

ALCON SILVER CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENT

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants for a review of interim financial statements by an entity's auditor

ALCON SILVER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	As at March 31, 2026	As at December 31, 2025
ASSETS		
Current assets		
Cash	\$ 122,894	\$ 62,329
Amounts receivable	2,836	11,852
	125,730	74,181
Exploration and evaluation assets (Note 3)	1,173,216	1,152,016
	\$ 1,298,946	\$ 1,226,197
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 93,612	\$ 340,762
Convertible debt (Note 4)	125,000	-
	218,612	340,762
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	5,305,734	5,015,062
Deficit	(4,225,400)	(4,129,627)
	1,080,334	885,435
	\$ 1,298,946	\$ 1,226,197

Nature and continuance of operations (Note 1)

APPROVED ON BEHALF OF THE DIRECTORS:

<u>"Bruce Winfield"</u> Bruce Winfield	Director	<u>"Robert Tyson"</u> Robert Tyson	Director
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The accompanying notes form an integral part of these condensed interim consolidated financial statements.

ALCON SILVER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	For the three months ended	
	2026	March 31, 2025
Expenses		
Advertising	\$ -	\$ 136
Consulting	23,500	6,000
Filing fees	-	2,840
Foreign exchange loss	648	(1,013)
Interest and bank charges	1,074	862
Management fees (Note 6)	24,000	24,000
Office and miscellaneous	481	4,272
Other income	-	-
Professional fees (Note 6)	45,488	53,889
Travel and entertainment	582	396
Loss and comprehensive loss for the period	\$ (95,773)	\$ (91,382)
Loss per share - basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	36,030,127	33,626,577

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

ALCON SILVER CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Common Shares			
	Number of shares	Share Capital	Deficit	Total
Balance, December 31, 2024	33,626,577	\$ 4,451,062	\$ (1,829,847)	\$ 2,621,215
Loss for the period	-	-	(91,382)	(91,382)
Balance, March 31, 2025	33,626,577	4,451,062	(1,921,229)	2,529,833
Private placement	1,820,000	364,000	-	364,000
Shares issued for exploration and evaluation assets	1,000,000	200,000	-	200,000
Loss for the period	-	-	(2,208,398)	(2,208,398)
Balance, December 31, 2025	36,446,577	5,015,062	(4,129,627)	\$ 885,435
Shares issued for exploration and evaluation assets	106,000	21,200	-	21,200
Shares issued for debt	1,347,362	269,472	-	269,472
Loss for the period	-	-	(95,773)	(95,773)
Balance, March 31, 2026	37,899,939	\$ 5,305,734	\$ (4,225,400)	\$ 1,080,334

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

ALCON SILVER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)
FOR THE THREE MONTHS ENDED MARCH 31,

	2026	2025
Cash flows from operating activities		
Loss for the period	\$ (95,773)	\$ (91,382)
Changes in non-cash items:		
Foreign exchange gain	-	(1,013)
Changes in non-cash working capital items:		
Amounts receivable	9,016	(2,068)
Accounts payable and accrued liabilities	22,322	27,662
Cash used in operating activities	(64,435)	(66,801)
Cash flows from investing activities		
Exploration and evaluation assets	-	(425)
Cash used in investing activities	-	(425)
Cash flows from financing activities		
Proceeds from convertible debt	125,000	-
Cash provided by financing activities	125,000	-
Change in cash	60,565	(67,226)
Cash, beginning of the period	62,329	206,780
Cash, end of the period	\$ 122,894	\$ 139,554
Non-cash financing and investing activities		
Cash paid for tax/interest	\$ -	\$ -
Shares issued for debt	\$ 21,200	\$ -
Shares issued for exploration and evaluation assets	\$ 269,472	\$ -

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

ALCON SILVER CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(Unaudited – Prepared by Management)

1. NATURE AND CONTINUANCE OF OPERATIONS

Alcon Silver Corp. (the “Company”, “Alcon”) was incorporated as Alcon Exploration Corp. under the Business Corporations Act (British Columbia), on July 31, 2007.

The Company is in the exploration stage and is in the process of exploring its resource properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying claims, the ability of the Company to obtain necessary financing to complete the development of the resource properties and upon future profitable production or proceeds from the disposition thereof.

The address of the Company’s corporate office and principal place of business is 2102-1616 Bayshore Drive, Vancouver, BC, V6G 3L1. The Company’s registered and records office is at 19th Floor, 885 West Georgia Street, Vancouver, B.C., V6C 3H4.

Going concern

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, which contemplates that the Company will continue in operation for the next twelve months and that it will be able to realize its assets and meet its liabilities in the normal course of operations. Realization value may be substantially different from carrying value as shown, and these condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. As of March 31, 2026, the Company had not yet achieved profitable operations, had working capital deficiency of \$92,882 and had an accumulated deficit of \$4,225,400. Management has carried out an assessment of the going concern assumption and has concluded that the Company may not have sufficient cash and other financial assets to continue operating at current levels for the ensuing twelve months. The Company’s forecast indicates the existence of uncertainty that raises significant doubt about the Company’s ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent upon its ability to raise additional equity or obtain loans.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) Accounting Standards (“IAS”) 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the IFRS issued by the International Accounting Standards Board (“IASB”) and Interpretation of the International Financial Reporting Interpretations committee (“IFRIC”)

These condensed interim consolidated financial statements were approved by the Board of Directors on May 27, 2026

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

The condensed interim consolidated financial statements of the Company are presented in Canadian dollars, which is the functional and reporting currency of the Company and its subsidiary.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary as at March 31, 2026. Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The condensed interim consolidated financial statements present the results of the Company and its subsidiary as if they formed a single entity. All inter-company transactions and balances between the companies are eliminated upon consolidation.

These condensed interim consolidated financial statements include the accounts of the Company's 100% owned Peruvian subsidiary, Alcon Silver SAC.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standard ("IAS") 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

Use of estimates and judgments

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of revenues and expenses during the reporting periods. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Use of estimates and judgments (continued)

Significant accounting judgments

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements include but are not limited to the ability of the Company to continue as a going concern (Note 1).

Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

Income taxes

The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the condensed interim consolidated financial statements.

Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax assets and liabilities, and tax planning initiatives.

Non-cash transactions

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

Economic recoverability and probability of future benefits of exploration and evaluation assets

Management has determined that exploration, evaluation and related costs incurred which are capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation assets

Upon acquiring the legal right to explore a property, costs related to acquisition and exploration are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition and exploration costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Decommissioning and restoration provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. As at March 31, 2026 and December 31, 2025, the Company has no decommissioning or restoration obligations.

Impairment of long-lived assets

The Company evaluates the recoverability of its long-lived assets at each reporting period. An impairment loss is recognized when estimated future cash flows resulting from the use of an asset and its eventual disposition is less than its carrying amount.

A mining enterprise is required to consider the conditions for impairment write-down. The conditions include significant unfavorable economic, legal, regulatory, environmental, political and other factors. In addition, management's exploration activities towards its planned principal operations are a key factor considered as part of the ongoing assessment of the recoverability of the carrying amount of exploration and evaluation assets. Whenever events or changes in circumstances indicate that the carrying amount of a mineral property in the exploration stage may be impaired, the capitalized costs are written down to the estimated recoverable amount.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments

Financial assets are classified at initial recognition as either: measured at amortized cost, Fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income ("OCI").

FVTPL – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

FVTOCI - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in OCI. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL. The following summarizes the classification under IFRS 9 for each financial instrument:

The Company's cash, amounts receivable, accounts payable and accrued liabilities and advance from shareholder are classified at amortized cost.

Measurement

Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Impairment

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from shareholders' equity.

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 and the common shares are valued at their fair value. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded to reserves.

Loss per share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common shares. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method. Diluted amounts are not presented when the effect of the computations is anti-dilutive due to the losses incurred.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms. Consideration paid for the shares on the exercise of stock options is credited to share capital. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in reserves is transferred to deficit.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income taxes (continued)

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years.

Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Adoption of New and Future Accounting Standards

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant with the exception of IFRS18, which is effective for reporting periods beginning on or after January 1, 2027, and the Company will be evaluating the impact of the above standard on its condensed interim consolidated financial statements.

IFRS 18 - Presentation and Disclosure in Financial Statements - IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

- a) Three defined categories for income and expenses – operating, investing or financing – to improve the structure of the income statements, and require all companies to provide new defined subtotals, including operating profit;
- b) Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement; and
- c) Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

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3. EXPLORATION AND EVALUATION ASSETS

Exploration and Evaluation Assets	Princesa Project, Peru	Star Silver Project, USA	Total
Balance, December 31, 2025	\$ 897,558	\$ 254,458	\$ 1,152,016
Acquisition cost additions – shares	-	21,200	21,200
Balance, March 31, 2026	\$ 897,558	\$ 275,658	\$ 1,173,216

Princesa property, Peru

On August 31, 2016 (amended on November 10, 2018), the Company entered into an option agreement to acquire a 100% interest in the Princesa property in Peru. To earn the interest the Company must:

- (i) pay \$50,000 (paid);
- (ii) pay \$50,000 on or before August 31, 2017 (paid);
- (iii) pay \$50,000 on or before November 19, 2018 (paid);
- (iv) pay \$11,611 on or before November 23, 2018 (paid);
- (v) pay US\$10,000 (paid);
- (vi) issue 800,000 common shares of the Company on or before November 19, 2018 (issued at a fair value of \$80,000); and
- (vii) issue 2,000,000 common shares of the capital of the Company upon closing of a Going Public Transaction.

The Company also staked additional claims in the Princesa-Pilunani belt in the Puno District of Peru.

The property is subject to a 1.5% Net Smelter Royalty (“NSR”) on certain concessions, of which 1% can be repurchased for US\$1,000,000.

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3. EXPLORATION AND EVALUATION ASSETS (continued)

Star Silver property, USA

On August 22, 2025, the Company entered into an option agreement, amended subsequent to December 31, 2025, to acquire a 100% interest in the Star Silver property in Utah, USA.

To earn interest the Company must pay US\$185,000 as follows:

- (i) US\$15,000 within 6 months of the effective date (amended to issuance of 106,000 shares below); and
- (ii) US\$25,000 on or before the first anniversary date; and
- (iii) US\$50,000 on or before the second anniversary date; and
- (iv) US\$110,000 on or before the third anniversary date.

The Company must also issue 3,106,000 common shares as follows:

- (i) Issue 1,000,000 shares upon the effective date (issued with a fair value of \$200,000); and
- (ii) Issue 106,000 shares (issued with a fair value of \$21,200); and
- (iii) Issue 500,000 shares on or before the first anniversary date; and
- (iv) Issue 500,000 shares on or before the second anniversary date; and
- (v) Issue 1,000,000 shares on or before the third anniversary date.

The Company must also incur minimum expenditures of at least US\$1,000,000 as follows:

- (i) US\$200,000 in Expenditures on or before the first anniversary date; and
- (ii) a further US\$300,000 in Expenditures on or before the second anniversary date; and
- (iii) the final US\$500,000 in Expenditures on or before the third anniversary date.

The property is subject to a 2.0% Net Smelter Royalty (“NSR”). The Company will have the right to buy back a 0.5% NSR, prior to commercial production for the sum of US\$1,000,000. In the event the NSR buyback right is exercised by the Company, the vendor will retain a 1.5% NSR.

4. CONVERTIBLE DEBT

On March 23, 2026, the Company issued \$125,000 worth of unsecured convertible debentures bearing interest at 12% per annum accruing from issuance, maturing 12 months from issuance and subject to automatic conversion of all outstanding principal and accrued interest for the full year of the term into Alcon Shares at a price of \$0.25 per share in connection with the closing of the Arrangement (Note 10).

5. SHARE CAPITAL

Authorized: The Company is authorized to issue an unlimited number of common shares without par value.

During the period ended March 31, 2026, the Company:

- i) issued 1,347,362 common shares of the Company at a price of \$0.20 to settle \$269,472 in outstanding debt.
- ii) issued 106,000 shares for the Star Silver property option agreement.

Stock Option Plan

The Company has a Stock Option Plan (the “Plan”) under which, from the date that the Company becomes a reporting issuer with its common shares listed on a stock exchange, the Plan provides that the aggregate number of common shares reserved for issuance will be 10% of the number of common shares of the Company's issued and outstanding from time to time. The number of common shares, which may be reserved for issuance to any one individual upon the exercise of all stock options held by such individual within a one-year period, may not exceed 5% of the Common Shares issued and outstanding on the grant date, on a non-diluted basis, unless otherwise approved by disinterested shareholders of the Issuer.

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5. SHARE CAPITAL (continued)

Options may be granted under the Plan to such eligible persons of the Company and its affiliates, including, but not limited to directors, senior officers, employees of the Company, consultants, employees of an external management company or corporation controlled by a consultant of the Company and its subsidiaries, or an eligible charitable organization. The exercise prices shall be determined by the Company, but shall, in no event, be less than the greater of the closing market price of the Company's shares on the Exchange on (i) the trading day prior to the date of the grant of the options and (ii) the date of grant of such options. In addition, the number of Common Shares, which may be reserved for issuance to any one individual upon the exercise of all stock options held by such individual within a one-year period, may not exceed 5% of the Common Shares issued and outstanding on the grant date, on a non-diluted basis, unless otherwise approved by disinterested shareholders of the Issuer. Subject to earlier termination in the event of dismissal for cause, early retirement, voluntary resignation or termination other than for cause, or in the event of death or disability, all options granted under the Stock Option Plan will expire on the date set by the Board as the expiry date of the option, which expiry date shall not be more than 10 years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

No stock options have been granted pursuant to the Stock Option Plan as of the date hereof.

6. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, including officers and directors of the Company. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

During the period ended March 31, 2026, the Company:

- i) accrued and incurred \$19,619 (2025 - \$13,500) in professional fees to an accounting firm, in which the Chief Financial Officer has an interest, for accounting services.
- ii) accrued and incurred \$24,000 (2025 - \$24,000) in management fees to the Chief Executive Officer of the Company.

As at March 31, 2026, the Company had accounts payable and accrued liabilities of \$20,200 (December 31, 2025 - \$218,000) due to related parties. During the period ended March 31, 2026, the Company issued 1,095,362 shares to settle \$219,072 of debt.

All amounts due to related parties are unsecured, non-interest bearing and short-term amounts have no fixed terms of repayment.

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7. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource properties. The Company does not have any externally imposed capital requirements to which it is subject. Capital is comprised of the Company's shareholders' equity.

The Company considers the aggregate of its share capital and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended March 31, 2026.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and advance from shareholder.

An entity classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The carrying value of cash, accounts payable and accrued liabilities, and advance from shareholder approximate their fair values due to the relatively short periods of maturity of these instruments.

Financial risk management objectives and policies

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) **Currency risk**

The Company does not have any significant foreign currency denominated monetary liabilities.

(ii) **Interest rate risk**

The Company has cash balances. The Company is satisfied with the credit ratings of its banks. The Company believes it has no significant interest rate risk.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

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8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(iii) Credit risk

Credit risk is the risk of loss associated with the counterparty’s inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

The Company is exposed to credit risk with respect to uncertainties as to timing of collectability of receivables. The Company believes its credit risk is low. Management does not believe the receivables are impaired.

(iv) Liquidity risk

In the management of liquidity risk, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company’s projects and operations.

9. SEGMENTED INFORMATION

The Company has one operating segment, being the exploration and evaluation of assets in Peru and USA. The Company’s exploration and evaluation assets as at March 31, 2026 and December 31, 2025 were:

	Peru	USA	Total
March 31, 2026			
Exploration and evaluation assets	\$ 897,558	\$ 275,658	\$ 1,173,216
December 31, 2025			
Exploration and evaluation assets	\$ 897,558	\$ 254,458	\$ 1,152,016

10. ARRANGEMENT AGREEMENT

On April 8, 2026, the Company entered into an arrangement agreement (the “Arrangement Agreement”) pursuant to which Mexican Gold Mining Corp. will acquire all of the issued and outstanding common shares of Alcon (the “Company Shares”) in exchange for newly issued common shares in the capital of Mexican Gold (the “Consideration Shares”) by way of a court-approved plan of arrangement under the Business Corporations Act (British Columbia) (the “Arrangement”).

Under the terms of the Arrangement Agreement, Alcon shareholders will receive one post-consolidated share of Mexican Gold (see below for details regarding the proposed consolidation) for each Company Share held such that, following the effective time of the Arrangement (the “Effective Time”), the former Alcon shareholders will hold approximately 61% of the issued and outstanding common shares of Mexican Gold (the “Purchaser Shares”) on a non-diluted basis. As at the date of the Arrangement Agreement, there are approximately 37,899,939 Company Shares and 41,216,639 Purchaser Shares issued and outstanding.

Completion of the Arrangement is subject to a number of conditions, including, among other items, receipt of all required shareholder, regulatory and third-party consents, including approval of the Arrangement by the TSX Venture Exchange (the “TSX”).