including by paying or reimbursing for premiums for any insurance policy covering any potential losses, any Covered Executives against the loss of any erroneously awarded Incentive Compensation, nor shall the Company advance any costs or expenses to any Covered Executives in connection with any action to recover excess Incentive Compensation.

6. Interpretation.

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the SEC or any national securities exchange on which the Company's securities are listed.

7. Effective Date.

The effective date of this Policy is March 11, 2026 (the “**Effective Date**”). This Policy applies to Incentive Compensation received by Covered Executives on or after the Effective Date that results from attainment of a Financial Reporting Measure based on or derived from financial information for any fiscal period ending on or after the Effective Date. In addition, this Policy is intended to be and will be incorporated as an essential term and condition of any Incentive Compensation agreement, plan or program that the Company establishes or maintains on or after the Effective Date.

8. Amendment and Termination.

The Board may amend this Policy from time to time in its discretion, and shall amend this Policy as it deems necessary to reflect changes in regulations adopted by the SEC under Section 10D of the Exchange Act and to comply with any rules or standards adopted by NYSE American or any other securities exchange on which the Company’s shares are listed in the future.

9. Other Recovery Rights.

The Board intends that this Policy will be applied to the fullest extent of the law. The Board may require that any employment agreement or similar agreement relating to Incentive Compensation received on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recovery under this Policy is in addition to, and not in lieu of, any (i) other remedies or rights of compensation recovery that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, or similar agreement relating to Incentive Compensation, unless any such agreement expressly prohibits such right of recovery, and (ii) any other legal remedies available to the Company. The provisions of this Policy are in addition to (and not in lieu of) any rights to repayment the Company may have under Section 304 of the Sarbanes-Oxley Act of 2002 and other applicable laws.

10. Impracticability.

The Company shall recover any excess Incentive Compensation in accordance with this Policy, except to the extent that certain conditions are met and the Board has determined that such recovery would be impracticable, all in accordance with Rule 10D-1 of the Exchange Act and Section 811 of the NYSE American Company Guide or any other securities exchange on which the Company’s shares are listed in the future.

11. Successors.

This Policy shall be binding upon and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

Schedule A

**INCENTIVE-BASED COMPENSATION RECOVERY POLICY
RECEIPT AND ACKNOWLEDGEMENT**

I, _____, hereby acknowledge that I have received and read a copy of the Incentive Compensation Recovery Policy. As a condition of my receipt of any Incentive Compensation as defined in the Policy, I hereby agree to the terms of the Policy. I further agree that if recovery of excess Incentive Compensation is required pursuant to the Policy, the Company shall, to the fullest extent permitted by governing laws, require such recovery from me up to the amount by which the Incentive Compensation received by me, and amounts paid or payable pursuant or with respect thereto, constituted excess Incentive Compensation. If any such reimbursement, reduction, cancelation, forfeiture, repurchase, recoupment, offset against future grants or awards and/or other method of recovery does not fully satisfy the amount due, I agree to immediately pay the remaining unpaid balance to the Company.

Signature

Date

Exhibit 99.1



ANNUAL INFORMATION FORM

For the Fifteen Months Ended December 31, 2025

(Dated March 30, 2026)

HIGHLANDER SILVER CORP.

**2500 – 100 King Street W
Toronto, ON M5X 1A9**

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ITEM 1: PRELIMINARY NOTES

1.1 Effective Date of Information

References to “**Highlander Silver Corp.**”, “**Highlander**”, “**Highlander Silver**”, “**HSLV**”, the “**Company**”, “**its**”, “**our**” and “**we**”, or related terms in this Annual Information Form (“**AIF**”), refer to Highlander Silver Corp. and include, where the context requires, its subsidiaries.

All information contained in this AIF is as at March 30, 2026, unless otherwise stated.

1.2 Financial Statements and Management Discussion and Analysis

This AIF should be read in conjunction with the Company’s audited consolidated annual financial statements for the fifteen months ended December 31, 2025 and fiscal year ended September 30, 2024 (the “**Financial Statements**”), as well as the accompanying Management’s Discussion and Analysis (“**MD&A**”) for such periods. The Financial Statements and MD&A are available on the System for Electronic Document Analysis and Retrieval (“**SEDAR+**”) at www.sedarplus.ca under the Company’s profile.

1.3 Currency

All references to “\$” or “dollars” in this AIF are to Canadian dollars, unless otherwise expressly stated. References to “US\$” are to United States dollars.

1.4 Scientific and Technical Information

Unless otherwise indicated, scientific and technical information in this AIF has been reviewed and approved by Sergio Gelcich, Vice President Exploration of Highlander and a “Qualified Person” (“**QP**”) as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”).

ITEM 2: CAUTIONARY NOTES

2.1 Cautionary Note Regarding Forward Looking Statements and Forward Looking Information

Certain information contained in this document constitutes forward-looking statements. All statements, other than statements of historical facts, are forward looking statements, including but not limited to: estimates and statements that describe the Company’s future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur; exploration, development and permitting plans; timing of such exploration plans, and potential results of such exploration plans; mineral resource estimates and recommended work programs, and the expected results therefrom; timing and success of exploration programs and results; and the acquisition of Bear Creek (as defined below) and the integration of its assets and operations, including expectations regarding the Mercedes Mine and the Corani Project. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “is expected”, “scheduled”, “estimates”, “intends”, “anticipates”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, or “might” occur or be achieved. Any such forward-looking statements are based, in part, on assumptions and factors that may change, thus causing actual results or achievements to differ materially from those expressed or implied by the forward-looking statements. Such factors and assumptions may include, but are not limited to: assumptions concerning gold, silver and other base and precious metal prices; cut-off grades; assumptions underlying mineral resource estimates and resource modeling, including the accuracy thereof; timing and reliability of sampling and assay data; representativeness of mineralization; timing and accuracy of metallurgical test work; anticipated market, political and social conditions; expected government policy, including reforms; ability to obtain, maintain or renew required permits and approvals in Peru and Mexico; ability to successfully raise additional capital; the successful integration of Bear Creek’s assets and operations, and the realization of benefits derived therefrom; and other assumptions used as a basis for preparation of the Technical Report (as defined below).

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, and without limitation: the ability to raise funding to continue exploration, development and mining activities; global economic conditions; limited supplies, supply chain disruptions, and inflation; geopolitical tensions in the Middle East and related market instability; negative operating cash flow; uncertainty of future revenues or of a return on investment; mineral reserve and mineral resource estimates may not be realized; speculative nature of mineral exploration and development; risks related to the acquisition of Bear Creek and integration of operations; risks from international operations; risk associated with an emerging and developing market; environmental factors; reliance on contractors and underground mining methods; administrative, judicial and consultation-related challenges in Peru; community relations; labour relations, unions and workforce risks in Mexico; permitting risk; failure to comply strictly with applicable laws, regulations and local practices may have a material adverse impact on the Company's operations or business; the inherent operational risks associated with mining, exploration and development, many of which are beyond the Company's control; land title risk; surface rights and access risks in Peru; encroachment and illegal mining activity in Peru; criminal activity and social instability in Mexico; political, regulatory and fiscal risks in Mexico; risk of global outbreaks and contagious diseases; fraud and corruption; ethics and business practices; Highlander may in the future become subject to legal proceedings; Highlander's mineral assets are located outside Canada and are held indirectly through foreign affiliates; commodity price risk; exchange rate fluctuations; joint ventures; royalties and other third-party payment obligations; property commitments; infrastructure; properties located in remote areas; lack of availability of resources; dependence on highly skilled personnel; competition; significant shareholders; reputational risk; conflicts of interests; uninsurable risks; information systems; public company obligations; internal controls provide no absolute assurances as to reliability of financial reporting and financial statement preparation, and ongoing evaluation may identify areas in need of improvement; the Company's foreign subsidiary operations may impact its ability to fund operations efficiently, as well as the Company's valuation and stock price; share price fluctuation; the value of the Company's common shares, as well as its ability to raise equity capital, may be impacted by future issuances of shares; future sales of common shares by existing shareholders; costs of land reclamation; measures to protect endangered species may adversely affect the Company's operations; environmental risks and hazards; and changes in climate conditions, as well as those factors discussed in ITEM 7: "Risk Factors" below.

Although the Company has attempted to identify important factors and risks that could affect the Company and might cause actual actions, events or results to differ, perhaps materially, from those described in forward-looking statements, there may be other factors and risks not identified herein that cause actions, events or results not to occur as projected, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this AIF speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

2.2 Cautionary Note to United States Investors Regarding Classification of Mineral Resource Estimates

The disclosure in this AIF has been prepared in accordance with the requirements of Canadian securities laws. Disclosure, including scientific or technical information, has been made in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards on Mineral Reserves and Mineral Resources (the "CIM Definition Standards"), which establish standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101 and the CIM Definition Standards, differ significantly from the requirements of the United States Securities and Exchange Commission (the "SEC").

Accordingly, information contained in this AIF containing descriptions of the Company's mineral property may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

ITEM 3: CORPORATE STRUCTURE

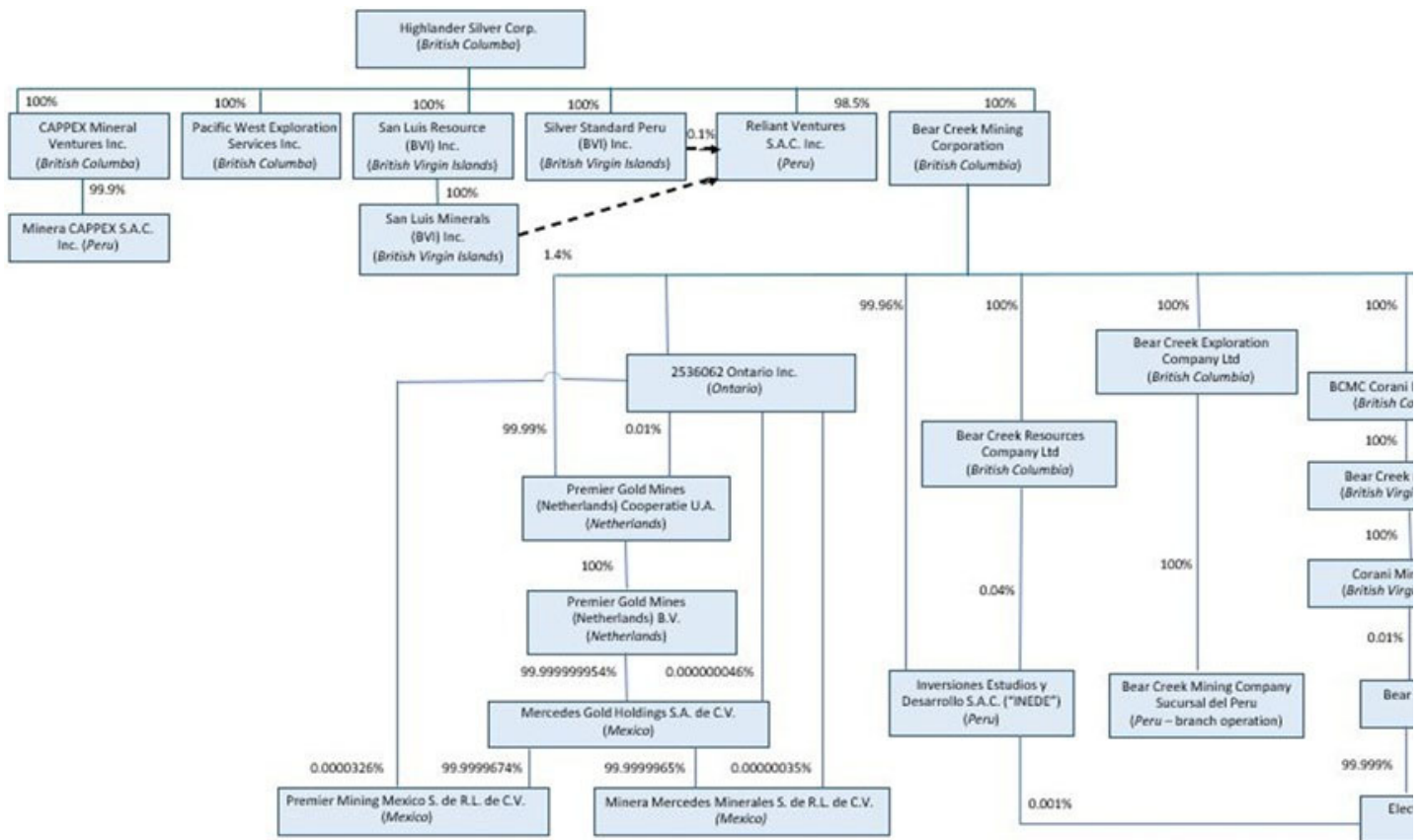
3.1 Name, Address and Incorporation

The Company was incorporated on October 19, 2016, under the *Business Corporations Act* (British Columbia) (“**BCBCA**”) under the name “1093684 B.C. Ltd.” On March 28, 2018, it changed its name to “Blue Aqua Holdings Ltd.”, on December 14, 2018, it changed its name to “Commonwealth Cannabis Corp.”, on February 11, 2020, it changed its name to “Lido Minerals Ltd.”, and on August 12, 2021, in connection with its business combination with CAPPEX Mineral Ventures Inc., it changed its name to “Highlander Silver Corp.”

The registered and records office of the Company is located at 1200 - 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8. The head office of the Company is located at 2500 – 100 King Street West, Toronto, Ontario, Canada.

3.2 Inter-corporate Relationships

The following diagram illustrates the organizational structure of Highlander, including its subsidiaries, as of the date of this AIF.



ITEM 4: GENERAL DEVELOPMENT OF THE BUSINESS

4.1 Three Year History

Set out below is a summary of how the Company’s business has developed over the last three completed financial years. In accordance with Form 51-102F2 *Annual Information Form*, the below summary includes only events, such as acquisitions or dispositions, or conditions that have influenced the general development of the business.

2023

On July 17, 2023, the Company announced that, following a strategic review the Company’s portfolio, and the decision to focus resources on the highest quality projects, the Company terminated its option to acquire a 100% interest in the Politunche project.

On September 21, 2023, the Company announced the resignation of Mr. Phil Anderson from its board of directors.

On October 19, 2023, the Company completed a \$3 million private placement. The offering involved the issuance of 30,000,000 units at a price of \$0.10 per unit, with each unit composed of one common share of the Company and one warrant exercisable for one common share of the Company at a price of \$0.15 per common share for a period of three years from the date of issuance.

On November 29, 2023, the Company entered into a share purchase agreement with SSR Mining Inc. (“**SSR Mining**”) to acquire the San Luis Project located in Ancash Department of central Peru (the “**San Luis Share Purchase Agreement**”). Pursuant to the San Luis Share Purchase Agreement the Company purchased the San Luis Project from SSR Mining through the purchase of SSR Mining’s direct and indirect shareholdings of four subsidiary companies, in consideration for an initial payment of US\$5,000,000. The Company may pay up to an additional US\$37,500,000 in cash to SSR Mining as contingent consideration (the “**Contingent Consideration**”) upon completion of certain milestones in relation to the San Luis Project. The Contingent Consideration is only accrued and payable if and when the following milestones are achieved:

- US\$1,250,000 after the commencement of an initial drilling program at the San Luis Project;
- US\$1,250,000 after the first anniversary of commencement of an initial drilling program at the San Luis Project;
- US\$5,000,000 after the completion of a feasibility study on any portion of the San Luis Project;
- US\$10,000,000 after the beginning of commercial production;
- US\$10,000,000 after the first anniversary of commercial production; and
- US\$10,000,000 after the second anniversary of commercial production.

Pursuant to the San Luis Share Purchase Agreement, a 4% net smelter returns royalty (the “**Royalty**”) on the San Luis Project was granted to SSR Mining prior to closing of the Transaction. At any time before the commencement of mine construction on the San Luis Project, the Company may buy back half of the Royalty for US\$15,000,000, which if, exercised, would reduce SSR Mining’s Royalty interest to 2%.

On December 4, 2023, following a strategic review of the Company’s mineral project portfolio, and the need to focus resources on projects that have the highest probability of creating shareholder value, the decision was taken to allow the mining lease at Alta Victoria to lapse.

2024

On May 8, 2024, the Company completed a \$9.2 million private placement with members of the Lundin family, Richard Warke and Eric Sprott. The offering involved the issuance of 20,514,222 Company common shares at a price of \$0.45 per common share.

On May 23, 2024, the Company announced closing of the acquisition of the San Luis Project.

On October 22, 2024, the Company announced joining the Augusta Group of Companies, the appointment of Richard Warke as Director, Interim President and CEO of the Company, and the appointment of Messrs. Thomas Whelan, Jerrold Annett and Javier Toro as directors to serve on the Company’s Board with current director Federico Velásquez. The Company also announced the resignations of Messrs. Graeme Lyall and Dave Fincham.

2025

On January 7, 2025, the Company announced the appointment of Daniel Earle as President and Chief Executive Officer of the Company, succeeding Richard Warke, Interim President and CEO, who continues to serve on the Board of Directors alongside Messrs. Thomas Whelan, Jerrold Annett, Javier Toro and Federico Velásquez. In addition to Mr. Earle, the Company strengthened its management team with the appointments of Sunny Lowe as Chief Financial Officer, Federico Velasquez as President Peru, Sergio Gelcich as Vice President Exploration, Arun Lamba as Vice President Corporate Development, Purni Parikh as Senior Vice President Corporate Affairs, and Tom Ladner as General Counsel.

On March 11, 2025, the Company closed its upsized brokered bought deal private placement consisting of, including exercise of the underwriters' option in full, the issuance of 23,000,000 common shares for aggregate gross proceeds of \$32,200,000 pursuant to an underwriting agreement (the "**March 2025 Underwriting Agreement**") between the Company and a syndicate of underwriters led by Ventum Financial Corp., as lead underwriter and sole bookrunner, and including BMO Nesbitt Burns Inc., Haywood Securities Inc., National Bank Financial Inc., Canaccord Genuity Corp., Stifel Nicolaus Canada Inc. and TD Securities Inc. Insiders of the Company participated in the offering, subscribing for an aggregate of 3,957,300 common shares.

On April 10, 2025, Highlander announced that it had received conditional approval to list its common shares on the Toronto Stock Exchange (the "TSX") and established an at-the-market program ("ATM"). In connection with the ATM, the Company entered into an equity distribution agreement dated April 10, 2025 (the "**Equity Distribution Agreement**") providing for the ATM with a syndicate of agents comprised of BMO Capital Markets, Canaccord Genuity Corp., Haywood Securities Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Stifel Nicolaus Canada Inc., TD Securities Inc., and Ventum Financial Corp. (collectively, the "**Agents**"). The ATM allows Highlander, through the Agents, to offer and sell from time to time in Canada through the facilities of the TSX such number of common shares as would have an aggregate offering price of up to \$25 million.

On July 29, 2025, Highlander announced assay results from the first seven holes drilled to test a conceptual open pit target along a ridgeline where the Bonita vein system is exposed 10km to the south of the Ayelen underground deposit at its San Luis gold-silver project in Central Peru

On September 16, 2025, Highlander reported assay results from the second series of holes designed to test the expanding Bonita vein system, which included some of the highest gold grades encountered to date. The Company also announced that a magnetic survey undertaken with two quadcopter drones has been completed, covering approximately 5,000 hectares in the Bonita area.

On September 29, 2025, the Company closed its bought deal public offering, pursuant to which the Company sold 23,000,000 common shares of the Company at a price of \$3.75 per common share for aggregate gross proceeds of \$86,250,000. On October 17, 2025, the underwriters exercised their over-allotment option in full, to purchase an additional 2,330,000 Common Shares at a price of \$3.75 per Common Share. Upon closing of the over-allotment option, the Company received additional gross proceeds of \$8,737,500, resulting in total gross proceeds from the offering of \$94,987,500. The Offering was conducted pursuant to an underwriting agreement (the "**September 2025 Underwriting Agreement**") between the Company and a syndicate of underwriters led by National Bank Financial Inc., as lead underwriter and sole bookrunner, and including Canaccord Genuity Corp., Velocity Trade Capital Ltd., CIBC World Markets Inc., Ventum Financial Corp., BMO Nesbitt Burns Inc. and Cormark Securities Inc.

On October 6, 2025, Highlander reported assay results from the third series of holes into the expanding Bonita vein system which includes the discovery of a new zone called Kusy that has returned the highest grades of gold and silver reported to date.

On December 10, 2025, the Company reported exceptional assay results from shallow drilling at its expanding Bonita vein system. These results included the highest grades reported to date and the discovery of a new zone in step-out drilling over 200m northwest of prior holes along trend. The Bonita vein system is exposed along a ridgeline approximately 10km to the south of the bonanza grade Ayelen deposit at the San Luis gold-silver project in Central Peru.

On December 18, 2025, the Company entered into a definitive arrangement agreement (the "**Arrangement Agreement**") with Bear Creek Mining Corporation ("**Bear Creek**") pursuant to which Highlander agreed to acquire all issued and outstanding common shares of Bear Creek by way of a plan of arrangement under the *Business Corporations Act* (British Columbia) (the "**Arrangement**"). The Company also agreed to a concurrent non-brokered private placement with Bear Creek pursuant to which the Company agreed to subscribe for 50,000,000 Bear Creek Shares at a price of \$0.36 per share for a total subscription price of \$18 million to acquire an approximately 14.6% ownership stake in Bear Creek (the "**Bear Creek Private Placement**"). In connection with the execution of the Arrangement Agreement, Highlander Silver also entered into definitive agreements to settle Bear Creek's indebtedness owing to affiliates of Royal Gold, Inc. ("**Royal Gold**") and Equinox Gold Corp. ("**Equinox**") (the "**Debt Settlement Arrangements**" and together with the Arrangement, the "**Bear Creek Transaction**").

On January 8, 2026, Highlander and Bear Creek closed the Bear Creek Private Placement.

On January 9, 2026, Highlander and Bear Creek entered into an amended and restated arrangement agreement to among other things, remove the requirement for Highlander to seek shareholder approval for the Transaction and all related matters.

On January 27, 2026, Highlander announced that Mr. Eric Sprott, an arm's length strategic investor, agreed to purchase an aggregate of 8,060,226 common shares in the capital of the Company at a price of \$6.80 per Offered Share for aggregate gross proceeds of US\$40,000,000 to the Company on a non-brokered private placement basis (the "**Sprott Private Placement**"). The Sprott Private Placement closed on January 30, 2026.

On February 26, 2026, Highlander and Bear Creek announced closing of the Bear Creek Transaction. On closing of the Bear Creek Transaction, existing Highlander shareholders and former Bear Creek shareholders owned approximately 82% and 18% of the total issued and outstanding Highlander common shares, on an undiluted basis.

On March 11, 2026, Highlander commenced trading on the NYSE American LLC (the "**NYSE American**") under the symbol "HSLV". The Company continues to be listed on the Toronto Stock Exchange under the same symbol.

ITEM 5: DESCRIPTION OF THE BUSINESS

Summary

Highlander Silver is a silver-growth company advancing a portfolio of assets in Peru which includes the bonanza-grade San Luis gold-silver project, which ranks among the 10 highest grade projects globally in both gold and silver categories,¹ and the Corani silver project. The Company also operates the Mercedes gold-silver mine in Mexico. Highlander Silver's major shareholders include the Augusta Group, Lundin family, and Eric Sprott.

Specialized Skill and Knowledge

Management is comprised of a team of individuals who have extensive expertise and experience in the mineral exploration industry and exploration finance and are complemented by an experienced board of directors (the "**Board**"). See ITEM 12: "*Directors and Officers*" below.

Competitive Conditions

The Company competes with other mineral exploration and mining companies for mineral properties, joint venture partners, equipment and supplies, qualified personnel and exploration and development capital. See ITEM 7: "*Risk Factors*" below.

Environmental Protection

The current and future operations of the Company are subject to laws and regulations governing exploration, development, tenure, production, taxes, labour standards, occupational health, waste disposal, greenhouse gas emissions, protection and remediation of the environment, reclamation, mine safety, toxic substances and other matters. Specifically, the San Luis Project is being advanced in accordance with Peruvian Environmental Regulations for Mining Exploration Activities, approved by Supreme Decree N°042-2017-EM other applicable norms, standards, laws and regulations.

Compliance with such laws and regulations increases costs and may cause delays in planning, designing, drilling and developing the San Luis Project. The Company attempts to diligently apply technically proven and economically feasible measures to advance protection of the environment throughout the exploration and development process, however it is often impossible to anticipate and mitigate all administrative delays. Currently, costs associated with compliance are considered to be normal compared to other South American countries.

¹ S&P Global rankings including the San Luis gold-silver project.

Employees

As of December 31, 2025, the Company employed **12** employees in Canada and 39 employees in Peru.

Foreign Operations

The Company's mineral properties are located in Peru, and its operations are substantially carried out in that country. See ITEM 7: "*Risk Factors*" below.

Social or Environmental Policies

The San Luis Project occupies community land and developing and growing social license is a priority for Highlander. The Company is actively engaged with the communities in the direct area of influence of the San Luis Project by employing its participatory development model based on community capacity building through skill and safety training, employment, entrepreneurship, infrastructure development and environmental, cultural, health and education programs. The Company has made a notable contribution in the development of infrastructure to ensure sanitary and health benefits to the communities. The Company has an established presence on the property and community agreement to support its exploration activities. Major road rehabilitation work has been completed and will continue to be an ongoing effort, along with long-term development programs coordinated with, and agreed on by, the communities, government and regional agencies.

ITEM 6: MATERIAL MINERAL PROJECT

6.1 Current Technical Report

The Company's only material mineral project is the San Luis Project. The most recent technical report for the San Luis Project is titled "Technical Report on the San Luis Property, District of Shupluy, Yungay Province, Ancash Department, Peru", with an effective date of January 15, 2025, prepared by independent qualified person, Martin Mount, MSc MCSM FGS CGeol FIMMM CEng (the "**Technical Report**"), which is incorporated herein by reference. The summary from the Technical Report is reproduced below.

SUMMARY

The San Luis Property is situated within the District of Shupluy, Yungay Province, Ancash Department of west-central Peru; approximately 513 km north-northwest of the city of Lima. The geographic centre of the property is at 09°23' south latitude by 77°47' west longitude, or Universal Transverse Mercator (UTM) 8,960,000 m north by 195,000 m east within Peruvian National Topographic System (NTS) map sheet 19-H. Reliant Ventures S.A.C. ("**Reliant**") has been exploring this property since its discovery in June 2005.

On May 23, 2024, Highlander Silver Corp. announced that it had acquired the San Luis Property from SSR Mining Inc. ("**SSR Mining**"), pursuant to a share purchase agreement dated November 29, 2023 (as amended, the "**Share Purchase Agreement**").

The San Luis Property comprises 32 mineral rights which cover an area of approximately 23,298 ha. Out of these mineral rights, 31 are held by Reliant, while the remaining 1 is a recently staked claim held by CAPPEX Exploraciones S.A.C. (both subsidiaries of the Company), that the Company anticipates transferring to Reliant in due course.

Geological Setting

The San Luis Property is situated regionally within the Cordillera Negra terrain of the Peruvian Andes. It is dominantly underlain by volcanic, volcanoclastic and sub-volcanic intrusive rocks of andesitic-dacitic to rhyolitic composition belonging to the Paleocene-age Calipuy Formation. The Lower Cretaceous Santa Formation of limestone and calcareous clay crops out locally as 'windows' within the younger overlying volcanic rocks and there are exposures of the Coastal batholith in the southwestern portion of the property.

North to northwesterly trending fault structures are the most important structural features within the property since they appear to control and host most of the known precious metal-bearing vein structures. Northwesterly and north-northwesterly trending faults, especially those hosting vein structures, have been repetitively active since the cessation of volcanism. Faulting and shearing have also occurred during and after vein emplacement resulting in well-developed vein breccia textures, open tensional sites for later dyke emplacement, and later brecciation and displacement of both the dykes and vein structures.

Exploration to Date

Three distinctly different mineral deposit types have been identified within the property. The most extensively explored are the epithermal, low sulphidation, gold and silver-bearing, quartz-calcite veins of the Ayelén system first discovered in 2005. The others, hydrothermal breccia-hosted base metal and mantle-hosted occurrences, appear related to a buried intrusion situated centrally within what is referred to as the BP zone explored in the period 2010–2012, and centred approximately 6 km southeast of the Ayelén vein system.

A similar gold-bearing Bonita vein system was located 7 km to the south of the Ayelén–Inés occurrence in 2011-2012. Trenching and two preliminary drillholes confirmed anomalous gold-silver values.

2025 Mineral Resource Estimate

The principal objective of the Technical Report was to review Reliant's 2009 Mineral Resource estimates and supporting data on behalf of HSC, and prepare this independent updated estimate as summarized in Table 1-1.

Table 1-1 - 2025 San Luis Project updated Mineral Resource estimate

| San Luis Project Mineral Resources – 3D model | | | | | | |
|---|-------------------|----------------|--------------|--------------|-------------------------|--------------|
| Vein | Resource Category | Tonnes | Grade (g/t) | | Contained ounces (000s) | |
| | | | Au | Ag | Au | Ag |
| Ayelén | Indicated | 353,602 | 28.83 | 655.2 | 328 | 7,448 |
| Ayelén HW | | 72,462 | 9.94 | 348.0 | 23 | 811 |
| Inés | | 27,720 | 5.93 | 209.8 | 5 | 187 |
| Subtotal | | 453,784 | 24.42 | 578.9 | 356 | 8,446 |
| Ayelén | Inferred | 41,911 | 5.39 | 208.3 | 7 | 281 |
| Ayelén HW | | 6,511 | 3.18 | 170.9 | 1 | 36 |
| Inés | | 3,280 | 2.31 | 185.9 | - | 20 |
| Subtotal | | 51,702 | 4.92 | 202.2 | 8 | 336 |

Notes:

- Mineral Resources are not Mineral Reserves and do not have demonstrated viability.
- All tonnages reported are Dry Metric Tonnes, and contained gold and silver are reported in Troy Ounces.
- Mineral Resources are estimated at a cut-off grade of 3 g/t AuEq that considers bullion prices of US\$1,700/oz gold and US\$20/oz silver, and process recoveries of 90% for both gold and silver.
- The AuEq content has been calculated as follows: $AuEq = Au + 0.0117647 * Ag$.
- Numbers in the above table may not add due to rounding.
- The effective date of the mineral resource estimate is January 15, 2025.

Conclusions and Recommendations

Exploration to date has demonstrated that the main property opportunity comprises the continued exploration for epithermal, low sulphidation, gold and silver bearing veins in order to increase property value, and it is recommended that further exploration be carried out.

The exploration objectives are clear and require more exploration to grow the current Mineral Resources and make new discoveries that could support further growth beyond this, with the priorities as follows:

- 1) Continue with property-wide exploration for additional gold-silver bearing veins, including in the southeast catchment that has returned highly anomalous stream sediment samples although these have not yet been prospected or mapped.
- 2) Continue drilling in the Bonita vein to test the strike and depth extent of mineralization beyond the single section currently tested by drilling and also, advance prospecting, mapping and sampling in the Bonita area to identify any other veins and follow-up with trenching to support drill-testing these veins.

Recommendations

A two-phase work program is proposed, with a total estimated cost of US\$10 million, which includes a 15% contingency. A summary of the program along with detailed cost estimates is provided in Table 1-2.

Phase 1 focuses on ground base discovery exploration work of Au/Ag veins to the south of Ayelén and in the area between Ayelén and Bonita, together with early delineation of resource potential in Bonita.

This phase is projected to require US\$1.7 million and includes the following recommendations:

- Executing fieldwork on known untested veins and new targets for precise evaluation and prioritization.
- Initiation of drilling at Bonita, targeting priority zones within the known strike extent of the vein system.

The extent of Phase 2 is partially contingent upon favourable results from Phase 1. The estimated cost for this second phase is approximately US\$8.3 million, which will cover:

- Extensive diamond drilling for resource definition and extension in Bonita,
- Initial discovery and resource outlining of new targets

Table 1-2 – Recommended Work Program

| Phase/Area | Phase 1 | | Phase 2 | |
|--|--|------------------|---|-------------------|
| | Activity | Budget US\$ | Activity | Budget US\$ |
| Bonita Vein | Mapping, Trenching & Discovery & Resource outline drilling (~2500 m) | 850,000 | Resource drilling (~4000 m) | 1,300,000 |
| Ayelen South Trend Veins | Geochemistry, Geological Mapping, Geophysics | 300,000 | Discovery and extensional drilling and initial resource outline (~8000 m) | 3,250,000 |
| New Target Generation | Geochemistry, Geological Mapping, Geophysics | 150,000 | Discovery drilling and initial Resource outline of top Priority targets (~6000 m) | 2,000,000 |
| Community and Social Engagement/Permitting | Community programs and infrastructure development | 150,000 | Community programs and infrastructure development | 700,000 |
| Sub Total | | 1,450,000 | | 7,250,000 |
| Contingency 15% | | 217,500 | | 1,087,500 |
| Total | | 1,667,500 | | 8,337,500 |
| Total USD \$ | | | | 10,005,000 |

ITEM 7: RISK FACTORS

Highlander's business activities are subject to significant risks, but not limited to the risks described below. Any of the following risks could have an adverse material effect on Highlander, its business and prospects, and could cause actual events to differ materially from those described in forward-looking statements relating to Highlander. These risks are in addition to those discussed in technical reports and other documents filed by Highlander from time to time on SEDAR+. In addition, other risks and uncertainties not presently known by management of Highlander or that management currently believes are immaterial could affect Highlander, its business and prospects. The following risk factors are not a definitive list or description of all the risks associated with Highlander's business but are intended to indicate what management considers to be significant considerations as of the date of this AIF:

Ability to raise funding to continue exploration, development and mining activities

Following completion of the acquisition of Bear Creek, the Company owns and operates the producing Mercedes Mine and holds interests in other development and exploration assets, including San Luis. While operations at the Mercedes Mine are expected to generate revenue, such operations are not expected to generate sufficient operating cash flow to fund the Company's current and future exploration, development, sustaining capital, expansion initiatives, debt service obligations, closure and reclamation requirements or general and administrative expenses.

The Company has incurred operating losses to date and is expected to continue to incur operating losses in future periods due to, among other things, fluctuations in commodity prices, operating and capital costs, sustaining capital requirements, development expenditures, exploration activities and general and administrative costs. The Company has historically relied, and may continue to rely, on cash received from equity financings to fund its business activities. The Company's ability to continue as a going concern is dependent upon the successful execution of its business plan, the performance of its operating assets, and its ability to raise additional capital and/or evaluate strategic alternatives, as required. While the Company has been successful in securing financing to date, there can be no assurance that future equity financings, debt facilities or other funding arrangements will be available on acceptable terms or at all. Failure to obtain such financing, or to generate sufficient operating cash flow, may require the Company to curtail or defer exploration or development activities, reduce discretionary expenditures, or delay or suspend certain mining or expansion activities. Any equity financing may result in dilution to existing shareholders.

Global economic conditions

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mining industry, are impacted by these market conditions. Market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede Highlander's access to capital or increase the cost of capital and may adversely affect Highlander's operations.

Highlander is also exposed to liquidity risks in meeting its operating and capital expenditure requirements in instances where its cash position is unable to be maintained or appropriate financing is unavailable. These factors may impact Highlander's ability to obtain capital on terms favourable to it or at all. Increased market volatility may impact Highlander's operations which could adversely affect the trading price of Highlander common shares.

Limited supplies, supply chain disruptions, and inflation

The Company's exploration, development and mining activities require skilled personnel and a reliable supply of resources and consumables, including fuel, energy, reagents, equipment, spare parts and other materials. The availability of such inputs may be interrupted or constrained due to shortages, increased global demand, transportation and logistics challenges (including those associated with remote locations), labour disruptions, or government restrictions or regulations that delay or restrict the importation of necessary items.

Global supply chains have experienced, and may continue to experience, disruption as a result of geopolitical conflicts, regional instability, trade tensions, sanctions, tariffs, border controls, pandemics and other international or regional events beyond the Company's control, including the ongoing conflicts involving Ukraine, Russia, Israel, Palestine and Iran. Such disruptions may adversely affect the availability, timing and cost of critical inputs and services.

In addition, inflationary pressures may increase the cost of labour, energy, materials, equipment, transportation and services required for the Company's operations. Any interruption to the procurement and supply of resources or skilled personnel, or sustained increases in costs due to inflation or supply chain constraints, could have an adverse impact on the Company's cash flows, results of operations and financial condition.

Geopolitical tensions in the Middle East and related market instability

Ongoing and escalating geopolitical tensions in the Middle East, including the current conflict involving Iran and related regional developments, have contributed to heightened volatility in global financial, commodity and energy markets. Any further escalation of such conflict, expansion to additional countries, or involvement of global powers could adversely affect international trade, capital markets, investor confidence and global economic conditions.

Instability arising from geopolitical conflict may result in disruptions to energy markets, increased commodity price volatility, inflationary pressures, higher interest rates, supply chain interruptions and increased costs of financing. Such conditions could adversely affect the Company's ability to raise capital on acceptable terms, increase operating and capital costs, and negatively impact market valuations of mining companies generally, regardless of the Company's underlying operating performance.

While the Company does not have operations in the Middle East, the indirect effects of regional conflict and related global market instability could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Negative operating cash flow

Highlander has experienced negative operating cash flow in prior periods and may continue to experience negative operating cash flow in future periods. Following the completion of the acquisition of Bear Creek, Highlander now owns and operates the producing Mercedes Mine, which is expected to generate revenue from commercial production in 2026 and in future periods. However, there is no guarantee that commercial production at the Mercedes Mine or any other property will result in positive operating cash flow or profitability.

Uncertainty of future revenues or of a return on investment

It is difficult to evaluate Highlander's business and future prospects. While Highlander now owns and operates the producing Mercedes Mine, Highlander has a limited history of operations as an integrated mining company, and there can be no assurance that its operating assets will generate sustainable revenues or achieve profitability. Operating losses may continue to occur in future periods due to, among other things, fluctuations in commodity prices, operating and capital costs, sustaining capital requirements, development and exploration expenditures, and general and administrative costs. While Highlander's Board is optimistic about the Company's prospects, there is no certainty that anticipated outcomes, production levels or sustainable revenue streams will be achieved.

There is no assurance that Highlander's common shares will provide a return on investment in the future. Highlander has no current plans to pay dividends, and any return to shareholders will depend on the appreciation, if any, of the Company's common shares.

Mineral reserve and mineral resource estimates may not be realized

Highlander holds mineral reserves and mineral resources, including mineral reserves associated with the Mercedes Mine and the Corani Project, and mineral resources at San Luis. Mineral reserve and mineral resource estimates are based on interpretations of geological data, assumptions regarding future commodity prices, operating costs, metallurgical recoveries, mine plans, permitting and other factors.

Actual mining results may differ materially from estimates due to factors including changes in commodity prices, operating and capital costs, dilution, metallurgical performance, geotechnical conditions, permitting constraints and other operational risks. Any material reduction in mineral reserves or mineral resources, or the failure to convert mineral resources to mineral reserves, could adversely affect the life of mine, production levels, financial performance and valuation of Highlander.

Speculative nature of mineral exploration and development

Certain of Highlander's properties remain in the exploration or development stage, including the Company's material property, San Luis. The exploration for and development of mineral deposits involves significant risk. Few properties that are explored are ultimately developed into producing mines. Substantial expenditures are required to establish mineral reserves through drilling, to develop processes to extract the mineral resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Development of Highlander's mineral projects will only follow upon obtaining satisfactory results. There is no assurance that Highlander's exploration activities at San Luis or its other exploration-stage properties will result in any discoveries of commercial bodies of ore, or that any of Highlander's development and exploration-stage properties, including San Luis, will be brought into commercial production. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, accuracy of estimated size, continuity of mineralization, average grade, proximity to infrastructure, availability and cost of water and power, anticipated climatic conditions, commodity prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but the combination of these factors may result in Highlander being unable to receive an adequate return on invested capital.

The process of mining, exploration and development also involves risks and hazards, including environmental hazards, industrial accidents, labour disputes, unusual or unexpected geological conditions or acts of nature. These risks and hazards could lead to events or circumstances, which could result in the complete loss of a project or could otherwise result in damage or impairment to, or destruction of, mineral properties and future production facilities, environmental damage, delays in exploration and development interruption, and could result in personal injury or death.

Although Highlander evaluates the risks and carries insurance policies to mitigate the risk of loss where economically feasible, not all of these risks are reasonably insurable and insurance coverages may contain limits, deductibles, exclusions and endorsements. Highlander cannot assure that its coverage will be sufficient to meet its needs. Such a loss may have a material adverse effect on Highlander. See "Uninsured Risks" below for more details.

Risks related to the acquisition of Bear Creek and integration of operations

Highlander completed its acquisition of Bear Creek on February 26, 2026, after the Company's 2025 financial year-end, which owns the Mercedes Mine in Mexico, the Corani Project in Peru and certain other exploration-stage properties. The successful integration of Bear Creek's business, assets, operations, personnel and systems involves numerous risks and uncertainties. These include, but are not limited to, difficulties in integrating management teams, operational practices, internal controls, information systems and accounting and reporting processes.

The anticipated benefits of the acquisition may not be realized on the timeline expected or at all. Integration efforts may require significant management attention and may divert resources from other business opportunities. In addition, Highlander may assume unknown or contingent liabilities in connection with the acquisition. Any failure to successfully integrate Bear Creek or realize expected synergies could have a material adverse effect on Highlander's business, financial condition and results of operations.

In addition to integration risks, the Company may have assumed liabilities, obligations or risks in connection with the acquisition of Bear Creek that were not fully known, quantified or anticipated at the time of closing. These may include, without limitation, environmental, reclamation or closure liabilities, historical compliance matters, labour-related obligations, contractual commitments, royalty or streaming arrangements, technical assumptions embedded in mine plans or reserve estimates, and obligations arising from prior operations or third-party actions.

While the Company conducted due diligence in connection with the acquisition, there can be no assurance that such diligence identified all material risks or liabilities. The realization of any such liabilities or risks could have a material adverse effect on the Company's business, financial condition and results of operations.

Risks from international operations

Changes in political situations may affect the manner in which Highlander operates. The operations of Highlander are conducted in Peru and Mexico, which are exposed to various levels of economic, political, currency and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism, hostage taking, military repression, crime, cartel activity, violence, more prevalent or stronger organized crime groups, political instability, corruption, currency controls, extreme fluctuations in currency exchange rates, high rates of inflation, uncertainty of the rule of law and legal system, corruption of public officials and/or courts of law, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation and mining laws, regulations and policies, restrictions on foreign exchange and repatriation, and changing political conditions and governmental regulations relating to foreign investment and the mining business. These countries have experienced political, social and economic unrest in the past and protestors have from time to time targeted foreign mining companies and their mining operations. The occurrence of mining regime changes adds uncertainties that cannot be accurately predicted and any future material adverse changes in government policies or legislation in Peru or Mexico that affect foreign ownership, mineral exploration, development of mining activities and may affect Highlander's viability. In addition, restrictions on the international transfer of cash, dividends or other assets, whether due to tax laws, foreign exchange controls or other regulatory requirements, could limit the Company's ability to fund operations, service obligations or return capital to shareholders.

Risk associated with an emerging and developing market

The disruptions recently experienced in the international and domestic capital markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. Companies located in countries in the emerging markets may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging and developing markets is significantly influenced by levels of investor confidence in such markets as a whole and as such any factors that impact market confidence (for example, a decrease in credit ratings, state or central bank intervention in one market or terrorist activity and conflict) could affect the price or availability of funding for entities within any of these markets.

Environmental factors

The Company conducts exploration, development and mining activities in various parts of Peru and Mexico. Such activities are subject to various laws, rules and regulations governing the protection of the environment, including, in some cases, requirements to post reclamation bonds or other forms of financial assurance. Extensive environmental legislation has been enacted in Peru and Mexico by federal, state and municipal governments, and all phases of the Company's operations, including exploration, development, operation, expansion and closure, are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner that requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and expansions, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, or the interpretation or enforcement thereof, will not adversely affect the Company's operations.

The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or, in some circumstances, to preclude entirely the economic development or continued operation of a property. Environmental hazards may exist on the Company's properties that are currently unknown and may have been caused by previous or existing owners or operators. While the Company is not currently aware of any material environmental hazards on the properties it holds or has formerly worked, there can be no assurance that such hazards will not be identified in the future. The approval of new mines, mine expansions or material modifications to existing operations in Peru or Mexico is subject to detailed review by applicable governmental authorities, and there is no assurance that required regulatory or environmental approvals will be obtained on a timely basis or at all. Failure to comply with applicable environmental laws, regulations or permit conditions may have serious consequences, including orders requiring operations to cease or be curtailed, the installation of additional facilities or equipment, remediation obligations, or the imposition of fines, penalties or other sanctions.

Mining laws in Peru and Mexico establish requirements for the decommissioning, reclamation and rehabilitation of mining properties following closure. Some mining properties must be managed for extended periods following closure in order to satisfy ongoing closure and monitoring requirements. The costs associated with reclamation and closure, including long-term environmental management, can be substantial and may differ materially from current estimates due to changes in regulatory requirements, environmental conditions or remediation standards.

In addition, ownership and operation of the Mercedes Mine exposes the Company to increased ongoing environmental, reclamation and closure liabilities, including obligations relating to tailings facilities, waste management, water treatment and mine closure. Actual closure and reclamation costs may increase over time and could have a material adverse effect on the Company's financial condition and results of operations.

The Company has adopted environmental practices designed to comply with applicable environmental laws and regulations; however, there can be no assurance that such practices will be sufficient to prevent environmental incidents or that the Company will not incur material costs, liabilities or operational restrictions as a result of environmental compliance or enforcement actions.

Reliance on contractors and underground mining methods

The Company relies on contractors for certain aspects of its mining, development and support activities, particularly at the Mercedes Mine. The performance, availability and cost of contractors may be affected by labour market conditions, safety incidents, equipment availability, regulatory requirements or disputes. Any failure by contractors to perform in accordance with expectations could result in delays, increased costs, safety incidents or production shortfalls.

Underground mining operations involve complex and evolving geological conditions and may require changes in mining methods, sequencing or development plans. Transitions between mining methods, contractors or equipment may result in temporary reductions in productivity, increased dilution, higher costs or operational disruptions. There can be no assurance that underground mining risks will not materially adversely affect the Company's operations or financial results.

Administrative, judicial and consultation-related challenges in Peru

The Company's material property, San Luis, is located in Peru and is subject to Peruvian regulatory processes that may involve public participation, stakeholder engagement and, in certain circumstances, consultation-related requirements. Even where the Company is successful in obtaining permits, authorizations or other approvals, such decisions may be subject to administrative review, appeals, community challenges or judicial proceedings, any of which may create delays, uncertainty or additional compliance obligations.

Regulatory decision-making in Peru may be affected by changes in governmental priorities, evolving interpretations of applicable requirements or resource constraints within regulatory agencies. In addition, allegations of non-compliance with consultation, engagement or permitting requirements, whether or not ultimately determined to be valid, may result in investigations, suspension of activities, additional conditions or reputational harm.

Any material delay, suspension, revocation or challenge to approvals, or any inability to manage consultation-related processes in connection with San Luis, could materially adversely affect the Company's ability to advance the project, increase costs and have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Community relations

Community relations are an important part of Highlander's business at all stages of the mine life cycle. In addition to exploration and development activities, operating a producing mine increases the Company's exposure to community concerns relating to employment, environmental impacts, water use, land access, infrastructure and perceived distribution of economic benefits. As a business in the mining industry, the Company may come under pressure to demonstrate that other stakeholders benefit and will continue to benefit from our commercial activities. Any deterioration in the Company's relationships with local communities or other stakeholders in Peru or Mexico could result in protests, blockades, work stoppages, permitting delays or reputational harm, which could materially adversely affect operations.

Labour relations, unions and workforce risks in Mexico

Highlander operates the Mercedes Mine in Mexico, where the workforce is unionized and subject to collective bargaining agreements. Labour relations in Mexico are governed by complex federal and local laws and regulations, including laws relating to union representation, collective bargaining, employee rights, termination, profit sharing and workplace conditions.

The mining industry in Mexico has experienced labour disruptions, strikes, work stoppages, slowdowns and disputes from time to time. The Company's relationship with the union representing employees at the Mercedes Mine may be affected by negotiations relating to wages, benefits, working conditions, productivity expectations, safety practices or other terms of employment. There can be no assurance that future collective bargaining negotiations will be concluded on acceptable terms or without disruption to operations.

In addition, changes in labour laws, regulations or their interpretation or enforcement, union organizing activity, changes in union representation, or challenges related to workforce availability, retention or productivity could materially adversely affect the Company's operations. Any labour unrest, strike, work stoppage or slowdown could result in production interruptions, increased costs, safety risks, reputational harm and could have a material adverse effect on the Company's results of operations and financial condition.

Permitting risk

Highlander's exploration, development and mining activities are subject to receiving, maintaining and renewing licenses, permits and approvals (collectively, "permits") from appropriate governmental authorities in Peru and Mexico. Such permits are required at various stages of the mine life cycle, including exploration, construction, operation, expansion, modification and closure. Highlander may be unable to obtain or maintain all required permits on a timely basis or at all. Delays or failures in obtaining, renewing or amending permits, or the suspension or revocation of existing permits, could result in delays, increased costs, production restrictions or the suspension of operations, any of which could have a material adverse effect on the Company.

Failure to comply strictly with applicable laws, regulations and local practices may have a material adverse impact on the Company's operations or business

While the Company seeks to fully comply with applicable laws, regulations and local practices, failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction, cancellation or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Any such loss, reduction or imposition of partners could have a material adverse impact on the Company's operations or business. Furthermore, increasing complexity of mining laws and regulations may render the Company incapable of strict compliance.

The inherent operational risks associated with mining, exploration and development, many of which are beyond the Company's control

The Company's activities are subject to a high degree of risk due to factors that, in some cases, cannot be foreseen or anticipated, or controlled. These risks include, but are not limited to, tectonic or weather activity that may provoke landslides or other impacts, labour disruptions, legislative and regulatory changes, crime, the inability to obtain adequate sources of power, water, labour, suitable or adequate machinery and equipment, and expert attorneys and consultants. In addition, the Company may be unable to acquire or obtain such requirements as water rights and surface rights, which may be critical for the continued advancement of exploration, development and operational activities on its mineral concessions. These processes could generate delays and adverse decisions, however unexpected, could negatively impact project development and the Company's prospects.

Land title risk

Although Highlander has investigated the right to explore and exploit its various properties and obtained records from government offices with respect to all the mineral claims, licenses, concessions and other rights in and to lands comprising its properties, there is no guarantee of title. Other parties may dispute the title to a property or the property may be subject to prior unregistered agreements and transfers or land claims by aboriginal, native, or indigenous peoples. The title to Highlander's properties may be affected by undetected encumbrances or defects or governmental actions. Highlander has not conducted surveys of all of its properties and the precise area and location of claims or the properties may be challenged. Title insurance is generally not available for mineral properties. Failure by Highlander to meet its payment and other obligations pursuant to laws governing its mineral claims, licenses, concessions and other forms of land and mineral tenure could result in the loss of its material property interests which could have a material adverse effect on Highlander, which could cause a significant decline in the value of Highlander's common shares.

Surface rights and access risks in Peru

Mining concession licenses in Peru are separate from surface rights. Permission for surface access must be negotiated with the owners of the surface rights to the areas covered by the mining concessions and commonly involve leasing of the surface rights. In Peru surface rights are owned by private persons or communities (local communal organizations), and agreements for access must be made with the surface owners to do significant work. There can be no guarantee that the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out significant exploration work or mining activities. There are also potential risks with regard to the completion of a successful exploration program in that there is a possibility of not being able to extend the surface access agreement over part of the area of interest, or problems with obtaining an environmental permit for road construction and drilling.

Encroachment and illegal mining activity in Peru

Certain regions of Peru have experienced heightened levels of encroachment and illegal mining activity. The Company's ability to advance exploration or development activities at San Luis may be adversely affected by third-party actions outside the Company's control, including unauthorized access, land use disputes, encroachment, or illegal or informal mining activities in the broader region. Such activities can contribute to social conflict, create safety and security risks, damage infrastructure or the environment, and complicate the Company's ability to maintain orderly access to the project area.

In addition, third-party interference may result in delays, increased security or monitoring costs, heightened scrutiny from regulators or stakeholders, or reputational harm. The presence of illegal or informal mining activity may also increase the risk of disputes regarding land access, community expectations and the perceived legitimacy of mineral development activities. Any material third-party interference, encroachment or illegal or informal mining activity affecting San Luis could result in delays or increased costs and could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Criminal activity and social instability in Mexico

Mining operations in Mexico may be exposed to security risks, including theft, vandalism, extortion, sabotage, organized crime activity and violence associated with criminal organizations. Such risks may affect employees, contractors, suppliers, infrastructure and transportation routes.

Mexico has experienced periods of heightened security and social instability associated with organized crime activity, including recent high-profile events involving criminal organizations that have resulted in increased violence, road blockages, disruptions to transportation and heightened security responses by authorities in various regions of the country. Such conditions, whether localized or more widespread, may adversely affect the Company's operations, workforce mobility, supply chains and ability to safely transport personnel, equipment and product.

Although Highlander intends to implement security measures consistent with industry practice, there can be no assurance that such measures will be effective in preventing security incidents. Any material security incident could result in injury or loss of life, damage to property, production interruptions, increased operating costs, reputational harm or the suspension of operations, any of which could have a material adverse effect on Highlander.

Political, regulatory and fiscal risks in Mexico

Highlander's Mexican operations are subject to federal, state and local laws and regulations governing mining, labour, taxation, environmental protection, royalties, land tenure and community relations. Changes in laws, regulations, policies or their interpretation or enforcement, including changes to mining concessions, taxes, royalties, labour laws or regulatory approval processes, could materially adversely affect the Company's operations, costs and profitability.

Mexico has experienced political and regulatory changes in recent years, including increased scrutiny of the mining sector and evolving approaches to permitting, environmental oversight and fiscal policy. Future changes in government priorities, legislation, regulations or administrative practices may result in increased costs, additional compliance obligations, delays in permitting or approvals, restrictions on operations, or the imposition of new or higher taxes, duties or royalties.

In addition, regulatory authorities in Mexico may exercise significant discretion in the interpretation, administration and enforcement of applicable laws and regulations. Delays or uncertainty in regulatory decision-making, changes in the application of existing rules, or inconsistent enforcement at the federal, state or local level could adversely affect the timing, scope or economics of the Company's mining activities. Any material adverse changes in the political, regulatory or fiscal environment in Mexico could negatively affect the Company's ability to operate its producing assets, advance development projects, or maintain existing concessions, and could have a material adverse effect on Highlander's business, financial condition and results of operations.

Risk of global outbreaks and contagious diseases

The risk of global outbreaks has the potential to significantly and adversely impact Highlander's operations and business. There can be no certainty that an outbreak of infectious illness and the restrictive measures implemented to slow the spread of the virus will not materially impact Highlander's operations or personnel. It is not possible for Highlander to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business, results of operations or ability to raise funds at this time.

Fraud and corruption

Highlander's operations are governed by, and involve interactions with, many levels of government in Peru and Mexico. Highlander is required to comply with anti-corruption and anti-bribery laws, including the Canadian *Corruption of Foreign Public Officials Act*, as well as similar laws in Peru and Mexico. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. Highlander's internal procedures and programs may not always be effective in ensuring that Highlander, its employees, contractors or third-party agents will comply strictly with such laws. If Highlander becomes subject to an enforcement action or in violation of such laws, this may have a material adverse effect on its reputation, result in significant penalties, fines, monitoring and investigation costs and/or sanctions imposed on it, and/or have a material adverse effect on Highlander's operations.

Ethics and business practices

Highlander maintains and requires adherence to policies governing ethical business conduct and practices, including prohibition of illegal payments, and respect for human rights and the individual. All personnel are expected to promote a respectful and inclusive workplace environment irrespective of ethnic background, gender, age or experience. Nevertheless, there is no assurance of compliance and the Company may be subject to allegations of discriminatory practices, harassment, unethical behavior, or breach of human rights.

Highlander may in the future become subject to legal proceedings

Highlander may, from time to time, become involved in various claims, legal proceedings, regulatory investigations and complaints. Highlander cannot reasonably predict the likelihood or outcome of any actions should they arise. If Highlander is unable to resolve any such disputes favorably, it may have a material adverse effect on Highlander's financial performance, cash flows, and results of operations. Highlander's assets and properties may become subject to further liens, agreements, claims, or other charges as a result of such disputes. Any claim by a third party on or related to any of Highlander's properties, especially where mineral reserves have been located, could result in Highlander losing a commercially viable property. Even if a claim is unsuccessful, it may potentially affect Highlander's operations due to the high costs of defending against the claim. If Highlander loses a commercially viable property, such a loss could lower its future revenues, or cause Highlander to cease operations if the property represents all or a significant portion of Highlander's mineral reserves.

Highlander's mineral assets are located outside Canada and are held indirectly through foreign affiliates

It may be difficult if not impossible to enforce judgements obtained in Canadian courts predicted upon the civil liability provisions of the securities laws of certain provinces against substantially all of Highlander's assets which are located outside Canada.

Commodity price risk

The price of Highlander common shares, financial results and exploration, development and mining activities in the future may be materially adversely affected by declines in the price of silver and gold. Silver and gold prices fluctuate widely and are affected by numerous factors beyond Highlander's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world.

Exchange rate fluctuations

Highlander reports its results in U.S. dollars, while many of Highlander's investments, costs and revenues may be denominated in other currencies. This may result in additions to Highlander's reported costs or reductions in Highlander's reported revenues. Fluctuations in exchange rates between currencies in which Highlander invests, reports, or derives income may cause fluctuations in its financial results that are not necessarily related to Highlander's underlying operations.

Joint ventures

Highlander may enter into joint venture or similar arrangements with regard to future exploration, development and production properties (including potentially Highlander's concessions). There is a risk any future joint venture partner does not meet its obligations and Highlander may therefore suffer additional costs or other losses. It is also possible that the interests of Highlander or future joint venture partners are not aligned resulting in project delays or additional costs and losses. Highlander may have minority interests in the companies, partnerships and ventures in which it invests and may be unable to exercise control over the operations of such companies.

Royalties and other third-party payment obligations

In connection with certain financing arrangements, debt settlements or other transactions, the Company is or may become subject to royalty, streaming or other payment obligations in favour of third parties with respect to the production, revenues or mineral output from certain of its properties. Such royalty or similar interests may reduce the cash flow and economic returns generated by the affected projects and may limit the Company's ability to fully benefit from increases in commodity prices or improvements in operating performance.

Royalty obligations may be payable regardless of the profitability of the underlying operation and may increase the Company's cost structure or reduce the funds available for exploration, development, sustaining capital expenditures, debt service or other corporate purposes. In addition, the existence of third-party royalty interests may complicate or delay future financings, project-level transactions, joint ventures, asset sales or other strategic initiatives involving the affected properties.

The interpretation, administration and enforcement of royalty agreements may give rise to disputes with royalty holders, including with respect to calculation methodologies, payment timing or the scope of amounts subject to royalty. Any such disputes could result in additional costs, diversion of management attention or potential liability. There can be no assurance that royalty obligations will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Property commitments

The properties held by Highlander may be subject to various land payments and/or work commitments. Failure by Highlander to meet its payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests.

Infrastructure

Mineral exploration, development and operating activities depend, to one degree or another, on the availability and reliability of adequate infrastructure, including roads, power supply, water sources, communications and transportation networks. Disruptions to infrastructure resulting from weather events, security incidents, community actions, regulatory intervention or other causes could interrupt operations, delay shipments, increase costs or reduce production.

Properties located in remote areas

Highlander's exploration properties may be located in remote areas with challenging terrain, climate and access, resulting in technical challenges for conducting geological exploration. The remote location of Highlander's operations may also result in increased costs and transportation difficulties, which could have a material adverse effect on Highlander's business and results of operations.

Lack of availability of resources

Mining exploration requires ready access to mining equipment such as drills, and crews to operate that equipment. There can be no assurance that such resources will be available to Highlander on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in Highlander's exploration programs.

Dependence on highly skilled personnel

Highlander's prospects depend in part on the services of key board members, executives and other highly skilled and experienced personnel focused on managing Highlander's interests and the advancement of its mineral projects, as well as its other interests, in addition to the identification of new opportunities for growth and funding. The loss of these persons or Highlander's inability to attract and retain additional highly skilled employees required for Highlander's activities may have a material adverse effect on its business or future operations. Highlander does not currently maintain "key person" life insurance on any of its key employees.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. Highlander competes with other mining companies, many of which have greater financial resources than Highlander, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Significant shareholders

Each of Highlander's significant shareholders has or will have the ability to significantly influence the outcome of corporate actions requiring shareholder approval, including the election of directors of Highlander and the approval of certain corporate transactions. Highlander's significant shareholders' respective interests may differ from the interests of Highlander or its other shareholders. The concentration of ownership of the Highlander common shares may also have the effect of dissuading third-party offers or delaying or preventing other possible strategic transactions of Highlander.

Reputational risk

As a result of the increased usage and the speed and global reach of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users, companies today are at much greater risk of losing control over how they are perceived in the marketplace. Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity (for example, with respect to the Company's handling of environmental matters or the Company's dealings with community groups), whether true or not. The Company places a great emphasis on protecting its image and reputation, but the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, cash flows and growth prospects.

Conflicts of interest

Certain of the directors and/or officers of Highlander also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations and consequently there exists the possibility for such directors and/or officers to be in a position of conflict. Any decision made by any of such directors and/or officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Highlander and Highlander's shareholders. In addition, each director is required to declare and refrain from voting on any matter in which such director may have a conflict of interest in accordance with the procedures set forth in applicable corporate and other laws.

Uninsurable risks

As mentioned above, Highlander's business is subject to a number of risks and hazards including adverse environmental conditions, industrial accidents, environmental contamination, labour disputes, tailings failures, seismic events, security risks and technical difficulties due to unusual or unexpected geologic formations. Such risks could result in personal injury or death, environmental damage, damage to and destruction of the facilities, delays in exploration and development, monetary losses and legal liability. For some of these risks, Highlander maintains insurance to protect against these losses at levels consistent with industry practice. However, Highlander may not be able to maintain current levels of insurance, particularly if there is a significant increase in the cost of premiums. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production may not be generally available to Highlander or to other companies in the mining industry on acceptable terms. Highlander might also become subject to environmental liability or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Highlander to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

Information systems

Targeted attacks on Highlander's systems (or on systems of third parties that Highlander relies on), failure or non-availability of key information technology ("IT") systems or a breach of security measures designed to protect Highlander's IT systems could result in disruptions to Highlander's operations, extensive personal injury, property damage or financial or reputational risks. As the threat landscape is ever-changing, Highlander must make continuous mitigation efforts, including risk prioritized controls to protect against known and emerging threats, tools to provide automate monitoring and alerting and backup and recovery systems to restore systems and return to normal operations.

Public company obligations

Highlander is subject to evolving corporate governance and public disclosure regulations that have increased both Highlander's compliance costs and the risk of non-compliance, which could adversely impact Highlander's share price.

Highlander is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the Canadian Securities Exchange, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity creating many new requirements. For example, the Canadian *Extractive Sector Transparency Measures Act* mandates the public disclosure of payments made by mining companies to all levels of domestic and foreign governments. Highlander's efforts to comply with such legislation could result in increased general and administration expenses and a diversion of management time and attention from operating activities to compliance activities.

Internal controls provide no absolute assurances as to reliability of financial reporting and financial statement preparation, and ongoing evaluation may identify areas in need of improvement

Highlander may fail to maintain the adequacy of its internal control over financial reporting as such standards are modified, supplemented or amended from time to time, and Highlander may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting. Highlander's failure to satisfy the requirements of Canadian legislation on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm Highlander's business and negatively impact the trading price of the Highlander common shares or market value of its other securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Highlander's operating results or cause it to fail to meet its reporting obligations.

Highlander may fail to maintain the adequacy of its disclosure controls. Disclosure controls and procedures are designed to ensure that the information required to be disclosed by Highlander in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to Highlander's management, as appropriate, to allow timely decisions regarding required disclosure.

No evaluation can provide complete assurance that Highlander's financial and disclosure controls will detect or uncover all failures of persons within Highlander to disclose material information otherwise required to be reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The effectiveness of Highlander's controls and procedures could also be limited by simple errors or faulty judgments.

The Company's foreign subsidiary operations may impact its ability to fund operations efficiently, as well as the Company's valuation and stock price

The Company conducts operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

Share price fluctuation

Securities markets have experienced a high degree of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations which have not necessarily been related to their operating performance, underlying asset values or prospects. Additionally, companies like Highlander often experience periods where their shares are thinly traded. There can be no assurance that these kinds of share price fluctuations or lack of liquidity will not occur in the future, and if they do occur, Highlander does not know how severe the impact may be on its ability to raise additional funds through equity issues. If Highlander is unable to obtain such additional financing, any investment in Highlander may be materially diminished in value or lost.

The value of the Company's common shares, as well as its ability to raise equity capital, may be impacted by future issuances of shares

The Company is authorized to issue an unlimited number of Highlander common shares without par value. The Company may issue more Highlander common shares in the future. Sales of substantial amounts of Highlander common shares (including shares issuable upon the exercise of stock options), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the Highlander common shares and the ability of the Company to raise equity capital in the future.

Future sales of common shares by existing shareholders

Sales of a large number of Highlander common shares in the public markets, or the potential for such sales, could decrease the trading price of the Highlander common shares and could impair the ability of the Company to raise capital through future sales of Highlander common shares.

Costs of land reclamation

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which the Company holds an interest. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the consolidated financial condition and results of operations of the Company.

Measures to protect endangered species may adversely affect the Company's operations

Peru has a diverse and fragile ecosystems and the federal government, regional governments, politicians, community leaders, and NGOs are vigilant in the protection of endangered species. The existence or discovery of an endangered species at or near the Company's projects may have a number of adverse consequences to the Company's plans and operations. For instance, the presence of an endangered species could require the Company to modify its design plans and construction, to take extraordinary measures to protect the species or to cease its activities temporarily or permanently, all of which would delay the Company's exploration activities and have an adverse economic impact on the Company, which could be material. The existence or discovery of an endangered species at one of Highlander's projects could also ignite NGO and local community opposition to the Company's projects, which could present further challenges to exploration and development activities.

Environmental risks and hazards

All phases of the Company's consolidated operations involve inherent environmental risks and hazards associated with mining, exploration and development activities, including the risk of accidental spills, releases of hazardous substances, tailings facility failures, seepage, contamination of soil or groundwater, and other environmental incidents. Such events may occur as a result of equipment failure, human error, extreme weather events, seismic activity, or other factors beyond the Company's control. Environmental hazards or contamination may exist on the properties in which the Company holds an interest that are currently unknown to the Company, including hazards resulting from historical mining, exploration or other activities conducted by prior owners or operators. The identification of any such contamination or environmental condition could require the Company to undertake significant investigation, monitoring, remediation or corrective actions, the scope, timing and cost of which may be uncertain and substantial.

Environmental incidents or the discovery of contamination may expose the Company to civil claims, administrative proceedings, regulatory enforcement actions or criminal liability, including claims for personal injury, property damage, environmental damage or loss of use of land or water resources. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage as a result of such activities, and may be subject to fines, penalties or other sanctions. The costs associated with responding to environmental incidents, implementing remediation measures, or satisfying third-party claims may be significant and could materially adversely affect the Company's financial condition, results of operations or cash flows. In some circumstances, environmental conditions or incidents could result in temporary or permanent suspension of operations, delays in development activities, or the abandonment of affected properties.

Although the Company maintains insurance coverage consistent with industry practice, such insurance may not cover all environmental risks, may be subject to deductibles, limits or exclusions, and may not be sufficient to cover the full extent of potential liabilities or remediation costs. There can be no assurance that insurance will be available on acceptable terms in the future or that the Company will not incur material uninsured environmental liabilities.

Changes in climate conditions

Governments are increasingly introducing climate change-related legislation, regulations and treaties at the international, national, state/provincial and local levels. Regulation relating to greenhouse gas emissions (including carbon taxes), energy efficiency and climate-related disclosure is becoming more stringent. If current regulatory trends continue, such measures could result in increased costs, additional compliance obligations or operational constraints at some of the Company's operations.

In addition to regulatory developments, the physical risks associated with climate change may adversely affect the Company's operations. These risks include extreme weather events such as increased frequency or intensity of wildfires, prolonged droughts, flooding or other severe weather conditions, which could disrupt operations, damage infrastructure, restrict access to water or energy, impair transportation routes or interrupt the delivery of essential supplies and services. Such events could reduce production efficiency, increase operating or capital costs, or result in temporary or prolonged interruptions to operations.

The Company can provide no assurance that its efforts to anticipate, manage or mitigate the risks associated with climate change will be effective, or that climate-related regulatory developments or physical impacts will not have a material adverse effect on the Company's operations, financial condition or profitability.

We cannot assure you that an active market will develop for our common shares on the NYSE American.

Our common shares began trading on the NYSE American on March 11, 2026, under the symbol "HSLV". Prior to this listing, there had been no prior public trading market for the common shares on the NYSE American. We cannot assure you that our listing of the common shares on the NYSE American will be maintained, or that an active trading market for the common shares will develop on the NYSE American or elsewhere or, if developed, that any market will be sustained. Accordingly, we cannot assure you of the liquidity of any trading market, the ability for shareholders to sell common shares when desired or the prices that may be obtained for sales of common shares.

United States investors may not be able to obtain enforcement of civil liabilities against us.

The enforcement by investors of civil liabilities under the United States federal or state securities laws may be affected adversely by the fact that we are governed by the *Business Corporations Act* (British Columbia), that the majority of our officers and certain of our directors are residents of Canada or otherwise reside outside the United States, and that all, or a substantial portion of their assets are located outside the United States. It may not be possible for investors to effect service of process within the United States on certain of our directors and officers or enforce judgments obtained in the United States courts against certain of our directors and officers based upon the civil liability provisions of United States federal securities laws or the securities laws of any state of the United States.

There is some doubt as to whether a judgment of a United States court based solely upon the civil liability provisions of United States federal or state securities laws would be enforceable in Canada against our directors and officers. There is also doubt as to whether an original action could be brought in Canada against us or our directors and officers to enforce liabilities based solely upon United States federal or state securities laws.

As a foreign private issuer, we are subject to different U.S. securities laws and rules than a domestic U.S. issuer, which may limit the information publicly available to our U.S. shareholders.

We are a foreign private issuer under applicable U.S. federal securities laws and, therefore, we are not required to comply with all the periodic disclosure and current reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and related rules and regulations, as U.S. domestic issuers. As a result, we do not file the same reports that a U.S. domestic issuer files with the SEC, although we are required to file with or furnish to the SEC the continuous disclosure documents that we are required to file in Canada under Canadian securities laws. In addition, as a foreign private issuer, we are exempt from the proxy rules under the Exchange Act. As a Canadian issuer, our insiders are also exempt under the Exchange Act Section 16 requirements applicable to insiders of foreign private issuers.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses to us.

In order to maintain our current status as a foreign private issuer, a majority of our common shares must be either directly or indirectly owned by non-residents of the United States unless we also satisfy one of the additional requirements necessary to preserve this status. We may in the future lose our foreign private issuer status if a majority of the common shares are held in the United States and we fail to meet the additional requirements necessary to avoid loss of foreign private issuer status. The regulatory and compliance costs to us under U.S. federal securities laws as a U.S. domestic issuer would be significantly more than the costs we incur as a Canadian foreign private issuer eligible to use the multijurisdictional disclosure system. If we are not a foreign private issuer, we would not be eligible to use the multijurisdictional disclosure system or other foreign issuer forms and would be required to file periodic and current reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive than the forms available to a foreign private issuer. We would also lose the ability to rely upon exemptions from NYSE American corporate governance requirements that are available to foreign private issuers.

The Company may be classified as a “passive foreign investment company” for U.S. federal income tax purposes, which would subject U.S. investors that hold the Company’s common shares to potentially significant adverse U.S. federal income tax consequences

If the Company is classified as a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes in any taxable year, U.S. investors holding the Company’s common shares generally will be subject, in that taxable year and all subsequent taxable years (whether or not the Company continued to be a PFIC), to certain adverse U.S. federal income tax consequences. The Company will be classified as a PFIC in respect of any taxable year in which, after taking into account its income and gross assets (including the income and assets of 25% or more owned subsidiaries), either (i) 75% or more of its gross income consists of certain types of “passive income” or (ii) 50% or more of the average quarterly value of its assets is attributable to “passive assets” (assets that produce or are held for the production of passive income). Based upon the current and expected composition of the Company’s income and assets, the Company believes that it was a PFIC for the taxable year ended December 31, 2025 and expects that it may be a PFIC for the current taxable year. Because the Company’s PFIC status must be determined annually with respect to each taxable year and will depend on the composition and character of the Company’s assets and income, including the Company’s use of proceeds from offerings, and the value of the Company’s assets (which may be determined, in part, by reference to the market value of common shares, which may be volatile) over the course of such taxable year, the Company may be a PFIC in any taxable year. Because there are uncertainties in the application of the relevant rules and PFIC status is a factual determination made annually after the close of each taxable year, there can be no assurance that the Company will not be a PFIC for any future taxable year. In addition, it is possible that the U.S. Internal Revenue Service may challenge the Company’s classification of certain income and assets as non-passive, which may result in the Company being or becoming a PFIC in the current or subsequent years.

If the Company is a PFIC for any year during a U.S. Holder’s (as defined below) holding period, then such U.S. Holder generally will be required to treat any gain realized upon a disposition of common shares, or any “excess distribution” received on its common shares, as ordinary income ratable allocated over its holding period, and to pay an interest charge on the underpayment of tax attributable to such gain or distribution, unless the U.S. Holder makes a timely and effective “qualified electing fund” election (“QEF Election”) or a “mark-to-market” election with respect to its common shares. A U.S. Holder who makes a QEF Election generally must report on a current basis its share of the Company’s net capital gain and ordinary earnings for any year in which the Company is a PFIC, whether or not the Company distributes any amounts to its shareholders. However, U.S. Holders should be aware that there can be no assurance that the Company will satisfy the record keeping requirements that apply to a QEF, or that the Company will supply U.S. Holders with information that such U.S. Holders require to report under the QEF Election rules, in the event that the Company is a PFIC and a U.S. Holder wishes to make a QEF Election. Thus, U.S. Holders may not be able to make a QEF Election with respect to their common shares. A U.S. Holder who makes a mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the common shares over the taxpayer’s basis therein. Each U.S. Holder should consult its own tax advisors regarding the PFIC rules and the U.S. federal income tax consequences of the acquisition, ownership, and disposition of common shares.

As used in this discussion, the term “U.S. Holder” means a beneficial owner of common shares that is, for U.S. federal income tax purposes, (1) an individual who is a citizen or resident of the United States, (2) a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income tax regardless of its source or (4) a trust (x) with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or (y) that has elected under applicable U.S. Treasury regulations to be treated as a domestic trust for U.S. federal income tax purposes.

Readers are cautioned that the foregoing list of risks, uncertainties and other factors is not exhaustive.

ITEM 8: DIVIDENDS

All of the Highlander common shares are entitled to an equal share in the dividends declared and paid by the Company. There are no restrictions in the Company’s articles which could prevent the Company from paying dividends as long as there are no reasonable grounds for believing that the Company is insolvent or the payment of dividends would render the Company insolvent.

The Company intends to retain all future earnings, if any, and other cash resources for the future operation and development of its business, and accordingly, does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after taking into account many factors including the Company’s operating results, financial condition and current and anticipated cash needs.

ITEM 9: DESCRIPTION OF CAPITAL STRUCTURE

As of the date hereof, the Company had 203,286,668 Highlander common shares, 3,046,693 warrants, and 11,830,000 stock options outstanding.

The holders of the Highlander common shares are entitled to receive notice of all meetings of shareholders and to attend and vote the Highlander common shares at the meetings. Each Highlander common share carries with it the right to one vote. The Highlander common shares have no pre-emptive, conversion, exchange, redemption, retraction, purchase for cancellation or surrender provisions and there are no sinking fund provisions in relation to the Highlander common shares.

In the event of a liquidation, dissolution or winding-up of the Company or other distribution of its assets, the holders of the Highlander common shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the Company has paid out its liabilities. Distributions in the form of dividends, if any, will be set by the Board. See ITEM 8: “*Dividends*” above for particulars of the Company’s dividend policy.

ITEM 10: MARKET FOR SECURITIES

10.1 Trading Price and Volume

The Highlander common shares began trading on the Toronto Stock Exchange (the “TSX”) under the symbol “HSLV” on May 13, 2025, and before that traded on the Canadian Securities Exchange (the “CSE”). The following tables sets out the high and low sale prices and the volume of trading of the Highlander common shares on the TSX and CSE (as applicable) on a monthly basis for the fifteen months ended December 31, 2025.

TSX

| Month | High (\$) | Low (\$) | Volume |
|-----------------|-----------|----------|-----------|
| December 2025 | 5.86 | 3.70 | 8,057,636 |
| November 2025 | 4.20 | 3.12 | 1,350,244 |
| October 2025 | 4.51 | 3.27 | 4,034,958 |
| September 2025 | 4.46 | 3.67 | 6,325,542 |
| August 2025 | 3.99 | 3.06 | 3,188,777 |
| July 2025 | 3.15 | 2.45 | 1,986,066 |
| June 2025 | 2.99 | 2.20 | 1,287,819 |
| May 13-31, 2025 | 2.38 | 2.12 | 846,443 |

CSE

| Month | High (\$) | Low (\$) | Volume |
|----------------|-----------|----------|-----------|
| May 1-12, 2025 | 2.24 | 2.10 | 257,895 |
| April 2025 | 2.49 | 1.72 | 1,449,055 |
| March 2025 | 1.99 | 1.61 | 1,543,728 |
| February 2025 | 1.89 | 1.24 | 833,121 |
| January 2025 | 1.40 | 1.00 | 752,868 |
| December 2024 | 1.09 | 0.93 | 276,052 |
| November 2024 | 1.17 | 0.88 | 1,127,050 |
| October 2024 | 1.15 | 0.60 | 1,599,521 |
| September 2024 | 0.83 | 0.58 | 468,280 |

ITEM 11: ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As of the date of this AIF, no securities of the Company are held in escrow.

ITEM 12: DIRECTORS AND OFFICERS

12.1 Name, Occupation and Security Holding

The following are the names and provinces/states/countries of residence of the directors and executive officers of the Company, the positions and offices they currently hold with the Company, their principal occupations during the five preceding years and the date they were appointed to their current office with the Company. Each director will hold office until the next annual general meeting of the Company unless his office is earlier vacated in accordance with the provisions of the BCBCA or the articles of the Company.

| Name, Residence and Office(s) | Principal Occupation During Past Five Years | Date of Appointment |
|--|---|---------------------|
| Richard Warke Chairman BC, Canada | Executive Chairman of Titan Mining Corporation since 2012; Executive Chairman of Augusta Gold Corp. from 2021 to 2025; Executive Chairman of Solaris Resources Inc. from 2020 to 2024; President and CEO of Armor Minerals Inc. since 2015, all mining companies. | October 21, 2024 |
| Thomas Whelan Director BC, Canada | Executive Vice President and Chief Financial Officer of Coeur Mining, Inc., a mining company, since 2019. | October 21, 2024 |
| Jerrold Annett Director ON, Canada | Senior VP, Strategy & Capital Markets, Capstone Copper, a mining company, from 2019 to 2024. | October 21, 2024 |

| Name, Residence and Office(s) | Principal Occupation During Past Five Years | Date of Appointment |
|--|---|---------------------|
| Daniel Earle President, CEO and Director ON, Canada | President and CEO of Solaris Resources Inc. from 2019 to 2024. | January 1, 2025 |
| Federico Velasquez President Peru and Director BC, Canada | President, Peru of the Company; President, Latin America and before that, Vice President, Operations, of Solaris Resources Inc. from 2018 to 2024. | February 9, 2024 |
| Javier Toro COO and Director AZ, United States | Chief Operating Officer of the Company since early 2026. Chief Operating Officer of Solaris Resources Inc., a mining company, since 2024. Vice President, Mining Technical Services at Hudbay Minerals Inc., a mining company, with prior executive and director-level roles in mining, technical services, and mine optimization, from 2016 to 2023. | October 21, 2024 |
| Sunny Lowe CFO ON, Canada | Chief Financial Officer of Solaris Resources Inc. from 2021 to 2024. Chief Financial Officer of INV Metals Inc. from 2018 to 2021. | January 1, 2025 |
| Sergio Gelcich VP Exploration ON, Canada | VP Exploration of Cerrado Gold and Ascendant Resources Inc. from May 2021 to December 2024. Director, Exploration for Hudbay Minerals Inc. from 2015 to 2021. | January 7, 2025 |
| Arun Lamba Vice President Corporate Development ON, Canada | VP Corporate Development of Solaris Resources Inc. until 2024 and, prior to that, a Senior Mining Analyst at TD Cowen from 2014 to 2024. | January 1, 2025 |
| Purni Parikh Senior VP, Corporate Affairs and Corporate Secretary BC, Canada | Senior Vice President, Corporate Affairs and Corporate Secretary for Augusta Gold Corp. from 2020 to 2025 and Titan Mining Corporation since 2021 and President of Titan Mining Corporation from 2018 to 2021. Senior Vice President Corporate Affairs and Corporate Secretary of Solaris Resources Inc. from 2019 to 2024. | January 1, 2025 |
| Tom Ladner General Counsel BC, Canada | General Counsel (and before that VP Legal) of Titan Mining Corporation and Armor Minerals Ltd. since 2020. General Counsel (and before that VP Legal) of Augusta Gold Corp. from 2020 to 2025. VP Legal of Solaris Resources Inc. from 2020 to 2024. | January 1, 2025 |

The Company has an Audit Committee. The Audit Committee is comprised of Thomas Whelan, Jerrold Annett, and Daniel Earle. See ITEM 19: “*Audit Committee*” below.

As of the date hereof, the directors and executive officers of the Company, as a group, beneficially owned, controlled or directed, directly or indirectly, 55,264,262 Highlander common shares representing 27.19% of the total issued and outstanding Highlander common shares.

12.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Corporate Cease Trade Orders

No director or executive officer of the Company is, or was within the ten years prior to the date of this AIF, a director, chief executive officer or chief financial officer of any company that was the subject of a cease trade or similar order, or an order that denied the other issuer access to any statutory exemptions, for a period of more than thirty consecutive days:

1. while that person was acting as a director, chief executive officer or chief financial officer; or
2. after that person ceased acting as a director, chief executive officer or chief financial officer which resulted from an event that occurred while that person was acting in that capacity.

Corporate Bankruptcies

No director, executive officer or securityholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is, or has been within the ten years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within one year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

No director, executive officer or securityholder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the ten years prior to the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Penalties or Sanctions

No director, executive officer or securityholder holding a sufficient number of securities to materially affect the control of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

12.3 Conflicts of Interest

The directors and officers of the Company may, from time to time, serve as directors or officers of other issuers or organizations or may be involved with the business and operations of other issuers or organizations, in which case a conflict of interest may arise between their duties as a director or officer of the Company and their duties as a director or officer of such other issuers or organizations. In particular, certain of the directors and officers of the Company are involved in executive or director positions with other mineral exploration companies whose operations may, from time to time, be in direct competition with those of the Company or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Company. See ITEM 12.1: “*Directors And Officers - Name, Occupation and Security Holding*” above for a description of other mineral exploration companies in which the directors and officers of the Company are currently involved.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors’ or officers’ conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the BCBCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Save and except as aforesaid or otherwise disclosed in this AIF, to the Company's knowledge, there are no known existing or potential conflicts of interest between the Company and any director or officer of the Company.

ITEM 13: Promoters

No person has acted as a promoter of the Company within the two most recently completed financial years or during the current financial year.

ITEM 14: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

14.1 Legal Proceedings

During the fifteen months ended December 31, 2025, and as of the date of this AIF, the Company is not and was not a party to, and its property is not and was not the subject of, any legal proceedings and no such proceedings are known by the Company to be contemplated.

14.2 Regulatory Actions

During the fifteen months ended December 31, 2025, and as of the date of this AIF, there were no penalties or sanctions imposed against, or settlement agreements with any court relating to securities legislation or with securities regulatory authority entered into by the Company or any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision.

ITEM 15: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this AIF, in the notes to the Company's Financial Statements and its MD&A, no director or executive officer of the Company, and no Shareholder holding of record or beneficially, directly or indirectly, more than 10% of the Company's outstanding Highlander common shares ("**Insiders**"), and none of the respective associates or affiliates of any of the foregoing, had any material interest, direct or indirect, in any transaction with the Company or in any proposed transaction within the three most recently completed financial years or the current financial year of the Company that has materially affected or is reasonably expected to materially affect the Company.

ITEM 16: TRANSFER AGENT AND REGISTRAR

The Company's registrar and transfer agent for its Highlander common shares is Endeavor Trust Corporation located at 702 - 777 Hornby Street, Vancouver, BC, V6Z 1S4.

ITEM 17: MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, no material contracts were entered into by the Company since the commencement of the Company's fifteen months ended December 31, 2025, or before such time that are still in effect, other than the San Luis Share Purchase Agreement, the March 2025 Underwriting Agreement, the Equity Distribution Agreement, the September 2025 Underwriting Agreement and the Arrangement Agreement. See Section 4.1 of this AIF for additional information on those agreements.

ITEM 18: INTERESTS OF EXPERTS

18.1 Names of Experts

The following table lists the persons and companies who have prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 *Continuous Disclosure Obligations* by the Company during the fifteen months ended December 31, 2025 or subsequent thereto:

| Name of Individual or Company | Report, Valuation, Statement or Opinion |
|---|--|
| Davidson & Company LLP | Audited consolidated financial statements of the Company for the fifteen months ended December 31, 2025 and fiscal year ended September 30, 2024 together with the auditors' report thereon. |
| Martin Mount, MSc MCSM FGS CGeol FIMMM CEng | "Technical Report on The San Luis Property District of Shupluy, Yungay Province, Ancash Department, Peru" with an effective date of January 15, 2025 |
| Sergio Gelcich (PGeo) | Scientific and technical statements made in the Company's continuous disclosure. |
| Graeme Lyall (FAusIMM) | Scientific and technical statements made in the Company's continuous disclosure. |

18.2 Interests of Experts

To the knowledge of the Company, Martin Mount did not hold, as of the date of the applicable report, valuation, statement or opinion referred to in ITEM 18.1: "*Interests of Experts - Names of Experts*" above, does not currently hold and will not receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company. To the knowledge of the Company, Mr. Gelcich's and Mr. Lyall's interest in Company common shares is less than one per cent of the Company's outstanding common shares.

The auditor of the Company is Davidson & Company LLP, Chartered Professional Accountants ("**Davidson**"), 1200, 609 Granville Street, Pacific Centre, Vancouver, BC, V7Y 1G6. Davidson is independent from the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

ITEM AUDIT COMMITTEE

19:

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators ("**NI 52-110**") requires the Company to disclose annually in its AIF certain information concerning the constitution of its audit committee and its relationship with its external auditor, as set forth below.

19.1 The Audit Committee Charter

The text of the Company's Audit Committee Charter (the "**Audit Committee Charter**") is attached as Schedule "A" hereto.

19.2 Composition of Audit Committee

The following are the members of the Audit Committee:

| Audit Committee Member | Independence | Financial Literacy |
|------------------------|--------------------------------|-------------------------------------|
| Thomas Whelan | Independent ⁽¹⁾ | Financially literate ⁽¹⁾ |
| Jerrold Annett | Independent ⁽¹⁾ | Financially literate ⁽¹⁾ |
| Daniel Earle | Not independent ⁽¹⁾ | Financially literate ⁽¹⁾ |

⁽¹⁾ As defined by NI 52-110.

19.3 Relevant Education and Experience

As a result of their respective experience, each member of the Audit Committee (i) has an understanding of the accounting principles used by Highlander to prepare its financial statements, (ii) has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) has experience in analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to that that can reasonably be expected to be raised by Highlander's financial statements, and (iv) has an understanding of internal controls and procedures for financial reporting.

Mr. Whelan has over 30 years of experience in the mining industry. Mr. Whelan currently serves as Executive Vice President and Chief Financial Officer for Coeur Mining ("Coeur"). Prior to joining Coeur, Mr. Whelan served as CFO of Arizona Mining Inc. from September 2017 to August 2018, when the company was acquired by South32 Limited. Previously, Mr. Whelan served as CFO for Nevsun Resources Ltd. from January 2014 to August 2017. He is a chartered professional accountant and was previously a partner with the international accounting firm Ernst & Young ("EY") LLP where he held several leadership roles.

Mr. Jerrold Annett has most recently been responsible for leading Capstone Copper's investor relations, marketing and metal sales activities. He joined Capstone in September 2019 and has over 29 years of global mining and capital markets experience, providing strategic direction and executive oversight for several junior exploration and development companies including in roles as Chief Executive Officer and SVP Corporate Development. Mr. Annett's over 29 years of experience in the mining industry including in strategic matters and extensive experience dealing with complex financial issues over many years offers him the requisite experience to perform his responsibilities as a member of the audit committee.

Mr. Earle has over 20 years of experience in the mining sector and capital markets. Mr. Earle currently serves as President and CEO of the Company and, before that, served as President and CEO of Solaris Resources since 2019. Prior to joining Solaris, Mr. Earle was a Vice President and Director at TD Securities, covering the mining sector for more than 12 years. Mr. Earle's over 20 years of experience in the mining industry including extensive experience as a President and CEO dealing with complex strategic and financial issues, including evaluation of the effectiveness of disclosure controls and procedures and internal controls over financial reporting, offers him the requisite experience to perform his responsibilities as a member of the audit committee.

19.4 Reliance on Certain Exemptions

Except as set out below, at no time since the commencement of the Company's most recently completed financial year has the Company relied on an exemption in Sections 2.4, 3.2, 3.4, 3.5 of Part 8 of National Instrument 52-110 *Audit Committees* ("NI 52-110").

The Company relied on the exemption in Section 3.5 of Part 8 of NI 52-110 in appointing Mr. Daniel Earle to the Audit Committee in Q1 2026.

19.5 Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

19.6 Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in Item 10(d)(i) of the Audit Committee Charter.

19.7 External Audit Service Fees (By Category)

The aggregate fees paid or payable by the Company's external auditors in each of the last two financial years for audit and related services are as follows:

| Financial Year Ending | Audit Fees⁽¹⁾ | Audit Related Fees⁽²⁾ | Tax Fees⁽³⁾ | All Other Fees⁽⁴⁾ |
|------------------------------|---------------------------------|---|-------------------------------|-------------------------------------|
| 2025 | \$ 210,000 | \$ 32,000 | Nil | Nil |
| 2024 | \$ 120,000 | Nil | Nil | \$ 2,000 |

- (1) **"Audit Fees"** include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) **"Audit-Related Fees"** include fees for services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) **"Tax Fees"** include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) **"All Other Fees"** include all other non-audit services.

ITEM 20: ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, is contained in the Company's Management Information Circular filed on the Company's profile on SEDAR+ on May 2, 2025 for its 2025 Annual General Meeting of shareholders held on June 12, 2025.

Additional financial information is also provided in the Company's audited consolidated financial statements and related MD&A for its fifteen months ended December 31, 2025.

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

[Attached.]

HIGHLANDER SILVER CORP.
(the "Company")

AUDIT COMMITTEE

CHARTER

The Audit Committee (the "Committee") is a committee of the Board of Directors (the "Board") of Highlander Silver Corp. (the "Company") to which the Board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The Committee will:

- (a) review and report to the Board on the following before they are published:
 - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company;
 - (ii) the auditors report, if any, prepared in relation to those financial statements; and
 - (iii) all other filings with regulatory authorities and any other publicly disclosed information containing the Company's financial statements, including any certification, report, opinion or review rendered by the independent accountants, and all financial information and earnings guidance intended to be provided to analysts and the public or to rating agencies, and consider whether the information contained in these documents is consistent with the information contained in the financial statements.
- (b) review the Company's annual and interim earnings press releases, if any, before the Company publicly discloses this information;
- (c) satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures;
- (d) select and, where applicable, replace the external auditor to be nominated for the purposes of preparing and issuing an auditor's report or performing other audit, review or attest services for the Company;
- (e) approve the compensation of such external auditor;
- (f) be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (g) monitor and report to the Board on the integrity of the financial reporting process and the system of internal controls that management and the Board have established;

- (h) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor, including as contemplated by National Instrument 52-110 and consider such fees in relation to fees for audit services as well as any risk or conflicts of such services;
- (j) review and approve the Company's hiring of partners, employees and former partners and employees of the external auditor of the Company;
- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109;
- (l) review any changes proposed by management to accounting policies and report to the Board on such changes;
- (m) oversee the opportunities and risks inherent in the Company's financial management and the effectiveness of the controls thereon;
- (n) review major transactions (acquisitions, divestitures and funding), in respect of which a special committee of the Board is not established;
- (o) review the reports of the Chief Executive Officer and Chief Financial Officer regarding any significant deficiencies or material weaknesses in the design of operation of internal controls and any fraud that involves management or other employees of the Company who have a significant role in managing or implementing the Company's internal controls and evaluate whether the internal control structure, as created and as implemented, provides reasonable assurances that transactions are recorded as necessary to permit the Company's external auditor to reconcile the Company's financial statements in accordance with applicable securities laws;
- (p) review with management the adequacy of the insurance and fidelity bond coverage, reported contingent liabilities, and management's assessment of contingency planning. Review management's plans regarding any changes in accounting practices or policies and the financial impact of such changes, any major areas in management's judgment that have a significant effect upon the financial statements of the Company, and any litigation or claim, including tax assessments, that could have a material effect upon the financial position or operating results of the Company;
- (q) obtain annually a formal written statement by the external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1 and The Public Company Accounting Oversight Board Rule 3526, and confirming that the external auditors are registered and in good standing with the Canadian Public Accounting Board and The Public Company Accounting Oversight Board; and

consider, in consultation with the external auditor, the audit scope and plan of the external auditor and approve the proposed audit fee and the final fees for the audit.

Composition of the Committee

The Committee shall be composed of at least three independent directors. Independence of the Board members will be as defined by: (i) National Instrument 52-110 - Audit Committees, Part 6, (ii) Rule 10A-3 of the United States Securities Exchange Act of 1934, as amended, and (iii) applicable stock exchange requirements, including those of Section 803(B)(2) of the NYSE American Company Guide, and in addition each committee member will have no direct or indirect relationship with the Company which, in the view of the Board, could reasonably interfere with the exercise of a member's independent judgement.

All members of the Committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Committee. "Financially literate" means that such member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. One or more members of the Committee shall, in the judgment of the Board, have accounting or financial management expertise and be "financially sophisticated" under Section 803(B)(2) of the NYSE American Company Guide.

Appointing Members

The members of the Committee shall be appointed or re-appointed by the Board on an annual basis. Each member of the Committee shall continue to be a member thereof until such member's successor is appointed, unless such member shall resign or be removed by the Board or such member shall cease to be a director of the Company. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board and shall be filled by the Board if the membership of the Committee is less than three directors as a result of the vacancy or the Committee no longer has a member who has, in the judgment of the Board, accounting or financial management expertise.

Authority

The Committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the Committee will set the compensation for such advisors.

The Committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the Committee.

The Committee has the authority to approve, if so delegated by the board of directors, the interim financial statements and management discussion and analysis and to cause the filing of the same together with all required documents and information with the securities commissions and other regulatory authorities in the required jurisdictions.

The Committee shall have full access to the books, records and facilities of the Company in carrying out its responsibilities.

The Board shall adopt resolutions which provide for appropriate funding, as determined by the Committee, for (i) services provided by the external auditor in rendering or issuing an audit report or performing other audit, review or attest services for the Company, (ii) services provided by any adviser employed by the Committee which it believes, in its sole discretion, are needed to carry out its duties and responsibilities, or (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities.

Reporting

The reporting obligations of the Committee will include:

1. reporting to the Board on the proceedings of each Committee meeting and on the Committee's recommendations at the next regularly scheduled directors meeting; and
2. reviewing, and reporting to the Board on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.

Meetings

The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members thereof provided that:

- A quorum for meetings shall be at least a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permit all persons participating in the meeting to speak and hear each other;
- The Committee shall meet at least quarterly (or more frequently as circumstances dictate); and
- Notice of the time and place of every meeting shall be given in writing or facsimile communication to each member of the Committee and the external auditors of the Company at least 48 hours prior to the time of such meeting.

While the Committee is expected to communicate regularly with management, the Committee shall exercise a high degree of independence in establishing its meeting agenda and in carrying out its responsibilities. The Committee shall submit the minutes of all meetings of the Committee to, or discuss the matters discussed at each Committee meeting with, the Board.

The members of the Committee must elect a chair from among the members of the Committee. On request of the auditor of the Company, the chair of the Committee must convene a meeting of the Committee to consider any matter that the auditor believes should be brought to the attention of the directors or shareholders.

Approved by the Board of Directors of
Highlander Silver Corp. on February 20, 2026

Exhibit 99.2



Highlander Silver Corp.

Consolidated Financial Statements

For the fifteen months ended December 31, 2025 and
twelve months ended September 30, 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
Highlander Silver Corp.

Opinion on the consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Highlander Silver Corp. (the "Company"), as of December 31, 2025 and September 30, 2024, and the related consolidated statements of net loss and comprehensive loss, cash flows, and changes in equity for the fifteen month period ended December 31, 2025, and the year ended September 30, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of Highlander Silver Corp. as of December 31, 2025 and September 30, 2024, and the results of its operations and its cash flows for the fifteen month period ended December 31, 2025, and the year ended September 30, 2024, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatements of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Other Matter – Change in Accounting Policy

We draw attention to Note 6 of the financial statements, which explains that certain comparative information presented:

- As at and for the year ended September 30, 2024 has been restated.
- As at October 1, 2023 has been derived from the financial statements for the year ended September 30, 2023 which have been restated (not presented herein).

Note 6 explains the change in accounting policy and related restatement and also explains the adjustments that were applied to restate certain comparative information. Our opinion is not modified in respect of this matter.

We have served as the Company's auditor since 2021.

/s/ **DAVIDSON & COMPANY LLP**

Chartered Professional Accountants
Licensed Public Accountants

Vancouver, Canada

March 30, 2026

Highlander Silver Corp.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

| | Note | December 31, 2025 | September 30, 2024 (Restated – Note 6) | October 1, 2023 (Restated – Note 6) |
|--|------|-----------------------|---|--|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | | \$ 108,198,015 | \$ 2,500,894 | \$ 229,702 |
| Receivables | 11 | 90,288 | 275,000 | – |
| Prepays and other | | 202,928 | 25,536 | 14,268 |
| Value-added tax receivable | | 214,462 | 15,357 | 8,904 |
| | | <u>108,705,693</u> | <u>2,816,787</u> | <u>252,874</u> |
| Reclamation deposit | | 59,951 | 59,052 | 11,096 |
| Property and equipment | 8 | 298,658 | 94,523 | – |
| Mineral property interests | 7 | 12,188,048 | 10,758,885 | 44,013 |
| Value-added tax receivable | | 339,013 | 89,730 | – |
| | | <u>121,591,363</u> | <u>13,818,977</u> | <u>307,983</u> |
| Total assets | | <u>\$ 121,591,363</u> | <u>\$ 13,818,977</u> | <u>\$ 307,983</u> |
| Liabilities and Equity | | | | |
| Current liabilities | | | | |
| Accounts payable and accrued liabilities | 11 | \$ 2,459,902 | \$ 372,481 | \$ 234,986 |
| Consideration payable | 7 | 1,713,250 | 1,687,375 | – |
| Lease liabilities | | 12,412 | – | – |
| | | <u>4,185,564</u> | <u>2,059,856</u> | <u>234,986</u> |
| Non-current liabilities | | | | |
| Consideration payable | 7 | – | 1,687,375 | – |
| Reclamation provision | 9 | 650,439 | 492,426 | – |
| | | <u>4,836,003</u> | <u>4,239,657</u> | <u>234,986</u> |
| Total liabilities | | <u>4,836,003</u> | <u>4,239,657</u> | <u>234,986</u> |
| Equity | | | | |
| Common shares | 10 | 140,014,858 | 19,524,567 | 7,219,766 |
| Reserves | 10 | 3,402,702 | 1,724,026 | 1,385,293 |
| Commitment to issue shares | 10 | 750,000 | 46,319 | 46,319 |
| Foreign currency reserve | | 670,276 | (432,731) | (63,899) |
| Deficit | | (28,082,476) | (11,282,861) | (8,514,482) |
| | | <u>116,755,360</u> | <u>9,579,320</u> | <u>72,997</u> |
| Total equity | | <u>116,755,360</u> | <u>9,579,320</u> | <u>72,997</u> |
| Total liabilities and equity | | <u>\$ 121,591,363</u> | <u>\$ 13,818,977</u> | <u>\$ 307,983</u> |

Nature of operations and going concern (Note 1)

Commitments (Note 19)

Subsequent events (Note 20)

Approved on behalf of the Board:

“Thomas Whelan”

Thomas Whelan – Director

“Jerrold Annett”

Jerrold Annett – Director

March 30, 2026

The accompanying notes are an integral part of these consolidated financial statements.

Highlander Silver Corp.

Consolidated Statements of Net Loss and Comprehensive Loss

(Expressed in Canadian Dollars, except share amounts)

| | Note | Fifteen months ended December 31, 2025 | Twelve months ended September 30, 2024 (Restated – Note 6) |
|---|------|---|--|
| Exploration expenses | 14 | \$ 9,066,545 | \$ 1,432,595 |
| General and administrative expenses | 15 | 8,666,508 | 1,685,611 |
| Loss from operations | | 17,733,053 | 3,118,206 |
| Gain on disposal of equipment | | (137,294) | (11,847) |
| Finance cost | | 243,741 | 8,237 |
| Interest and other income | | (1,233,553) | (152,663) |
| Foreign exchange loss | | 184,422 | – |
| Write-off of mineral property interests | | – | 36,722 |
| Write-off of receivables | 16 | 182,052 | 86,540 |
| Net loss | | 16,972,421 | 3,085,195 |
| Other comprehensive (income) loss | | | |
| Items that may be reclassified to profit or loss: | | | |
| Foreign currency translation | | (1,103,007) | 368,832 |
| Total comprehensive loss | | \$ 15,869,414 | \$ 3,454,027 |
| Net loss per share attributable to: | | | |
| Shareholders of the Company Basic and diluted | | \$ 0.17 | \$ 0.05 |
| Weighted average number of shares outstanding | | | |
| Basic and diluted | | 102,010,501 | 67,071,265 |

The accompanying notes are an integral part of these consolidated financial statements.

Highlander Silver Corp.Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

| | Note | Fifteen months ended December 31, 2025 | Twelve months ended September 30, 2024 (Restated – Note 6) |
|---|------|---|--|
| Cash provided by (used in): | | | |
| Operations | | | |
| Net loss for the year | | \$ (16,972,421) | \$ (3,085,195) |
| Adjustments for: | | | |
| Bonus expense | | – | 46,500 |
| Depreciation | | 45,384 | 29,608 |
| Finance cost | | 243,741 | 8,237 |
| Foreign exchange | | (272,909) | (119,928) |
| Gain on disposal of equipment | | (137,294) | – |
| Interest income | | (1,184,522) | (80,052) |
| Reclamation provision | | 77,287 | – |
| Restructuring payment | | – | 91,094 |
| Share-based compensation | 10 | 2,285,246 | 630,626 |
| Write-off of mineral property interests | | – | 36,722 |
| Write-off of receivables | | 182,052 | 86,540 |
| Net changes in non-cash working capital items: | | | |
| Receivables | | (59,471) | (81,965) |
| Value-added tax receivable | | (448,388) | (6,454) |
| Prepaid and other | | (186,024) | (11,268) |
| Accounts payable and accrued liabilities | | 2,145,243 | 3,078 |
| Reclamation provision settlement | | (5,569) | – |
| | | <u>(14,287,645)</u> | <u>(2,452,457)</u> |
| Financing | | | |
| Proceeds from bought deal equity financing, net of share issue costs paid | 10 | 119,858,822 | 12,188,380 |
| Finance costs paid | | (213,367) | – |
| Payment of lease liabilities | | (1,048) | – |
| Proceeds from exercise of options | 10 | 86,600 | – |
| Proceeds from exercise of warrants | 10 | 860,205 | 3,750 |
| | | <u>120,591,212</u> | <u>12,192,130</u> |
| Investing | | | |
| Mineral property interest | 7 | (27,626) | (36,722) |
| Milestone payment under acquisition agreement with SSR Mining | 7 | (1,701,500) | – |
| Interest income received | | 1,184,522 | 9,680 |
| Property and equipment | | (204,155) | (31,543) |
| Proceeds from disposal of equipment | | 137,294 | 7,774 |
| Acquisition of Reliant Ventures S.A.C. | | – | (7,158,514) |
| Cash acquired on purchase of Reliant Ventures S.A.C. | | – | 109,676 |
| | | <u>(611,465)</u> | <u>(7,099,649)</u> |
| Effect of exchange rate changes on cash and cash equivalents | | 5,019 | (368,832) |
| Increase in cash and cash equivalents | | 105,697,121 | 2,271,192 |
| Cash and cash equivalents, beginning of the year | | 2,500,894 | 229,702 |
| Cash and cash equivalents, end of the year | | <u>\$ 108,198,015</u> | <u>\$ 2,500,894</u> |

Supplemental cash flow information (Note 12)

The accompanying notes are an integral part of these consolidated financial statements.

Highlander Silver Corp.

Consolidated Statements of Changes in Equity

For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, except number of shares)

| | Number of Shares | Amount | Reserves | Commitment to issue shares | Foreign currency reserve | Deficit | Total equity |
|---|---------------------|----------------------|---------------------|-------------------------------|--------------------------------|-----------------------|----------------------|
| Balance, October 1, 2024 (Restated) | 81,221,620 | \$ 19,524,567 | \$ 1,724,026 | \$ 46,319 | \$ (432,731) | \$(11,282,861) | \$ 9,579,320 |
| Bought deal equity financing, net of share issue costs | 48,330,000 | 119,813,403 | – | – | – | – | 119,813,403 |
| Exercise of warrants – shares to be issued | – | – | – | 750,000 | – | – | 750,000 |
| Fair value reversal on expired stock options | – | – | (172,806) | – | – | 172,806 | – |
| Shares issued on exercise of warrants and stock options | 1,359,067 | 630,569 | (433,764) | – | – | – | 196,805 |
| Share-based compensation | – | – | 2,285,246 | – | – | – | 2,285,246 |
| Reclassification of commitment to issue shares to common shares | – | 46,319 | – | (46,319) | – | – | – |
| Net loss and comprehensive loss | – | – | – | – | 1,103,007 | (16,972,421) | (15,869,414) |
| Balance, December 31, 2025 | <u>130,910,687</u> | <u>\$140,014,858</u> | <u>\$ 3,402,702</u> | <u>\$ 750,000</u> | <u>\$ 670,276</u> | <u>\$(28,082,476)</u> | <u>\$116,755,360</u> |
| Balance, October 1, 2023 (Restated) | 30,460,475 | \$ 7,219,766 | \$ 1,385,293 | \$ 46,319 | \$ (63,899) | \$ (8,514,482) | \$ 72,997 |
| Bonus shares issued | 75,000 | 46,500 | – | – | – | – | 46,500 |
| Private placement, net of share issue costs | 50,514,222 | 12,163,457 | – | – | – | 24,923 | 12,188,380 |
| Shares issued – restructuring payment | 146,923 | 91,094 | – | – | – | – | 91,094 |
| Fair value reversal on expired stock options | – | – | (291,893) | – | – | 291,893 | – |
| Exercise of warrants | 25,000 | 3,750 | – | – | – | – | 3,750 |
| Share-based compensation | – | – | 630,626 | – | – | – | 630,626 |
| Net loss and comprehensive loss | – | – | – | – | (368,832) | (3,085,195) | (3,454,027) |
| Balance, September 30, 2024 | <u>81,221,620</u> | <u>\$ 19,524,567</u> | <u>\$ 1,724,026</u> | <u>\$ 46,319</u> | <u>\$ (432,731)</u> | <u>\$(11,282,861)</u> | <u>\$ 9,579,320</u> |

The accompanying notes are an integral part of these consolidated financial statements.

Highlander Silver Corp.

Notes to the Consolidated Financial Statements

For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Highlander Silver Corp. (the “Company” or “Highlander”) was incorporated under the laws of the Province of British Columbia, Canada. The Company’s head office is located at 2500 – 100 King Street West, Toronto, Ontario, Canada, M5X 1A9. Its records office is located at 1200 – 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8. Its main business activity is the acquisition, exploration and evaluation of mineral properties located in Peru. These consolidated financial statements of the Company as at and for the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024 comprise the Company and its subsidiaries (Note 2 (c)). On May 13, 2025, the Company’s common shares commenced trading on the Toronto Stock Exchange (“TSX”) under the symbol HSLV. On March 11, 2026, the Company’s common shares also commenced trading on the NYSE American LLC under the same symbol. Prior to May 13, 2025, the Company’s shares were listed on the Canadian Securities Exchange.

The Company has not yet determined whether its mineral property interests contain mineral reserves that are economically viable. The Company’s continued operations, and the underlying value and recoverability of the amounts shown for mineral property interests, are dependent upon the existence of economically recoverable mineral reserves in the mineral properties that the Company holds an interest in. The continued exploration and development of projects will depend on the Company’s ability to receive future cash flows from share capital financing.

These consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have revenue sources, and has historically relied on share capital financing, as well as property option or sale proceeds to fund its property acquisition, exploration and evaluation expenditures, and operating expenses.

As at December 31, 2025, the Company had cash and cash equivalents of \$108,198,015 (September 30, 2024 – \$2,500,894). The Company has financed its operations primarily through the issuance of common shares.

2. BASIS OF PREPARATION**a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on March 30, 2026.

b) Basis of presentation

These consolidated financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss (“FVTPL”). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries with the exception of Cappex Exploraciones S.A.C. and Reliant Ventures S.A.C. which have a functional currency of Peruvian Soles.

c) Basis of consolidation

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

Subsidiaries are entities controlled by the Company and are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are amended as necessary to align with the policies adopted by the Company.

Highlander Silver Corp.

Notes to the Consolidated Financial Statements

For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

The consolidated financial statements include the following entities:

| | | |
|--|------|---------------------|
| Highlander Silver Corp. | 100% | Parent company |
| Pacific West Exploration Services Inc. | 100% | Exploration company |
| Cappex Mineral Ventures Inc. | 100% | Holding company |
| Cappex Exploraciones S.A.C. | 100% | Exploration company |
| Reliant Ventures S.A.C. | 100% | Exploration company |
| San Luis Resource (BVI) Inc. | 100% | Holding company |
| San Luis Minerals (BVI) Inc. | 100% | Holding company |
| Silver Standard Peru (BVI) Inc. | 100% | Holding company |

Inter-company balances and transactions, and any unrealized income, loss and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

When control of a subsidiary is lost, the Company: (a) derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position; (b) recognizes any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with the relevant provisions of the IFRS; and (c) recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

3. MATERIAL ACCOUNTING POLICIES**a) Mineral property interests**

Exploration and evaluation expenditures relate to costs incurred in the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation activities include permitting, community engagement, exploratory drilling and sampling, surveying transportation and infrastructure requirements, and gathering of exploration data through geophysical studies.

The Company capitalizes direct costs of acquiring mineral property interests. Option payments are considered acquisition costs if the Company has the intention of exercising the underlying option.

Subsequent to the acquisition of a mineral interest, exploration and evaluation costs incurred are expensed as incurred up to the date the technical feasibility and commercial viability of extracting mineral resources are demonstrable for a project and on receipt of project development approval from the Board of Directors. The approval from the Board of Directors will be dependent on the Company obtaining necessary permits and licenses to develop the mineral property. At this point, exploration and evaluation assets are assessed for impairment and then reclassified to property, plant, and equipment. Capitalized acquisition costs are assessed for impairment at least annually or when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, with any impairment loss recognized as an expense.

Value-added taxes are included in exploration and evaluation costs when the recoverability of these amounts is uncertain.

Although the Company has taken steps to verify title to exploration and evaluation properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, non-compliance with regulatory requirements or title may be affected by undetected defects.

b) Property and equipment

Property and equipment is carried at cost less accumulated amortization and accumulated impairment losses. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, initial estimates of the costs of dismantling and removing an item and restoring the site on which it is located, and, where applicable, borrowing costs.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Highlander Silver Corp.

Notes to the Consolidated Financial Statements

For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

Property and equipment, including major components, are depreciated using the straight-line method over their estimated useful lives, typically ranging from 2 to 12 years.

Right-of-use assets are depreciated using the straight-line method from the date the asset is available for use by the Company to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term. The estimated useful life of the right-to-use assets are determined on the same basis as that of property, plant and equipment.

Assets under construction are capitalized as separate components and are presented as construction in progress. Upon completion, the cost of these assets is transferred to their definitive category. Construction in progress is not depreciated.

The Company conducts an annual assessment of the residual balances, useful lives and amortization methods being used for property and equipment and any changes arising from the assessment are applied by the Company prospectively.

c) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset that is physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then no right-of-use asset is identified.
- The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

Payments related to short-term leases and leases of low-value assets are recognized as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Company recognizes a right-to-use asset and a corresponding lease liability on the date the leased asset is available for use by the Company.

The right-of-use asset and corresponding lease liability are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The cost of the right-of-use asset also includes any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, less any lease incentives received.

d) Reclamation provision

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. The estimated costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are determined, and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through depreciation using either the unit-of-production or the straight-line method. The related liability is adjusted at each reporting date for the unwinding of the discount rate, for changes to the current market-based discount rate, and for changes to the amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged to profit or loss as extraction progresses.

e) Financial instruments

The Company classifies its financial instruments in the following categories: as FVTPL, financial assets at amortized cost and other financial liabilities at amortized cost. The classification depends on the purpose for which the financial assets or liabilities were acquired or incurred. Management determines the classification of financial assets and liabilities at initial recognition.

Highlander Silver Corp.

Notes to the Consolidated Financial Statements

For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

(i) Non-derivative financial assets and liabilities

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

Classification

The Company classifies its financial assets and financial liabilities using the following measurement categories:

- (a) Those to be measured subsequently at fair value (either through other comprehensive income (loss) or through profit or loss); and
- (b) Those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (an irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income (loss).

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Cash and cash equivalents are classified as amortized cost. Cash equivalents include highly liquid investments with original maturities of three months or less, and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Receivables and reclamation deposit are classified as financial assets at amortized cost.

(ii) Financial liabilities

The Company has the following financial liabilities: accounts payable and accrued liabilities and consideration payable.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. Interest expense is recorded to profit or loss.

f) Impairment

(i) Financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

(ii) Non-financial assets

Non-financial assets are reviewed quarterly by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the cash generating unit (CGU) level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount. The Company's mineral property interest impairment policy is more specifically discussed in Note 3 (a) above.

Highlander Silver Corp.

Notes to the Consolidated Financial Statements

For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

g) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Share capital is reduced by the average per-common-share carrying amount, with the difference between this amount and the consideration paid, added to or deducted from contributed surplus.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded as contributed surplus.

h) Share-based payment transactions

The Company has a stock option plan that provides for the granting of options to directors, officers and employees to acquire shares of the Company. The fair value of the options is measured on grant date and is recognized as an expense with a corresponding increase in contributed surplus as the options vest.

Options granted to employees and others providing similar services are measured at grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

Over the vesting period, share-based payments are recorded as an operating expense and as contributed surplus. When options are exercised, the consideration received is recorded as share capital. In addition, the related share-based payments originally recorded as contributed surplus are transferred to share capital.

When an option is cancelled, or expires, the initially recorded value is reversed from contributed surplus and credited to retained earnings or deficit.

i) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

Highlander Silver Corp.

Notes to the Consolidated Financial Statements

For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

j) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company for the years presented, except if their inclusion proves to be anti-dilutive.

k) Foreign currency translation

Foreign currency transactions are translated into Canadian dollars at exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction (historical rate). Assets and liabilities of foreign operations with functional currencies other than the Canadian dollar are translated into Canadian dollars at period end exchange rate and any revenue and expenses are translated at the average exchange rate for the period. The resulting exchange differences are recognized in foreign currency reserves.

l) Reclassification of general and administrative expenses

Site salaries, contractors, and project administration expenses have been reclassified from general and administrative expenses to exploration expenses in the consolidated statements of net loss and comprehensive loss for the twelve months ended September 30, 2024, to conform to the current period presentation. This reclassification did not impact net loss or cash flows.

m) New accounting policies issued but not yet effective

Certain pronouncements have been issued by the IASB or International Financial Reporting Interpretations Committee that are not mandatory for the current period have not been early adopted. The Company has reviewed these pronouncements, and the amendments that are applicable to the Company are discussed below:

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which will replace IAS 1, *Presentation of Financial Statements* aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 *Statement of Cash Flows*. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is currently assessing the impact of the new standard.

Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued narrow scope amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. The amendments include the clarification of 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 are effective for annual periods beginning on or after January 1, 2026, with early application permitted. The Company is currently assessing the impact of the new standard.

Highlander Silver Corp.

Notes to the Consolidated Financial Statements

For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

4. USE OF JUDGEMENTS AND ESTIMATES

The preparation of consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

(i) Reclamation provision

The ultimate costs for reclamation and rehabilitation are uncertain, and cost estimates can vary in response to many factors, including estimates of the nature, extent and timing of rehabilitation activities, technological changes, regulatory changes, changes in inflation rates, the risk-free interest rate used for discounting future cash flows, foreign exchange rates, and estimates of the underlying currencies in which the provisions will ultimately be settled. The Company estimates its costs based on studies using current restoration standards and techniques, and the provision at the reporting date represents management's best estimate of the present value of the future rehabilitation costs required. Significant assumptions related to the reclamation provision are disclosed in Note 9.

(ii) Valuation of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires estimates in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Capitalized acquisition costs are assessed for impairment at least annually or when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Judgment is required in determining whether indicators of impairment exist, including factors such as the period for which the Company has the right to explore, expected renewals of exploration rights, whether expenditures on further exploration and evaluation of resource properties are planned, results of exploration and evaluation activities on the exploration and evaluation assets and future commodity prices.

(iii) Share-based compensation

The Company utilizes the Black-Scholes option pricing model to estimate the fair value of stock options granted to directors, officers and employees of the Company. The use of the Black-Scholes option pricing model requires management to make various estimates and assumptions that impact the value assigned to the stock options including the expected volatility of the stock price, the risk-free interest rate, dividend yield, the expected life of the stock options and the number of options expected to vest. The expected term of the options granted is determined based on historical data of the average hold period before exercise, cancellation or expiry. Expected volatility is estimated with reference to the historical volatility of the share price of a peer group of companies as applicable given the short period for which the Company's shares have been publicly listed. Any changes in these assumptions could change the amount of share-based compensation recognized. Significant assumptions related to share-based payments are disclosed in Note 10.

(iv) Deferred income tax assets or liabilities

The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carryforwards. Changes in these assumptions could materially affect the recorded amounts and therefore do not necessarily provide certainty as to their recorded values.

(v) Asset Acquisition

The acquisition of Reliant Ventures S.A.C. was classified as an asset acquisition, as the acquired entity does not meet the definition of a business under IFRS 3 Business Combinations. The primary asset acquired is the San Luis Project, located in the Ancash department of central Peru. The acquisition was accounted for as the purchase of individual assets and liabilities, with no goodwill recognized. The total consideration transferred has been allocated to the identifiable assets acquired based on their estimated fair values at the acquisition date.

5. CHANGE IN YEAR END

On October 31, 2025, the Company filed a Notice of Change of Year End to change its financial year-end from September 30 to December 31. The Company is changing its financial year-end to align its financial year-end and reporting periods with those of the Company's subsidiaries. The Company elected to have a transition year of a fifteen-month period from October 1, 2024 to December 31, 2025, and has, accordingly, prepared the consolidated financial statements for the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024.

Highlander Silver Corp.

Notes to the Consolidated Financial Statements

For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

6. VOLUNTARY CHANGE IN ACCOUNTING POLICY

During the quarter ended March 31, 2025, the Company conducted a review of its accounting policy related to exploration and evaluation expenditures. Following this review, management has voluntarily elected to adopt a change in accounting policy effective January 1, 2025, to enhance the relevance and reliability of the information available to the users of the Company's financial statements. Previously, the Company capitalized both acquisition costs and exploration and evaluation expenditures associated with its exploration and evaluation properties. Under the revised policy, the Company will continue to capitalize direct costs related to the acquisition of mineral property interests but will now expense all exploration and evaluation expenditures incurred on its properties until such time when the technical feasibility and commercial viability of extracting mineral resources from the mineral property are demonstrated and the project has received development approval from the Board of Directors.

The change in accounting policy has been made in accordance with IFRS 6, *Exploration for and Evaluation of Mineral Resources*, and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, and has been recognized on a full retrospective basis.

The following is a summary of the changes that impact the Consolidated Statements of Financial Position as at October 1, 2023, and September 30, 2024, the Consolidated Statements of Net Loss and Comprehensive Loss and the Consolidated Statements of Cash Flows, for the twelve months ended September 30, 2024.

Consolidated Statements of Financial Position

| As at September 30, 2024 | Previously reported | Effect of change | Restated |
|------------------------------|---------------------|------------------|---------------|
| Mineral property interests | \$ 12,125,552 | \$ (1,366,667) | \$ 10,758,885 |
| Total assets | 15,185,644 | (1,366,667) | 13,818,977 |
| Foreign currency reserve | (237,224) | (195,507) | (432,731) |
| Deficit | (10,111,701) | (1,171,160) | (11,282,861) |
| Total equity | 10,945,987 | (1,366,667) | 9,579,320 |
| Total liabilities and equity | \$ 15,185,644 | \$ (1,366,667) | \$ 13,818,977 |
| As at October 1, 2023 | Previously reported | Effect of change | Restated |
| Mineral property interests | \$ 254,571 | \$ (210,558) | \$ 44,013 |
| Total assets | 518,541 | (210,558) | 307,983 |
| Foreign currency reserve | (63,983) | 84 | (63,899) |
| Deficit | (8,303,840) | (210,642) | (8,514,482) |
| Total equity | 283,555 | (210,558) | 72,997 |
| Total liabilities and equity | \$ 518,541 | \$ (210,558) | \$ 307,983 |

Consolidated Statements of Net Loss and Comprehensive Loss

| For the twelve months ended September 30, 2024 | Previously reported | Effect of change | Restated |
|--|---------------------|------------------|--------------|
| Exploration expenses | \$ 29,608 | \$ 1,402,987 | \$ 1,432,595 |
| General and administrative expenses | 1,924,208 | (238,597) | 1,685,611 |
| Loss from operations | 1,953,816 | 1,164,390 | 3,118,206 |
| Write-off of mineral property interests | 240,594 | (203,872) | 36,722 |
| Net loss | 2,124,677 | 960,518 | 3,085,195 |
| Foreign currency translation | 173,241 | 195,591 | 368,832 |
| Total comprehensive loss | 2,297,918 | 1,156,109 | 3,454,027 |
| Net loss per share attributable to shareholders of the Company - Basic and diluted | \$ 0.03 | \$ 0.02 | \$ 0.05 |

Highlander Silver Corp.

Notes to the Consolidated Financial Statements

For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

Consolidated Statements of Cash Flows

| For the twelve months ended September 30, 2024 | Previously reported | Effect of change | Restated |
|--|---------------------|------------------|----------------|
| Net loss for the year | \$ (2,124,677) | \$ (960,518) | \$ (3,085,195) |
| Adjustments for: | | | |
| Write-off of mineral property interests | 240,594 | (203,872) | 36,722 |
| Foreign exchange | (315,519) | 195,591 | (119,928) |
| Net changes in non-cash working capital items | (73,648) | (22,961) | (96,609) |
| Cash used in operations | (1,460,697) | (991,760) | (2,452,457) |
| Mineral property interest | (1,224,073) | 1,187,351 | (36,722) |
| Cash used in investing | (8,287,000) | 1,187,351 | (7,099,649) |
| Effect of exchange rate changes on cash and cash equivalents | \$ (173,241) | \$ (195,591) | \$ (368,832) |

7. MINERAL PROPERTY INTERESTS

| | San Luis (Peru) (Note a) | La Estrella (Peru) (Note b) | Total |
|--|-----------------------------|--------------------------------|---------------|
| Balance, October 1, 2023 (Restated) | \$ – | \$ 44,013 | \$ 44,013 |
| Acquisition of San Luis Project | 10,623,949 | – | 10,623,949 |
| Foreign exchange adjustment | 90,151 | 772 | 90,923 |
| Balance, September 30, 2024 (Restated) | \$ 10,714,100 | \$ 44,785 | \$ 10,758,885 |
| Acquisition of concession | 27,626 | – | 27,626 |
| Transfer of concession | 19,659 | (19,659) | – |
| Foreign exchange adjustment | 1,397,636 | 3,901 | 1,401,537 |
| Balance, December 31, 2025 | \$ 12,159,021 | \$ 29,027 | \$ 12,188,048 |

The Company's wholly-owned projects are comprised of the rights to explore the mineral claims and tenures at various stages of exploration. Unless otherwise noted they are not subject to any option or sale agreements. Certain of the claims are subject to a net smelter returns royalty ("NSR"), as detailed below.

a) San Luis Project

The San Luis Project is a gold-silver exploration property located in the Ancash department of central Peru. SSR Mining and Esperanza Resources Corp. ("Esperanza") jointly established Reliant Ventures S.A.C. to develop the project. In 2011, SSR Mining acquired Esperanza's interest in the San Luis Project, consolidating full ownership of the project under SSR Mining.

On May 23, 2024, The Company acquired the project from SSR Mining, through the purchase of 100% of the shares of Reliant Ventures S.A.C., which holds the rights to the San Luis Project. As part of the acquisition agreement, the Company paid SSR Mining an initial cash payment of US\$5,000,000 (\$6,978,100) and agreed to pay up to US\$37,500,000 in contingent consideration upon the achievement of specific project milestones. These milestones include the commencement of drilling, completion of a feasibility study, and milestones related to commercial production.

In June 2025, the Company made a payment of US\$1,250,000 (approximately \$1,705,000) to SSR Mining related to the achievement of the first milestone for the commencement of an initial drilling program in June 2025. The second milestone payment of US\$1,250,000 (approximately \$1,713,250), which is payable on the first anniversary of the commencement of the initial drilling program, is expected to be paid in June 2026.

Other potential milestone payments (milestones three to six that are related to the completion of a feasibility study and reaching commercial production), which could increase the total contingent consideration to up to US\$37,500,000, are not recognized due to the current uncertainty in their likelihood.

Additionally, SSR Mining retained a 4% net smelter return ("NSR") on the project. The Company has the option to buy back 2% of this royalty for US\$15,000,000 at any time prior to the commencement of mine construction.

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For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

In addition to the 4% NSR granted to SSR Mining, the San Luis Project is also subject to a 1% NSR on 24 claims payable to Esperanza and a 1% NSR on two claims to Metalla Royalty & Streaming Ltd.

In May and November 2025, through its wholly owned subsidiary, Reliant Venture S.A.C., the Company staked an additional eight concessions covering a total of 6,300 hectares within the overall project area, for aggregate cash payments of \$27,626.

b) La Estrella

On August 10, 2021, the Company purchased from Compania Minera Ares S.A.C. mining claims known as the Estrella claims located in central Peru in consideration for a cash payment of \$3,701 (US\$2,700) and a 2% NSR. The Company, at its sole discretion and at any time may purchase 50% of the NSR for a consideration of US\$200,000 and the remaining 50% for a consideration of US\$300,000.

The Estrella 002 concession was acquired via auction with the Peruvian Mining Authority for consideration of US\$31,000 (paid).

In addition, the Company has acquired the La Estrella project database including diamond drill core, assay results and laboratory certificates from Alianza Minerals Ltd. in consideration for the payment of \$15,000 (paid) and the issuance of 37,500 common shares (issued).

8. PROPERTY AND EQUIPMENT

| | Office equipment and furniture | Construction in progress | Site equipment and infrastructure | Vehicles | Right- of-use assets | Total |
|---------------------------------------|--------------------------------------|-----------------------------|---|-----------|----------------------------|------------|
| Cost | | | | | | |
| As at October 1, 2023 | \$ 3,441 | \$ – | \$ – | \$ 86,132 | \$ – | \$ 89,573 |
| Acquisition of Reliant Ventures S.A.C | 364 | 55,796 | 23,438 | 3,670 | – | 83,268 |
| Additions | 2,199 | – | 29,344 | – | – | 31,543 |
| Disposals | – | – | (1,522) | (6,252) | – | (7,774) |
| Foreign exchange adjustment | 212 | 1,267 | 1,541 | 2,978 | – | 5,998 |
| As at September 30, 2024 | \$ 6,216 | \$ 57,063 | \$ 52,801 | \$ 86,528 | \$ – | \$ 202,608 |
| Additions | 29,389 | 31,766 | 143,001 | – | 13,155 | 217,311 |
| Disposals | – | – | (4,364) | – | – | (4,364) |
| Foreign exchange adjustment | 2,114 | 6,374 | 15,127 | (8,944) | 140 | 14,811 |
| As at December 31, 2025 | \$ 37,719 | \$ 95,203 | \$ 206,565 | \$ 77,584 | \$ 13,295 | \$ 430,366 |
| Accumulated amortization | | | | | | |
| As at October 1, 2023 | \$ 1,880 | \$ – | \$ – | \$ 76,597 | \$ – | \$ 78,477 |
| Amortization | 1,332 | – | 19,277 | 8,999 | – | 29,608 |
| As at September 30, 2024 | \$ 3,212 | \$ – | \$ 19,277 | \$ 85,596 | \$ – | \$ 108,085 |
| Amortization | 5,001 | – | 34,777 | 2,506 | 3,100 | 45,384 |
| Disposal | – | – | (4,364) | – | – | (4,364) |
| Foreign exchange adjustment | 568 | – | (6,856) | (11,077) | (32) | (17,397) |
| As at December 31, 2025 | \$ 8,781 | \$ – | \$ 42,834 | \$ 77,025 | \$ 3,068 | \$ 131,708 |
| Net book value | | | | | | |
| As at September 30, 2024 | \$ 3,004 | \$ 57,063 | \$ 33,524 | \$ 932 | \$ – | \$ 94,523 |
| As at December 31, 2025 | \$ 28,938 | \$ 95,203 | \$ 163,731 | \$ 559 | \$ 10,227 | \$ 298,658 |

Highlander Silver Corp.

Notes to the Consolidated Financial Statements

For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

9. RECLAMATION PROVISION

| | December 31, 2025 | September 30, 2024 |
|--|-------------------|--------------------|
| Balance, start of the year | \$ 492,426 | \$ – |
| Acquisition of Reliant Ventures S.A.C. | – | 468,180 |
| Additions | 31,019 | – |
| Accretion | 30,200 | 8,237 |
| Settlement | (5,569) | – |
| Change in estimate | 46,268 | – |
| Foreign exchange adjustment | 56,095 | 16,009 |
| Balance, end of the year | <u>\$ 650,439</u> | <u>\$ 492,426</u> |

The reclamation provision represents the estimated costs for restoration and rehabilitation for environmental disturbances estimated to be incurred in the year 2027. The total undiscounted estimated cash flows required to settle these obligations as at December 31, 2025, are \$658,923 (September 30, 2024 – \$573,958), which have been inflated at the rate of 1.95% per annum (September 30, 2024 – 1.98%) and discounted at the rate of 4.00% (September 30, 2024 – 5.25%).

10. SHARE CAPITAL

a) Share Capital

Authorized: Unlimited common shares, with no par value

Issued and fully paid: 130,910,687 (September 30, 2024 – 81,221,620)

Transactions for the issue of share capital during the fifteen months ended December 31, 2025:

- On October 17, 2025, pursuant to the bought deal public offering of common shares of the Company which closed on September 29, 2025, the underwriters exercised their over-allotment option in full. The Company issued an additional 2,330,000 common shares at a price of \$3.75 per common share for aggregate gross proceeds of \$8,737,500. The Company incurred share issuance costs of \$495,315 in connection with the financing.
- On September 29, 2025, the Company closed its bought deal public offering, pursuant to which the Company issued 23,000,000 common shares of the Company at a price of \$3.75 per common share for aggregate gross proceeds of \$86,250,000. The Company incurred share issuance costs of \$4,715,510 in connection with the financing.
- On September 29, 2025, upon the exercise of common share purchase warrants, 50,000 common shares were issued at \$0.15 per share for proceeds of \$7,500.
- On September 15, 2025, upon the exercise of common share purchase warrants, 50,000 common shares were issued at \$0.15 per share for proceeds of \$7,500.
- On August 27, 2025, upon the exercise of common share purchase warrants, 9,702 common shares were issued at \$0.15 per share for proceeds of \$1,455.
- On June 12, 2025, upon the exercise of common share purchase warrants, 500,000 common shares were issued at \$0.15 per share for proceeds of \$75,000.
- On April 15, 2025, upon the exercise of common share purchase warrants, 100,000 common shares were issued at \$0.15 per share for proceeds of \$15,000.
- On March 12, 2025, the Company issued 150,000 common shares through the exercise of stock options. This issuance resulted from the exercise of 15,000 stock options at an exercise price of \$0.54 per share, 50,000 stock options at an exercise price of \$0.55 per share and 85,000 stock options at an exercise price of \$0.60 per share.

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(Expressed in Canadian Dollars, unless otherwise noted)

- On March 11, 2025, the Company closed its previously announced bought deal private placement, pursuant to which the Company issued 23,000,000 common shares of the Company at a price of \$1.40 per common share for aggregate gross proceeds of \$32,200,000, which includes the full exercise of the underwriters' option of 3,000,000 shares. The Company incurred issuance costs of \$2,163,272 in connection with the financing.
- On October 18, 2024, the Company issued 474,365 common shares through the cashless exercise of stock options. This issuance resulted from the exercise of 575,000 stock options at an exercise price of \$0.42 per share and 675,000 stock options at an exercise price of \$0.55 per share.
- On October 9, 2024, upon the exercise of common share purchase warrants, 25,000 common shares were issued at \$0.15 per share for proceeds of \$3,750.

Transactions for the issue of share capital during the twelve months ended September 30, 2024:

- On August 8, 2024, the Company issued 75,000 common shares with a fair value of \$46,500 to the CEO as a performance bonus. Additionally, 146,923 common shares with a fair value of \$91,094 were issued as restructuring payment to a former director for the cancellation of 450,000 stock options.
- On May 24, 2024, upon the exercise of common share purchase warrants, 25,000 common shares were issued at \$0.15 per share for proceeds of \$3,750.
- On May 8, 2024, the Company completed an offering of 20,514,222 common shares of the Company at a price of \$0.45 per share for gross proceeds of \$9,231,400. The Company incurred \$24,500 in share issue costs in respect of this financing.
- On October 19, 2023, the Company completed financing whereby 30,000,000 units were issued at \$0.10 per unit for gross proceeds of \$3,000,000. Each unit is comprised of one common share and one warrant exercisable at a price of \$0.15 per share for a period of 3 years from the date of issuance. The Company incurred \$43,443 in share issuance costs in respect of this financing.

Subsequent to December 31, 2025, upon the exercise of warrants, 28,090,298 common shares were issued for proceeds of \$4,213,544.

b) Stock options

For the fifteen months ended December 31, 2025, the Company recognized a share-based compensation expense included in general and administrative expenditures of \$2,285,246 (twelve months ended September 30, 2024 – \$630,626). The following table shows the change in stock options during the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024:

| | December 31, 2025 | | September 30, 2024 | |
|-----------------------------|-------------------|---------------------------------|--------------------|---------------------------------|
| | Number of options | Weighted average exercise price | Number of options | Weighted average exercise price |
| Balance, start of the year | 2,575,000 | \$ 0.52 | 1,625,000 | \$ 0.51 |
| Granted | 6,020,000 | 0.87 | 1,737,500 | 0.56 |
| Exercised | (1,400,000) | 0.50 | – | – |
| Forfeited/expired/cancelled | (475,000) | 0.66 | (787,500) | 0.58 |
| Balance, end of the year | 6,720,000 | \$ 0.83 | 2,575,000 | \$ 0.52 |

Highlander Silver Corp.

Notes to the Consolidated Financial Statements

For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

The assumptions used in the Black-Scholes option pricing model for the options granted in the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024 were as follows.

| Weighted average | Fifteen months ended December 31, 2025 | Twelve months ended September 30, 2024 |
|--|---|---|
| Exercise price per share issuable | \$ 0.87 | \$ 0.56 |
| Expected term (years) | 5 | 3 |
| Volatility | 91% | 125% |
| Expected dividend yield | – | – |
| Risk-free interest rate | 2.39% | 2.90% |
| Weighted average fair value per option | 0.61 | 0.36 |

The following is a summary of the Company's outstanding and exercisable stock options as at December 31, 2025:

| Expiry date | Outstanding | | | Exercisable | |
|------------------|----------------|-------------------|---|-------------------|---|
| | Exercise price | Number of options | Weighted average remaining contractual life (years) | Number of options | Weighted average remaining contractual life (years) |
| November 3, 2026 | \$ 0.60 | 75,000 | 0.84 | 75,000 | 0.84 |
| March 12, 2027 | 0.55 | 600,000 | 1.19 | 600,000 | 1.19 |
| March 3, 2028 | 0.42 | 175,000 | 2.17 | 175,000 | 2.17 |
| October 21, 2029 | 0.80 | 4,220,000 | 3.81 | 2,030,000 | 3.81 |
| January 2, 2030 | 1.04 | 1,600,000 | 4.01 | – | 4.01 |
| April 7, 2030 | 1.90 | 50,000 | 4.27 | – | 4.27 |
| | \$ 0.83 | 6,720,000 | 3.55 | 2,880,000 | 3.09 |

Subsequent to December 31, 2025, the Company granted 5,110,000 options for an exercise price of C\$6.17 per share.

c) Warrants

As an incentive to complete a private placement, the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to the private placement units. Finders' warrants may be issued as a private placement share issuance cost and are valued using the Black-Scholes option pricing model.

A continuity of the Company's warrants is as follows:

| | Number of warrants | Weighted average exercise price |
|---------------------------------|--------------------|---------------------------------|
| Outstanding, September 30, 2023 | – | \$ – |
| Issued | 30,000,000 | 0.15 |
| Exercised | (25,000) | 0.15 |
| Outstanding, September 30, 2024 | 29,975,000 | \$ 0.15 |
| Exercised | (734,702) | 0.15 |
| Outstanding, December 31, 2025 | 29,240,298 | \$ 0.15 |

The remaining contractual life (years) of the outstanding warrants is 0.80 years.

Highlander Silver Corp.

Notes to the Consolidated Financial Statements

For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

11. RELATED PARTY TRANSACTIONS*Key management personnel*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and comprises the Company's President and Chief Executive Officer, Chief Financial Officer, President Peru, Senior Vice President Corporate Affairs and Corporate Secretary and Directors.

Key management compensation for the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024 is comprised of the following:

| | Fifteen months ended December 31, 2025 | Twelve months ended September 30, 2024 |
|--------------------------|---|---|
| Share-based compensation | \$ 1,830,349 | \$ 567,552 |
| Salaries and benefits | 2,185,283 | – |
| Professional fees | 156,605 | 573,620 |
| | <u>\$ 4,172,237</u> | <u>\$ 1,141,172</u> |

Professional fees relate to the following related party transactions with the Company or Company controlled entities during the fifteen months ended December 31, 2025.

- (a) Stephen Brohman was the Company's Chief Financial Officer until January 2, 2025. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provided the Company with accounting and tax services.
- (b) David Fincham was appointed as the Company's Chief Executive Officer effective October 2022 to October 2024.
- (c) Dr. Leandro Echavarría was the Company's VP of Exploration until January 7, 2025. He has significant influence over LE Geological Services USA. that provided geological services to the Company.

As of December 31, 2025, accounts payable and accrued liabilities included \$812,100 (September 30, 2024 – \$45,468) due to key management personnel referred to above.

Related party arrangement

In October 2024, the Company entered into an arrangement to share office space, equipment, personnel, consultants and various administrative services with other companies (Titan Mining Corporation and Armor Minerals Inc.) related by virtue of certain directors and management in common. These services have been provided through a management company equally owned by the related companies. Costs incurred by the management company are allocated and funded by the shareholders of the management company based on time incurred and use of services. All of the parties have jointly entered into a rental agreement for office space. If the Company's participation in the arrangement is terminated, the Company will be obligated to pay its share of the rent payments for the remaining term of the office space rental agreement. The Company's obligation for future rental payments if the Company's participation in the arrangement was terminated on December 31, 2025, was approximately \$724,800 (September 30, 2024 – \$nil), determined based on the Company's average share of rent paid in the immediately preceding 12 months.

The Company was charged for the following with respect to these arrangements in the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024:

| | Fifteen months ended December 31, 2025 | Twelve months ended September 30, 2024 |
|----------------------------|---|---|
| Salaries and benefits | \$ 2,510,125 | \$ – |
| Office and other | 626,879 | – |
| Filing and regulatory fees | 713 | – |
| Marketing and travel | 27,213 | – |
| | <u>\$ 3,164,930</u> | <u>\$ –</u> |

At December 31, 2025, amounts in receivables include \$27,465 due from a related party (September 30, 2024 – \$nil) with respect to this arrangement.

All related party balances are unsecured and are due within thirty days without interest.

Highlander Silver Corp.

Notes to the Consolidated Financial Statements

For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

12. SUPPLEMENTAL CASH FLOW INFORMATION

| | Fifteen months ended December 31, 2025 | Twelve months ended September 30, 2024 |
|---|---|---|
| Non-cash investing and financing activities: | | |
| Reclassification of commitment to issue shares | \$ (46,319) | \$ – |
| Fair value reversal for expiry of stock options | (172,806) | (291,893) |
| Accrued share issuance costs | (45,419) | – |
| | <u>\$ (264,544)</u> | <u>\$ (291,893)</u> |

13. SEGMENTED INFORMATION

The Company has determined that it has one operating segment, being the exploration of mineral properties. Information about the Company's non-current assets by jurisdiction is detailed below:

| | December 31, 2025 | September 30, 2024 |
|--------|----------------------|----------------------|
| Peru | \$ 12,872,858 | \$ 11,002,190 |
| Canada | 12,812 | – |
| | <u>\$ 12,885,670</u> | <u>\$ 11,002,190</u> |

14. EXPLORATION EXPENDITURES

The Company's exploration expenditures by activity are as follows:

| | Fifteen months ended December 31, 2025 | Twelve months ended September 30, 2024 (Restated – Note 6) |
|--|---|--|
| Assay and analysis | \$ 374,631 | \$ – |
| Community relations | 326,458 | – |
| Concession fees | 2,053,716 | – |
| Depreciation | 45,384 | 29,608 |
| Drilling and drilling related costs | 468,478 | – |
| Environmental, regulatory & permitting | 63,143 | – |
| Geological & geophysical investigations | 48,487 | 322,377 |
| Reclamation provision | 76,758 | – |
| Salaries, contractors & project administration | 3,869,895 | 994,321 |
| Site preparation, camp & field expenses | 1,700,613 | 86,289 |
| Studies | 38,982 | – |
| | <u>\$ 9,066,545</u> | <u>\$ 1,432,595</u> |

The Company's exploration expenditures are incurred in Peru.

Highlander Silver Corp.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars, unless otherwise noted)

15. GENERAL AND ADMINISTRATIVE EXPENDITURES

| | Fifteen months ended December 31, 2025 | Twelve months ended September 30, 2024 |
|----------------------------|---|---|
| Filing and regulatory fees | \$ 322,076 | \$ 51,230 |
| Marketing and travel | 401,037 | 9,177 |
| Office and other | 738,671 | 82,792 |
| Professional fees | 888,309 | 774,192 |
| Salaries and benefits | 3,519,698 | 137,594 |
| Share-based compensation: | 2,285,246 | 630,626 |
| Transaction costs | 511,471 | - |
| | <u>\$ 8,666,508</u> | <u>\$ 1,685,611</u> |

16. WRITE-OFF OF RECEIVABLES

In 2019, a predecessor entity of Reliant Venture S.A.C, a subsidiary of the Company, remitted a payment of S/445,862 (\$172,994) to SUNAT, the Peruvian tax authority, for penalties and interest following an audit of its 2015 income tax return. The Company recognized a receivable in respect of this amount, based on its assessment that it was recoverable through successful legal challenge. The Company subsequently filed a claim challenging the assessment, which was denied by SUNAT and upheld by the Peruvian Tax Court on appeal. In February 2024, the Company initiated further legal proceedings with the Superior Court of Justice of Lima, seeking to annul the Tax Court's decision. While the legal proceedings remain ongoing, the Company has determined that, given the uncertainty and expected duration of the legal process, recovery is no longer probable in the near term. Accordingly, the full amount of S/445,862 (\$172,994) has been written off during the quarter ended March 31, 2025.

17. INCOME TAX

Income tax (expense) recovery for the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024 varies from the amount that would be computed from applying the combined federal and provincial income tax rate to income (loss) before income taxes as follows:

| | Fifteen months ended December 31, 2025 | Twelve months ended September 30, 2024 (Restated – Note 6) |
|---|---|--|
| Net loss before income taxes | \$ (16,972,421) | \$ (3,085,195) |
| Statutory Canadian corporate tax rate | 27% | 27% |
| Anticipated income tax recovery | \$ (4,583,000) | \$ (833,000) |
| Change in tax resulting from: | | |
| Change in statutory, foreign tax, foreign exchange rates and other | (1,127,000) | (31,000) |
| Permanent differences | 3,335,000 | 171,000 |
| Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses | (20,555,000) | 61,000 |
| Share issue costs | (2,049,000) | (18,000) |
| Change in unrecognized deductible temporary differences | 24,979,000 | 650,000 |
| Net deferred income tax recovery | <u>\$ -</u> | <u>\$ -</u> |

The significant components of the Company's deferred income tax assets (liability) are as follows:

| | December 31, 2025 | September 30, 2024 |
|---|----------------------|---------------------|
| Deferred tax assets (liabilities) | | |
| Exploration and evaluation assets | \$ 22,932,000 | \$ 1,372,000 |
| Property and equipment | 190,000 | 77,000 |
| Share issue costs | 1,573,000 | 15,000 |
| Non-capital losses available for future periods | 2,764,000 | 1,016,000 |
| | <u>\$ 27,459,000</u> | <u>\$ 2,480,000</u> |
| Unrecognized deferred tax assets | (27,459,000) | (2,480,000) |
| Net deferred tax assets | <u>\$ -</u> | <u>\$ -</u> |

Highlander Silver Corp.

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(Expressed in Canadian Dollars, unless otherwise noted)

As at December 31, 2025, the Company has non-capital loss carry forwards of approximately \$10,169,000 (September 30, 2024 – 3,703,000) which expire between 2037 and 2045.

As at December 31, 2025, the Company has share issuance costs totaling approximately \$5,827,000 (September 30, 2024 – \$54,000), which have not been claimed for income tax purposes.

Income tax attributes are subject to review and potential adjustments by tax authorities.

18. FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and currency risk.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's financial assets.

The Company is primarily exposed to credit risk on its cash and cash equivalents, receivables, reclamation deposit and value-added tax receivable. Credit risk exposure is limited through maintaining its cash with high-credit quality financial institutions. The carrying value of these financial assets of \$108,901,729 represents the maximum exposure to credit risk.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate exposure mainly relates to interest earned on cash and term deposits. For the fifteen months ended December 31, 2025, every 1% fluctuation in interest rates up or down would result in an increase or decrease of approximately \$407,000 to the Company's income (twelve months ended September 30, 2024 – \$16,700).

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

On December 31, 2025, the Company had contractual cash flow commitments as follows:

| | <u>< 1 Year</u> | <u>1-3 Years</u> | <u>Total</u> |
|--|---------------------|-------------------|---------------------|
| Accounts payable and accrued liabilities | \$ 2,459,902 | \$ – | \$ 2,459,902 |
| Consideration payable | 1,713,250 | – | 1,713,250 |
| Lease liabilities | 12,412 | – | 12,412 |
| Office rent obligations | 606,100 | 252,400 | 858,500 |
| | <u>\$ 4,791,664</u> | <u>\$ 252,400</u> | <u>\$ 5,044,064</u> |

Highlander Silver Corp.

Notes to the Consolidated Financial Statements

For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise noted)

d) Foreign currency risk

The Company is exposed to currency risk on transactions and balances in currencies other than the functional currency. On December 31, 2025, the Company had not entered into any contracts to manage foreign exchange risk.

The functional currency of the Company and its subsidiaries is the Canadian dollar and the Peruvian soles respectively, therefore, the Company is exposed to currency risk from the assets and liabilities denominated in the US dollar. As at December 31, 2025, cash and cash equivalents of \$3,413,202 (September 30, 2024 – \$304,052), reclamation deposit of \$59,951 (September 30, 2024 – \$59,052), receivables of \$12,900 (September 30, 2024 – \$19,312), consideration payable of \$1,713,250 (September 30, 2024 – \$3,374,750), and accounts payable and accrued liabilities of \$367,714 (September 30, 2024 – \$167,283) are denominated in the US dollar. For the fifteen months ended December 31, 2025, if the US dollar to Canadian dollar and Peruvian soles currency exchange rate changes by 10% with all other variables held constant, the impact on the Company's net loss is \$140,448 (September 30, 2024 – \$315,967).

19. COMMITMENTS

The Company is committed to payments for office leases premises through 2027 in the total amount of approximately \$858,500 based on the Company's current share of rent paid. Payments by fiscal year are:

| | |
|------|----------------|
| 2026 | \$ 606,100 |
| 2027 | <u>252,400</u> |

20. SUBSEQUENT EVENTS

On December 18, 2025, the Company entered into a definitive arrangement agreement with Bear Creek Mining Corporation ("Bear Creek") to acquire all issued and outstanding common share of Bear Creek ("Bear Creek Shares") that it does not already own by way of a court-approved plan of arrangement under the Business Corporations Act (British Columbia), pursuant to which Bear Creek shareholders will receive 0.1175 Highlander common shares per Bear Creek Share and are expected to own approximately 18% of the combined company upon closing (the "Transaction"). In connection with the Transaction, Highlander completed an \$18 million private placement in Bear Creek in January 2026 and entered into agreements to settle Bear Creek's outstanding debt and streaming obligations, conditional upon closing. On January 9, 2026, the agreement was amended to remove the requirement for a Highlander shareholder meeting; all other material terms remain unchanged. The Transaction was completed on February 26, 2026. In connection with the closing, Highlander issued 36,225,457 common shares to the former shareholders of Bear Creek. The Company has determined that the Transaction represents a business combination with the Company identified as the acquirer. During the fifteen months ended December 31, 2025, the Company incurred transaction costs of \$511,471 for due diligence and related legal expenses to support the Transaction. As the Transaction was completed on February 26, 2026, and the financial information required to complete the business combination accounting has not yet been finalized, the Company has not yet completed the initial accounting for the acquisition, including the preliminary allocation of the purchase price to the identifiable assets acquired and liabilities assumed.

On January 30, 2026, the Company closed a non-brokered private placement with Mr. Eric Sprott, pursuant to which the Company issued 8,060,226 common shares of the Company at a price of \$6.80 per common share for aggregate gross proceeds of US\$40,000,000. The Company incurred share issuance costs of \$376,914 in connection with the financing.

On March 6, 2026, the Company received approval to list its common shares on the NYSE American LLC. The Company's common shares commenced trading on March 11, 2026, under the symbol "HSLV". The Company remains listed on the Toronto Stock Exchange under the same symbol.



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INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Highlander Silver Corp. (the "Company" or "Highlander") provides information on the Company's business activities, financial condition, financial performance, cash flows and outlook for the fifteen months ended December 31, 2025, with comparative information for the twelve months ended September 30, 2024. This MD&A is dated March 30, 2026 and takes into account information available up to and including that date.

The Company reports its financial position, financial performance and cash flows in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A should be read in conjunction with the Company's consolidated financial statements for the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024, which are available on the Company's website at www.highlandersilver.com and on the SEDAR+ website at www.sedarplus.ca. Additional information relating to the Company, including the Company's Annual Information Form, is also set out on the SEDAR+ website at www.sedarplus.ca.

All dollar amounts reported herein are expressed in Canadian dollars unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This document includes certain statements that constitute "forward-looking statements", and "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"). Words such as "intends", "expects", "will be", "underway", "targeted", "planned", "objective", "expected", "potential", "continue", "estimated", "would", "subject to" and similar expressions are intended to identify these forward-looking statements. Forward-looking statements herein include, but are not limited to: statements regarding the Company's exploration and development plans, timing, costs and expected results at the San Luis Project (including the recommended phased exploration program, the timing of Phase 2 after the rainy season, the development of a 3D geological model, and anticipated permitting activities, including plans to commence permitting processes for Ayelen and Bonita in the first half of 2026); the Company's plan for the San Luis Project is to advance the project through integrated exploration, environmental and community development programs; the Company's aim of employing its participatory development model based on community capacity building through skill and safety training, employment, entrepreneurship, infrastructure development and environmental, cultural, health and education programs; specific timing and costs of the Company's proposed exploration program, including timing and cost of implementing Phase 2 as recommended in the Technical Report; intended use of proceeds from the offerings; the Company, upon approval from its Board of Directors, intends to balance its overall capital structure through a combination of equity financing and/or other forms of financing; that the Company's planning and budgeting will ensure the Company has appropriate liquidity to meet its business activities, including planned corporate expenditures, exploration expenses, as well as the development activities for the San Luis Project; the Company's exploration objectives and planned work at the La Estrella Project (including follow-up on newly identified mineralized structures and ongoing community engagement); the expected integration of the Corani Project and the Mercedes Mine into the Company's business, including the development of an exploration plan for the Corani Project and formulating an optimization plan for the Mercedes Mine; and expectations regarding the generation of revenue from commercial production in 2026 and sufficient operating cash flow from the Mercedes Mine.

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Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements since the Company can give no assurance that such expectations will prove to be correct. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including risks related to the business of the Company; the ability of the Company to raise sufficient capital; general business, economic, competitive, political and social uncertainties; the Company's ability to execute its exploration and development plans on the anticipated timelines and budgets; the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of precious and base metals; accidents; geopolitical risks; criminal activity and social unrest or instability; global outbreaks and contagious diseases (including COVID-19); business and economic conditions in the mining industry generally; supply chain risks including with respect to supply chain disruptions; the supply and demand for labour and other project inputs; the Company's ability to maintain labour relations and avoid any disruptions related thereto; the Company's ability to maintain community relationships and social license; changes in commodity prices; unanticipated exploration and development challenges (including failure of equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters); adverse weather conditions; political risk and social unrest; changes in interest and currency exchange rates; the ability to obtain, maintain or renew required permits, approvals and authorizations in Peru and Mexico (including the timing of any permitting processes); the integration of Bear Creek's business, assets, operations and personnel, as well as the potential diversion of management attention; and the possibility of liabilities, obligations or risks (including operational, technical, environmental, reclamation, contractual, labour or regulatory matters) becoming known or crystallizing following the integration of Bear Creek; and the risks, uncertainties and other factors identified in the Company's periodic filings with Canadian securities regulators.

These forward-looking statements were derived using numerous assumptions, including assumptions regarding general business and economic conditions; the Company's ability to develop and maintain relationships with local communities; commodity prices; anticipated costs and expenditures; the Company's ability to advance exploration efforts at its properties and the results of such exploration efforts; the ability to obtain and maintain necessary permits and approvals; the Company's ability to access capital (including through equity or other financings) and to deploy proceeds as intended; the successful integration of Bear Creek's business, assets, operations and personnel, including the realization and timing of anticipated benefits; the due diligence conducted in connection with the acquisition of Bear Creek identified all material risks or liabilities. While the Company considers these assumptions to be reasonable based on information currently available, they may prove to be incorrect. Forward-looking statements speak only as of the date those statements are made. Except as required by applicable law, we assume no obligation to update or to publicly announce the results of any change to any forward-looking statement contained herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If we update any forward-looking statements, no inference should be drawn that we will make additional updates with respect to other forward-looking statements. All forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement.

DESCRIPTION OF BUSINESS

Highlander is a silver-growth company advancing a portfolio of assets in Peru which includes the bonanza-grade San Luis gold-silver project, which ranks among the 10 highest grade projects globally in both gold and silver categories¹, and the Corani silver project. The Company also operates the Mercedes gold-silver mine in Mexico. Highlander's major shareholders include the Augusta Group, Lundin family, and Eric Sprott.

Highlander is listed on the Toronto Stock Exchange (the "TSX") under the ticker symbol "HSLV" and on the NYSE American LLC ("NYSE American") under the same symbol.

¹ S&P Global rankings including the San Luis gold-silver project.

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HIGHLIGHTS AND ACTIVITIES

The following activities and developments were achieved during the fifteen months ended December 31, 2025:

On October 22, 2024, the Company announced joining the Augusta Group of Companies, the appointment of Richard Warke as Director, Interim President and CEO of the Company, and the appointment of Messrs. Thomas Whelan, Jerrold Annett and Javier Toro as directors to serve on the Company's Board with current director Federico Velasquez.

On January 7, 2025, the Company announced the appointment of Daniel Earle as President and Chief Executive Officer of the Company succeeding Richard Warke, Interim President and CEO, who continues to serve on the Board of Directors alongside Messrs. Thomas Whelan, Jerrold Annett, Javier Toro and Federico Velasquez. Highlander further announced that, in addition to Mr. Earle, it had strengthened its management team with the appointments of Sunny Lowe as Chief Financial Officer, Federico Velasquez as President Peru, Sergio Gelcich as Vice President Exploration, Arun Lamba as Vice President Corporate Development, Purni Parikh as Senior Vice President Corporate Affairs, and Tom Ladner as General Counsel.

On March 11, 2025, the Company announced that it closed its bought deal private placement, pursuant to which the Company sold 23,000,000 common shares of the Company at a price of \$1.40 per common share for aggregate gross proceeds of \$32,200,000 (the "Private Placement Offering"), including the full exercise of the underwriters' option. The Company intends to use the net proceeds from the Private Placement Offering to fund the advancement of exploration activities at the Company's San Luis Project in Peru, as well as for working capital and general corporate purposes. In connection with the Private Placement Offering, the underwriters received a cash fee in an amount representing 6.0% of the gross proceeds of the Private Placement Offering.

On March 14, 2025, the Company released an updated technical report titled "Technical Report for the San Luis Property" with an effective date of January 15, 2025, prepared by independent qualified person, Martin Mount, MSc MCSM FGS CGeol FIMMM Ceng. (the "Technical Report").

On May 12, 2025, Highlander announced the commencement of infrastructure programs with the participation of its community partners to support community development priorities and the start of drilling at the San Luis Project.

On May 13, 2025, the Company's common shares commenced trading on the TSX and were delisted from the Canadian Securities Exchange.

On June 9, 2025, Highlander announced that it had commenced its maiden drilling program targeting recently sampled but previously undrilled high-grade mineralization in outcrop at the Bonita vein system located approximately 10 km to the south of the Ayelen deposit at its San Luis Project.

On July 29, 2025, Highlander reported assay results from the first seven holes drilled to test a conceptual open pit target along a ridgeline where the Bonita vein system is exposed 10 km to the south of the Ayelen underground deposit at its San Luis Project. The first seven holes followed up on and stepped out from two historical holes (BOD-001 and BOD-002), with every new hole returning high-grade gold-silver mineralization over a broad width from near surface.

Highlights included:

- BOD-007, which returned 20.0m of 3.78 g/t Au and 12.31 g/t Ag from 4.0m downhole;
- BOD-008, which returned 23.1m of 4.92 g/t Au and 16.56 g/t Ag from 4.7m downhole; and
- BOD-009, which returned 47.8m of 1.87 g/t Au and 13.49 g/t Ag from surface.

On September 16, 2025, Highlander reported assay results from the second series of holes designed to test the expanding Bonita vein system, which included some of the highest gold grades encountered to date. The Company also announced that a magnetic survey undertaken with two quadcopter drones has been completed, covering approximately 5,000 hectares in the Bonita area. The goal of the survey was to map structural features under cover to the west and in rugged topography to the east.

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Highlights included:

- BOD-013, which was drilled from a step-out platform to the southeast of prior drilling and returned 24.8m of 7.43 g/t Au and 16.45 g/t Ag from 28.7m downhole;
- BOD-010, which returned 40.4m of 3.42 g/t Au and 16.93 g/t Ag from surface to the southeast of prior drilling from a platform at the edge of soils that may cover the extent of the vein system to the west;
- BOD-014 was drilled from a step-out platform to the southeast of BOD-010 and returned 19.1m of 3.50 g/t Au and 11.57 g/t Ag from 37.7m downhole; and
- BOD-015, the southeasternmost hole drilled to date, returned 23.7m of 3.31 g/t Au and 9.60 g/t Ag from 34.3m downhole, with the zone remaining open in this direction.

On September 29, 2025, Highlander announced that it closed its bought deal public offering, pursuant to which the Company issued 23,000,000 common shares of the Company at a price of \$3.75 per common share for aggregate gross proceeds of \$86,250,000 (the "Public Offering").

On October 6, 2025, Highlander reported assay results from the third series of holes into the expanding Bonita vein system which includes the discovery of a new zone called Kusy that has returned the highest grades of gold and silver reported to date. The Kusy discovery is the result of the first drilling on the eastern flank of the Bonita vein system exposure and consists of breccias and fine quartz vein fragments similar to the mineralization encountered in drilling on the western exposure. The Company also reported that results are being processed from a magnetic geophysical survey undertaken by dual quadcopters aimed at mapping the full extent of the Bonita vein system under cover to the west and in rugged topography to the east and northeast.

Highlights included:

- BOD-021, targeting the central portion of Kusy approximately 150m to the northeast of previously reported drilling, returned 23.6m of 15.56 g/t Au and 74.49 g/t Ag from 8.8m downhole;
- BOD-019, tested the Kusy zone from a platform to the northwest of BOD-021, and returned 7.4m of 8.10 g/t Au and 6.55 g/t Ag from 48.4m downhole;
- BOD-018 was drilled into the western exposure from a step-out platform to the southeast of previously reported BOD-015 (23.7m of 3.31 g/t Au and 9.60 g/t Ag) and returned 10.1m of 3.81 g/t Au and 7.72 g/t Ag from 32.3m downhole.

On October 17, 2025, Highlander announced that further to the Public Offering which closed on September 29, 2025, the underwriters exercised their over-allotment option (the "Over-Allotment Option") in full, to purchase an additional 2,330,000 common shares at a price of \$3.75 per common share. Upon closing of the Over-Allotment Option, the Company received additional gross proceeds of \$8,737,500, resulting in total gross proceeds of \$94,987,500.

On December 1, 2025, Highlander reported exceptional assay results from shallow drilling at its expanding Bonita vein system. These results include the highest grades reported to date and the discovery of a new zone in step-out drilling over 200m northwest of prior holes along trend.

Highlights included:

- BOD-025 returned 27.0m of 5.28 g/t Au and 52.97 g/t Ag from near surface at 2.3m downhole, marking the discovery of the Urpicha zone over 200m northwest of the nearest hole in BOD-003 (14.5m of 3.70 g/t Au and 17.47 g/t Ag from 25.7m depth – see press release dated July 29, 2025);
- BOD-023 tested the Kusy zone and intersected one of the broadest continuous intervals of near surface high grade mineralization reported to date, with 23.9m of 20.82 g/t Au and 31.53 g/t Ag returned from 21.0m downhole, in a hole oriented to the south of previously reported BOD-021;
- BOD-022, also testing the Kusy zone, returned 23.4m of 11.70 g/t Au and 26.10 g/t Ag from 13.5m downhole from a platform to the southeast of BOD-019.

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On December 18, 2025, the Company entered into a definitive arrangement agreement (the "Arrangement Agreement") with Bear Creek Mining Corporation ("Bear Creek") pursuant to which Highlander agreed to acquire all issued and outstanding common shares of Bear Creek by way of a plan of arrangement under the *Business Corporations Act* (British Columbia) (the "Arrangement"). The Company also agreed to a concurrent non-brokered private placement with Bear Creek pursuant to which the Company agreed to subscribe for 50,000,000 Bear Creek Shares at a price of \$0.36 per share for a total subscription price of \$18 million to acquire an approximately 14.6% ownership stake in Bear Creek (the "Bear Creek Private Placement"). In connection with the execution of the Arrangement Agreement, Highlander also entered into definitive agreements to settle Bear Creek's indebtedness owing to affiliates of Royal Gold, Inc. ("Royal Gold") and Equinox Gold Corp. ("Equinox") (the "Debt Settlement Arrangements" and together with the Arrangement, the "Bear Creek Transaction").

On December 31, 2025, Highlander announced its plans to pursue a listing on the NYSE American as part of its U.S. growth strategy.

Subsequent events

On January 8, 2026, Highlander and Bear Creek closed the Bear Creek Private Placement.

On January 9, 2026, Highlander and Bear Creek entered into an amended and restated arrangement agreement to among other things, remove the requirement for Highlander to seek shareholder approval for the Arrangement and related matters.

On January 30, 2026, the Company announced that it has closed the non-brokered private placement with Mr. Eric Sprott (the "Private Placement"). Pursuant to the Private Placement, the Company issued an aggregate of 8,060,226 common shares in the capital of the Company at a price of \$6.80 per share for aggregate gross proceeds of US\$40,000,000 (the "Sprott Offering"). The Company intends on using the net proceeds from the Sprott Offering to fund the advancement of the Company's mineral projects and for working capital and general corporate purposes.

On February 26, 2026, Highlander and Bear Creek announced closing of the Bear Creek Transaction. On closing of the Arrangement, existing Highlander shareholders and former Bear Creek shareholders owned approximately 82% and 18% of the total issued and outstanding Highlander common shares, on an undiluted basis.

On March 6, 2026, the Company announced that it has received approval to list its common shares on the NYSE American with trading commencing on March 11, 2026 under the symbol "HSLV". The Company remains listed on the Toronto Stock Exchange under the same symbol.

MINERAL PROPERTIES AND OUTLOOK**San Luis**

The San Luis Project is a gold-silver exploration property located in the Ancash department of central Peru. SSR Mining Inc. ("SSR Mining") and Esperanza Resources Corp. ("Esperanza") jointly established Reliant Ventures S.A.C. to develop the project. In 2011, SSR Mining acquired Esperanza's interest in the San Luis Project, consolidating full ownership of the project under SSR Mining.

On May 23, 2024, the Company announced closing of the acquisition of the San Luis Project from SSR Mining, pursuant to the share purchase agreement between the Company and SSR Mining dated November 29, 2023, as amended (the "SPA"). The project is located in the Ancash Department, which is well-known for mining in Peru with major past and present production from the Pierina gold mine and Antamina copper-zinc mine, respectively.

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The Company acquired the San Luis Project for upfront cash consideration of US\$5,000,000 and an additional US\$37,500,000 in contingent cash consideration (the "Contingent Consideration") upon completion of the following milestones in relation to the San Luis Project pursuant to the SPA:

- (a) US\$1,250,000 after the commencement of an initial drilling program (this has been paid to-date);
- (b) US\$1,250,000 after the first anniversary of the commencement of an initial drilling program;
- (c) US\$5,000,000 after the completion of a feasibility study;
- (d) US\$10,000,000 after the beginning of commercial production;
- (e) US\$10,000,000 after the first anniversary of commercial production; and
- (f) US\$10,000,000 after the second anniversary of commercial production.

The Contingent Consideration is only accrued and payable if and when the above milestones are achieved.

Pursuant to the SPA, a 4% net smelter return royalty ("NSR") on the San Luis Project was granted to SSR Mining. At any time before the commencement of mine construction on the San Luis Project, the Company may buy back half of this royalty for US\$15,000,000, which if, exercised, would reduce SSR Mining's royalty interest to 2%.

In addition to the 4% NSR granted to SSR Mining, the San Luis Project is also subject to a 1% NSR on 24 claims payable to Esperanza and a 1% NSR on 2 claims to Metalla Royalty & Streaming Ltd.

Exploration Plans

The Company's plan for the San Luis Project is to advance the project through integrated exploration, environmental and community development programs. The goal is to surface the resource potential of the project through exploration and undertake environmental studies to support future technical studies, permitting and evaluations of economic potential for development.

Since the acquisition of the San Luis Project in May 2024, the Company has performed field work including geological mapping and geochemical sampling around the Ayelen vein system, in the Bonita vein system and in the Cerro Colorado (porphyry/breccia system). Results have identified new veins and refined the footprint of the porphyry-related hydrothermal alteration. Additionally, the company completed a ~ 5,000 HA MAG drone survey covering the area between Bonita and Cerro Colorado (inclusive of both targets).

The primary focus of field activities has been the Bonita vein system, which has emerged as a key priority through the integration and analysis of existing data, drill core reviews, and validation from fieldwork.

Bonita is an epithermal gold-silver vein system hosted by a package of volcanic rocks situated 10 km south and 700 m lower in elevation than Ayelen. It is exposed in outcrop over an area of 800m by 200m and remains open in all directions.

On March 14, 2025, the Company released an updated technical report titled "Technical Report for the San Luis Property" with an effective date of January 15, 2025, prepared by independent qualified person, Martin Mount, MSc MCSM FGS CGeol FIMMM Ceng.

On May 12, 2025, Highlander announced the commencement of infrastructure programs with the participation of its community partners to support community development priorities and the start of exploration programs at the San Luis Project.

The Technical Report recommends a two-phase exploration plan. The Company previously initiated Phase 1 of the exploration program with detailed mapping and systematic channel sampling of the known mineralized structures at the Bonita vein system. On June 9, 2025, Highlander announced that it had commenced its maiden drilling program targeting recently sampled but previously undrilled high-grade mineralization in outcrop at the Bonita vein system using one drill rig. The Company then proceeded to map these areas with a drone-based geophysical survey, a technological breakthrough in high elevation settings. In addition, the Company has carried out prospecting, mapping and sampling at the adjacent areas to identify and follow up on additional veins, with the objective of defining further targets for drilling. The Company spent approximately \$2.4 million to complete the Phase 1 activities.

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The Company has incorporated the results of its Phase 1 exploration activities including the assay results of the drilling to-date, processed and analyzed the drone-based geophysical survey to identify permissive structural features across more than 5,000 hectares, and integrated the latest drilling and channel sample results collected in the Bonita area to design the optimal drilling campaign for the Phase 2 exploration activities, which is planned to commence after the conclusion of the rainy season.

In addition, the Company is developing a 3D geological model to define the shape and orientation of the targeted structures and detailed controls on mineralization for target refinement. During the three months ending December 31, 2025, the Company also advanced studies to commence the permitting processes for Ayelen and Bonita in the first half of 2026.

Community Relations

The property occupies community land and developing and growing social license is a priority for Highlander. The Company is actively engaged with the communities in the direct area of influence of the San Luis Project by employing its participatory development model based on community capacity building through skill and safety training, employment, entrepreneurship, infrastructure development and environmental, cultural, health and education programs. The Company has made a notable contribution in the development of infrastructure to ensure sanitary and health benefits to the communities. The Company has an established presence on the property and community agreement to support its exploration activities. Major road rehabilitation work has been completed and will continue to be an ongoing effort, along with long-term development programs coordinated with, and agreed on by, the communities, government and regional agencies.

Corani and Mercedes

The Company closed the Bear Creek Transaction on February 26, 2026. On closing of the Bear Creek Transaction, existing Highlander shareholders and former Bear Creek shareholders owned approximately 82% and 18% of the total issued and outstanding Highlander common shares, on an undiluted basis. The Company is in progress of integrating the Corani Project and the Mercedes Mine into its business. As part of this integration, the Company is developing an exploration plan for Corani and formulating an optimization plan for the Mercedes Mine. A detailed discussion on the exploration and development strategies for both Corani and Mercedes will be communicated in the coming months.

La Estrella

The La Estrella Project is located in the Huancavelica Department, Central Peru, about 250 km ESE of Lima, on the eastern slope of the Western Cordillera. It is within the prolific Miocene polymetallic belt, approximately 34 km NNE of the Julcani Mine, which has produced over 105 million ounces of silver from high grade vein mineralization averaging 16 ounces per ton since production started by Buenaventura in 1953.

During the fifteen months ended December 31, 2025, a new 3D geological model was developed using historical data to better understand the controls on mineralization and the directions of better grade continuity. Furthermore, the Company continued its community engagement by meeting with local authorities and collaborating on social programs.

The Company also conducted district geological traversing and geochemical sampling, which led to the identification of new mineralized structures located approximately 1 km west of the La Estrella deposit. These structures are found in similar volcanic host rocks (dome-related) along the same structural corridors that control the high silver grades in the La Estrella deposit.

Alta Victoria

Following a strategic review of the Company's mineral project portfolio, and the need to focus resources on projects that have the highest probability of creating shareholder value, the decision was taken to allow the mining lease at Alta Victoria to lapse on December 4, 2023.

Politunche

Following a strategic review of the Company's portfolio, and the decision to focus resources on the highest quality projects, the Company announced the termination of its option to acquire a 100% interest in the Politunche project on July 13, 2023, effective immediately.

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As disclosed in Note 6 of the Company's consolidated financial statements for the fifteen months ended December 31, 2025, the Company has voluntarily changed its accounting policy for expenditures on exploration and evaluation, with all such expenditures now expensed until the date the technical feasibility and commercial viability of extracting mineral resources are demonstrable for a project, and on receipt of project development approval from the Board of Directors. The approval from the Board of Directors will be dependent on the Company obtaining the necessary permits and licenses, as well as adequate financing to develop the mineral property.

The following tables summarize exploration expenses by activity and project.

For the three months ended December 31, 2025

| | San Luis | La Estrella | Total |
|--|---------------------|-------------------|---------------------|
| Assay and analysis | \$ 62,760 | \$ – | \$ 62,760 |
| Community relations | 99,773 | 65,370 | 165,143 |
| Depreciation | 16,974 | 227 | 17,201 |
| Environmental, regulatory and permitting | 10,564 | – | 10,564 |
| Geological and geophysical investigations | 11,747 | – | 11,747 |
| Reclamation provision | (2,692) | – | (2,692) |
| Salaries, contractors and project administration | 1,001,549 | 59,109 | 1,060,658 |
| Site preparation, camp and field expenses | 170,179 | 22,533 | 192,712 |
| Studies | 13,040 | 8,860 | 21,900 |
| | <u>\$ 1,383,894</u> | <u>\$ 156,099</u> | <u>\$ 1,539,993</u> |

For the fifteen months ended December 31, 2025

| | San Luis | La Estrella | Total |
|--|---------------------|-------------------|---------------------|
| Assay and analysis | \$ 374,631 | \$ – | \$ 374,631 |
| Community relations | 246,767 | 79,691 | 326,458 |
| Concession fees | 2,041,585 | 12,131 | 2,053,716 |
| Depreciation | 43,970 | 1,414 | 45,384 |
| Drilling and drilling related costs | 468,478 | – | 468,478 |
| Environmental, regulatory and permitting | 63,143 | – | 63,143 |
| Geological and geophysical investigations | 48,487 | – | 48,487 |
| Reclamation provision | 76,758 | – | 76,758 |
| Salaries, contractors and project administration | 3,597,603 | 272,292 | 3,869,895 |
| Site preparation, camp and field expenses | 1,647,604 | 53,009 | 1,700,613 |
| Studies | 30,122 | 8,860 | 38,982 |
| | <u>\$ 8,639,148</u> | <u>\$ 427,397</u> | <u>\$ 9,066,545</u> |

Highlander Silver Corp.**Management's Discussion and Analysis****For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024****(Expressed in Canadian dollars, unless otherwise noted)**

For the three months ended December 31, 2024

| | San Luis | La Estrella | Total |
|--|-------------------|------------------|-------------------|
| Community relations | \$ 6,589 | \$ – | \$ 6,589 |
| Depreciation | 2,770 | 289 | 3,059 |
| Salaries, contractors and project administration | 415,695 | 55,745 | 471,440 |
| Site preparation, camp and field expenses | 81,134 | 9,457 | 90,591 |
| | <u>\$ 506,188</u> | <u>\$ 65,491</u> | <u>\$ 571,679</u> |

For the twelve months ended September 30, 2024

| | Alta Victoria (Restated) | Politunche (Restated) | San Luis (Restated) | La Estrella (Restated) | Total (Restated) |
|--|--------------------------------|--------------------------|------------------------|---------------------------|---------------------|
| Depreciation | \$ – | \$ – | \$ 26,759 | \$ 2,849 | \$ 29,608 |
| Geological and geophysical investigations | 30,383 | – | 137,884 | 154,110 | 322,377 |
| Salaries, contractors and project administration | 151,218 | 2,278 | 429,145 | 411,680 | 994,321 |
| Site preparation, camp and field expenses | 19,993 | – | 39,703 | 26,593 | 86,289 |
| | <u>\$ 201,594</u> | <u>\$ 2,278</u> | <u>\$ 633,491</u> | <u>\$ 595,232</u> | <u>\$ 1,432,595</u> |

The increase in exploration expenses to \$1,539,993 and \$9,066,545 for the three and fifteen months ended December 31, 2025, respectively, from \$571,679 and \$1,432,595 for the three months ended December 31, 2024 and twelve months ended September 30, 2024, respectively, was primarily driven by the increase of exploration activities, including drilling, at the San Luis Project that the Company acquired in May 2024. This increase was offset by reduced exploration activities at Alta Victoria, Politunche and La Estrella as the Company concentrated its efforts on advancing the San Luis Project.

Concession fees were higher for the fifteen months ended December 31, 2025, compared to the twelve months ended September 30, 2024, mainly due to the catch-up payment of concession fees for the San Luis Project in June 2025.

Drilling and drilling related costs were higher for the fifteen months ended December 31, 2025, compared to the twelve months ended September 30, 2024, mainly due to the commencement of drilling program at the Bonita vein system in June 2025, where the Company reported strong assay results confirming high grade gold-silver mineralization and the extension of the vein system through step-out drilling. Phase 1 drilling program was completed in September 2025 prior to the commencement of the rainy season.

Salaries, contractors and project administration were higher for the three and fifteen months ended December 31, 2025, compared to three months ended December 31, 2024 and twelve months ended September 30, 2024, mainly related to the addition of personnel and contractors to support the operating activities and the drilling program at the San Luis Project.

The increase in site preparation, camp, and field expenses aligns with the ramp-up in exploration activities at the San Luis Project, driven by higher costs related to road maintenance, site travel and accommodations, and the procurement of supplies and materials.

The decrease in geological and geophysical investigation expenses for the fifteen months ended December 31, 2025, is primarily due to timing of incurring these expenses, which are expected in H1 2026, as well as the deferral of certain planned geological and geophysical activities to future periods.

Highlander Silver Corp.**Management's Discussion and Analysis****For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024****(Expressed in Canadian dollars, unless otherwise noted)****LOSS FROM OPERATIONS**

| | Three months ended December 31, 2025 | Three months ended December 31, 2024 (Restated) | Fifteen months ended December 31, 2025 | Twelve months ended September 30, 2024 (Restated) |
|---|--|--|--|--|
| Exploration expenses | \$ 1,539,993 | \$ 571,679 | \$ 9,066,545 | \$ 1,432,595 |
| General and administrative expenses | 3,057,841 | 960,830 | 8,666,508 | 1,685,611 |
| Loss from operations | 4,597,834 | 1,532,509 | 17,733,053 | 3,118,206 |
| Gain on disposal of equipment | – | (137,294) | (137,294) | (11,847) |
| Finance cost | 6,498 | 6,566 | 243,741 | 8,237 |
| Interest and other income | (723,820) | (10,741) | (1,233,553) | (152,663) |
| Foreign exchange loss | 2,936 | 247,995 | 184,422 | – |
| Write-off of mineral property interests | – | – | – | 36,722 |
| Write-off of receivables | – | – | 182,052 | 86,540 |
| Net loss | \$ 3,883,448 | \$ 1,639,035 | \$ 16,972,421 | \$ 3,085,195 |

Three Months Ended December 31, 2025, Compared to Three Months Ended December 31, 2024

The Company incurred loss from operations of \$4,597,834 for the three months ended December 31, 2025 (December 31, 2024 – \$1,532,509). The increase is due to the following factors:

- An increase in exploration expenses of \$1,539,993 for the three months ended December 31, 2025 (December 31, 2024 – \$571,679) from the increase in exploration activities at the San Luis Project, which was acquired by the Company in May 2024. During the three months ended December 31, 2025, the Company incurred higher exploration costs, including community relations, salaries, contractor and project administration costs, and site preparation, camp and field expenses in order to support the ongoing operations at the San Luis Project.
- General and administrative (“G&A”) expenses increased to \$3,057,841 for the three months ended December 31, 2025 (December 31, 2024 – \$960,830). The net increase was primarily driven by the following:
 - Marketing and travel expenses: Increased to \$136,628 (December 31, 2024 – \$4,083) due to additional travel required to support operational activities at the San Luis Project and increased investor relations activities to enhance the Company’s market presence.
 - Office and other expenses: Increased to \$186,291 (December 31, 2024 – \$134,252), mainly reflecting higher office rent attributed to the expansion of the corporate team following the San Luis Project acquisition in May 2024.
 - Salaries and benefits: Increased to \$1,742,659 (December 31, 2024 – \$39,421), reflecting the expansion of the corporate team following the acquisition of the San Luis Project in May 2024.
 - Share-based compensation: Decreased to \$222,563 (December 31, 2024 – \$637,872), primarily due to the full vesting of certain stock options during the quarter ended December 31, 2024, which resulted in higher share-based compensation expense recognized in the prior period. The current period reflects lower amortization over the vesting period of the new stock options granted during 2025.
 - Professional fees: Increased to \$241,172 (December 31, 2024 – \$138,587), reflecting higher costs for internal control advisory services and general consulting services.
 - Transaction costs: Increased to \$511,471 (December 31, 2024 – \$nil) due to professional fees incurred for due diligence and related legal expenses to support the Bear Creek Transaction.
- Interest and other income increased to \$723,820 for the three months ended December 31, 2025, compared to \$10,741 for the three months ended December 31, 2024. The increase was primarily due to higher interest income earned from increased cash balances.

Highlander Silver Corp.**Management's Discussion and Analysis****For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024****(Expressed in Canadian dollars, unless otherwise noted)****Fifteen Months Ended December 31, 2025, Compared to Twelve months Ended September 30, 2024**

The Company incurred loss from operations of \$17,733,053 for the fifteen months ended December 31, 2025 (September 30, 2024 – \$3,118,206). The increase is due to the following factors:

- Exploration expenses rose to \$9,066,545 for the fifteen months ended December 31, 2025 (September 30, 2024 – \$1,432,595), primarily driven by an increase in exploration activities at the San Luis Project, which was acquired by the Company in May 2024. During the fifteen months ending December 31, 2025, the Company undertook initial fieldwork, including geological mapping, sampling, and site preparation. Additionally, the Company made a catch-up payment of concession fees and incurred costs related to camp and field operations, salaries, contractor services, and project administration. The increase was further amplified by the Company's drilling campaign which commenced in June 2025 at its San Luis Project, focusing on the Bonita vein system. Phase 1 drilling program was completed in September 2025 prior to the commencement of the rainy season.
- G&A expenses increased to \$8,666,508 for the fifteen months ended December 31, 2025, compared to \$1,685,611 for the twelve months ended September 30, 2024. The net increase was primarily driven by the following:
 - Marketing and travel expenses: Increased to \$401,037 (September 30, 2024 – \$9,177) due to additional travel required to support operational activities at the San Luis Project and increased investor relations activities to enhance the Company's market presence.
 - Office and other expenses: Increased to \$738,671 (September 30, 2024 – \$82,792), mainly reflecting higher office rent attributed to the expansion of the corporate team following the San Luis Project acquisition in May 2024.
 - Salaries and benefits: Increased to \$3,519,698 (September 30, 2024 – \$137,594), reflecting the expansion of the corporate team following the acquisition of the San Luis Project in May 2024.
 - Share-based compensation: Increased to \$2,285,246 (September 30, 2024 – \$630,626) due to new stock options granted during 2025.
 - Filing and regulatory fees: Increased to \$322,076 (September 30, 2024 – \$51,230) mainly due to the Company's listing on the TSX.
 - Professional fees: Increased to \$888,309 (September 30, 2024 – \$774,192), reflecting higher costs for internal control advisory services and general consulting services.
 - Transaction costs: Increased to \$511,471 (September 30, 2024 – \$nil) due to professional fees incurred for due diligence and related legal expenses to support the Bear Creek Transaction.
- Interest and other income increased to \$1,233,553 for the fifteen months ended December 31, 2025, compared to \$152,663 for the twelve months ended September 30, 2024. The increase was primarily due to higher interest income earned from increased cash balances.
- The gain on disposal of equipment of \$137,294 for the fifteen months ended December 31, 2025, was attributed from the sale of a vehicle and various equipment items, which were no longer in use. These assets had a net book value of zero at the time of sale.
- Finance costs increased to \$243,741 for the fifteen months ended December 31, 2025 (September 30, 2024 – \$8,237). The increase was primarily driven by expenses associated with the filing of a base shelf prospectus and at-the-market financing program in April 2025.
- The write-off of receivables of \$182,052 for the fifteen months ended December 31, 2025 (September 30, 2024 – \$86,540) was primarily due to the write-off of \$172,994 in a receivable from SUNAT (the tax authority in Peru), related to penalties and interest paid in 2019 by a predecessor entity of the San Luis Project following an audit of its 2015 income tax return. The Company initially recognized a receivable in respect of this amount, based on its assessment that it was recoverable through successful legal challenge. The Company subsequently filed a claim challenging the assessment, which was denied by SUNAT and upheld by the Peruvian Tax Court on appeal. In February 2024, the Company initiated further legal proceedings with the Superior Court of Justice of Lima, seeking to annul the Tax Court's decision. During the three months ended March 31, 2025, the Company reassessed the recoverability of the receivable. Although legal proceedings to annul the Peruvian Tax Court's decision denying the claim remain ongoing, the Company concluded that, due to the uncertainty and expected duration of the process, recovery was no longer probable in the near term. As a result, the full amount was written off during the period.

Highlander Silver Corp.**Management's Discussion and Analysis****For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024****(Expressed in Canadian dollars, unless otherwise noted)****SELECTED ANNUAL INFORMATION**

The following are the main financial indicators for the periods indicated:

| | December 31, 2025 | September 30, 2024 (Restated) | September 30, 2023 (Restated) |
|-------------------------------------|-------------------|----------------------------------|----------------------------------|
| Exploration expenses | \$ 9,066,545 | \$ 1,432,595 | \$ 1,115,161 |
| General and administrative expenses | 8,666,508 | 1,685,611 | 805,107 |
| Net Loss | 16,972,421 | 3,085,195 | 2,812,555 |
| Comprehensive loss | 15,869,414 | 3,454,027 | 2,578,934 |
| Net loss per share | | | |
| - basic and diluted | 0.17 | 0.05 | 0.09 |
| Total assets | 121,591,363 | 13,818,977 | 307,983 |
| Total liabilities | 4,836,003 | 4,239,657 | 234,986 |
| Working capital | \$ 104,520,129 | \$ 756,931 | \$ 17,888 |

The increase in exploration expenses for the fifteen months ended December 31, 2025, compared to twelve months ended September 30, 2024 is attributable to the increase in exploration activities at the San Luis Project, which was acquired by the Company in May 2024. During the fifteen months ended December 31, 2025, the Company undertook initial fieldwork, including geological mapping, sampling, and site preparation. Additionally, the Company made a catch-up payment of concession fees and incurred costs related to camp and field operations, salaries, contractor services, and project administration. The increase was further amplified by the Company's drilling campaign which commenced in June 2025 at its San Luis Project, focusing on the Bonita vein system. Phase 1 drilling program was completed in September 2025 prior to the commencement of the rainy season.

The increase in general and administrative expenses for the fifteen months ended December 31, 2025, compared to twelve months ended September 30, 2024 is attributable to higher salaries and benefits for the expansion of the corporate team; higher share-based compensation, a non-cash cost for stock options granted to employees and directors; higher filing and regulatory fees as a result of TSX listing; higher marketing and travel expenses for the investor and operational activities at the San Luis Project; and higher professional fees incurred for due diligence and related legal expenses to support the Bear Creek Transaction.

Total assets increased as at December 31, 2025, compared to September 30, 2024, mainly due to the increase in cash and cash equivalents for the total proceeds from the equity financings completed during the fifteen months ended December 31, 2025 of \$119,858,822, net of share issue costs paid, offset by the cash used for operation and investing activities.

Total liabilities increased as at December 31, 2025, compared to September 30, 2024, mainly due to an increase in accounts payable and accrued liabilities of \$2,087,421 related to the Bear Creek Transaction, the ramp-up of operations at the San Luis Project, and the accrual of employee bonuses.

SUMMARY OF QUARTERLY RESULTS

The Company's quarterly financial statements are reported under IFRS as issued by the IASB, as applicable to interim financial reporting. The following table provides highlights from the quarterly results of the Company's unaudited condensed consolidated interim financial statements for the past eight quarters.

| | 2025 Q5 | 2025 Q4 | 2025 Q3 | 2025 Q2 |
|--|--------------|--------------|--------------|--------------|
| Loss from operations | \$ 4,597,834 | \$ 4,402,506 | \$ 5,189,474 | \$ 2,010,730 |
| Net loss | 3,883,448 | 4,280,067 | 4,962,735 | 2,207,136 |
| Total comprehensive loss | 3,718,848 | 3,875,153 | 5,179,602 | 1,979,702 |
| Net loss per share – basic and diluted | \$ 0.03 | \$ 0.04 | \$ 0.05 | \$ 0.03 |

Highlander Silver Corp.**Management's Discussion and Analysis****For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024****(Expressed in Canadian dollars, unless otherwise noted)**

| | 2025 Q1 (Restated) | 2024 Q4 (Restated) | 2024 Q3 (Restated) | 2024 Q2 (Restated) |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Loss from operations | \$ 1,532,509 | \$ 1,098,838 | \$ 410,142 | \$ 1,065,815 |
| Net loss | 1,639,035 | 1,136,526 | 358,608 | 1,001,067 |
| Total comprehensive loss | 1,116,109 | 548,771 | 1,216,549 | 1,101,449 |
| Net loss per share – basic and diluted | \$ 0.02 | \$ 0.01 | \$ 0.00 | \$ 0.02 |

The successive increase in loss from operations from the third quarter of 2024 to the third quarter of 2025 is mainly related to the increased exploration and operating activities at the San Luis Project following its acquisition by the Company in May 2024. This included costs related to concession fees, drilling and drilling related costs, salaries, contractor fees, project administration and site preparation costs, as well as expenses on camp and field operations. The commencement of the drilling program at the Bonita vein system in June 2025 further contributed to the increase. G&A expenses also increased in Q3 2025 primarily due to higher travel expenses supporting the San Luis Project and increased investor relations activities to enhance the Company's market presence, higher office expenses reflecting higher office rent, increased salary costs from expanding the corporate team after acquiring the San Luis Project, and higher share-based compensation from new stock option grants in 2025. The decrease in loss from operations in the fourth quarter of 2025 from the previous quarter is mainly due to timing of incurring certain exploration expenses to align with operational planning. The slight increase in loss from operations in the fifth quarter of 2025 from the previous quarter is attributable to higher G&A expenses, including salaries and benefits and legal costs. This was partially offset by lower exploration expenses resulting from the completion of Phase 1 drilling program in September 2025 prior to the commencement of the rainy season.

The increase in net loss in the fourth quarter of 2024 from the preceding quarter reflects additional impairment losses recognized on the Alta Victoria and Politunche properties.

A decrease of net loss in the fifth quarter of 2025 compared to the prior quarter was mainly due to the increase in interest and other income due to higher interests earned from increased cash balances in the quarter.

The change in total comprehensive loss is related to the foreign currency translation for the respective periods.

LIQUIDITY AND CAPITAL RESOURCES

| | December 31, 2025 | September 30, 2024 |
|--|----------------------|-----------------------|
| Cash and cash equivalents | \$ 108,198,015 | \$ 2,500,894 |
| Receivables | 90,288 | 275,000 |
| Prepays and other | 202,928 | 25,536 |
| Value-added tax receivable | 214,462 | 15,357 |
| Accounts payable and accrued liabilities | 2,459,902 | 372,481 |
| Consideration payable | 1,713,250 | 1,687,375 |
| Lease liabilities | 12,412 | – |
| Total current assets | 108,705,693 | 2,816,787 |
| Total current liabilities | \$ 4,185,564 | \$ 2,059,856 |

On March 11, 2025, the Company closed the Private Placement Offering, pursuant to which the Company issued 23,000,000 common shares of the Company at a price of \$1.40 per common share for aggregate gross proceeds of \$32,200,000, which included the full exercise of the underwriters' option of 3,000,000 shares. The Company incurred total share issuance costs of \$2,163,272 for net proceeds of \$30,036,728.

On September 29, 2025, the Company closed its Public Offering, pursuant to which the Company issued 23,000,000 common shares of the Company at a price of \$3.75 per common share for aggregate gross proceeds of \$86,250,000. The Company incurred total share issuance costs of \$4,715,510 for net proceeds of \$81,534,490.

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On October 17, 2025, the underwriters exercised the Over-Allotment option in connection with the Public Offering in full, pursuant to which the Company issued additional 2,330,000 common shares at a price of \$3.75 per common share for aggregate gross proceeds of \$8,737,500. The Company incurred total share issuance costs of \$495,315, of which \$45,419 was included in accounts payable and accrued liabilities as of December 31, 2025, for net proceeds of \$8,242,185.

Cash used in operating activities during the fifteen months ended December 31, 2025 was \$14,287,645 (September 30, 2024 – \$2,452,457). The increased use of cash is primarily attributable to the increase of the Company's operating activities, offset by the the timing of payments affecting changes in non-cash working capital item such as receivables and accounts payable and accrued liabilities.

Cash generated during the fifteen months ended December 31, 2025, from financing activities was \$120,591,212 (September 30, 2024 – \$12,192,130). The increase in cash flow is primarily attributable to the gross proceeds from the bought deal equity financings that took place in March, September and October 2025 for a total gross proceeds of \$127,187,500 (September 30, 2024 – \$12,231,400) and the exercise of warrants and options of \$946,805 (September 30, 2024 – \$3,750), offset by the share issuance cost paid of \$7,328,678 (September 30, 2024 – \$43,020) and finance costs paid of \$213,367 (September 30, 2024 – \$nil).

Cash used during fifteen months ended December 31, 2025, from investing activities was \$611,465 (September 30, 2024 – \$7,099,649). The decreased use of cash is primarily attributable to the acquisition of the San Luis Project in the prior period of May 2024, as well as higher interest income received in the current period, offset by the payment made to SSR Mining related to the achievement of the first milestone related to the commencement of the drilling program in June 2025.

FINANCING USE OF PROCEEDS

Net proceeds from the March 11, 2025 Private Placement Offering of \$30,036,728 has been and will continue to be deployed to fund the advancement of exploration activities at the Company's San Luis Project as well as for working capital and general corporate purposes, consistent with the disclosed use of proceeds at the time of the Private Placement.

The Company's proposed use of net proceeds disclosed at the time of the Public Offering (including proceeds raised on exercise of the Over-allotment Option) is as set out in the table below. As at December 31, 2025, the Company has not yet used any of the funds raised in the Public Offering. Net proceeds were \$61,450 lower than originally expected due to additional share issuance costs.

| Use of Net Proceeds | Amount |
|--|----------------------|
| Exploration, prospecting and project studies | \$ 30,000,000 |
| Environmental, regulatory and permitting | 4,000,000 |
| Property maintenance, concession fees and community relations and development programs | 8,000,000 |
| Infrastructure and road development | 3,000,000 |
| Property investigation and acquisitions | 25,000,000 |
| General corporate and working capital | 19,838,125 |
| Additional share issuance costs | (61,450) |
| TOTAL | \$ 89,776,675 |

The Company intends on using the net proceeds from the Sprott Offering to fund the advancement of the Company's mineral projects and for working capital and general corporate purposes. The Company has not yet used any of the funds raised in the Sprott Offering.

COMMITMENTS AND CONTINGENCIES

At December 31, 2025, the Company had contractual cash flow commitments as follows:

| | < 1 Year | 1-3 Years | Total |
|--|---------------------|-------------------|---------------------|
| Accounts payable and accrued liabilities | \$ 2,459,902 | \$ – | \$ 2,459,902 |
| Consideration payable | 1,713,250 | – | 1,713,250 |
| Lease liabilities | 12,412 | – | 12,412 |
| Office rent obligations | 606,100 | 252,400 | 858,500 |
| | <u>\$ 4,791,664</u> | <u>\$ 252,400</u> | <u>\$ 5,044,064</u> |

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SHARE CAPITAL INFORMATION

As at March 30, 2026, the Company had the following securities issued and outstanding:

- 203,286,668 common shares
- 11,830,000 shares issuable pursuant to exercise of stock options
- 3,046,693 shares issuable pursuant to exercise of warrants

As at March 30, 2026, no common shares were issued under the Company's at-the-market program announced on April 10, 2025.

PROPOSED TRANSACTIONS

There are no undisclosed proposed transactions as of the date of this MD&A.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any material off-balance sheet arrangements, other than the Company's obligation for future rental payments described in "Related Party Transactions".

RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and comprises the Company's President and Chief Executive Officer, Chief Financial Officer, President Peru, and Senior Vice President Corporate Affairs and Corporate Secretary and Directors.

Key management compensation for the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024 is comprised of the following:

| | Fifteen months ended December 31, 2025 | Twelve months ended September 30, 2024 |
|--------------------------|--|--|
| Share-based compensation | \$ 1,830,349 | \$ 567,552 |
| Salaries and benefits | 2,185,283 | – |
| Professional fees | 156,605 | 573,620 |
| | <u>\$ 4,172,237</u> | <u>\$ 1,141,172</u> |

Professional fees relate to the following related party transactions with the Company or Company controlled entities during the fifteen months ended December 31, 2025:

- a) Stephen Brohman was the Company's Chief Financial Officer until January 2, 2025. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provided the Company with accounting and tax services.
- b) David Fincham was appointed as the Company's Chief Executive Officer effective October 2022 to October 2024.
- c) Dr. Leandro Echavarria was the Company's VP of Exploration until January 7, 2025. He has significant influence over LE Geological Services USA. that provided geological services to the Company.

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As of December 31, 2025, accounts payable and accrued liabilities included \$812,100 (September 30, 2024 - \$45,468) due to key management personnel referred to above.

Related party arrangement

In October 2024, the Company entered into an arrangement to share office space, equipment, personnel, consultants and various administrative services with other companies (Titan Mining Corporation and Armor Minerals Inc.) related by virtue of certain directors and management in common. These services have been provided through a management company equally owned by the related companies. Costs incurred by the management company are allocated and funded by the shareholders of the management company based on time incurred and use of services. All of the parties have jointly entered into a rental agreement for office space. If the Company's participation in the arrangement is terminated, the Company will be obligated to pay its share of the rent payments for the remaining term of the office space rental agreement. The Company's obligation for future rental payments if the Company's participation in the arrangement was terminated on December 31, 2025, was approximately \$724,800 (September 30, 2024 – \$nil), determined based on the Company's average share of rent paid in the immediately preceding 12 months.

The Company was charged for the following with respect to these arrangements in the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024:

| | Fifteen months ended December 31, 2025 | Twelve months ended September 30, 2024 |
|----------------------------|--|--|
| Salaries and benefits | \$ 2,510,125 | \$ – |
| Office and other | 626,879 | – |
| Filing and regulatory fees | 713 | – |
| Marketing and travel | 27,213 | – |
| | <u>\$ 3,164,930</u> | <u>\$ –</u> |

At December 31, 2025, amounts in receivables include \$27,465 due from a related party (September 30, 2024 – \$nil) with respect to this arrangement.

All related party balances are unsecured and are due within thirty days without interest.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

The Company's accounting policies are described in its consolidated financial statements for the fifteen months ended December 31, 2025. The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

New accounting policies issued but not yet effective

Certain pronouncements have been issued by the IASB or International Financial Reporting Interpretations Committee that are not mandatory for the current period have not been early adopted. The Company has reviewed these pronouncements, and the amendments that are applicable to the Company are discussed below:

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, *Presentation of Financial Statements* aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 *Statement of Cash Flows*. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is currently assessing the impact of the new standard.

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Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued a narrow scope amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. The amendments include the clarification of 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 are effective for annual periods beginning on or after January 1, 2026, with early application permitted. The Company is currently assessing the impact of the new standard.

CHANGE IN YEAR END

On October 31, 2025, the Company filed a Notice of Change of Year End to change its financial year-end from September 30 to December 31. The Company is changing its financial year-end to align its financial year-end and reporting periods with those of the Company's subsidiaries. The Company elected to have a transition year of a fifteen-month period from October 1, 2024 to December 31, 2025, and has, accordingly, prepared the consolidated financial statements for the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024.

VOLUNTARY CHANGE IN ACCOUNTING POLICY

During the previous quarter ended March 31, 2025, the Company reviewed its accounting policy with respect to exploration and evaluation expenditures. As a result of this review, management has voluntarily elected to change the accounting policy effective January 1, 2025, in order to enhance the relevance and reliability of the information available to the users of the Company's financial statements. The change in accounting policy has been made with respect to and in accordance with IFRS 6, *Exploration for and Evaluation of Mineral Resources*, and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, and has been recognized on a full retrospective basis. Please refer to Note 6 of the Company's consolidated financial statements for the fifteen months ended December 31, 2025, for full disclosure of the quantified effect of this change in accounting policy.

Under the new accounting policy, the Company capitalizes direct costs of acquiring resource property interests. Subsequent to the acquisition of a mineral interest, exploration and evaluation costs incurred are expensed as incurred up to the date the technical feasibility and commercial viability of extracting mineral resources are demonstrable for a project and on receipt of project development approval from the Board of Directors. The approval from the Board of Directors will be dependent on the Company obtaining necessary permits and licenses to develop the mineral property. At this point, exploration and evaluation assets are assessed for impairment and then reclassified to property, plant and equipment. Capitalized acquisition costs are assessed for impairment at least annually or when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, with any impairment loss recognized as an expense.

The financial results disclosed in this MD&A from prior periods that have been affected as a result of the change in accounting policy will be indicated as such with "Restated."

FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and currency risk.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's financial assets.

The Company is primarily exposed to credit risk on its cash and cash equivalents, receivables, reclamation deposit and value-added tax receivable. Credit risk exposure is limited through maintaining its cash with high-credit quality financial institutions. The carrying value of these financial assets of \$108,901,729 represents the maximum exposure to credit risk.

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b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate exposure mainly relates to interest earned on cash and term deposits. For the fifteen months ended December 31, 2025, every 1% fluctuation in interest rates up or down would result in an increase or decrease of approximately \$407,000 to the Company's income (twelve months ended September 30, 2024 – \$16,700).

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

d) Foreign currency risk

The Company is exposed to currency risk on transactions and balances in currencies other than the functional currency. At December 31, 2025, the Company had not entered into any contracts to manage foreign exchange risk.

The functional currency of the Company and its subsidiaries is the Canadian dollar and the Peruvian soles respectively, therefore, the Company is exposed to currency risk from the assets and liabilities denominated in the US dollar. As at December 31, 2025, cash and cash equivalents of \$3,413,202 (September 30, 2024 – \$304,052), reclamation deposit of \$59,951 (September 30, 2024 – \$59,052), receivables of \$12,900 (September 30, 2024 – \$19,312), consideration payable of \$1,713,250 (September 30, 2024 – \$3,374,750), and accounts payable and accrued liabilities of \$367,714 (September 30, 2024 – \$167,283) are denominated in the US dollar. For the fifteen months ended December 31, 2025, if the US dollar to Canadian dollar and Peruvian soles currency exchange rate changes by 10% with all other variables held constant, the impact on the Company's net loss is \$140,448 (September 30, 2024 – \$315,967).

CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it will be able to continue as a going concern and that it has the ability to satisfy its capital obligations and ongoing operational expenses, as well as having sufficient liquidity to fund suitable business opportunities as they arise.

The capital of the Company includes the components of equity attributable to shareholders of the Company, net of cash and cash equivalents. Capital is summarized in the following table:

| | December 31, 2025 | September 30, 2024 (Restated) |
|--|---------------------|----------------------------------|
| Equity attributable to shareholders of the Company | \$ 116,755,360 | \$ 9,579,320 |
| Less: Cash and cash equivalents | (108,198,015) | (2,500,894) |
| | <u>\$ 8,557,345</u> | <u>\$ 7,078,426</u> |

The Company manages its capital structure and makes adjustments to it as necessary in light of economic conditions. In order to maintain the capital structure, the Company may, from time to time, issue or buy back equity, or sell assets. The Company, upon approval from its Board of Directors, intends to balance its overall capital structure through a combination of equity financing and/or other forms of financing.

The Company did not have any externally imposed restrictions as at December 31, 2025. To effectively manage its capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its business activities, including planned corporate expenditures, exploration expenses, as well as the development activities for the San Luis Project.

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Highlander's business activities are subject to significant risks, but not limited to the risks described below. Any of the following risks could have an adverse material effect on Highlander, its business and prospects, and could cause actual events to differ materially from those described in forward-looking statements relating to Highlander. These risks are in addition to those discussed in technical reports and other documents filed by Highlander from time to time on SEDAR+. In addition, other risks and uncertainties not presently known by management of Highlander or that management currently believes are immaterial could affect Highlander, its business and prospects. The following risk factors are not a definitive list or description of all the risks associated with Highlander's business but are intended to indicate what management considers to be significant considerations as of the date hereof:

Ability to raise funding to continue exploration, development and mining activities

Following completion of the acquisition of Bear Creek, the Company owns and operates the producing Mercedes Mine and holds interests in other development and exploration assets, including San Luis. While operations at the Mercedes Mine are expected to generate revenue, such operations are not expected to generate sufficient operating cash flow to fund the Company's current and future exploration, development, sustaining capital, expansion initiatives, debt service obligations, closure and reclamation requirements or general and administrative expenses.

The Company has incurred operating losses to date and is expected to continue to incur operating losses in future periods due to, among other things, fluctuations in commodity prices, operating and capital costs, sustaining capital requirements, development expenditures, exploration activities and general and administrative costs. The Company has historically relied, and may continue to rely, on cash received from equity financings to fund its business activities. The Company's ability to continue as a going concern is dependent upon the successful execution of its business plan, the performance of its operating assets, and its ability to raise additional capital and/or evaluate strategic alternatives, as required. While the Company has been successful in securing financing to date, there can be no assurance that future equity financings, debt facilities or other funding arrangements will be available on acceptable terms or at all. Failure to obtain such financing, or to generate sufficient operating cash flow, may require the Company to curtail or defer exploration or development activities, reduce discretionary expenditures, or delay or suspend certain mining or expansion activities. Any equity financing may result in dilution to existing shareholders.

Global economic conditions

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mining industry, are impacted by these market conditions. Market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede Highlander's access to capital or increase the cost of capital and may adversely affect Highlander's operations.

Highlander is also exposed to liquidity risks in meeting its operating and capital expenditure requirements in instances where its cash position is unable to be maintained or appropriate financing is unavailable. These factors may impact Highlander's ability to obtain capital on terms favourable to it or at all. Increased market volatility may impact Highlander's operations which could adversely affect the trading price of Highlander common shares.

Limited supplies, supply chain disruptions, and inflation

The Company's exploration, development and mining activities require skilled personnel and a reliable supply of resources and consumables, including fuel, energy, reagents, equipment, spare parts and other materials. The availability of such inputs may be interrupted or constrained due to shortages, increased global demand, transportation and logistics challenges (including those associated with remote locations), labour disruptions, or government restrictions or regulations that delay or restrict the importation of necessary items.

Global supply chains have experienced, and may continue to experience, disruption as a result of geopolitical conflicts, regional instability, trade tensions, sanctions, tariffs, border controls, pandemics and other international or regional events beyond the Company's control, including the ongoing conflicts involving Ukraine, Russia, Israel, Palestine and Iran. Such disruptions may adversely affect the availability, timing and cost of critical inputs and services.

In addition, inflationary pressures may increase the cost of labour, energy, materials, equipment, transportation and services required for the Company's operations. Any interruption to the procurement and supply of resources or skilled personnel, or sustained increases in costs due to inflation or supply chain constraints, could have an adverse impact on the Company's cash flows, results of operations and financial condition.

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Geopolitical tensions in the Middle East and related market instability

Ongoing and escalating geopolitical tensions in the Middle East, including the current conflict involving Iran and related regional developments, have contributed to heightened volatility in global financial, commodity and energy markets. Any further escalation of such conflict, expansion to additional countries, or involvement of global powers could adversely affect international trade, capital markets, investor confidence and global economic conditions.

Instability arising from geopolitical conflict may result in disruptions to energy markets, increased commodity price volatility, inflationary pressures, higher interest rates, supply chain interruptions and increased costs of financing. Such conditions could adversely affect the Company's ability to raise capital on acceptable terms, increase operating and capital costs, and negatively impact market valuations of mining companies generally, regardless of the Company's underlying operating performance.

While the Company does not have operations in the Middle East, the indirect effects of regional conflict and related global market instability could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Negative operating cash flow

Highlander has experienced negative operating cash flow in prior periods and may continue to experience negative operating cash flow in future periods. Following the completion of the acquisition of Bear Creek, Highlander now owns and operates the producing Mercedes Mine, which is expected to generate revenue from commercial production in 2026 and in future periods. However, there is no guarantee that commercial production at the Mercedes Mine or any other property will result in positive operating cash flow or profitability.

Uncertainty of future revenues or of a return on investment

It is difficult to evaluate Highlander's business and future prospects. While Highlander now owns and operates the producing Mercedes Mine, Highlander has a limited history of operations as an integrated mining company, and there can be no assurance that its operating assets will generate sustainable revenues or achieve profitability. Operating losses may continue to occur in future periods due to, among other things, fluctuations in commodity prices, operating and capital costs, sustaining capital requirements, development and exploration expenditures, and general and administrative costs. While Highlander's Board is optimistic about the Company's prospects, there is no certainty that anticipated outcomes, production levels or sustainable revenue streams will be achieved.

There is no assurance that Highlander's common shares will provide a return on investment in the future. Highlander has no current plans to pay dividends, and any return to shareholders will depend on the appreciation, if any, of the Company's common shares.

Mineral reserve and mineral resource estimates may not be realized

Highlander holds mineral reserves and mineral resources, including mineral reserves associated with the Mercedes Mine and the Corani Project, and mineral resources at San Luis. Mineral reserve and mineral resource estimates are based on interpretations of geological data, assumptions regarding future commodity prices, operating costs, metallurgical recoveries, mine plans, permitting and other factors.

Actual mining results may differ materially from estimates due to factors including changes in commodity prices, operating and capital costs, dilution, metallurgical performance, geotechnical conditions, permitting constraints and other operational risks. Any material reduction in mineral reserves or mineral resources, or the failure to convert mineral resources to mineral reserves, could adversely affect the life of mine, production levels, financial performance and valuation of Highlander.

Speculative nature of mineral exploration and development

Certain of Highlander's properties remain in the exploration or development stage, including the Company's material property, San Luis. The exploration for and development of mineral deposits involves significant risk. Few properties that are explored are ultimately developed into producing mines. Substantial expenditures are required to establish mineral reserves through drilling, to develop processes to extract the mineral resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Development of Highlander's mineral projects will only follow upon obtaining satisfactory results. There is no assurance that Highlander's exploration activities at San Luis or its other exploration-stage properties will result in any discoveries of commercial bodies of ore, or that any of Highlander's development and exploration-stage properties, including San Luis, will be brought into commercial production. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, accuracy of estimated size, continuity of mineralization, average grade, proximity to infrastructure, availability and cost of water and power, anticipated climatic conditions, commodity prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but the combination of these factors may result in Highlander being unable to receive an adequate return on invested capital.

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The process of mining, exploration and development also involves risks and hazards, including environmental hazards, industrial accidents, labour disputes, unusual or unexpected geological conditions or acts of nature. These risks and hazards could lead to events or circumstances, which could result in the complete loss of a project or could otherwise result in damage or impairment to, or destruction of, mineral properties and future production facilities, environmental damage, delays in exploration and development interruption, and could result in personal injury or death.

Although Highlander evaluates the risks and carries insurance policies to mitigate the risk of loss where economically feasible, not all of these risks are reasonably insurable and insurance coverages may contain limits, deductibles, exclusions and endorsements. Highlander cannot assure that its coverage will be sufficient to meet its needs. Such a loss may have a material adverse effect on Highlander. See "Uninsured Risks" below for more details.

Risks related to the acquisition of Bear Creek and integration of operations

Highlander completed its acquisition of Bear Creek on February 26, 2026, after the Company's 2025 financial year-end, which owns the Mercedes Mine in Mexico, the Corani Project in Peru and certain other exploration-stage properties. The successful integration of Bear Creek's business, assets, operations, personnel and systems involves numerous risks and uncertainties. These include, but are not limited to, difficulties in integrating management teams, operational practices, internal controls, information systems and accounting and reporting processes.

The anticipated benefits of the acquisition may not be realized on the timeline expected or at all. Integration efforts may require significant management attention and may divert resources from other business opportunities. In addition, Highlander may assume unknown or contingent liabilities in connection with the acquisition. Any failure to successfully integrate Bear Creek or realize expected synergies could have a material adverse effect on Highlander's business, financial condition and results of operations.

In addition to integration risks, the Company may have assumed liabilities, obligations or risks in connection with the acquisition of Bear Creek that were not fully known, quantified or anticipated at the time of closing. These may include, without limitation, environmental, reclamation or closure liabilities, historical compliance matters, labour-related obligations, contractual commitments, royalty or streaming arrangements, technical assumptions embedded in mine plans or reserve estimates, and obligations arising from prior operations or third-party actions.

While the Company conducted due diligence in connection with the acquisition, there can be no assurance that such diligence identified all material risks or liabilities. The realization of any such liabilities or risks could have a material adverse effect on the Company's business, financial condition and results of operations.

Risks from international operations

Changes in political situations may affect the manner in which Highlander operates. The operations of Highlander are conducted in Peru and Mexico, which are exposed to various levels of economic, political, currency and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism, hostage taking, military repression, crime, cartel activity, violence, more prevalent or stronger organized crime groups, political instability, corruption, currency controls, extreme fluctuations in currency exchange rates, high rates of inflation, uncertainty of the rule of law and legal system, corruption of public officials and/or courts of law, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation and mining laws, regulations and policies, restrictions on foreign exchange and repatriation, and changing political conditions and governmental regulations relating to foreign investment and the mining business. These countries have experienced political, social and economic unrest in the past and protestors have from time to time targeted foreign mining companies and their mining operations. The occurrence of mining regime changes adds uncertainties that cannot be accurately predicted and any future material adverse changes in government policies or legislation in Peru or Mexico that affect foreign ownership, mineral exploration, development of mining activities and may affect Highlander's viability. In addition, restrictions on the international transfer of cash, dividends or other assets, whether due to tax laws, foreign exchange controls or other regulatory requirements, could limit the Company's ability to fund operations, service obligations or return capital to shareholders.

Risk associated with an emerging and developing market

The disruptions recently experienced in the international and domestic capital markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. Companies located in countries in the emerging markets may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging and developing markets is significantly influenced by levels of investor confidence in such markets as a whole and as such any factors that impact market confidence (for example, a decrease in credit ratings, state or central bank intervention in one market or terrorist activity and conflict) could affect the price or availability of funding for entities within any of these markets.

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Environmental factors

The Company conducts exploration, development and mining activities in various parts of Peru and Mexico. Such activities are subject to various laws, rules and regulations governing the protection of the environment, including, in some cases, requirements to post reclamation bonds or other forms of financial assurance. Extensive environmental legislation has been enacted in Peru and Mexico by federal, state and municipal governments, and all phases of the Company's operations, including exploration, development, operation, expansion and closure, are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner that requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and expansions, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, or the interpretation or enforcement thereof, will not adversely affect the Company's operations.

The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or, in some circumstances, to preclude entirely the economic development or continued operation of a property. Environmental hazards may exist on the Company's properties that are currently unknown and may have been caused by previous or existing owners or operators. While the Company is not currently aware of any material environmental hazards on the properties it holds or has formerly worked, there can be no assurance that such hazards will not be identified in the future. The approval of new mines, mine expansions or material modifications to existing operations in Peru or Mexico is subject to detailed review by applicable governmental authorities, and there is no assurance that required regulatory or environmental approvals will be obtained on a timely basis or at all. Failure to comply with applicable environmental laws, regulations or permit conditions may have serious consequences, including orders requiring operations to cease or be curtailed, the installation of additional facilities or equipment, remediation obligations, or the imposition of fines, penalties or other sanctions.

Mining laws in Peru and Mexico establish requirements for the decommissioning, reclamation and rehabilitation of mining properties following closure. Some mining properties must be managed for extended periods following closure in order to satisfy ongoing closure and monitoring requirements. The costs associated with reclamation and closure, including long-term environmental management, can be substantial and may differ materially from current estimates due to changes in regulatory requirements, environmental conditions or remediation standards.

In addition, ownership and operation of the Mercedes Mine exposes the Company to increased ongoing environmental, reclamation and closure liabilities, including obligations relating to tailings facilities, waste management, water treatment and mine closure. Actual closure and reclamation costs may increase over time and could have a material adverse effect on the Company's financial condition and results of operations.

The Company has adopted environmental practices designed to comply with applicable environmental laws and regulations; however, there can be no assurance that such practices will be sufficient to prevent environmental incidents or that the Company will not incur material costs, liabilities or operational restrictions as a result of environmental compliance or enforcement actions.

Reliance on contractors and underground mining methods

The Company relies on contractors for certain aspects of its mining, development and support activities, particularly at the Mercedes Mine. The performance, availability and cost of contractors may be affected by labour market conditions, safety incidents, equipment availability, regulatory requirements or disputes. Any failure by contractors to perform in accordance with expectations could result in delays, increased costs, safety incidents or production shortfalls.

Underground mining operations involve complex and evolving geological conditions and may require changes in mining methods, sequencing or development plans. Transitions between mining methods, contractors or equipment may result in temporary reductions in productivity, increased dilution, higher costs or operational disruptions. There can be no assurance that underground mining risks will not materially adversely affect the Company's operations or financial results.

Administrative, judicial and consultation-related challenges in Peru

The Company's material property, San Luis, is located in Peru and is subject to Peruvian regulatory processes that may involve public participation, stakeholder engagement and, in certain circumstances, consultation-related requirements. Even where the Company is successful in obtaining permits, authorizations or other approvals, such decisions may be subject to administrative review, appeals, community challenges or judicial proceedings, any of which may create delays, uncertainty or additional compliance obligations.

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Regulatory decision-making in Peru may be affected by changes in governmental priorities, evolving interpretations of applicable requirements or resource constraints within regulatory agencies. In addition, allegations of non-compliance with consultation, engagement or permitting requirements, whether or not ultimately determined to be valid, may result in investigations, suspension of activities, additional conditions or reputational harm.

Any material delay, suspension, revocation or challenge to approvals, or any inability to manage consultation-related processes in connection with San Luis, could materially adversely affect the Company's ability to advance the project, increase costs and have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Community relations

Community relations are an important part of Highlander's business at all stages of the mine life cycle. In addition to exploration and development activities, operating a producing mine increases the Company's exposure to community concerns relating to employment, environmental impacts, water use, land access, infrastructure and perceived distribution of economic benefits. As a business in the mining industry, the Company may come under pressure to demonstrate that other stakeholders benefit and will continue to benefit from our commercial activities. Any deterioration in the Company's relationships with local communities or other stakeholders in Peru or Mexico could result in protests, blockades, work stoppages, permitting delays or reputational harm, which could materially adversely affect operations.

Labour relations, unions and workforce risks in Mexico

Highlander operates the Mercedes Mine in Mexico, where the workforce is unionized and subject to collective bargaining agreements. Labour relations in Mexico are governed by complex federal and local laws and regulations, including laws relating to union representation, collective bargaining, employee rights, termination, profit sharing and workplace conditions.

The mining industry in Mexico has experienced labour disruptions, strikes, work stoppages, slowdowns and disputes from time to time. The Company's relationship with the union representing employees at the Mercedes Mine may be affected by negotiations relating to wages, benefits, working conditions, productivity expectations, safety practices or other terms of employment. There can be no assurance that future collective bargaining negotiations will be concluded on acceptable terms or without disruption to operations.

In addition, changes in labour laws, regulations or their interpretation or enforcement, union organizing activity, changes in union representation, or challenges related to workforce availability, retention or productivity could materially adversely affect the Company's operations. Any labour unrest, strike, work stoppage or slowdown could result in production interruptions, increased costs, safety risks, reputational harm and could have a material adverse effect on the Company's results of operations and financial condition.

Permitting risk

Highlander's exploration, development and mining activities are subject to receiving, maintaining and renewing licenses, permits and approvals (collectively, "permits") from appropriate governmental authorities in Peru and Mexico. Such permits are required at various stages of the mine life cycle, including exploration, construction, operation, expansion, modification and closure. Highlander may be unable to obtain or maintain all required permits on a timely basis or at all. Delays or failures in obtaining, renewing or amending permits, or the suspension or revocation of existing permits, could result in delays, increased costs, production restrictions or the suspension of operations, any of which could have a material adverse effect on the Company.

Failure to comply strictly with applicable laws, regulations and local practices may have a material adverse impact on the Company's operations or business

While the Company seeks to fully comply with applicable laws, regulations and local practices, failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction, cancellation or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Any such loss, reduction or imposition of partners could have a material adverse impact on the Company's operations or business. Furthermore, increasing complexity of mining laws and regulations may render the Company incapable of strict compliance.

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The inherent operational risks associated with mining, exploration and development, many of which are beyond the Company's control

The Company's activities are subject to a high degree of risk due to factors that, in some cases, cannot be foreseen or anticipated, or controlled. These risks include, but are not limited to, tectonic or weather activity that may provoke landslides or other impacts, labour disruptions, legislative and regulatory changes, crime, the inability to obtain adequate sources of power, water, labour, suitable or adequate machinery and equipment, and expert attorneys and consultants. In addition, the Company may be unable to acquire or obtain such requirements as water rights and surface rights, which may be critical for the continued advancement of exploration, development and operational activities on its mineral concessions. These processes could generate delays and adverse decisions, however unexpected, could negatively impact project development and the Company's prospects.

Land title risk

Although Highlander has investigated the right to explore and exploit its various properties and obtained records from government offices with respect to all the mineral claims, licenses, concessions and other rights in and to lands comprising its properties, there is no guarantee of title. Other parties may dispute the title to a property or the property may be subject to prior unregistered agreements and transfers or land claims by aboriginal, native, or indigenous peoples. The title to Highlander's properties may be affected by undetected encumbrances or defects or governmental actions. Highlander has not conducted surveys of all of its properties and the precise area and location of claims or the properties may be challenged. Title insurance is generally not available for mineral properties. Failure by Highlander to meet its payment and other obligations pursuant to laws governing its mineral claims, licenses, concessions and other forms of land and mineral tenure could result in the loss of its material property interests which could have a material adverse effect on Highlander, which could cause a significant decline in the value of Highlander's common shares.

Surface rights and access risks in Peru

Mining concession licenses in Peru are separate from surface rights. Permission for surface access must be negotiated with the owners of the surface rights to the areas covered by the mining concessions and commonly involve leasing of the surface rights. In Peru surface rights are owned by private persons or communities (local communal organizations), and agreements for access must be made with the surface owners to do significant work. There can be no guarantee that the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out significant exploration work or mining activities. There are also potential risks with regard to the completion of a successful exploration program in that there is a possibility of not being able to extend the surface access agreement over part of the area of interest, or problems with obtaining an environmental permit for road construction and drilling.

Encroachment and illegal mining activity in Peru

Certain regions of Peru have experienced heightened levels of encroachment and illegal mining activity. The Company's ability to advance exploration or development activities at San Luis may be adversely affected by third-party actions outside the Company's control, including unauthorized access, land use disputes, encroachment, or illegal or informal mining activities in the broader region. Such activities can contribute to social conflict, create safety and security risks, damage infrastructure or the environment, and complicate the Company's ability to maintain orderly access to the project area.

In addition, third-party interference may result in delays, increased security or monitoring costs, heightened scrutiny from regulators or stakeholders, or reputational harm. The presence of illegal or informal mining activity may also increase the risk of disputes regarding land access, community expectations and the perceived legitimacy of mineral development activities. Any material third-party interference, encroachment or illegal or informal mining activity affecting San Luis could result in delays or increased costs and could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Criminal activity and social instability in Mexico

Mining operations in Mexico may be exposed to security risks, including theft, vandalism, extortion, sabotage, organized crime activity and violence associated with criminal organizations. Such risks may affect employees, contractors, suppliers, infrastructure and transportation routes.

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Mexico has experienced periods of heightened security and social instability associated with organized crime activity, including recent high-profile events involving criminal organizations that have resulted in increased violence, road blockages, disruptions to transportation and heightened security responses by authorities in various regions of the country. Such conditions, whether localized or more widespread, may adversely affect the Company's operations, workforce mobility, supply chains and ability to safely transport personnel, equipment and product.

Although Highlander intends to implement security measures consistent with industry practice, there can be no assurance that such measures will be effective in preventing security incidents. Any material security incident could result in injury or loss of life, damage to property, production interruptions, increased operating costs, reputational harm or the suspension of operations, any of which could have a material adverse effect on Highlander.

Political, regulatory and fiscal risks in Mexico

Highlander's Mexican operations are subject to federal, state and local laws and regulations governing mining, labour, taxation, environmental protection, royalties, land tenure and community relations. Changes in laws, regulations, policies or their interpretation or enforcement, including changes to mining concessions, taxes, royalties, labour laws or regulatory approval processes, could materially adversely affect the Company's operations, costs and profitability.

Mexico has experienced political and regulatory changes in recent years, including increased scrutiny of the mining sector and evolving approaches to permitting, environmental oversight and fiscal policy. Future changes in government priorities, legislation, regulations or administrative practices may result in increased costs, additional compliance obligations, delays in permitting or approvals, restrictions on operations, or the imposition of new or higher taxes, duties or royalties.

In addition, regulatory authorities in Mexico may exercise significant discretion in the interpretation, administration and enforcement of applicable laws and regulations. Delays or uncertainty in regulatory decision-making, changes in the application of existing rules, or inconsistent enforcement at the federal, state or local level could adversely affect the timing, scope or economics of the Company's mining activities. Any material adverse changes in the political, regulatory or fiscal environment in Mexico could negatively affect the Company's ability to operate its producing assets, advance development projects, or maintain existing concessions, and could have a material adverse effect on Highlander's business, financial condition and results of operations.

Risk of global outbreaks and contagious diseases

The risk of global outbreaks has the potential to significantly and adversely impact Highlander's operations and business. There can be no certainty that an outbreak of infectious illness and the restrictive measures implemented to slow the spread of the virus will not materially impact Highlander's operations or personnel. It is not possible for Highlander to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business, results of operations or ability to raise funds at this time.

Fraud and corruption

Highlander's operations are governed by, and involve interactions with, many levels of government in Peru and Mexico. Highlander is required to comply with anti-corruption and anti-bribery laws, including the Canadian *Corruption of Foreign Public Officials Act*, as well as similar laws in Peru and Mexico. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. Highlander's internal procedures and programs may not always be effective in ensuring that Highlander, its employees, contractors or third-party agents will comply strictly with such laws. If Highlander becomes subject to an enforcement action or in violation of such laws, this may have a material adverse effect on its reputation, result in significant penalties, fines, monitoring and investigation costs and/or sanctions imposed on it, and/or have a material adverse effect on Highlander's operations.

Ethics and business practices

Highlander maintains and requires adherence to policies governing ethical business conduct and practices, including prohibition of illegal payments, and respect for human rights and the individual. All personnel are expected to promote a respectful and inclusive workplace environment irrespective of ethnic background, gender, age or experience. Nevertheless, there is no assurance of compliance and the Company may be subject to allegations of discriminatory practices, harassment, unethical behavior, or breach of human rights.

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Highlander may in the future become subject to legal proceedings

Highlander may, from time to time, become involved in various claims, legal proceedings, regulatory investigations and complaints. Highlander cannot reasonably predict the likelihood or outcome of any actions should they arise. If Highlander is unable to resolve any such disputes favorably, it may have a material adverse effect on Highlander's financial performance, cash flows, and results of operations. Highlander's assets and properties may become subject to further liens, agreements, claims, or other charges as a result of such disputes. Any claim by a third party on or related to any of Highlander's properties, especially where mineral reserves have been located, could result in Highlander losing a commercially viable property. Even if a claim is unsuccessful, it may potentially affect Highlander's operations due to the high costs of defending against the claim. If Highlander loses a commercially viable property, such a loss could lower its future revenues, or cause Highlander to cease operations if the property represents all or a significant portion of Highlander's mineral reserves.

Highlander's mineral assets are located outside Canada and are held indirectly through foreign affiliates

It may be difficult if not impossible to enforce judgements obtained in Canadian courts predicted upon the civil liability provisions of the securities laws of certain provinces against substantially all of Highlander's assets which are located outside Canada.

Commodity price risk

The price of Highlander common shares, financial results and exploration, development and mining activities in the future may be materially adversely affected by declines in the price of silver and gold. Silver and gold prices fluctuate widely and are affected by numerous factors beyond Highlander's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world.

Exchange rate fluctuations

Highlander reports its results in U.S. dollars, while many of Highlander's investments, costs and revenues may be denominated in other currencies. This may result in additions to Highlander's reported costs or reductions in Highlander's reported revenues. Fluctuations in exchange rates between currencies in which Highlander invests, reports, or derives income may cause fluctuations in its financial results that are not necessarily related to Highlander's underlying operations.

Joint ventures

Highlander may enter into joint venture or similar arrangements with regard to future exploration, development and production properties (including potentially Highlander's concessions). There is a risk any future joint venture partner does not meet its obligations and Highlander may therefore suffer additional costs or other losses. It is also possible that the interests of Highlander or future joint venture partners are not aligned resulting in project delays or additional costs and losses. Highlander may have minority interests in the companies, partnerships and ventures in which it invests and may be unable to exercise control over the operations of such companies.

Royalties and other third-party payment obligations

In connection with certain financing arrangements, debt settlements or other transactions, the Company is or may become subject to royalty, streaming or other payment obligations in favour of third parties with respect to the production, revenues or mineral output from certain of its properties. Such royalty or similar interests may reduce the cash flow and economic returns generated by the affected projects and may limit the Company's ability to fully benefit from increases in commodity prices or improvements in operating performance.

Royalty obligations may be payable regardless of the profitability of the underlying operation and may increase the Company's cost structure or reduce the funds available for exploration, development, sustaining capital expenditures, debt service or other corporate purposes. In addition, the existence of third-party royalty interests may complicate or delay future financings, project-level transactions, joint ventures, asset sales or other strategic initiatives involving the affected properties.

The interpretation, administration and enforcement of royalty agreements may give rise to disputes with royalty holders, including with respect to calculation methodologies, payment timing or the scope of amounts subject to royalty. Any such disputes could result in additional costs, diversion of management attention or potential liability. There can be no assurance that royalty obligations will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Highlander Silver Corp.**Management's Discussion and Analysis****For the fifteen months ended December 31, 2025 and twelve months ended September 30, 2024****(Expressed in Canadian dollars, unless otherwise noted)**

Property commitments

The properties held by Highlander may be subject to various land payments and/or work commitments. Failure by Highlander to meet its payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests.

Infrastructure

Mineral exploration, development and operating activities depend, to one degree or another, on the availability and reliability of adequate infrastructure, including roads, power supply, water sources, communications and transportation networks. Disruptions to infrastructure resulting from weather events, security incidents, community actions, regulatory intervention or other causes could interrupt operations, delay shipments, increase costs or reduce production.

Properties located in remote areas

Highlander's exploration properties may be located in remote areas with challenging terrain, climate and access, resulting in technical challenges for conducting geological exploration. The remote location of Highlander's operations may also result in increased costs and transportation difficulties, which could have a material adverse effect on Highlander's business and results of operations.

Lack of availability of resources

Mining exploration requires ready access to mining equipment such as drills, and crews to operate that equipment. There can be no assurance that such resources will be available to Highlander on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in Highlander's exploration programs.

Dependence on highly skilled personnel

Highlander's prospects depend in part on the services of key board members, executives and other highly skilled and experienced personnel focused on managing Highlander's interests and the advancement of its mineral projects, as well as its other interests, in addition to the identification of new opportunities for growth and funding. The loss of these persons or Highlander's inability to attract and retain additional highly skilled employees required for Highlander's activities may have a material adverse effect on its business or future operations. Highlander does not currently maintain "key person" life insurance on any of its key employees.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. Highlander competes with other mining companies, many of which have greater financial resources than Highlander, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Significant shareholders

Each of Highlander's significant shareholders has or will have the ability to significantly influence the outcome of corporate actions requiring shareholder approval, including the election of directors of Highlander and the approval of certain corporate transactions. Highlander's significant shareholders' respective interests may differ from the interests of Highlander or its other shareholders. The concentration of ownership of the Highlander common shares may also have the effect of dissuading third-party offers or delaying or preventing other possible strategic transactions of Highlander.

Reputational risk

As a result of the increased usage and the speed and global reach of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users, companies today are at much greater risk of losing control over how they are perceived in the marketplace. Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity (for example, with respect to the Company's handling of environmental matters or the Company's dealings with community groups), whether true or not. The Company places a great emphasis on protecting its image and reputation, but the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, cash flows and growth prospects.

Highlander Silver Corp.
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Conflicts of interest

Certain of the directors and/or officers of Highlander also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations and consequently there exists the possibility for such directors and/or officers to be in a position of conflict. Any decision made by any of such directors and/or officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Highlander and Highlander's shareholders. In addition, each director is required to declare and refrain from voting on any matter in which such director may have a conflict of interest in accordance with the procedures set forth in applicable corporate and other laws.

Uninsurable risks

As mentioned above, Highlander's business is subject to a number of risks and hazards including adverse environmental conditions, industrial accidents, environmental contamination, labour disputes, tailings failures, seismic events, security risks and technical difficulties due to unusual or unexpected geologic formations. Such risks could result in personal injury or death, environmental damage, damage to and destruction of the facilities, delays in exploration and development, monetary losses and legal liability. For some of these risks, Highlander maintains insurance to protect against these losses at levels consistent with industry practice. However, Highlander may not be able to maintain current levels of insurance, particularly if there is a significant increase in the cost of premiums. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production may not be generally available to Highlander or to other companies in the mining industry on acceptable terms. Highlander might also become subject to environmental liability or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Highlander to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

Information systems

Targeted attacks on Highlander's systems (or on systems of third parties that Highlander relies on), failure or non-availability of key information technology ("IT") systems or a breach of security measures designed to protect Highlander's IT systems could result in disruptions to Highlander's operations, extensive personal injury, property damage or financial or reputational risks. As the threat landscape is ever-changing, Highlander must make continuous mitigation efforts, including risk prioritized controls to protect against known and emerging threats, tools to provide automate monitoring and alerting and backup and recovery systems to restore systems and return to normal operations.

Public company obligations

Highlander is subject to evolving corporate governance and public disclosure regulations that have increased both Highlander's compliance costs and the risk of non-compliance, which could adversely impact Highlander's share price.

Highlander is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the Canadian Securities Exchange, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity creating many new requirements. For example, the Canadian *Extractive Sector Transparency Measures Act* mandates the public disclosure of payments made by mining companies to all levels of domestic and foreign governments. Highlander's efforts to comply with such legislation could result in increased general and administration expenses and a diversion of management time and attention from operating activities to compliance activities.

Internal controls provide no absolute assurances as to reliability of financial reporting and financial statement preparation, and ongoing evaluation may identify areas in need of improvement

Highlander may fail to maintain the adequacy of its internal control over financial reporting as such standards are modified, supplemented or amended from time to time, and Highlander may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting. Highlander's failure to satisfy the requirements of Canadian legislation on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm Highlander's business and negatively impact the trading price of the Highlander common shares or market value of its other securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Highlander's operating results or cause it to fail to meet its reporting obligations.

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Highlander may fail to maintain the adequacy of its disclosure controls. Disclosure controls and procedures are designed to ensure that the information required to be disclosed by Highlander in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to Highlander's management, as appropriate, to allow timely decisions regarding required disclosure.

No evaluation can provide complete assurance that Highlander's financial and disclosure controls will detect or uncover all failures of persons within Highlander to disclose material information otherwise required to be reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The effectiveness of Highlander's controls and procedures could also be limited by simple errors or faulty judgments.

The Company's foreign subsidiary operations may impact its ability to fund operations efficiently, as well as the Company's valuation and stock price

The Company conducts operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

Share price fluctuation

Securities markets have experienced a high degree of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations which have not necessarily been related to their operating performance, underlying asset values or prospects. Additionally, companies like Highlander often experience periods where their shares are thinly traded. There can be no assurance that these kinds of share price fluctuations or lack of liquidity will not occur in the future, and if they do occur, Highlander does not know how severe the impact may be on its ability to raise additional funds through equity issues. If Highlander is unable to obtain such additional financing, any investment in Highlander may be materially diminished in value or lost.

The value of the Company's common shares, as well as its ability to raise equity capital, may be impacted by future issuances of shares

The Company is authorized to issue an unlimited number of Highlander common shares without par value. The Company may issue more Highlander common shares in the future. Sales of substantial amounts of Highlander common shares (including shares issuable upon the exercise of stock options), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the Highlander common shares and the ability of the Company to raise equity capital in the future.

Future sales of common shares by existing shareholders

Sales of a large number of Highlander common shares in the public markets, or the potential for such sales, could decrease the trading price of the Highlander common shares and could impair the ability of the Company to raise capital through future sales of Highlander common shares.

Costs of land reclamation

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which the Company holds an interest. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the consolidated financial condition and results of operations of the Company.

Measures to protect endangered species may adversely affect the Company's operations

Peru has a diverse and fragile ecosystems and the federal government, regional governments, politicians, community leaders, and NGOs are vigilant in the protection of endangered species. The existence or discovery of an endangered species at or near the Company's projects may have a number of adverse consequences to the Company's plans and operations. For instance, the presence of an endangered species could require the Company to modify its design plans and construction, to take extraordinary measures to protect the species or to cease its activities temporarily or permanently, all of which would delay the Company's exploration activities and have an adverse economic impact on the Company, which could be material. The existence or discovery of an endangered species at one of Highlander's projects could also ignite NGO and local community opposition to the Company's projects, which could present further challenges to exploration and development activities.

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Environmental risks and hazards

All phases of the Company's consolidated operations involve inherent environmental risks and hazards associated with mining, exploration and development activities, including the risk of accidental spills, releases of hazardous substances, tailings facility failures, seepage, contamination of soil or groundwater, and other environmental incidents. Such events may occur as a result of equipment failure, human error, extreme weather events, seismic activity, or other factors beyond the Company's control. Environmental hazards or contamination may exist on the properties in which the Company holds an interest that are currently unknown to the Company, including hazards resulting from historical mining, exploration or other activities conducted by prior owners or operators. The identification of any such contamination or environmental condition could require the Company to undertake significant investigation, monitoring, remediation or corrective actions, the scope, timing and cost of which may be uncertain and substantial.

Environmental incidents or the discovery of contamination may expose the Company to civil claims, administrative proceedings, regulatory enforcement actions or criminal liability, including claims for personal injury, property damage, environmental damage or loss of use of land or water resources. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage as a result of such activities, and may be subject to fines, penalties or other sanctions. The costs associated with responding to environmental incidents, implementing remediation measures, or satisfying third-party claims may be significant and could materially adversely affect the Company's financial condition, results of operations or cash flows. In some circumstances, environmental conditions or incidents could result in temporary or permanent suspension of operations, delays in development activities, or the abandonment of affected properties.

Although the Company maintains insurance coverage consistent with industry practice, such insurance may not cover all environmental risks, may be subject to deductibles, limits or exclusions, and may not be sufficient to cover the full extent of potential liabilities or remediation costs. There can be no assurance that insurance will be available on acceptable terms in the future or that the Company will not incur material uninsured environmental liabilities.

Changes in climate conditions

Governments are increasingly introducing climate change-related legislation, regulations and treaties at the international, national, state/provincial and local levels. Regulation relating to greenhouse gas emissions (including carbon taxes), energy efficiency and climate-related disclosure is becoming more stringent. If current regulatory trends continue, such measures could result in increased costs, additional compliance obligations or operational constraints at some of the Company's operations.

In addition to regulatory developments, the physical risks associated with climate change may adversely affect the Company's operations. These risks include extreme weather events such as increased frequency or intensity of wildfires, prolonged droughts, flooding or other severe weather conditions, which could disrupt operations, damage infrastructure, restrict access to water or energy, impair transportation routes or interrupt the delivery of essential supplies and services. Such events could reduce production efficiency, increase operating or capital costs, or result in temporary or prolonged interruptions to operations.

The Company can provide no assurance that its efforts to anticipate, manage or mitigate the risks associated with climate change will be effective, or that climate-related regulatory developments or physical impacts will not have a material adverse effect on the Company's operations, financial condition or profitability.

We cannot assure you that an active market will develop for our common shares on the NYSE American

Our common shares began trading on the NYSE American on March 11, 2026, under the symbol "HSLV". Prior to this listing, there had been no prior public trading market for the common shares on the NYSE American. We cannot assure you that our listing of the common shares on the NYSE American will be maintained, or that an active trading market for the common shares will develop on the NYSE American or elsewhere or, if developed, that any market will be sustained. Accordingly, we cannot assure you of the liquidity of any trading market, the ability for shareholders to sell common shares when desired or the prices that may be obtained for sales of common shares.

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United States investors may not be able to obtain enforcement of civil liabilities against us

The enforcement by investors of civil liabilities under the United States federal or state securities laws may be affected adversely by the fact that we are governed by the *Business Corporations Act* (British Columbia), that the majority of our officers and certain of our directors are residents of Canada or otherwise reside outside the United States, and that all, or a substantial portion of their assets are located outside the United States. It may not be possible for investors to effect service of process within the United States on certain of our directors and officers or enforce judgments obtained in the United States courts against certain of our directors and officers based upon the civil liability provisions of United States federal securities laws or the securities laws of any state of the United States.

There is some doubt as to whether a judgment of a United States court based solely upon the civil liability provisions of United States federal or state securities laws would be enforceable in Canada against our directors and officers. There is also doubt as to whether an original action could be brought in Canada against us or our directors and officers to enforce liabilities based solely upon United States federal or state securities laws.

As a foreign private issuer, we are subject to different U.S. securities laws and rules than a domestic U.S. issuer, which may limit the information publicly available to our U.S. shareholders

We are a foreign private issuer under applicable U.S. federal securities laws and, therefore, we are not required to comply with all the periodic disclosure and current reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and related rules and regulations, as U.S. domestic issuers. As a result, we do not file the same reports that a U.S. domestic issuer files with the SEC, although we are required to file with or furnish to the U.S. Securities and Exchange Commission the continuous disclosure documents that we are required to file in Canada under Canadian securities laws. In addition, as a foreign private issuer, we are exempt from the proxy rules under the Exchange Act. As a Canadian issuer, our insiders are also exempt under the Exchange Act Section 16 requirements applicable to insiders of foreign private issuers.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses to us

In order to maintain our current status as a foreign private issuer, a majority of our common shares must be either directly or indirectly owned by non-residents of the United States unless we also satisfy one of the additional requirements necessary to preserve this status. We may in the future lose our foreign private issuer status if a majority of the common shares are held in the United States and we fail to meet the additional requirements necessary to avoid loss of foreign private issuer status. The regulatory and compliance costs to us under U.S. federal securities laws as a U.S. domestic issuer would be significantly more than the costs we incur as a Canadian foreign private issuer eligible to use the multijurisdictional disclosure system. If we are not a foreign private issuer, we would not be eligible to use the multijurisdictional disclosure system or other foreign issuer forms and would be required to file periodic and current reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive than the forms available to a foreign private issuer. We would also lose the ability to rely upon exemptions from NYSE American corporate governance requirements that are available to foreign private issuers.

Readers are cautioned that the foregoing list of risks, uncertainties and other factors is not exhaustive.**Management's Responsibility over Financial Information**

The Company's management is responsible for presentation and preparation of the quarterly and annual consolidated financial statements and the MD&A. These financial statements have been prepared in accordance with IFRS.

The quarterly and annual consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the consolidated financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

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DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") have designed or caused to be designed under their supervision the Company's disclosure controls and procedures ("DC&P") to provide reasonable assurance that material information regarding the Company is accumulated and communicated to the Company's management, including its CEO and CFO, in a timely manner. In addition, the CEO and the CFO have designed or caused to be designed under their supervision internal control over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements, as well as an evaluation on whether there were changes to its ICFR during most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

The control framework used to design the Company's ICFR is based on the 2013 control framework developed by the Committee of Sponsoring Organizations of the Treadway Commission.

For the fifteen months ended December 31, 2025, the DC&P have been designed and are operating effectively to provide reasonable assurance that material information relating to the Company is made known to the CEO and the CFO, particularly during the period in which the relevant annual filings are prepared and the information required to be disclosed by the Company in its filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified. In addition, the ICFR has also been designed and is operating effectively to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company are detected on a timely basis. Accordingly, our DC&P and ICFR are effective in providing reasonable, not absolute, assurance that the objectives of our control systems have been met.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings requires Canadian public companies to disclose any changes in ICFR during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, ICFR. No material changes were made to internal controls in the three months ended December 31, 2025.

QUALIFIED PERSON

Except as otherwise disclosed, the scientific and technical information in this document related to San Luis is derived from the technical report titled "Technical Report for the San Luis Property" with an effective date of January 15, 2025, prepared by independent qualified person ("QP"), Martin Mount, MSc MCSM FGS CGeol FIMMM Ceng., who is a QP as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). Remaining scientific and technical information in this document related to San Luis was based upon the Company's news releases dated July 29, 2025, September 16, 2025, October 6, 2025, and December 1 2025, which disclosure was approved by Dr. Sergio Gelcich, a QP under NI 43 101 and Vice President, Exploration of the Company.

Exhibit 99.4

**CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Daniel Earle, certify that:

1. I have reviewed this Annual Report on Form 40-F of Highlander Silver Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) *[paragraph omitted in accordance with Exchange Act Rule 13a-14(a)]*;
 - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the issuer's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 30, 2026

/s/ Daniel Earle

Name: Daniel Earle

Title: President and Chief Executive Officer
(principal executive officer)

**CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Sunny Lowe, certify that:

1. I have reviewed this Annual Report on Form 40-F of Highlander Silver Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) *[paragraph omitted in accordance with Exchange Act Rule 13a-14(a)]*;
 - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the issuer's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 30, 2026

/s/ Sunny Lowe

Sunny Lowe
Chief Financial Officer
(principal financial officer)

Exhibit 99.6

**CERTIFICATION
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, as the President and Chief Executive Officer of Highlander Silver Corp. certifies that, to the best of her knowledge and belief, the Annual Report on Form 40-F for the fifteen months ended December 31, 2025, which accompanies this certification, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and the information contained in the Annual Report on Form 40-F for the fifteen months ended December 31, 2025 fairly presents, in all material respects, the financial condition and results of operations of Highlander Silver Corp. at the dates and for the periods indicated. The foregoing certification is made pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350) and shall not be relied upon for any other purpose. The undersigned expressly disclaims any obligation to update the foregoing certification except as required by law.

Date: March 30, 2026

/s/ Daniel Earle

Daniel Earle
President and Chief Executive Officer
(principal executive officer)

Exhibit 99.7

**CERTIFICATION
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, as the Chief Financial Officer of Highlander Silver Corp. certifies that, to the best of her knowledge and belief, the Annual Report on Form 40-F for the fifteen months ended December 31, 2025, which accompanies this certification, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and the information contained in the Annual Report on Form 40-F for the fifteen months ended December 31, 2025 fairly presents, in all material respects, the financial condition and results of operations of Highlander Silver Corp. at the dates and for the periods indicated. The foregoing certification is made pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350) and shall not be relied upon for any other purpose. The undersigned expressly disclaims any obligation to update the foregoing certification except as required by law.

Date: March 30, 2026

/s/ Sunny Lowe

Sunny Lowe
Chief Financial Officer
(principal financial officer)

Exhibit 99.8**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in this Annual Report on Form 40-F of our report dated March 30, 2026, relating to the consolidated financial statements of Highlander Silver Corp. for the fifteen month period ended December 31, 2025 and the year ended September 30, 2024, which appears in Exhibit 99.2 and incorporated by reference in this Annual Report on Form 40-F.

/s/ DAVIDSON & COMPANY LLP

Chartered Professional Accountants
Licensed Public Accountants

Vancouver, Canada

March 30, 2026

Exhibit 99.9**CONSENT OF QUALIFIED PERSON**

This consent is provided in connection with the filing of the Annual Report on Form 40-F of Highlander Silver Corp. (the “Company”) with the United States Securities and Exchange Commission (the “SEC”) and any amendments thereto, and any exhibits or documents incorporated by reference therein (collectively, the “Annual Report”). The Annual Report incorporates by reference, among other things, the Company’s Annual Information Form for the fifteen months ended December 31, 2025, the Company’s Management’s Discussion and Analysis for the fifteen months ended December 31, 2025, and the Audited Consolidated Financial Statements of the Company for the fifteen months ended December 31, 2025 and fiscal year ended September 30 2024, including the notes thereto.

I, Martin Mount, hereby consent to (i) the inclusion and incorporation by reference in the Company’s Annual Report of references to any information derived or summarized from the Technical Report titled “Technical Report on the San Luis Property, District of Shupluy, Yungay Province, Ancash Department, Peru”, with an effective date of January 15, 2025, or portions thereof, that was prepared by me; and (ii) the use of and references to my name, including as an expert or “qualified person”, in each case where used or incorporated by reference into the Annual Report.

March 30, 2026

/s/ Martin Mount

Martin Mount, MSc MCSM FGS CGeol FIMMM CEng