

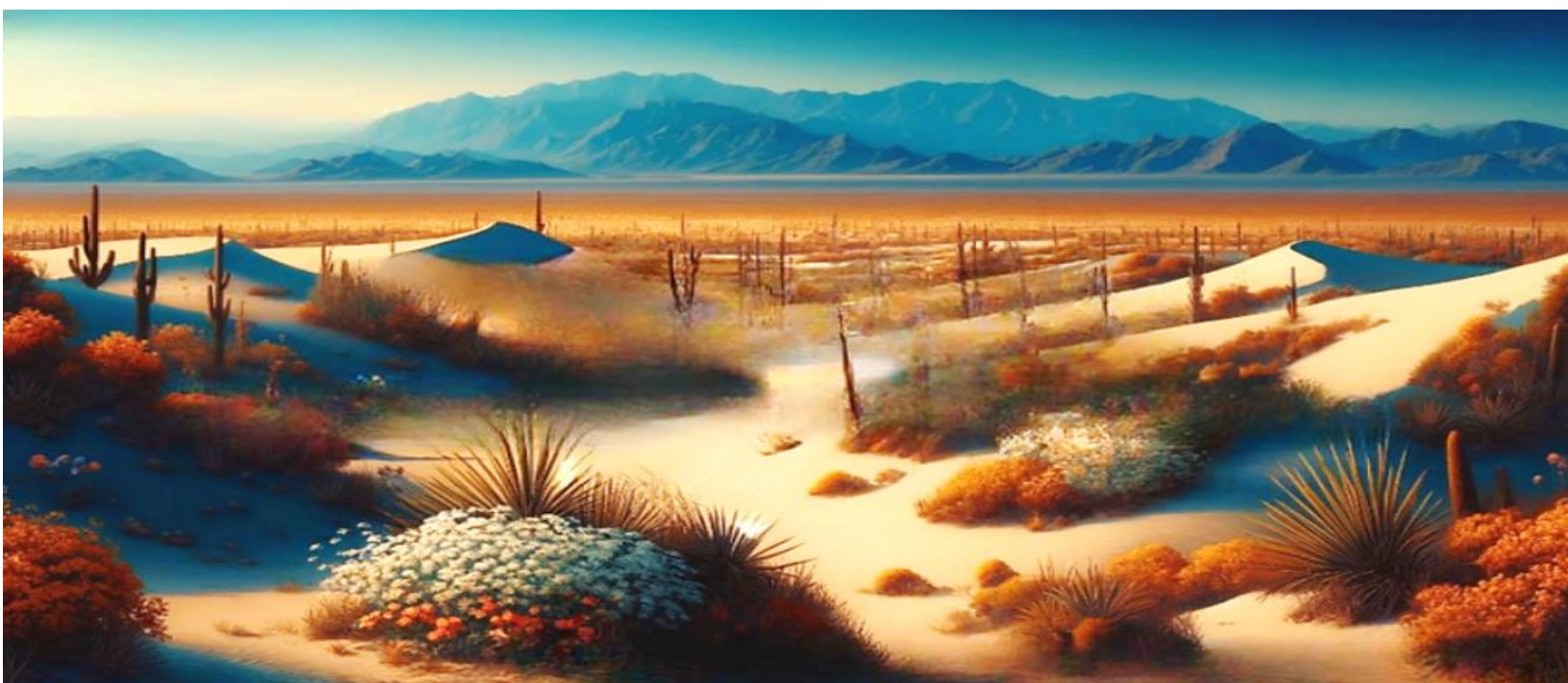


2025

Annual Financial Report

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2025





DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Tocvan Ventures Corp.

Opinion

We have audited the consolidated financial statements of Tocvan Ventures Corp. (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company has an accumulated deficit of \$9,242,476 as at August 31, 2025 and will require additional equity financing to continue developing its business and to meet its obligations. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be a key audit matter to be communicated in our report.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Assessment of impairment indicators of Exploration and Evaluation Assets We draw attention to Notes 3 and 4 to the financial statements. The Company has exploration and evaluation assets with a carrying value of \$11,463,374. At each reporting period end date, the Company is required to assess its exploration and evaluation assets for indicators of impairment. Note 3 describes what may be indicators of impairment of the Company's exploration and evaluation assets. We considered this a key audit matter due to the significance of the exploration and evaluation assets balance and the judgments made by management in its assessment of indicators of impairment related to the exploration and evaluation assets, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.	Our approach to addressing the matter included the following procedures, among others: • Evaluated management's assessment of impairment indicators. • Enquired with management and assessed the reasonability of their future plans for the exploration and evaluation assets; • Assessed compliance with agreements and expenditure requirements including inspection of option agreements and evaluation of the Company's fulfillment of its obligations under the option agreements; and • Confirmed with the optionors of the status of option agreements to ensure the Company has retained its legal right to explore.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our

report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Steven Reichert.

A handwritten signature in black ink that reads "DMCL." The letter "D" is large and stylized, with a small apostrophe-like mark inside its upper curve. The letters "M", "C", and "L" are in a simpler, slightly slanted font, followed by a period.

DMCL LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

December 30, 2025



Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As At	August 31, 2025	August 31, 2024
ASSETS		
CURRENT	\$	\$
Cash	903,693	101,639
Receivables (Note 6)	226,768	60,785
Prepaid expenses (Note 7)	350,089	42,430
Due from related parties (Note 11)	32,712	–
Financial assets (Note 5)	2,137,517	678,395
TOTAL CURRENT ASSETS	3,650,779	883,249
Financial assets – non-current (Note 5)	400,339	452,339
Exploration and evaluation assets (Notes 4, 9, 11)	11,463,374	8,834,758
TOTAL ASSETS	15,514,492	10,170,346
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	1,617,497	879,269
Due to related parties (Note 11)	810,566	603,459
Debenture payable (Note 10)	–	775,205
TOTAL CURRENT LIABILITIES	2,428,063	2,257,933
SHAREHOLDERS' EQUITY		
Share capital (Notes 4, 9)	19,248,409	13,990,750
Obligation to issue shares (Note 9)	5,610	–
Reserves (Note 9)	3,074,886	2,360,247
Deficit	(9,242,476)	(8,438,584)
TOTAL SHAREHOLDERS' EQUITY	13,086,429	7,912,413
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	15,514,492	10,170,346

Nature and continuance of operations (Note 1)

Subsequent events (Note 15)

“Brodie Sutherland”
Director

“Greg Ball”
Director



Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	For the Years Ended	
	2025	August 31, 2024
EXPENSES	\$	\$
Advertising and promotion	727,672	229,754
Audit and accounting	107,484	99,399
Consulting (Note 11)	629,750	626,346
Legal	19,032	37,441
Management fees (Note 11)	48,000	48,000
Meals and entertainment	10,855	960
Office and miscellaneous	66,798	70,581
Regulatory fees	70,422	63,630
Share-based compensation (Notes 9,11)	673,251	331,350
Travel	31,187	21,585
Operating expenses	(2,384,451)	(1,529,046)
Other gain (loss)		
Foreign exchange gain (loss)	110,098	(52,315)
Interest expense	(13,912)	(19,145)
Realized gain (loss) on financial assets (Note 5)	572,443	(828,685)
Unrealized gain on financial assets (Note 5)	1,129,809	749,702
Unrealized loss on debenture payable (Note 10)	–	(185,544)
Realized gain (loss) on debenture payable (Note 10)	(217,879)	693,570
Net loss and comprehensive loss for the year	(803,892)	(1,171,463)
Loss per share, basic and diluted	\$ (0.01)	\$ (0.03)
Weighted average number of shares outstanding		
– basic and diluted	57,106,002	45,276,930

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	Share Capital		Obligation to issue shares	Reserves	Deficit	Total Equity
	Number of Shares	Amount				
		\$	\$	\$	\$	\$
Balance at August 31, 2023 <i>(Restated)</i>	39,985,108	10,378,754	–	1,945,929	(7,267,121)	5,057,562
Shares issued on conversion of debenture payable	1,683,600	686,982	–	–	–	686,982
Shares issued for exploration and evaluation assets	775,000	330,000	–	–	–	330,000
Shares issued for interest	16,364	6,459	–	–	–	6,459
Shares issued on exercise of warrants	10,500	4,725	–	–	–	4,725
Units issued for financial assets	4,585,714	1,116,398	–	–	–	1,116,398
Units issued for cash	4,415,733	1,663,528	–	32,012	–	1,695,540
Share issuance costs – units issued for cash	–	(196,096)	–	50,956	–	(145,140)
Share-based compensation	–	–	–	331,350	–	331,350
Loss for the year	–	–	–	–	(1,171,463)	(1,171,463)
Balance at August 31, 2024	51,472,019	13,990,750	–	2,360,247	(8,438,584)	7,912,413
Shares issued on conversion of debenture payable	1,742,683	975,903	–	–	–	975,903
Shares issued for exploration and evaluation assets	500,000	260,000	–	–	–	260,000
Shares issued for interest	54,176	28,965	–	–	–	28,965
Shares issued on exercise of warrants	2,493,920	1,357,036	–	–	–	1,357,036
Shares issued on exercise of options	342,500	143,438	5,610	–	–	149,048
Shares issued for services	431,250	207,000	–	–	–	207,000
Units issued for financial assets	4,012,500	1,251,808	–	–	–	1,251,808
Units issued for cash	2,382,473	1,130,865	–	12,722	–	1,143,587
Share issuance costs	–	(97,356)	–	28,666	–	(68,690)
Share-based compensation	–	–	–	673,251	–	673,251
Loss for the year	–	–	–	–	(803,892)	(803,892)
Balance at August 31, 2025	63,431,521	19,248,409	5,610	3,074,886	(9,242,476)	13,086,429

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	For the years ended	
	2025	August 31, 2024
	\$	\$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss	(803,892)	(1,171,463)
Items not involving cash		
Interest expense	13,912	19,145
Foreign exchange (gain) loss	(113,892)	52,799
Share-based compensation	673,251	331,350
Unrealized gain on financial assets	(1,129,809)	(749,702)
Realized (gain) loss on financial assets	(572,443)	828,685
Unrealized loss on convertible debenture	–	185,544
Realized (gain) loss on convertible debenture	217,879	(693,570)
Changes in non-cash working capital items		
Prepaid expenses	(307,658)	21,757
Receivables	(9,641)	(735)
Accounts payable and accrued liabilities	(262,926)	(48,566)
Advances from related parties	(32,712)	–
Due to related parties	546,331	(38,787)
Net cash used in operating activities	(1,781,600)	(1,263,543)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	1,143,587	1,695,540
Share issuance costs	(68,690)	(145,141)
Proceeds from warrants exercised	1,357,036	4,725
Proceeds from options exercised	143,438	–
Subscription receipts	5,610	–
Receipts from settlement of financial assets	1,390,596	1,336,723
Net cash provided by financing activities	3,971,577	2,891,847
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures	(1,391,717)	(1,547,006)
Net cash used in investing activities	(1,391,717)	(1,547,006)
Change in cash	798,260	81,298
Effect of exchange rate changes on cash	3,794	(484)
Cash, beginning	101,639	20,825
Cash, ending	903,693	101,639



Consolidated Statements of Cashflows – (continued)

(Expressed in Canadian dollars)

	For the years ended August 31,	
	2025	2024
SUPPLEMENTAL CASH FLOW INFORMATION		
<i>Exploration and evaluation assets included in:</i>	\$	\$
Accounts payable	1,385,113	648,755
Due to related party	751,241	590,303
NON-CASH TRANSACTIONS		
Units issued for financial assets	1,251,808	1,116,397
Shares issued for exploration and evaluation assets	260,000	330,000
Shares issued on conversion of debenture payable	975,903	686,982
Shares issued for interest	28,965	6,459
Shares issued for service	207,000	–
Receivables relating to the settlement of financial assets	211,874	55,534

Notes to the Consolidated Financial Statements For the Years Ended August 31, 2025 and 2024

(Expressed in Canadian dollars)

1. Nature and Continuance of Operations

Tocvan Ventures Corp. (the "Company") was incorporated on May 23, 2018, under the Alberta Business Corporations Act. The Company's shares trade on the Canadian Securities Exchange (the "CSE") under the symbol "TOC" and on OTC QB under the symbol "TCVNF".

The Company's head office address is Suite 555, 1130 West Pender Street, Vancouver, British Columbia V6E 4A4, Canada. The registered and records office address is Suite 1150, 707 - 7th Avenue S.W., Calgary, Alberta T2P 3H6, Canada.

On September 15, 2020, the Company incorporated, under the laws of Mexico, a wholly-owned subsidiary, Burgencio S.A. de C.V. ("Burgencio"). Burgencio's office address is Blvd. Morelos No, 639, Col. Bachoco, C.P. 83148, Hermosillo, Sonora, Mexico.

The Company is engaged in the acquisition, exploration and development of mineral properties. At August 31, 2025, the Company had not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production from the exploration and evaluation assets or proceeds from the disposition of the exploration and evaluation asset.

These consolidated financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. At August 31, 2025, the Company had an accumulated deficit of \$9,242,476 and is expected to incur further losses. The Company will require additional equity financing to continue developing its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which results in a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements. These adjustments could be material.

Notes to the Consolidated Financial Statements For the Years Ended August 31, 2025 and 2024

(Expressed in Canadian dollars)

2. Statement of Compliance and Basis of Presentation

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS[®] Accounting Standards ("IFRS") and International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue by the Board of Directors on December 30, 2025.

Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The consolidated financial statements of the Company are presented in Canadian dollars, unless otherwise stated, which is the functional currency of the Company and its subsidiary, Burgencio. The functional currency is determined to be the currency of the primary economic environment in which the Company and Burgencio operate.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary, Burgencio. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated. Where necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies in line with those used by the Company.

Use of estimates, assumptions, and judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of expenses during the reporting year. Significant areas requiring the use of management estimates relate to provisions for restoration and environmental obligations and contingent liabilities, share-based compensation, deferred taxes, and the valuation and remeasurement of the financing transactions.

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's consolidated financial statements include:

- the classification/allocation of expenses as exploration and evaluation expenditures or operating expenses;
- the determination that the Company will continue as a going concern for the next years;
- the determination whether there have been any events or changes in circumstances that indicate the impairment of its exploration and evaluation assets; and
- classification of financial instruments issued in the financing transactions as liabilities or equity.

Notes to the Consolidated Financial Statements For the Years Ended August 31, 2025 and 2024

(Expressed in Canadian dollars)

3. Material Accounting Policy Information

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. Costs incurred once the Company has obtained the legal rights to explore an area are capitalized. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

From time-to-time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities; and
- sufficient data exist to indicate that, although development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. Although the Company has taken steps that it considers adequate to verify title to exploration and evaluation assets which it has an interest in, these procedures do not guarantee the Company's title.

Income taxes

Current 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 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 tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred 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 tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on

Notes to the Consolidated Financial Statements For the Years Ended August 31, 2025 and 2024

(Expressed in Canadian dollars)

different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

Provision for closure and reclamation

The Company recognizes liabilities for statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing, as well as for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation as at August 31, 2025.

Share-based payment transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period, such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Notes to the Consolidated Financial Statements For the Years Ended August 31, 2025 and 2024

(Expressed in Canadian dollars)

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of the diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options, warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method.

For the periods presented, the Company has reported a net loss and therefore diluted loss per share equals basic loss per share as the impact of the dilutive instruments would be anti-dilutive.

Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income/(loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Cash and receivables are classified as financial assets measured at amortized cost. Accounts payable and amounts due to related parties are classified as financial liabilities measured at amortized cost. The Company's investments, presented as 'financial assets', and debenture payable are classified as financial instruments measured at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value, and transaction costs are expensed in the statements of net income/(loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net income /(loss) in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net (loss)

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income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net (loss) income.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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4. Exploration and Evaluation Assets

Title to exploration and evaluation assets

Title to exploration and evaluation ("E&E") assets involve certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers, therefore, rights of ownership may be affected by undetected defects.

Year ended August 31, 2025	Gran Pilar	El Picacho	Total
Acquisition costs	\$	\$	\$
Balance, August 31, 2024	3,714,454	642,735	4,357,189
Cash	–	65,814	65,814
Option payments accrued	–	1,055,276	1,055,276
Surface mining taxes	93,786	–	93,786
Shares issued	260,000	–	260,000
Balance, August 31, 2025	4,068,240	1,763,825	5,832,065
Deferred exploration expenditures			
Balance, August 31, 2024	3,852,762	624,807	4,477,569
Geologist fees and assays	993,609	46,996	1,040,605
Other property expenses	24,315	88,820	113,135
Balance, August 31, 2025	4,870,686	760,623	5,631,309
Total E&E assets, August 31, 2025	8,938,926	2,524,448	11,463,374

Year ended August 31, 2024	Gran Pilar	El Picacho	Total
Acquisition costs	\$	\$	\$
Balance, August 31, 2023	2,640,000	196,789	2,836,789
Cash	468,574	106,362	574,936
Option payments accrued	275,880	339,584	615,464
Shares issued	330,000	–	330,000
Balance, August 31, 2024	3,714,454	642,735	4,357,189
Deferred exploration expenditures			
Balance, August 31, 2023	2,965,862	523,494	3,489,356
Geologist fees and assays	886,900	61,884	948,784
Other exploration expenses	–	39,429	39,429
Balance, August 31, 2024	3,852,762	624,807	4,477,569
Total E&E assets, August 31, 2024	7,567,216	1,267,542	8,834,758

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Gran Pilar Project, Sonora, Mexico

Option Agreement with Colibri

On September 22, 2019, the Company signed an option agreement (the "Pilar Agreement") to acquire 51% of the Pilar Gold Project in the state of Sonora, Mexico (the "Pilar Project") from Colibri Resource Corp. ("Colibri"). The agreement was amended on August 31, 2021, and the updated conditions are as follows:

Due dates	Cash Payments	Exploration work	Shares
	\$	\$	
September 22, 2019	125,000	Nil	2,000,000
September 21, 2020	125,000	175,000	1,000,000
September 21, 2021	25,000	425,000	1,000,000
September 21, 2022	75,000	400,000	1,000,000
September 21, 2023	75,000	500,000	–
September 21, 2024	–	500,000	–
TOTAL	425,000 (paid)	2,000,000 (completed)	5,000,000 (issued)

In 2024, in accordance with the anti-dilution provision included in the Pilar Agreement, the Company issued to Colibri 525,000 common shares valued at \$210,000, which was included in acquisition costs. The anti-dilution clause expired on September 22, 2024.

As at August 31, 2025, the Company owns 51% of this portion of the Pilar Project as all commitments and conditions of the option agreement had been completed. Furthermore, the Company has elected to enter into a joint venture with Colibri for the remaining portion (49%) of the area. As of the date of these consolidated financial statements, the Company continues negotiating a definitive joint venture agreement.

Option Agreement with SVP

On October 17, 2023, the Company entered into a definitive agreement (the "SVP Agreement") with Suaqui Verde Properties ("SVP") for an option to acquire a 100% interest in certain mining concessions consisting of 2,173-hectare contiguous land immediately adjacent and north of the Pilar Project. Under the terms of the SVP Agreement, the Company agreed to the following commitments:

Due dates	Cash payments	Exploration work	Shares
	US\$	US\$	
October 17, 2023 – On closing ⁽¹⁾	250,000 (paid)	–	–
April 17, 2024 ⁽²⁾	200,000 (paid)	–	250,000(issued)
October 17, 2024 ⁽³⁾	–	100,000 (completed)	500,000(issued)
October 17, 2025 ⁽⁴⁾	1,050,000 (paid)	150,000 (completed)	500,000(issued)
October 17, 2026	1,150,000	250,000	750,000
October 17, 2027	650,000	250,000	250,000
October 17, 2028	700,000	250,000	250,000
TOTAL	4,000,000	1,000,000	2,500,000

⁽¹⁾ The Company paid \$341,175 (US\$250,000) in December of 2023.

⁽²⁾ On August 8, 2024, the Company issued 250,000 common shares valued at \$120,000. The \$275,880 payment (US\$200,000) was made in April of 2025.

⁽³⁾ The Company issued 500,000 common shares valued at \$260,000 in December of 2024.

⁽⁴⁾ The Company paid \$1,417,500 (US\$1,050,000) and issued 500,000 common shares valued at \$515,000 subsequent to August 31, 2025.

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After the initial five-year period, the Company has the right to elect to extend the Agreement by another ten years by starting advance royalty payments or purchasing full title ownership through an additional payment of US\$500,000. SVP retains a 2% NSR.

During the year ended August 31, 2025, the Company incurred \$1,017,924 (August 31, 2024 - \$886,900) in deferred exploration costs and \$353,786 (August 31, 2024 - \$1,074,454) in acquisition costs on Gran Pilar Project.

El Picacho Project, Sonora, Mexico

Millrock Agreement and Suarez Assignment

On June 7, 2021, the Company signed a letter of commitment (the "Millrock Agreement") to purchase El Picacho Project ("El Picacho Project") from Recursos Millrock S. de R.L. de C.V. ("Millrock"). On signing of the letter of commitment, the Company made an initial payment of \$94,196 (US\$78,000).

On September 15, 2021, the Company entered into an assignment agreement (the "Suarez Assignment") with Millrock for an initial five-year option to acquire El Picacho Project from the property owners, Suarez Brothers, within the Caborca Orogenic Gold Belt in Sonora, Mexico. El Picacho Project consists of 12 mining concessions totalling 2,395 hectares. To acquire 100% interest in El Picacho Project, the Company was required to pay Suarez Brothers US\$1,985,600 and an additional payment of US\$60,000 to gain surface rights to use the El Picacho Ranch.

Subsequent to August 31, 2025, the Company began negotiations with Suarez Brothers to amend the Suarez Assignment, under which the Company and Suarez Brothers agreed to replace the outstanding option payments, totalling US\$1,650,000, with five semi-annual installments of US\$275,000, starting on January 15, 2026, and a final payment of US\$412,500 payable on June 15, 2028.

Millrock is to retain a 2% NSR with the option for the Company to purchase back 1% for US\$1,000,000. Upon full execution of the Option Agreement and completion of all cash payments, an Annual Advance Minimum Royalty ("AAMR") of US\$25,000 will be paid to Millrock, doubling each year until the start of production. AAMR payments will be subtracted from royalty payments on the commencement of production.

A summary of the commitments under the Suarez Assignment to acquire El Picacho Project and surface rights (prior to its amendment subsequent to August 31, 2025) is as follows:

Due dates	Option payments	Surface rights payments
	US\$	US\$
June 11, 2021 – Closing	5,000 (paid by Millrock)	6,000 (paid by Millrock)
December 11, 2021	Nil	6,000 (paid)
June 11, 2022	21,400 (paid)	6,000 (paid)
December 11, 2022	21,400 (paid)	6,000 (paid)
June 11, 2023	21,400 (paid)	6,000 (paid)
December 11, 2023	21,400 (paid)	6,000 (paid)
June 11, 2024 ⁽¹⁾	105,400 (paid)	6,000 (paid)
	144,600 (accrued)	
December 11, 2024	Nil	6,000 (accrued)
August 31, 2025 ⁽²⁾	650,000 (accrued)	6,000 (accrued)
December 11, 2025	Nil	6,000
June 11, 2026 ⁽²⁾	1,000,000	6,000
TOTAL	1,990,600	66,000

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- (1) Subsequent to August 31, 2025, an additional payment of \$201,872 (US\$144,600) was made to fully settle the Company's cash commitment due on June 11, 2024.
- (2) These option payments are being extended to 2028 and replaced by five semi-annual installments of US\$275,000 starting on January 15, 2026, with the final payment of \$412,500 due on June 15, 2028. The amended option agreement is being finalized as of the date of the filing of these consolidated financial statements, and may include additional changes, including but not limited to penalties for late or early payments.

During the year ended August 31, 2025, the Company incurred \$135,816 (August 31, 2024 - \$101,313) in deferred exploration costs and \$1,121,090 (August 31, 2024 - \$445,946) in acquisition costs on El Picacho Project.

5. Financial Assets at Fair Value Through Profit and Loss (FVPL)

The continuity table below summarizes, as at August 31, 2025 and 2024, the financial assets associated with Sorbie Bornholm LP ("Sorbie") equity swap agreements:

Financial assets at fair value through profit and loss (FVPL)	August 31, 2025	August 31, 2024
	\$	\$
Balance, beginning of the year	1,130,734	1,355,240
Addition	1,251,808	1,116,398
Cash settlement payments	(1,390,596)	(1,336,723)
Change in cash receivable subsequent to the end of the year	(156,342)	74,802
Realized gain (loss) on financial assets	572,443	(828,685)
Unrealized gain from change in fair value of financial assets	1,129,809	749,702
Balance, end of the year	2,537,856	1,130,734

April 24, 2024, Equity Swap Agreement with Sorbie Bornholm LP

On April 24, 2024, the Company entered into a financing transaction (the "Sorbie 3 Transaction") with Sorbie, whereby the Company agreed to issue 4,585,714 units (the "Sorbie 3 Units") for a total consideration of \$1,500,000. The Sorbie 3 Units consisted of one common share at \$0.35 and one share purchase warrant entitling Sorbie to purchase one additional common share at \$0.50 until April 24, 2027.

The \$1,500,000 to be received for the Sorbie 3 Units are being paid out in 24 monthly cash payments of \$62,500 (the "Sorbie 3 Settlements") that were measured against a benchmark price of \$0.48 per share (the "Sorbie 3 Benchmark") with a set number of shares totaling \$1,500,000 at Sorbie 3 Benchmark.

The actual cash paid out under each Sorbie 3 Settlement is determined based on a VWAP for 20 trading days prior to the Sorbie 3 Settlements. If the measured share price is above the Sorbie 3 Benchmark, the Company receives more than 100% of the expected Sorbie 3 Settlements. However, if the share price is below the Sorbie 3 Benchmark, the Company receives less than 100% of the Sorbie 3 Settlements.

To determine the fair value of the Sorbie 3 Settlements, the Company used a Monte Carlo Simulation. Based on the terms of the Sorbie 3 Transaction, the Company calculated the expected future VWAP of the Company's share price at each Sorbie 3 Settlement date, multiplied by the number of predetermined shares per the payment schedule and then discounted using the risk-free rate to determine the present value of the future cash flows.

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The Company used the following assumptions to determine the initial value of the Sorbie 3 Settlements at April 24, 2024, and to revalue the remaining value of Sorbie 3 Settlements at August 31, 2025:

As at	August 31, 2025	April 24, 2024
Sorbie 3 Benchmark	\$0.48	\$0.48
Total number of Sorbie 3 Settlements	8	24
Share price on the valuation date	\$0.89	\$0.355
Volatility	65.00%	65.00%
Risk-free rate	2.62%	4.27%
Fair value of expected Sorbie 3 Settlements	\$928,517	\$1,116,398

To determine the allocation of the fair value of the Sorbie 3 Settlements, the Company analyzed Sorbie 3 Units under IFRS 9 and IAS 32 guidance. The Company determined that Sorbie 3 Units were equity instruments, and the fair value of Sorbie 3 Settlements was allocated to share capital. The warrants were valued using the residual method, whereby the fair value of Sorbie 3 Settlements was first allocated to the shares, with the remaining value assigned to the warrants. The warrants issued as part of the Sorbie 3 Units were determined to have a \$Nil value.

Securities Issued	Quantity	Fair Value	Allocation	Prorated Value
		\$		\$
Common shares	4,585,714	1,627,928	100%	1,116,398
Warrants	4,585,714	–	0%	–
Total		1,627,928		1,116,398

During the year ended August 31, 2025, the Company received a total of \$890,833 (August 31, 2024 – \$203,581) in Sorbie 3 Settlements and, at August 31, 2025, had a further \$114,206 (August 31, 2024 – \$55,534) recognized as receivable. The difference between Sorbie 3 Settlements fair value as at the initial recognition on April 24, 2024, and the actual cash received is recorded as realized gain or loss on financial assets. For the year ended August 31, 2025, the Company recorded a realized gain on settlement of \$393,036 (August 31, 2024 – \$74,569).

At August 31, 2025, the fair value of the future Sorbie 3 Settlements was determined to be \$928,517 (August 31, 2024 – \$1,130,734) based on the valuation of the eight remaining cash settlements, all of which was recorded as current assets with no long term assets recognized (August 31, 2024 – \$452,339 were recognized as non-current assets). The difference between the initial valuation of the Sorbie 3 Settlements and their value at the reporting date is recorded as unrealized gain or loss. For the year ended August 31, 2025, the Company recognized \$354,251 unrealized gain due to the revaluation of Sorbie 3 Settlements (August 31, 2024 – \$198,882).

December 10, 2024, Equity Swap Agreement with Sorbie Bornholm LP

On December 10, 2024, the Company entered into a financing transaction (the “Sorbie 4 Transaction”) with Sorbie, whereby the Company agreed to issue 4,012,500 units (the “Sorbie 4 Units”) for a total consideration of \$1,800,000. The Sorbie 4 Units consisted of one common share at \$0.48 and one share purchase warrant entitling Sorbie to purchase one additional common share at \$0.75 until December 10, 2027.

The \$1,800,000 to be received for the Sorbie 4 Units is being paid out in 24 monthly cash payments (the “Sorbie 4 Settlements”) that are measured against a benchmark price of \$0.66 per share (the “Sorbie 4 Benchmark”) with a set number of shares totaling \$1,800,000 at Sorbie 4 Benchmark.

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The actual cash paid out under each Sorbie 4 Settlement is determined based on a VWAP for 20 trading days prior to the Sorbie 4 Settlements. If the measured share price is above the Sorbie 4 Benchmark, the Company receives more than 100% of the expected Sorbie 4 Settlements. However, if the share price is below the Sorbie 4 Benchmark, the Company receives less than 100% of the Sorbie 4 Settlements.

To determine the fair value of the Sorbie 4 Settlements, the Company used a Monte Carlo Simulation. Based on the terms of the Sorbie 4 Settlements, the Company calculated the expected future VWAP of the Company's share price at each Sorbie 4 Settlement date, multiplied by the number of predetermined shares per the payment schedule and then discounted using the risk-free rate to determine the present value of the future cash flows. The Company used the following assumptions to determine the initial value of the Sorbie 4 Settlements at December 10, 2024, and to revalue the remaining value of Sorbie 4 Settlements at August 31, 2025:

As at	August 31, 2025	December 10, 2024
Sorbie 4 Benchmark	\$0.66	\$0.66
Total number of Sorbie 4 Settlements	16	24
Share price on the valuation date	\$0.89	\$0.46
Volatility	65.00%	65.00%
Risk-free rate	2.63%	2.89%
Fair value of expected Sorbie 4 Settlements	\$1,609,339	\$1,251,808

To determine the allocation of the fair value of the Sorbie 4 Settlements, the Company analyzed Sorbie 4 Units under guidance available under IFRS 9 and IAS 32. The Company determined that Sorbie 4 Units were equity instruments, and the fair value of Sorbie 4 Settlements was allocated to share capital. The warrants were valued using the residual method, whereby the fair value of Sorbie 4 Settlements was first allocated to the shares, with the remaining value assigned to the warrants. The warrants issued as part of the Sorbie 4 Units were determined to have a \$Nil value.

Securities Issued	Quantity	Fair Value	Allocation	Prorated Value
		\$		\$
Common shares	4,012,500	1,251,808	100%	1,251,808
Warrants	4,012,500	–	0%	–
Total		1,251,808		1,251,808

During the year ended August 31, 2025, the Company received a total of \$499,764 (August 31, 2024 – \$Nil) in Sorbie 4 Settlements and recorded \$97,668 as receivable (August 31, 2024 – \$Nil). The difference between Sorbie 4 Settlements fair value at initial recognition on December 10, 2024, and the actual cash received is recorded as realized gain or loss on financial assets. For the year ended August 31, 2025, the Company recorded a realized gain on settlement of \$179,407 (August 31, 2024 – \$Nil).

At August 31, 2025, the fair value of remaining sixteen cash settlements was determined to be \$1,609,339 (August 31, 2024 – \$Nil) of which \$1,209,000 (August 31, 2024 – \$Nil) was recognized as current assets and \$400,339 (August 31, 2024 – \$Nil) as non-current assets. The difference between the initial valuation of the Sorbie 4 Settlements and their value at the reporting date is recorded as unrealized gain or loss. For the year ended August 31, 2025, the Company recognized \$775,557 unrealized gain due to the revaluation of Sorbie 4 Settlements (August 31, 2024 – \$Nil).

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Sensitivity Analysis

The following table illustrates the impact of a 10% increase and a 10% decrease in the Company's share price on the fair value of the financial assets and financial liabilities from Sorbie transactions:

Sorbie Transactions	Fair Value	10% Share Price Increase	10% Share Price Decrease
	\$	\$	\$
Sorbie 3 Settlements	928,517	1,019,244	836,710
Sorbie 4 Settlements	1,609,399	1,776,167	1,458,253
Total	2,537,916	2,795,411	2,294,963

6. Receivables

Description	August 31, 2025	August 31, 2024
	\$	\$
Sorbie Settlements receivable	211,874	55,534
GST receivable	14,894	5,251
	226,768	60,785

7. Prepaid Expenses

Description	August 31, 2025	August 31, 2024
	\$	\$
Advertising and promotion	190,505	24,500
Consulting fees	115,005	–
Mineral property taxes	26,108	–
Regulatory and filing fees	18,471	17,930
	350,089	42,430

8. Accounts Payable and Accrued Liabilities

Description	August 31, 2025	August 31, 2024
	\$	\$
Accounts payable	1,468,767	744,429
Accrued liabilities	148,730	134,840
	1,617,497	879,269

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9. Share Capital

Authorized and issued

The authorized share capital consists of an unlimited number of common shares without par value (the "common shares") and an unlimited number of shares designated as preferred shares. At August 31, 2025, the Company had 63,431,521 common shares (August 31, 2024 – 51,472,019) and no preferred shares issued and outstanding.

Shares issued during the year ended August 31, 2025

During the year ended August 31, 2025, the Company issued 2,355,600 common shares on exercise of subscribers' warrants for gross proceeds of \$1,300,675 and 138,320 common shares on exercise of finders' warrants for gross proceeds of \$56,361. The finders' warrants had a recorded value of \$28,666, which was recorded as part of reserves.

During the year ended August 31, 2025, the Company issued 342,500 common shares on exercise of options for gross proceeds of \$143,438. In addition, the Company recognized an obligation of \$5,610 to issue shares upon exercise of 11,220 options, which were issued subsequent to August 31, 2025. The weighted average share price on the exercise date was \$0.88 per share.

On December 10, 2024, the Company issued 4,012,500 units to Sorbie as part of the Sorbie 4 Transaction. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at \$0.75 per share and expires on December 10, 2027. The units were valued based on the fair value of expected Sorbie 4 Settlements, which was determined to be \$1,251,808 using Monte Carlo Simulation (Note 5). In relation to the financing arrangement, the Company incurred a total of \$10,000 in legal fees and \$5,641 in financing fees.

On December 10, 2024, the Company closed a non-brokered private placement, issuing 636,083 units for gross proceeds of \$305,320 at \$0.48 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at \$0.75 per share and expires on December 10, 2027. A total of \$12,722 was allocated to the warrant reserve using the residual method.

In relation to the private placement, the Company paid \$7,500 in legal fees and \$24,696 in finders' fees. In addition, the Company issued 51,450 finders' warrants valued at \$10,656. Each finder's warrant entitles the holder to acquire one additional common share at \$0.48 per share, exercisable on or before December 10, 2027. The finders' warrants were valued using the Black-Scholes Option Pricing Model with the following assumptions:

Share price	\$0.46
Exercise price	\$0.48
Exercise term	36 months
Risk free rate	2.85%
Volatility	67.02%

On December 27, 2024, the Company issued 500,000 common shares valued at \$260,000 to Suaqui Verde Properties under the SVP Agreement (Note 4).

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On February 11, 2025, the Company issued 28,658 common shares valued at \$14,329 to settle accrued interest payable on Sorbie Notes (Note 10).

On February 18, 2025, the Company closed a non-brokered private placement, issuing 1,746,390 units for gross proceeds of \$838,267 at \$0.48 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at \$0.75 per share, expiring on February 18, 2028.

In relation to the private placement, the Company paid \$9,750 in legal fees and incurred \$15,744 in finders' fees. In addition, the Company issued 82,800 finders' warrants valued at \$18,010. Each finder's warrant entitles the holder to acquire one additional common share at \$0.48 per share, expiring on February 18, 2028. The finders' warrants were valued using the Black-Scholes Option Pricing Model with the following assumptions:

Share price	\$0.48
Exercise price	\$0.48
Exercise term	36 months
Risk free rate	2.80%
Volatility	65.48%

On February 18, 2025, the Company issued 431,250 units valued at \$207,000 to consultants in exchange for services rendered. Each unit comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.75, expiring on February 18, 2028.

On July 4, 2025, the Company issued 1,768,201 common shares valued at \$990,539 upon conversion of outstanding Sorbie Notes with a face value of \$1,429,000. The issuance included 25,518 common shares issued as settlement of accrued interest of \$14,290. The Company recognized a realized loss of \$217,879 in connection with the conversion (Note 10).

Shares issued during the year ended August 31, 2024

On November 1, 2023, the Company issued 854,000 common shares to Sorbie on conversion of 700 Sorbie Notes, with a fair value of \$380,030 (Note 10).

On November 28, 2023, the Company closed the first tranche of a non-brokered private placement, issuing 820,000 units for gross proceeds of \$369,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at \$0.60 per share, exercisable within 24 months from the issuance date. The warrants were valued at \$8,200 using the residual method and recorded in reserves.

In connection with the closing of the first tranche of the private placement, the Company paid a total of \$32,400 in cash finders' fees, \$7,500 in legal fees, and issued 72,000 finders' warrants. Each finder's warrant entitles the holder to acquire one common share at \$0.44 per share, exercisable within 24 months from the closing of the first tranche. The finders' warrants were valued at \$12,733 using the Black-Scholes Option Pricing Model with the following assumptions:

Share price	\$0.44
Exercise price	\$0.45
Exercise term	24 months
Risk free rate	4.29%
Volatility	70.70%

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On December 11, 2023, the Company closed the second and final tranche of the non-brokered private placement, issuing 680,333 units for gross proceeds of \$306,150. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at \$0.60 per share for 24 months from the closing date. The warrants were valued at \$23,812 using the residual method and recorded in reserves.

In connection with the second tranche of the private placement, the Company paid \$5,550 in legal fees and \$15,165 in finders' fees; in addition, the Company issued 33,700 finders' warrants. Each finder's warrant entitles the holder to acquire one additional common share at \$0.45 per share, exercisable within 24 months from the closing of the second tranche. The finders' warrants were valued at \$5,363 using the Black-Scholes Option Pricing Model with the following assumptions:

Share price	\$0.415
Exercise price	\$0.45
Exercise term	24 months
Risk free rate	4.18%
Volatility	70.66%

On December 12, 2023, the Company issued 5,387 common shares valued at \$2,397 to settle accrued interest payable on Sorbie Notes.

On December 19, 2023, the Company issued 525,000 common shares valued at \$210,000 to Colibri in accordance with the anti-dilution clause of the Pilar Agreement.

On February 2, 2024, the Company issued 829,600 common shares to Sorbie upon the conversion of 680 Sorbie Notes, with a fair value of \$306,952 (Note 10) and 10,977 common shares valued at \$4,062 to settle its interest payable on Sorbie Notes.

On April 24, 2024, the Company closed the first tranche of a non-brokered private placement issuing 1,713,800 units at \$0.35 per unit for gross proceeds of \$599,830. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at \$0.50 per share, exercisable within 36 months from the closing of the first tranche, subject to accelerated expiry provisions. The warrants were valued at \$Nil using the residual method.

In connection with the private placement, the Company paid a total of \$10,000 in legal fees, \$52,885 in cash finders' fees, and issued 151,000 finders' warrants exercisable at \$0.35 per common share, expiring on April 24, 2027. The finders' warrants were valued at \$26,935 using the Black-Scholes Option Pricing Model with the following assumptions:

Share price	\$0.35
Exercise price	\$0.35
Exercise term	36 months
Risk free rate	4.16%
Volatility	73.77%

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(Expressed in Canadian dollars)

Concurrent with the closing of April 24, 2024, private placement, the Company issued 4,585,714 units to Sorbie under Sorbie 3 Transaction. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at \$0.50 per share and expires on April 24, 2027. The units were valued based on the fair value of expected Sorbie 3 Settlements, which was determined to be \$1,116,398 using Monte Carlo Simulation (Note 5).

On May 8, 2024, the Company closed its second and final tranche of the non-brokered private placement issuing 1,201,600 units for gross proceeds of \$420,560. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at \$0.50 per share, exercisable within 36 months from the closing date. The Company paid \$10,000 in legal fees, \$11,641 in cash finders' fees, and issued 33,260 finders' warrants exercisable at \$0.35 per common share, expiring on May 8, 2027. The finders' warrants were valued at \$5,923 using the Black-Scholes Option Pricing Model with the following assumptions:

Share price	\$0.35
Exercise price	\$0.35
Exercise term	36 months
Risk free rate	4.06%
Volatility	73.54%

On June 26, 2024, the Company issued 10,500 common shares on the exercise of finders' warrants for gross proceeds of \$4,725. On August 8, 2024, the Company issued 250,000 shares valued at \$120,000 to Suaqui Verde Properties under the SVP Agreement (Note 4).

Stock Options

On July 21, 2025, the board of directors of the Company approved a new omnibus equity incentive plan (the "Omnibus Plan"), which replaced the previous rolling stock option plan. The Omnibus Plan was approved by the shareholders of the Company at its Annual and Special Meeting held on August 20, 2025. Under the Omnibus Plan, the Company is authorized to grant options, restricted share units ("RSUs"), share appreciation rights ("SARs"), deferred share units ("DSUs"), performance share units ("PSUs"), and additional incentives to directors, employees and consultants of the Company. The number of Common Shares reserved for issuance pursuant to Options, RSUs, SARs, DSUs, and PSUs granted under the Omnibus Plan may not, in the aggregate, exceed 10% of the issued and outstanding Common Shares. The options can be granted for a maximum term of ten years and vest as determined by the Board of Directors.

A summary of option activities is as follows:

	Year ended August 31, 2025		Year ended August 31, 2024	
	Number of Stock Options	Weighted Average Exercise Price \$	Number of Stock Options	Weighted Average Exercise Price \$
Outstanding, beginning of the year	3,362,500	0.58	2,662,500	0.60
Expired/cancelled	(850,000)	0.57	–	n/a
Exercised	(342,500)	0.42	–	n/a
Granted	1,975,000	0.56	700,000	0.50
Outstanding, end of the year	4,145,000	0.58	3,362,500	0.58
Exercisable, end of the year	3,500,000	0.58	3,262,500	0.58

Notes to the Consolidated Financial Statements For the Years Ended August 31, 2025 and 2024

(Expressed in Canadian dollars)

As of August 31, 2025, the following incentive stock options were outstanding:

Number	Exercise Price \$	Life In Years	Expiry Date	Exercisable
100,000 ⁽¹⁾	0.35	0.03	September 11, 2025	100,000
225,000 ⁽²⁾	0.40	0.06	September 21, 2025	225,000
150,000	0.35	0.39	January 19, 2026	150,000
1,000,000	0.72	1.93	August 5, 2027	1,000,000
300,000	0.72	2.64	April 20, 2028	300,000
400,000	0.50	3.09	October 3, 2028	400,000
1,670,000	0.50	9.45	February 11, 2035	1,175,000
300,000	0.91	4.97	August 19, 2030	150,000
4,145,000	0.58	5.14		3,500,000

⁽¹⁾ These options expired unexercised subsequent to August 31, 2025.

⁽²⁾ Subsequent to August 31, 2025, 75,000 options expired unexercised, and 150,000 options were exercised for total proceeds of \$60,000.

As at August 31, 2025, the weighted average life of the options was 5.14 years.

As at August 31, 2025, the Company did not have any other RSUs, SARs, DSUs, and PSUs issued and outstanding.

Share-based compensation

On August 20, 2025, the Company granted 300,000 stock options to an Officer with the following vesting schedule: 50% on the date of the grant and 50% on August 20, 2026. Each option entitles the holder to acquire one common share at a price of \$0.91, expiring August 20, 2030. The fair value of the options was calculated to be \$158,091 using the Black-Scholes Option Pricing Model with the following assumptions: share price – \$0.86; exercise price – \$0.91; expected life – 5 years; expected volatility – 74.41%; risk-free rate – 2.96%. During the year ended August 31, 2025, the Company recognized a total of \$81,435 (August 31, 2024 – \$Nil) in share-based compensation associated with the grant.

On February 11, 2025, the Company granted stock options to acquire up to 1,675,000 common shares to certain directors, officers and consultants. The options entitle the holders to acquire one common share for each option at a price of \$0.50, expiring February 11, 2035. A total of 1,175,000 options vested immediately; of the remaining 500,000 options, 50% (250,000 options) vest 12 months following the grant date and another 50% (250,000 options) vest 24 months after the grant date. The fair value of the options was calculated to be \$713,993 using the Black-Scholes Option Pricing Model with the following assumptions: share price – \$0.50; exercise price – \$0.50; expected life – 10 years; expected volatility – 86.22%; risk-free rate – 3.10%. During the year ended August 31, 2025, the Company recognized a total of \$588,887 associated with the grant.

During the year ended August 31, 2025, the Company recognized a total of \$673,251 (August 31, 2024 – \$331,350) in share-based compensation associated with options granted on December 1, 2023, February 11, 2025 and August 20, 2025.

Notes to the Consolidated Financial Statements For the Years Ended August 31, 2025 and 2024

(Expressed in Canadian dollars)

Warrants

On April 29, 2025, the Company's board of directors approved an amendment of the terms of 6,626,980 common share purchase warrants (the "Warrants") issued to Sorbie as part of the Sorbie 1 transaction (Note 10). The following table provides the detailed information on the amendment:

Number of Warrants	Market Price of Underlying Shares	Original Exercise Price	Amended Exercise Price	Original Expiry Date	Amended Expiry Date
	\$	\$	\$		
1,713,490	0.82	1.40	0.90	June 28, 2025	June 28, 2026
1,713,490	0.82	1.30	1.30	June 28, 2025	June 28, 2026
3,200,000	0.82	1.20	1.20	June 28, 2025	June 28, 2026

A summary of warrant activities was as follows:

	Year ended August 31, 2025		Year ended August 31, 2024	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
		\$		\$
Outstanding, beginning of the year	16,492,546	0.83	9,546,755	1.21
Issued	6,960,473	0.74	9,291,507	0.51
Exercised	(2,493,920)	0.54	(10,500)	0.45
Expired	–	n/a	(2,335,216)	1.14
Outstanding, end of the year	20,959,099	0.79	16,492,546	0.83

At August 31, 2025, the following subscribers' warrants were outstanding:

Expiry Date	Number of Subscribers' Warrants	Weighted Average Exercise Price
		\$
June 28, 2026	1,713,490	1.30
June 28, 2026	1,713,490	0.90
June 28, 2026	3,200,000	1.20
April 5, 2026	584,559	0.68
November 28, 2025 ⁽¹⁾	482,500	0.60
December 11, 2025 ⁽¹⁾	362,833	0.60
April 24, 2027	5,086,014	0.50
May 8, 2027	944,000	0.50
December 10, 2027	4,648,583	0.75
February 18, 2028	1,948,140	0.75
	20,683,609	0.80

⁽¹⁾ These warrants were exercised subsequent to August 31, 2025.

At August 31, 2025, the weighted average life of the subscribers' warrants was 1.52 years.

Notes to the Consolidated Financial Statements For the Years Ended August 31, 2025 and 2024

(Expressed in Canadian dollars)

At August 31, 2025, the following finders' warrants were outstanding:

Expiry Date	Number of Finders' Warrants	Weighted Average Exercise Price
		\$
November 28, 2025 ⁽¹⁾	6,800	0.45
December 11, 2025 ⁽¹⁾	26,750	0.45
April 24, 2027	108,100	0.35
May 8, 2027	13,315	0.35
December 10, 2027	37,725	0.48
February 18, 2028	82,800	0.48
	275,490	0.42

⁽¹⁾ These warrants were exercised subsequent to August 31, 2025.

At August 31, 2025, the weighted average life of the finders' warrants was 1.81 years.

10. Debenture Payable

On June 28, 2022, the Company entered into a financing transaction (the "Sorbie 1 Transaction") with Sorbie whereby the Company agreed to issue 3,200,000 units (the "Sorbie 1 Unit") at \$0.82 per unit (each unit consisted of one common share and one common share purchase warrant) and 2,809 convertible notes with a face value of \$1,000 per note (the "Sorbie Notes") in exchange for 24 monthly cash payments (the "Sorbie 1 Settlements") that were measured against a benchmark price of \$1.10 per share (the "Sorbie 1 Benchmark") with a set number of shares totaling \$5,125,000 at Benchmark. In connection with the Sorbie Notes, the Company issued 1,713,490 detachable warrants that entitle Sorbie to purchase up to 1,713,490 additional common shares at \$1.30 per share until June 28, 2026, as amended, and an additional 1,713,490 detachable warrants that entitle Sorbie to purchase up to an additional 1,713,490 common shares at \$0.90 per share until June 28, 2026, as amended (Note 9).

The Sorbie Notes matured on June 28, 2025. Each Sorbie Note had a coupon rate of 1% per annum, non-compounding, and was payable in common shares. Each note was convertible into 1,220 common shares, provided that in the event of a takeover offer at a price lower than \$0.82 per share, the conversion price would be replaced with the price at which the takeover offer was made. The Sorbie Notes were to be converted to shares at the discretion of Sorbie, provided that notice in writing setting out the number of Sorbie Notes to be converted and the proposed date for conversion was given to the Company at least five business days prior to the proposed date for conversion. In addition, the Sorbie Notes could not be redeemed prior to the maturity date, at which time they automatically converted into common shares of the Company. Because the conversion price was not fixed, at initial recognition, the Company recorded the fair value of the Sorbie Notes, being \$2,810,124, as debenture payable.

During the year ended August 31, 2024, the Company issued 1,683,600 common shares valued at \$686,982 on conversion of 1,380 Sorbie Notes and issued a further 16,364 common shares for accrued interest payable of \$6,459 at an average price of \$0.39 per share. The conversion of Sorbie notes resulted in a realized gain of \$693,570.

On July 4, 2025, the Company issued 1,742,683 common shares valued at \$975,903 on conversion of outstanding Sorbie Notes with a face value of \$1,429,000 and 25,518 common shares valued at \$14,636 on conversion of accrued interest of \$14,290 (Note 9). The Company recognized a realized loss of \$217,879 arising from the conversion and debt settlement.

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(Expressed in Canadian dollars)

11. Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the year ended August 31, 2025 and 2024 was as follows:

Related party transactions	August 31, 2025	August 31, 2024
	\$	\$
Administration expenses	38,314	–
Consulting fees	24,500	12,000
Deferred exploration expenditures	498,873	384,987
Management fees	48,000	48,000
Share-based compensation	382,593	40,683
	992,280	485,670

During the year ended August 31, 2025, the Company incurred \$48,000 (August 31, 2024 – \$48,000) in management fees and \$12,000 (August 31, 2024 – \$12,000) in deferred exploration expenditures to a company controlled by the CEO. As at August 31, 2025, \$32,712 was due from the CEO (August 31, 2024 – \$549).

During the year ended August 31, 2025, the Company incurred \$486,873 (August 31, 2024 – \$372,987) in deferred exploration expenditures and office administration expenses of \$38,314 (August 31, 2024 – \$32,753) to a company controlled by a director. As at August 31, 2025, \$806,775 (August 31, 2024 – \$604,294) was owed to the related party.

During the year ended August 31, 2025, the Company incurred \$12,000 (August 31, 2024 – \$12,000) in consulting fees to the Company's CFO.

During the year ended August 31, 2025, the Company incurred \$12,500 (August 31, 2024 – \$Nil) in consulting fees to the Company's Head of Corporate Development. As at August 31, 2025, \$3,791 (August 31, 2024 – \$Nil) was owed to the related party.

All amounts due to related parties are unsecured, non-interest bearing, and with no fixed repayment terms.

12. Capital Management

The Company considers its capital to consist of shareholders' equity. The Company's capital management objective is to ensure the Company's ability to continue as a going concern by maintaining adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through debt and equity financing. Future financings are dependent on market conditions, and there can be no assurance that the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

Notes to the Consolidated Financial Statements For the Years Ended August 31, 2025 and 2024

(Expressed in Canadian dollars)

13. Financial Instruments

a. Fair Value

The Company's cash, receivables, accounts payable, accrued liabilities, and due to related parties are classified at amortized cost. The fair values of these financial instruments approximate their carrying values because of their current nature. The financial assets and debenture payable are all classified at FVTPL. Financial assets and liabilities at fair value through profit or loss are revalued at each reporting date based on the three levels of a fair value hierarchy.

The following table summarizes the carrying values of the Company's financial instruments:

Description	August 31, 2025	August 31, 2024
	\$	\$
Financial assets at amortized cost (i)	1,130,461	162,424
Financial assets at fair value through profit or loss (ii)	2,537,856	1,130,734
Financial liabilities at amortized cost (iii)	2,428,063	1,482,728
Financial liabilities at fair value through profit and loss (iv)	–	775,205

(i) Cash and receivables (Note 6);

(ii) Monthly Settlements resulting from Sorbie Transactions (Note 5);

(iii) Due to related parties, accounts payable and accrued liabilities (Notes 8 and 11);

(iv) Convertible debenture payable issued as a result of Sorbie 1 Transaction (Note 10)

b. 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 risk consist principally of cash, which is held with a high credit quality financial institution, Sorbie Settlements receivable as a result of Sorbie Transactions, and to a smaller extent GST receivable from the Government of Canada.

c. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company monitors its ability to meet its short-term exploration and operating expenditures by raising additional funds through share issuances when required. As at August 31, 2025, the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

d. Foreign Exchange Risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency.

As at August 31, 2025, the Company was exposed to foreign currency risk through the following financial assets and liabilities denominated in foreign currencies, converted to Canadian Dollars at the prevailing rate at the end of the reporting year.

Notes to the Consolidated Financial Statements For the Years Ended August 31, 2025 and 2024

(Expressed in Canadian dollars)

As of August 31, 2025	CAD Equivalent \$	Currency	+/- 10% Fluctuation Increase \$	(Decrease) \$
Cash	176,836	USD	17,684	(17,684)
Cash	8,213	MXN	821	(821)
Accounts payable and accrued liabilities	(1,392,971)	USD	(139,297)	139,297
Accounts payable and accrued liabilities	(1,146)	MXN	(115)	115
Accounts payable and accrued liabilities	(25,110)	EURO	(2,511)	2,511
Due to related parties	(806,775)	USD	(80,678)	80,678
Total	(2,040,953)		(204,095)	204,095

e. Interest Rate Risk

Interest rate risk is the risk that arises from fluctuating interest rates. The Company is not exposed to significant interest rate risk.

f. Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company. The Company is exposed to equity price risk since Sorbie Monthly Settlements are affected by the movement of the Company's share price.

14. Income Tax

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

For the years ended	August 31, 2025	August 31, 2024
	\$	\$
Net loss	(803,892)	(1,171,463)
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory tax rate	(217,000)	(316,000)
Impact of different statutory tax rate on earnings from subsidiaries	2,000	(2,000)
Non-deductible items and other	(219,000)	91,000
Share issue costs	(9,000)	(9,000)
Adjustment to prior years provision versus statutory tax returns	(271,000)	313,000
Foreign exchange	(2,000)	3,000
Other	(13,000)	(12,000)
Change in deferred tax assets not recognized	729,000	(68,000)
Income tax recovery	—	—

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(Expressed in Canadian dollars)

The significant components of the Company's deferred tax assets and liabilities are as follows:

For the years ended	August 31, 2025	August 31, 2024
	\$	\$
Non-capital losses	2,124,000	1,494,000
Share issuance costs	55,000	71,000
Exploration assets	115,000	–
	2,294,000	1,565,000
Unrecognized deferred tax assets	(2,294,000)	(1,565,000)
Net deferred income tax assets	–	–

The Company has non-capital losses for Canadian income tax purposes of approximately \$7,858,000 which may be carried forward and applied against taxable income in the future. These losses, if not utilized, will expire starting in 2040.

15. Subsequent Events

Subsequent to August 31, 2025, the Company issued 2,808,433 common shares on exercise of warrants for a total proceeds of \$1,516,058 and 155,000 common shares on exercise of options for total proceeds of \$77,500.

Subsequent to August 31, 2025, the Company paid \$1,417,500 (US\$1,050,000) in cash to SVP as full settlement of its second-year anniversary cash obligations. On October 21, 2025, the Company issued 500,000 common shares valued at \$515,000 to SVP in accordance with the option agreement.

Subsequent to August 31, 2025, a finders' warrant to acquire up to 60,000 common shares was cancelled.