

# **Eloro Resources Ltd.**

## **Condensed Interim Consolidated Financial Statements**

**June 30, 2025**

(expressed in Canadian dollars)

(unaudited)

### **Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements**

These unaudited condensed interim consolidated financial statements of Eloro Resources Ltd. (the "Company") have been prepared by management and approved by the Board of Directors of the Company.

These unaudited condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

# Eloro Resources Ltd.

## Consolidated Statements of Financial Position

(expressed in Canadian dollars)  
(unaudited)

	Notes	June 30, 2025 \$	March 31, 2025 \$
<b>Assets</b>			
Current			
Cash and cash equivalents		4,783,818	257,585
Receivables		158,865	104,746
Marketable securities	3	320,124	366,649
Due from Cartier	4	372,627	3,676
Prepaid expenses		441,928	475,893
		6,077,362	1,208,549
Right-of-use asset	5	66,525	77,613
Option payment advance	6	779,308	635,660
Exploration and evaluation	7	58,630,951	57,539,745
		65,554,146	59,461,567
<b>Liabilities</b>			
Current			
Accounts payable and accrued liabilities	12	1,359,926	1,266,402
Current portion of lease liability	8	49,958	49,095
		1,409,884	1,315,497
Lease liability	8	26,249	39,082
		1,436,133	1,354,579
<b>Shareholders' equity</b>			
Share capital	9	108,314,649	102,287,014
Warrants		4,166,037	2,744,305
Contributed surplus		23,555,130	21,965,536
Foreign currency reserve		493,733	366,096
Deficit		(72,411,536)	(69,255,963)
		64,118,013	58,106,988
		65,554,146	59,461,567
<b>Commitments and contingencies</b>	13		
<b>Subsequent events</b>	15		

Approved by the Board:

Thomas Larsen  
Director

Francis Sauve  
Director

# Eloro Resources Ltd.

## Consolidated Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)  
(unaudited)

	Notes	3 months ended June 30,	
		2025	2024
		\$	\$
<b>Expenses</b>			
Professional fees	12	55,122	38,259
Directors' fees	12	45,000	-
Consulting fees	12	160,000	137,500
Financing bonus	12	175,000	-
Stock-based compensation	9	1,821,614	149,583
Investor relations and marketing	12	396,294	171,045
General and office		105,319	190,822
Travel		59,012	27,694
Depreciation	5	11,088	11,088
Accretion of interest	8	1,263	1,953
Foreign exchange loss (gain)		101,609	(4,445)
Fair value adjustment on marketable securities	3	46,525	82,505
Impairment of exploration and evaluation	7	190,892	83,831
Other income		(13,165)	(13,381)
		3,155,573	876,454
<b>Loss for the period</b>		(3,155,573)	(876,454)
<b>Other comprehensive income to be reclassified to profit or loss in subsequent years (net of tax)</b>			
Currency translation adjustment		127,637	(2,613)
<b>Comprehensive loss for the period</b>		(3,027,936)	(879,067)
<b>Loss per share - basic and diluted</b>		(0.03)	(0.01)
<b>Weighted average number of shares outstanding - basic and diluted</b>		92,721,450	79,853,515

# Eloro Resources Ltd.

## Consolidated Statements of Changes in Equity

(expressed in Canadian dollars)

(unaudited)

	Share capital \$ (note 9)	Warrants \$ (note 9)	Contributed Surplus \$ (note 9)	Foreign currency reserve \$	Deficit \$	Total \$
<b>Balance, March 31, 2025</b>	102,287,014	2,744,305	21,965,536	366,096	(69,255,963)	58,106,988
Private placement of units	7,775,101	-	-	-	-	7,775,101
Fair value of warrants issued	(1,273,636)	1,273,636	-	-	-	-
Fair value of broker warrants issued	(148,096)	148,096	-	-	-	-
Share issue costs	(950,754)	-	-	-	-	(950,754)
Exercise of stock options	393,000	-	-	-	-	393,000
Fair value of exercised stock options	232,020	-	(232,020)	-	-	-
Stock-based compensation	-	-	1,821,614	-	-	1,821,614
Other comprehensive income for the period	-	-	-	127,637	-	127,637
Loss for the period	-	-	-	-	(3,155,573)	(3,155,573)
<b>Balance, June 30, 2025</b>	<b>108,314,649</b>	<b>4,166,037</b>	<b>23,555,130</b>	<b>493,733</b>	<b>(72,411,536)</b>	<b>64,118,013</b>
<b>Balance, March 31, 2024</b>	94,157,161	5,831,320	21,964,116	447,665	(65,487,650)	56,912,612
Fair value of expired warrants	2,194,000	(2,194,000)	-	-	-	-
Stock-based compensation	-	-	149,583	-	-	149,583
Other comprehensive loss for the period	-	-	-	(2,613)	-	(2,613)
Loss for the period	-	-	-	-	(876,454)	(876,454)
<b>Balance, June 30, 2024</b>	<b>96,351,161</b>	<b>3,637,320</b>	<b>22,113,699</b>	<b>445,052</b>	<b>(66,364,104)</b>	<b>56,183,128</b>

# Eloro Resources Ltd.

## Consolidated Statements of Cash Flows

(expressed in Canadian dollars)  
(unaudited)

	3 months ended June 30,	
	2025	2024
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Loss for the period	(3,155,573)	(876,454)
Items not affecting cash		
Depreciation	11,088	11,088
Accretion of interest	1,263	1,953
Stock-based compensation	1,821,614	149,583
Unrealized loss on marketable securities	46,525	82,505
Impairment of exploration and evaluation	190,892	83,831
Changes in non-cash operating working capital		
Receivables	(54,119)	125,761
Prepaid expenses	33,965	93,098
Accounts payable and accrued liabilities	26,812	(218,814)
	(1,077,533)	(547,449)
<b>Financing activities</b>		
Interest paid on lease liabilities	(1,263)	(1,953)
Repayment of lease liabilities	(11,970)	(11,158)
Private placements of units	7,775,101	-
Share issue costs	(950,754)	-
Exercise of stock options	393,000	-
	7,204,114	(13,111)
<b>Investing activities</b>		
Due from Cartier Silver Corporation	(368,951)	(40,074)
Option payment advance	(143,648)	-
Exploration and evaluation	(1,215,386)	(2,091,267)
	(1,727,985)	(2,131,341)
<b>Net increase (decrease) in cash and cash equivalents</b>	4,398,596	(2,691,901)
<b>Cash and cash equivalents, beginning of period</b>	257,585	3,416,489
<b>Currency translation adjustment</b>	127,637	(2,613)
<b>Cash and cash equivalents, end of period</b>	4,783,818	721,975
<b>Supplementary information</b>		
Income taxes paid	-	-

# Eloro Resources Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

### June 30, 2025

(expressed in Canadian dollars)  
(unaudited)

#### 1. Nature of operations

Eloro Resources Ltd. (the "Company") is a public company engaged in the exploration and development of a polymetallic property in Bolivia, a gold-silver property in Peru and base metal properties in Québec.

The Company was incorporated under the Business Corporations Act of Ontario on April 11, 1985 and its registered office is located at 20 Adelaide Street East, Suite 200, Toronto, Ontario, M5C 2T6.

#### 2. Basis of presentation

##### Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board.

The accounting policies used in these condensed interim consolidated financial statements are consistent with those disclosed in the Company's audited consolidated financial statements for the year ended March 31, 2025.

These condensed interim consolidated financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS and should be read in conjunction with the Company's annual financial statements for the year ended March 31, 2025.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on August 14, 2025.

#### 3. Marketable securities

Marketable securities, among other marketable securities, include the Company's investment in Cartier Silver Corporation ("Cartier"), a company which owns 2,540,049 common shares of the Company and has three directors who are also directors of the Company.

	Number of common shares	Fair value \$
<b>Investment in Cartier</b>		
Balance, March 31, 2025	2,333,000	303,288
Unrealized loss	—	(34,993)
Balance, June 30, 2025	2,333,000	268,295

#### 4. Due from Cartier

The amount due from Cartier of \$372,627 is unsecured, non-interest bearing and due on demand.

#### 5. Right-of-use asset

	\$
Right-of-use asset, March 31, 2025 and June 30, 2025	221,751
Accumulated depreciation, March 31, 2025	144,138
Depreciation	11,088
Accumulated depreciation, June 30, 2025	155,226
Balance, June 30, 2025	66,525

## 6. Option payment advance

On July 29, 2020, the Company granted a 2% interest in its wholly-owned Bolivian subsidiary, Minera Tupiza S.R.L. ("Minera Tupiza") to an officer of Minera Tupiza. The Company has an option to increase its interest in Minera Tupiza to 99% by purchasing a 1% interest from the officer for US\$3,000,000. The option was scheduled to expire on July 27, 2024, but was extended by mutual agreement to July 27, 2026. At June 30, 2025, the Company has made instalment payments of US\$600,000 (March 31, 2025 - US\$500,000) on account of the option.

## 7. Exploration and evaluation

	March 31, 2025 \$	Exploration \$	Impairment \$	June 30, 2025 \$
<b>Property</b>				
Iska Iska	57,539,745	1,091,206	—	58,630,951
La Victoria	—	190,892	(190,892)	—
	57,539,745	1,282,098	(190,892)	58,630,951

### Iska Iska

The Company owns a 98% interest in Minera Tupiza S.R.L. ("Minera Tupiza") which has an option to acquire a 100% interest in Iska Iska, a polymetallic property consisting of one mineral concession totaling 900 hectares located in Bolivia. The Company also has an option to increase its interest in Minera Tupiza to 99% (see note 6, *Option payment advance*).

In addition, the Company has 8 staked claims (March 31, 2025 - 8 claims) covering 292.5 km<sup>2</sup> (March 31, 2025 - 292.5 km<sup>2</sup>). The Company has submitted applications for the staked claims in accordance with Bolivian mining laws and regulations. Applications are pending for staked claims covering 105.75 km<sup>2</sup> and a Prospecting and Exploration Licence is pending for staked claims covering 186.75 km<sup>2</sup>.

In order to acquire its interest in Iska Iska, the Company will issue common shares and make option payments, as amended on June 27, 2025:

	Common shares		Option payments	
	Number	Fair value \$	Required US\$	Paid US\$
February 5, 2020	250,000	100,000	—	—
January 6, 2022	250,000	875,000	—	—
April 30, 2024	—	—	500,000	500,000
June 27, 2025 <sup>1</sup>	—	—	1,800,000	1,800,000
July 15, 2025 (extended from May 30, 2025) <sup>2</sup>	—	—	1,000,000	—
January 6, 2026 (extended from July 6, 2025)	—	—	6,700,000	5,050,000
	500,000	975,000	10,000,000	7,350,000

Notes:

1. Credit for expenditures on the Mina Casiterita property (note 7, *Exploration and evaluation, Mina Casiterita and Mina Hoyada option agreement*)
2. See note 15, *Subsequent events, Iska Iska option payment*.

At June 30, 2025 there were option payments of \$2,650,000 remaining to be made. See note 15, *Subsequent events, Iska Iska option payment*.

### Mina Casiterita and Mina Hoyada option agreement

On September 28, 2021, Minera Tupiza entered into an option agreement to acquire Mina Casiterita and Mina Hoyada ("Option Agreement"), which collectively cover 14.75 km<sup>2</sup> southwest and west of Iska Iska, subject to finalizing the granting of the mining rights process. Under the Option Agreement, the capital quotas of the titleholder will be transferred to Minera Tupiza in exchange for the issuance of 200,000 common shares of the Company.

On June 27, 2025, in accordance with the terms of the Option Agreement, as the Mina Casiterita and Mina Hoyada properties could not be transferred to the Company, expenditures of US\$1,800,000 incurred by the Company on Mina Casiterita was credited to the Iska Iska option payment balance (see note 7, *Exploration and evaluation, Iska Iska*). Concurrently, the Option Agreement was amended to provide for the Company to make a cash payment of US\$1,800,000 within 12 months from the date on which the mining rights for Mina Casiterita and Mina Hoyada are obtained.

## La Victoria, Peru

The Company owns an 82% interest in La Victoria (March 31, 2025 - 82%), a gold-silver property covering 6,181 hectares (March 31, 2025 - 6,181 hectares), consisting of 12 concessions: Ccori Orcco 1, Rufina, Rufina N° 2, San Felipe 1, San Markito, Victoria-APB, Romina 02, 03, 04, 05, 06 and 07 mostly in the Huandoval District, Pallasca Province, Ancash Department, in the North-Central Mineral Belt of Peru. La Victoria is subject to a 2% net smelter royalty ("NSR"). The Company has the option to reduce the NSR to 1% by making a payment of \$3,000,000.

During the period ended June 30, 2025, the Company determined that there were indicators of impairment on La Victoria due to a lack of budgeted or planned substantive expenditures and insufficient data to support the technical feasibility or commercial viability of the property. As a result, the Company determined that the carrying amount was unlikely to be recovered and recorded an impairment charge of \$190,892 (2024 - \$83,831).

### **Grant of option for a 25% interest in La Victoria**

Burgundy Diamond Mines Limited ("BDM") owns an 18% interest in La Victoria and had an option to increase its interest to 25% ("Option"). In August 2021, BDM decided to maintain its interest at 18% and not to increase its interest to 25%, at which time, the Option expired and a joint venture, with the Company as operator, was formed to continue to explore and develop La Victoria.

If the Company or BDM does not fund its proportionate share of expenditures, its respective interest will be diluted and when its interest is diluted to less than 10%, the party's interest shall be reduced to a 2% net smelter royalty on all production. The other party will have the option to reduce the royalty from 2% to 1% by making a payment of \$3,000,000.

If either the Company or BDM acquires an interest in any property within 5 kilometres of La Victoria, the acquirer must offer the other party the opportunity to participate in the acquisition up to its participating interest.

In the event the Company or BDM proposes to sell any interest in La Victoria to a third party, the other party has a right of first refusal to match the terms and conditions of the proposed sale. In the event that the Company proposes to sell a majority of its interest in La Victoria to a third party, the Company must first consult with BDM about the identity of the third party and the proposed terms of sale and if the Company proceeds with the sale, BDM will be obliged to sell its interest to the third party on a pro rata basis in accordance with the terms of the sale to the third party.

## 8. Lease liability

	\$
Balance, March 31, 2025	88,177
Accretion of interest	1,263
Lease payments	(13,233)
Balance, June 30, 2025	76,207
<hr/>	
Current portion of lease liabilities	49,958
Long-term lease liabilities	26,249
	76,207

The lease for premises is a joint and several commitment with Cartier. The remaining lease term is 1.5 years.

## 9. Share capital

### **Authorized**

An unlimited number of common shares without par value.

An unlimited number of redeemable, voting, non-participating special shares without par value.

### **Outstanding**

	Number of common shares	Amount \$
Balance, March 31, 2025	85,799,523	102,287,014
Private placement of units	8,184,316	7,775,101
Fair value of warrants issued	—	(1,273,636)
Fair value of broker warrants issued	—	(148,096)
Share issue costs	—	(950,754)
Exercise of stock options	655,000	393,000
Fair value of exercised stock options	—	232,020
Balance, June 30, 2025	94,638,839	108,314,649



### Private placement of units

On April 8, 2025, the Company closed a private placement of units, issuing 5,552,738 units at a price of \$0.95 per unit for gross proceeds of \$5,275,101. Each unit consisted of one common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one common share for \$1.40 until April 8, 2028. In connection with the private placement, the Company paid cash commissions of \$369,257 and issued 388,691 broker warrants. Each broker warrant entitles the holder to purchase one common share at a price of \$1.00 per common share until April 8, 2028. An insider of the Company subscribed for 58,000 units for gross proceeds of \$55,100.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following inputs and assumptions:

	Broker warrants	Unit warrants
Issue date	April 8, 2025	April 8, 2025
Expiry date	April 8, 2028	April 8, 2028
Warrants issued	388,691	2,776,369
Exercise price	\$1.00	\$1.40
Share price	\$0.88	\$0.88
Risk-free interest rate	2.47%	2.47%
Expected volatility based on historical volatility	69%	69%
Expected life of warrants	3 years	3 years
Expected dividend yield	0%	0%
Fair value	\$148,096	\$835,301
Fair value per warrant	\$0.38	\$0.30

### Private placement of units

On May 2, 2025, the Company closed a private placement of units, issuing 2,631,578 units at a price of \$0.95 per unit for gross proceeds of \$2,500,000. Each unit consisted of one common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one common share for \$1.40 until May 2, 2028. In connection with the private placement, the Company paid \$75,000 in finders' fees and \$100,000 in advisory fees.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following inputs and assumptions:

	Unit warrants
Issue date	May 2, 2025
Expiry date	May 2, 2028
Warrants issued	1,315,788
Exercise price	\$1.40
Share price	\$0.93
Risk-free interest rate	2.56%
Expected volatility based on historical volatility	69%
Expected life of warrants	3 years
Expected dividend yield	0%
Fair value	\$438,335
Fair value per warrant	\$0.33

### Warrants

A summary of the Company's common share warrants outstanding at June 30, 2025 is presented below:

	Weighted-average exercise price \$	Number of warrants
Balance, March 31, 2025	2.26	6,366,795
Issued	1.37	4,480,848
Balance, June 30, 2025	1.89	10,847,643

A summary of the Company's common share warrants outstanding at June 30, 2025 is presented below:

<b>Exercise price</b>	<b>Expiry date</b>	<b>Number of warrants</b>
\$4.25	August 3, 2025	1,095,640
\$3.15	August 3, 2025	131,476
\$4.25	August 17, 2025	39,682
\$2.00	March 27, 2026	3,000,000
\$1.50	October 21, 2026	698,558
\$1.50	October 21, 2026	1,401,439
\$1.00	April 8, 2028	388,691
\$1.40	April 8, 2028	2,776,369
\$1.40	May 2, 2028	1,315,788
		<b>10,847,643</b>

### **Long-term Incentive Plan**

The shareholders of the Company approved a new Long-term Incentive Plan (the "Plan") at an annual and special meeting held on September 27, 2022. The Plan received TSX Venture Exchange approval on October 31, 2022. With the implementation of the Plan, all previously issued stock options and restricted share unit awards, which were granted pursuant to the Company's stock option plan and Restricted Share Unit Plan respectively, will be governed by the Plan. The Plan permits the Board to make awards of stock options, restricted share units, performance share units and deferred share units. The maximum number of common shares for issuance under the Plan for stock options will not exceed 10% of the Company's then issued and outstanding shares. The maximum number of common shares for issuance under the Plan for all other awards other than stock options will not exceed 10% of the Company's issued and outstanding shares at the time of shareholder approval of the Plan.

### **Stock options**

The number of the common shares subject to each stock option grant, exercise price, vesting, expiry date and other terms and conditions are determined by the Board. The exercise price shall in no event be lower than the market price of the common shares on the grant date. Stock options shall be for a fixed term, not exceeding five years and unless otherwise specified, each stock option shall vest as to one third on each of the first through third anniversaries of the grant date.

### *Authorized*

9,463,883 stock options

### *Outstanding*

A continuity of the Company's stock options outstanding and exercisable at June 30, 2025 is presented below:

	<b>Weighted-average exercise price</b>	<b>Number of stock options outstanding and exercisable</b>
	<b>\$</b>	
Balance, March 31, 2025	3.56	4,810,000
Exercised	0.60	(655,000)
Granted	0.98	3,000,000
Balance, June 30, 2025	2.75	7,155,000

The common share price when the stock options were exercised was \$1.27.

A summary of the Company's stock options outstanding at June 30, 2025 is presented below:

Exercise price	Expiry date	Number of stock options outstanding and exercisable
\$4.45	February 1, 2026	1,030,000
\$4.65	March 3, 2027	1,525,000
\$3.42	May 30, 2027	100,000
\$3.59	June 6, 2027	750,000
\$4.32	August 3, 2027	150,000
\$3.30	February 2, 2028	250,000
\$1.53	November 22, 2028	350,000
\$0.98	May 20, 2030	3,000,000
		7,155,000

#### Grant of stock options

A summary of the stock options granted during the period ended June 30, 2025 and the assumptions for the calculation of the fair value of those stock options using the Black-Scholes option pricing model is presented below:

Date of grant	May 20, 2025
Expiry date	May 20, 2030
Stock options granted	3,000,000
Exercise price	\$0.98
Share price	\$0.96
Risk-free interest rate	2.88%
Expected volatility based on historical volatility	74%
Expected life of stock options	5 years
Expected dividend yield	0%
Forfeiture rate	0%
Vesting	On date of grant
Fair value	\$1,771,753
Fair value per stock option	\$0.59

#### Restricted share units, deferred share units and performance share units

##### Authorized

The Company may grant an aggregate total of 6,546,889 in restricted share units, deferred share units and performance share units, which represents 10% of the issued and outstanding common shares as at September 27, 2022, the date the shareholders of the Company approved the Plan, less the 441,008 common shares issued pursuant to the security based compensation arrangement to settle accounts payable of \$570,088.

A continuity of the number of the Company's restricted share units outstanding at June 30, 2025 is presented below:

	Vested	Unvested	Total
Balance, March 31, 2025	2,266,667	1,133,333	3,400,000
Vested	250,000	(250,000)	—
Balance, June 30, 2025	2,516,667	883,333	3,400,000

There are no deferred share units or performance units outstanding.

#### *Grant of restricted share units*

On January 19, 2022, the Company granted 2,350,000 restricted share units to officers and consultants. The restricted share units have a redemption date of December 31, 2025 and vest as follows: (a) one-third on the date of filing of a National Instrument 43-101 ("NI 43-101") compliant technical report in connection with the measurement of at least 300 million tonnes of inferred resources at Iska Iska; (b) one-third on the date of filing of a NI 43-101 compliant technical report in connection with the measurement of at least 500 million tonnes of inferred resources at Iska Iska; and (c) one-third on the date of filing of a NI 43-01 compliant technical report in connection with the completion of a positive prefeasibility study for Iska Iska. The fair value of the restricted share units granted is \$7,919,500. On August 30, 2023, the Company achieved vesting milestones (a) and (b) and as a result for year ended March 31, 2024, the Company recognized \$5,279,667 of stock-based compensation expense for the 1,566,667 vested restricted share units. No related expense has been recognized for milestone (c) as of June 30, 2025, due to inability to assess likelihood of vesting.

On June 6, 2022, the Company granted 750,000 restricted share units to a consultant. The restricted share units have a redemption date of June 6, 2025 and vested in 3 annual instalments. The fair value of the restricted share units granted was \$2,692,500, which was expensed over the 3-year vesting period. For the period ended June 30, 2025, stock-based compensation for the restricted share units was \$49,861 (2024 - \$149,583).

On February 2, 2023, the Company granted 300,000 restricted share units to officers. The restricted share units have a redemption date of December 31, 2026 and vest as follows: (a) one-third on the date of filing of a National Instrument 43-101 ("NI 43-101") compliant technical report in connection with the measurement of at least 300 million tonnes of inferred resources at Iska Iska; (b) one-third on the date of filing of a NI 43-101 compliant technical report in connection with the measurement of at least 500 million tonnes of inferred resources at Iska Iska; and (c) one-third on the date of filing of a NI 43-01 compliant technical report in connection with the completion of a positive prefeasibility study for Iska Iska. The fair value of the restricted share units granted is \$960,000. On August 30, 2023, the Company achieved vesting milestones (a) and (b) and as a result for the year ended March 31, 2024, the Company recognized \$640,000 of stock-based compensation expense for the 200,000 vested restricted share units. No related expense has been recognized for milestone (c) as of June 30, 2025, due to inability to assess likelihood of vesting.

#### **10. Determination of fair values**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

##### *Classification of fair value of financial instruments*

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 - quoted prices in active markets for identical assets and liabilities;
- Level 2 - inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 - inputs for the asset or liability that are not based on observable market data.

Marketable securities are measured at fair value at Level 1 of the fair value hierarchy.

#### **11. Financial risk management**

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash balances and amount due from Cartier. The maximum exposure to credit risk is equal to the balance of cash and amount due from Cartier. The Company's limits its exposure to credit risk on its cash by holding its cash in deposits with a Canadian chartered bank.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due. The amounts for accounts payable and accrued liabilities and lease liabilities are subject to normal trade terms.

The Company has no revenues and relies on financing primarily through the issuance of equity to finance its on-going and planned exploration activities and to cover administrative costs.

**Market risk**

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments. The Company is exposed to equity price risk with respect to marketable securities. The Company's approach to managing equity price risk is to optimize the return from its marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at June 30, 2025 had changed by 10%, with all other variables held constant, the unrealized gain (loss) would have decreased or increased by \$32,013.

The Company retains substantially all of its cash with its parent in Canadian dollars until US dollars are required by its foreign subsidiaries. Expenses are incurred in Canadian dollars and US dollars. The Company is subject to gains and losses due to fluctuations in these currencies. At June 30, 2025, a 10% change in the US dollar exchange rate would affect net and comprehensive loss and deficit by \$52,498.

**Interest rate risk**

The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments and the Company has no interest-bearing debt.

**Capital management**

Capital of the Company consists of share capital, warrants, contributed surplus, foreign currency reserve and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's principal source of capital is from the issue of common shares. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

## 12. Related party transactions

### Compensation of key management personnel

The Company considers its directors and officers to be key management personnel. Transactions with key management personnel are set out as follows:

	3 months ended June 30,		Outstanding at	Outstanding at
	2025	2024	June 30,	March 31,
	\$	\$	2025	2025
Exploration and evaluation consulting fees	178,477	45,000	10,780	59,486
Directors' fees	45,000	—	45,000	—
Consulting fees	117,500	112,500	—	—
Financing bonus	170,000	—	—	—
Professional fees	21,277	—	8,487	23,641
Investor relations and marketing	63,500	37,500	—	14,125
Stock-based compensation	1,063,049	—	—	—
	1,658,803	195,000	64,267	97,252

See note 3 for marketable securities related party transactions, note 9 for share capital related party transactions and notes 4, 5, 6, 8, and 15 for other related party transactions.

## 13. Commitments and contingencies

### Value-added tax

In Peru, the Company has paid a value added tax, *Impuesto General a las Ventas* ("IGV"), on the purchase of goods and services which may be recovered against IGV collected on sales by the Company. The Company has paid IGV of US\$471,295, of which, the Company is obligated to pay US\$364,779 to BDM upon recovery. The remaining IGV of US\$106,516 has been included in exploration and evaluation which has been written off during the period ended June 30, 2025 (see note 7).

## 14. Segment information

The Company operates in one reportable segment being mineral exploration.

As the Company is focused on exploration, the Board monitors the Company based on actual versus budgeted exploration expenditure incurred by project. The internal reporting framework is the most relevant to assist the Board with making decisions regarding this Company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

The Company operates in Bolivia and Peru:

Location of non-current assets	\$
Bolivia	58,630,951
Peru	—
	58,630,951

## 15. Subsequent events

### Iska Iska option payment

Subsequent to June 30, 2025, the Company made a US\$1,500,000 Iska Iska option payment, leaving a final payment of US\$1,150,000 due on January 6, 2026.

### Exercise of warrants

Subsequent to June 30, 2025, the Company received proceeds of \$70,000 pursuant to the exercise of 50,000 warrants entitling the holder to purchase one common share for \$1.40 until April 8, 2028.

### Stock option grant

On July 16, 2025, the Company granted 1,055,000 stock options to directors and officers, with each stock option entitling the holder to purchase one common share for \$1.31 until July 16, 2030.