

Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars)

AFTERMATH SILVER LTD.
(An Exploration Stage Company)

Three months ended August 31, 2025 and 2024

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that these condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

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

AFTERMATH SILVER LTD.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited - expressed in Canadian dollars)

As at	August 31, 2025	May 31, 2025
ASSETS		
Current assets:		
Cash	\$ 7,345,000	\$ 8,618,745
Receivables	68,037	27,683
Investments (note 9(a))	3,022,853	5,086,671
Prepaid expenses and advances (note 8)	231,657	195,380
	10,667,547	13,928,479
Restricted cash	11,653	11,925
Mineral properties (note 4)	10,306,089	10,306,089
Deferred acquisition costs (note 5)	17,262,917	17,262,917
Equipment (note 6)	49,431	51,872
	\$ 38,297,637	\$ 41,561,282
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 934,089	\$ 1,191,388
Due to related parties (note 8)	116,367	42,752
	1,050,456	1,234,140
Acquisition costs payable (note 5)	2,070,991	3,960,349
	3,121,447	5,194,489
Shareholders' equity:		
Share capital (note 7)	87,092,669	85,603,206
Reserves	7,327,683	7,084,295
Deficit	(59,244,162)	(56,320,708)
	35,176,190	36,366,793
	\$ 38,297,637	\$ 41,561,282

Nature of operations and going concern (note 1)

Approved on behalf of the Board:

"David Terry" Director

"Michael J. Williams" Director

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

AFTERMATH SILVER LTD.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - expressed in Canadian dollars)

For the period ended	August 31, 2025	August 31, 2024
Expenses:		
Accounting and legal (note 8)	\$ 60,328	\$ 44,819
Accretion expense (note 5)	60,298	214,084
Conference and exhibition	49,119	17,628
Consulting fees (note 8)	268,966	55,096
Corporate secretarial (note 8)	9,750	8,250
Depreciation (note 6)	3,203	3,195
Directors' fees (note 8)	28,500	22,500
Foreign exchange loss (recovery)	8,891	(81,587)
Geological exploration (note 4)	104,182	90,200
Insurance	4,550	4,550
Investor relations	78,765	114,170
Listing and filing fees	23,048	10,427
Office and sundry (note 8)	55,640	35,083
Pre-acquisition exploration (notes 5 and 8)	1,523,540	1,019,031
Share-based payments (notes 7 and 8)	325,956	-
Travel and meals	120,172	16,209
Wages and salaries (note 8)	67,145	60,788
	(2,792,053)	(1,634,443)
Loss on modification of acquisition cost payable (note 8)	(218,890)	-
Interest income	87,489	17,186
Loss and Comprehensive loss for the year	\$ (2,923,454)	\$ (1,617,257)
Loss per share – basic and diluted	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding - basic and diluted	305,089,036	233,861,995

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

AFTERMATH SILVER LTD.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited - expressed in Canadian dollars)

	Share Capital		Reserves	Subscriptions received in advance	Deficit	Total
	Shares	Amount				
May 31, 2024	233,260,909	\$ 59,351,182	\$ 6,711,620	\$ 14,000	\$ (42,158,117)	\$ 23,918,685
Return to treasury	(19)	-	-	-	-	-
Warrants exercised	1,047,448	283,234	-	(14,000)	-	269,234
Loss for the period	-	-	-	-	(1,617,257)	(1,617,257)
August 31, 2024	234,308,338	59,634,416	6,711,620	-	(43,775,374)	22,570,662
Private placements	36,507,936	15,000,000	-	-	-	15,000,000
Warrants exercised	27,402,237	8,732,588	(27,313)	-	-	8,705,275
Options exercised	4,680,500	2,798,761	(1,224,043)	-	-	1,574,718
Share issuance costs	-	(562,559)	-	-	-	(562,559)
Share-based payments	-	-	1,624,031	-	-	1,624,031
Loss for the period	-	-	-	-	(12,545,334)	(12,545,334)
May 31, 2025	302,899,011	85,603,206	7,084,295	-	(56,320,708)	36,366,793
Warrants exercised	3,983,923	1,283,759	(8,904)	-	-	1,274,855
Options exercised	387,500	209,289	(73,664)	-	-	135,625
Share issuance costs	-	(3,585)	-	-	-	(3,585)
Share-based payments	-	-	325,956	-	-	325,956
Loss for the year	-	-	-	-	(2,923,454)	(2,923,454)
August 31, 2025	307,270,434	\$ 87,092,669	\$ 7,327,683	\$ -	\$ (59,244,162)	\$ 35,176,190

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

AFTERMATH SILVER LTD.

Condense Consolidated Interim Statements of Cash Flows
(Unaudited - expressed in Canadian dollars)

For the period ended	August 31, 2025	August 31, 2024
Cash flows from operating activities:		
Loss for the period	\$ (2,923,454)	\$ (1,617,257)
Items not affected by cash:		
Share-based payments	325,956	-
Accretion expense	60,298	214,084
Depreciation	3,203	3,195
Loss on modification of acquisition costs payable	218,890	-
Interest accrued on investments	(27,415)	-
Unrealized foreign exchange	(4,580)	(81,811)
Changes in non-cash working capital items:		
Receivables	(40,354)	3,835
Prepaid expenses and advances	(36,277)	6,994
Accounts payable and accrued liabilities	(257,299)	(456,599)
Due to related parties	73,615	(57,118)
Cash used in operating activities	(2,607,417)	(1,984,677)
Cash flows from investing activities:		
Purchase of equipment	(762)	(7,998)
Purchase of investments	(3,000,000)	-
Redemption of investments	5,091,233	-
Payments made towards acquisition costs payable	(2,163,694)	-
Cash used in investing activities	(73,223)	(7,998)
Cash flows from financing activities:		
Proceeds from warrant exercises	1,274,855	269,234
Proceeds from option exercises	135,625	-
Share issuance costs	(3,585)	-
Cash provided by financing activities	\$ 1,406,895	\$ 269,234
Change in cash	(1,273,745)	(1,723,441)
Cash, beginning of the period	8,618,745	4,331,365
Cash, end of the period	\$ 7,345,000	\$ 2,607,924
Supplemental schedule of non-cash activities		
Reclassification to share capital from reserves on warrant exercises	\$ 8,904	\$ -
Reclassification to share capital from reserves on option exercises	\$ 73,664	\$ -

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

AFTERMATH SILVER LTD.

Notes to Condensed Consolidated Interim Financial Statements
(Unaudited - expressed in Canadian dollars)

Three months ended August 31, 2025 and 2024

1. Nature of operations and going concern:

Aftermath Silver Ltd. ("the Company" or "Aftermath") was incorporated under the laws of British Columbia on January 27, 2011. Its principal business activity is the acquisition, exploration and development of mineral properties. The Company's shares are currently traded on the TSX Venture Exchange ("TSX-V") under the symbol AAG and on the OTCQB under the symbol AAGFF. The Company's registered and records address is Suite 1500 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

The Company is in the exploration stage and engages principally in the acquisition and exploration of mineral properties. The recoverability of the amounts shown for mineral properties is ultimately dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the mineral properties, obtaining necessary financing to explore and develop the mineral properties, entering into agreements with others to explore and develop the mineral properties, and upon future profitable production or proceeds from disposition of the mineral properties.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. The Company has no operating revenue and has a history of losses. As at August 31, 2025, the Company has a working capital of \$9,617,091. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. There can be no assurances that the Company will continue to obtain additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations and there would be significant uncertainty whether the Company would continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business. The Company is currently evaluating various opportunities and seeking sources of financing. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

2. Material accounting policies:

(a) Basis of presentation:

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and Interpretations issued by the IFRS Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied are the same as those applied in the Company's annual consolidated financial statements for the year ended May 31, 2025.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on October 27, 2025.

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Three months ended August 31, 2025 and 2024

2. Material accounting policies (continued):

(b) Basis of consolidation:

These condensed consolidated interim financial statements include the accounts of the Company, its wholly owned subsidiaries Minera Cachinal S.A. ("Minera Cachinal"), Aftermath Silver Peru S.A., Minera Aftermath Challacollo Limitada ("MMC"), and Minera ISP S. R.L. de C.V. Intercompany balances and transactions, including any unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

(c) New standards not yet adopted:

IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 18 is effective for reporting periods beginning on or after January 1, 2027. It introduces several new requirements that are expected to impact the presentation and disclosure of most, if not all, entities. The Company is in the process of assessing the impact on the financial statements of the new standard.

3. Material accounting estimates and judgments:

The preparation of financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported periods. The Company reviews its estimates and assumptions regularly; however, actual results could differ from those estimates.

Significant judgments used are as follows:

Valuations of convertible debentures

The equity portion of the convertible debenture is calculated using a discounted cash flow method which requires management to make an estimate on an appropriate discount rate.

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment based on historical experience. Significant judgments are used in the Company's assessment of its ability to continue as a going concern, which are described in Note 1, and recording deferred acquisition costs and acquisition costs payable pursuant to binding agreements.

Functional currency

The functional currency of an entity is assessed on a standalone basis to determine the economic substance of the currency in which each entity performs its operations.

Acquisition of subsidiary entities

Management determines whether assets acquired, and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs.

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3. Material accounting estimates and judgments (continued):

Deferred Income tax

The determination of income tax is inherently complex and requires making certain judgments about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

Mineral properties

The recognition of mineral properties requires judgments regarding future recoverability and carrying cost. The cost model is utilized and the value of the mineral properties is based on the acquisition expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

Significant accounting estimates used are as follows:

Share-based payments

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

Shares issued in non-cash transactions

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

4. Mineral Properties:

Challacollo Property Acquisition, Chile

On November 8, 2019, the Company entered into a share purchase agreement with Mandalay Resources Corp. ("Mandalay"), pursuant to which the Company would acquire MMC, which owns the Challacollo silver-gold project in Chile. In consideration for the acquisition of MMC, which closed during the year ended May 31, 2023, the Company paid Mandalay a total of \$5,000,000 in cash and issued an aggregate of 8,177,242 common shares with a value of \$2,836,035. In addition to the purchase consideration, the Company paid a finder's fee of \$357,500 cash and 306,122 common shares valued at \$71,939 and incurred closing costs of \$210,877.

The property is subject to net smelter royalty ("NSR") of 3% capped at \$3,000,000.

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4. Mineral Properties (continued):

The Company incurred the following exploration expenditures on the Cachinal and Challacollo Mineral projects during the periods ended August 31, 2025 and 2024:

Period ended August 31, 2025	Cachinal Project	Challacollo Project	Total
Field supplies and equipment	\$ 557	\$ 4,993	\$ 5,550
Field and support staff and benefits	-	6,091	6,091
General and administrative	4,329	5,879	10,208
Geological consulting	37,796	16,244	54,040
Legal fees	-	4,819	4,819
Permits and licenses	909	17,796	18,705
Travel and meals	1,340	2,244	3,584
Value-added tax	-	1,185	1,185
	\$ 44,931	\$ 59,251	\$ 104,182

Period ended August 31, 2024	Cachinal Project	Challacollo Project	Total
Field supplies and equipment	\$ -	\$ 5,981	\$ 5,981
Field and support staff and benefits	-	6,101	6,101
General and administrative	2,559	24,862	27,421
Geological consulting	2,890	3,657	6,547
Legal fees	-	16,077	16,077
Permits and licenses	928	17,160	18,088
Travel and meals	-	2,725	2,725
Value-added tax	-	7,260	7,260
	\$ 6,377	\$ 83,823	\$ 90,200

A continuity of mineral properties for the period ended August 31, 2025 and 2024 is as follows:

	Cachinal Project	Challacollo Project	Total
Balance, May 31, 2024, 2025 and August 31, 2025	\$ 1,852,853	\$ 8,453,236	\$ 10,306,089

5. Deferred acquisition costs, Investigation costs:

Berenguela Property Acquisition, Peru

On July 22, 2020, the Company entered into a binding Letter of Intent (the "LOI") with SSR to acquire 100% of the Berenguela silver-copper project located in Puno, Peru, through the purchase of 100% of SSR's shares in its Peruvian holding company, Sociedad Minera Berenguela S.A ("SMB"). On September 30, 2020, the acquisition agreement with SSR was signed.

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Notes to Condensed Consolidated Interim Financial Statements
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5. Deferred acquisition costs, Investigation costs (continued):

The Company has agreed to pay US\$12,525,000 (*amended from US\$12,725,000 pursuant to a series of amendments, as disclosed below*) made in staged cash payments, 4,287,049 Aftermath Silver common shares, and a sliding scale net NSR on production, as follows:

- i. US\$1,000,000 deposit, to be paid withing 48 hours of signing the LOI (*paid – CAD \$1,341,670*);
- ii. US\$725,000 cash on the initial closing date (*paid – CAD \$953,375*) and 4,287,049 Aftermath common shares (*issued with value of \$4,029,826*);
- iii. US\$2,250,000 cash to be paid on November 30, 2021 (*paid – CAD\$2,862,585*);
- iv. US\$2,500,000 cash to be paid on November 30, 2023 (*paid - CAD\$3,403,900 - amended from November 30, 2022, as per discussion below*);
- v. US\$2,900,000 cash to be paid on December 31, 2024 (*paid – CAD\$4,175,652 - amended from US\$3,000,000 due on May 15, 2025, as per discussion below*);
- vi. Completion of a Preliminary Feasibility Study (“PFS”) and filing on SEDAR of a NI 43-101 technical report summarizing the PFS by November 23, 2025. During the period ended August 31, 2025, pursuant to an amending agreement, this requirement was removed;
- vii. US\$1,500,000 cash to be paid on June 3, 2025 (*paid – CAD \$2,061,465*) and US\$1,650,000 cash to be paid on November 23, 2026 (*amended from US\$3,250,000 due on November 30, 2026, pursuant to an amending agreement entered during the period ended August 31, 2025*);
- viii. A sliding scale NSR on all mineral production from the Berenguela Project for the life of mine commencing at the declaration of commercial production, based on the following:
 - a. 1.0% NSR, on all mineral production when the Silver Market Price is up to and including US\$25/ounce; and
 - b. 1.25% NSR on all mineral production when the Silver Market Price is over US\$25/ounce and when the Copper Market Price is above \$2.00/lb.

During the year ended May 31, 2023, the Company entered into an agreement whereby the payment of US\$2,500,000 originally due on November 30, 2022, was deferred by one year to November 30, 2023. In consideration for the deferral, the Company paid US\$400,000 (\$541,884). Upon entering into the amending agreement, the Company recognized an increase in acquisition costs payable of \$157,739.

During the year ended May 31, 2024, the Company entered into a further agreement whereby it made the US\$2,500,000 payment due on November 30, 2023 early in exchange for deferment of the November 30, 2024 payment of US\$3,000,000 to May 15, 2025. The Company recognized an increase in acquisition costs payable of \$6,321 during the year ended May 31, 2023. During the year ended May 31, 2025, the Company entered into a further amendment, whereby the US\$3,000,000 payment was reduced to US\$2,900,000 by making payment by December 31, 2024. Upon entering into the amending agreement, the Company recognized an increase in acquisition costs payable of \$32,997.

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Notes to Condensed Consolidated Interim Financial Statements
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Three months ended August 31, 2025 and 2024

5. Deferred acquisition costs, Investigation costs (continued):

During the period ended August 31, 2025, the Company entered into an amending agreement whereby the amount of US\$3,250,000 previously payable on November 30, 2026 was reduced by US\$100,000, in exchange for payment of US\$1,500,000 on the date of the agreement and US\$1,650,000 on November 23, 2026. Pursuant to the terms of the amendment, the requirement to prepare a PFS was waived. Upon entering into the amending agreement, the Company recognized an increase in acquisition costs payable of \$218,890.

On the initial closing date, the Company recognized a total of \$10,300,701 to deferred acquisition costs related to the present value of future US\$11,000,000 in payments plus US\$550,000 (amended to US\$545,000 payable during the year ended May 31, 2025) in future finders' fees discounted using a rate of 12%.

A continuity of acquisition costs payable for the periods ended August 31, 2025 and 2024, is as follows:

	August 31, 2025	May 31, 2025
Acquisition costs payable		
Acquisition costs payable, beginning of the period	\$ 3,960,349	\$ 7,359,435
Amendment to acquisition costs payable	218,890	32,997
Payment towards acquisition costs payable	(2,061,465)	(4,175,652)
Payment of finders' fees	(102,229)	(208,728)
Accretion expense	60,298	700,355
Foreign exchange recognized	(4,852)	251,942
	2,070,991	3,960,349
Current portion of acquisition costs payable	-	-
Acquisition costs payable, end of the period	\$ 2,070,991	\$ 3,960,349

The Company has agreed to pay a finders' fee of US\$649,478 (amended from US\$659,478) over the term of the agreement of which US\$566,978 (\$769,024) has been paid to date, and issue 346,279 common shares (issued during the year ended May 31, 2021, with a value of \$415,535).

Ownership in SMB will not transfer until such time the Company has completed its payments. Up until the point ownership transfers, all of the Company's exploration costs towards the Berenguela project are included in pre-acquisition exploration costs as they are not required pursuant to the acquisition agreement.

AFTERMATH SILVER LTD.

Notes to Condensed Consolidated Interim Financial Statements
(Unaudited - expressed in Canadian dollars)

Three months ended August 31, 2025 and 2024

5. Deferred acquisition costs, Investigation costs (continued):

The Company incurred the following pre-acquisition exploration costs for the periods ended August 31, 2025 and 2024:

Period ended August 31, 2025	Berenguela Project
Analysis	\$ 18,523
Field supplies and equipment	22,470
Field and support staff and benefits	420,726
General and administrative	51,786
Geological consulting	168,229
Legal fees	14,090
Maps and reports	26,695
Metallurgical test work	567,123
Permits & licenses	172,408
Travel and meals	61,490
	\$ 1,523,540
Period ended August 31, 2024	Berenguela Project
Analysis	\$ 220,042
Drilling	20,565
Field supplies and equipment	53,083
Field and support staff and benefits	370,333
General and administrative	50,024
Geological consulting	131,541
Legal fees	10,341
Maps and reports	210
Permits & licenses	6,365
Travel and meals	84,209
Value-added tax	72,318
	\$ 1,019,031

Deferred acquisition costs incurred as at August 31, 2025, and August 31, 2024 are as follows:

	Berenguela Project	Total
Balance, May 31, 2024, May 31, 2025, and August 31, 2025	\$ 17,262,917	\$ 17,262,917

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Notes to Condensed Consolidated Interim Financial Statements
(Unaudited - expressed in Canadian dollars)

Three months ended August 31, 2025 and 2024

6. Equipment:

	Office Furniture	Computer & Comms Equipment	Field Equipment	Total
Cost				
Balance, May 31, 2024	\$ 20,003	\$ 30,798	\$ 36,216	\$ 87,017
Additions	-	10,720	4,963	15,683
Balance, May 31, 2025	20,003	41,518	41,179	102,700
Additions	-	-	762	762
Balance, August 31, 2025	\$ 20,003	\$ 41,518	\$ 41,941	\$ 103,462
Accumulated Depreciation				
Balance, May 31, 2024	\$ 5,979	\$ 16,330	\$ 13,835	\$ 36,144
Depreciation	3,083	5,835	5,766	14,684
Balance, May 31, 2025	9,062	22,165	19,601	50,828
Depreciation	632	1,194	1,377	3,203
Balance, August 31, 2025	\$ 9,694	\$ 23,359	\$ 20,978	\$ 54,031
Net Book Value				
May 31, 2025	\$ 10,941	\$ 19,353	\$ 21,578	\$ 51,872
August 31, 2025	\$ 10,309	\$ 18,159	\$ 20,963	\$ 49,431

7. Share capital:

(a) Authorized share capital:

Unlimited number of voting common shares without par value.

(b) Issued share capital:

Outside of warrant and stock option exercises, there were no shares issued during the period ended August 31, 2025.

Share issuances for the year ended May 31, 2025 were as follows:

- The Company closed a non-brokered private placement by issuing 14,285,714 units at a price of \$0.35 per unit for gross proceeds of \$5,000,000. Each unit consists of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.45 for a period of two years. In connection with the offering, the Company paid finders' fees of \$150,000 and incurred additional closing costs of \$37,480.
- The Company closed a non-brokered private placement by issuing 22,222,222 units at a price of \$0.45 per unit for gross proceeds of \$10,000,000. Each unit consists of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.70 for a period of three years. In connection with the offering, the Company paid finders' fees of \$300,000 and incurred additional closing costs of \$66,897.

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Notes to Condensed Consolidated Interim Financial Statements
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Three months ended August 31, 2025 and 2024

7. Share capital (continued):

(c) Warrants:

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, May 31, 2024	37,789,474	\$ 0.32
Issued	18,253,968	0.60
Expired	(497,601)	0.35
Exercised	(28,449,685)	0.32
Balance, May 31, 2025	27,096,156	0.51
Exercised	(3,983,923)	0.32
Balance, August 31, 2025	23,112,233	\$ 0.54

At August 31, 2025, the Company had the following warrants outstanding:

Number of Warrants	Exercise Price	Expiry Date
3,051,554	\$0.32	April 2, 2026 ¹
1,806,711	\$0.32	April 11, 2026 ²
7,142,857	\$0.45	September 25, 2026
11,111,111	\$0.70	November 28, 2027
23,112,233		

1. Subsequent to the period ended August 31, 2025, 826,454 of these warrants were exercised for proceeds of \$264,465.
2. Subsequent to the period ended August 31, 2025, 139,288 of these warrants were exercised for proceeds of \$44,572.

(d) Long-term incentive plan:

The Company has a long-term incentive plan, approved by the Company's shareholders, that allows it grant Stock Options, Restricted Share Units, Performance Share Units, Deferred Share Units, and Stock Appreciation Rights subject to the aggregate number of common shares of the Company issuable under all security incentives of the Company not exceeding 10% of the issued and outstanding common shares of the Company at the time of the grant.

(e) Stock options:

Stock option grants must be approved by the Board of Directors and options are exercisable over periods of up to ten years to buy shares of the Company at a price not less than the closing market price prevailing on the date the option is granted, less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSX-V.

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Notes to Condensed Consolidated Interim Financial Statements
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Three months ended August 31, 2025 and 2024

7. Share capital (continued):

(e) Stock options (continued):

Stock option transactions are as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance, May 31, 2024	14,480,500	\$ 0.53
Expired / Cancelled	6,375,000	0.38
Exercised	(4,680,500)	0.34
Balance, May 31, 2025	16,175,000	0.53
Granted	300,000	0.68
Exercised	(387,500)	0.35
Balance, August 31, 2025	16,087,500	\$ 0.53
Exercisable, August 31, 2025	14,232,292	\$ 0.54

At August 31, 2025, stock options were outstanding, enabling holders to acquire common shares as follows:

Number of Stock Options	Exercise Price	Expiry Date
5,100,000	\$ 0.80	October 9, 2025 ¹
700,000	\$ 0.65	June 16, 2026
450,000	\$ 0.65	October 27, 2026
2,800,000	\$ 0.35	December 5, 2027 ²
750,000	\$ 0.30	March 16, 2028
4,887,500	\$ 0.35	September 3, 2029 ³
100,000	\$ 0.485	January 11, 2030
600,000	\$ 0.495	January 21, 2030
400,000	\$ 0.60	March 18, 2030
300,000	\$ 0.68	June 26, 2030
16,087,500		

1. Subsequent to the period ended August 31, 2025, all of these options were exercised for proceeds of \$4,080,000.

2. Subsequent to the period ended August 31, 2025, 350,000 of these stock options were exercised for proceeds of \$122,500.

3. Subsequent to the period ended August 31, 2025, 562,500 of these stock options were exercised for proceeds of \$198,875.

During the period ended August 31, 2025, the Company granted a total of 300,000 (year ended May 31, 2025 – 6,375,000) stock options with a weighted average fair value of \$0.45 per option (year ended May 31, 2025 – \$0.22). For the period ended August 31, 2025, the Company recognized share-based payments expense of options granted and vesting of \$153,900 (2025 - \$nil).

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted:

	August 31, 2025	May 31, 2025
Risk-free interest rate	2.87%	2.91%
Expected life of option	4 years	4 years
Expected annualized volatility	85.78%	86.54%
Dividend	\$0.00	\$0.00

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7. Share capital (continued):

(f) Restricted Share Units:

During the year ended May 31, 2025, the Company granted 2,900,000 Restricted Share Units ("RSUs") to certain directors, officers, and consultants of the Company. The RSUs vest by one third one each year, starting one year from the grant date. During the period ended August 31, 2025, the Company recognized \$172,056 (2025 - \$nil) for RSUs granted and vested. During the period ended August 31, 2025, the Company granted a total of 250,000 RSUs to consultants of the Company vesting 1/3 on each anniversary from the date of the grant.

RSU transactions are as follows:

	Number of RSUs
Balance, May 31, 2024	-
Granted	2,900,000
Balance, May 31, 2025	2,900,000
Granted	350,000
Balance, August 31, 2025	3,250,000

At August 31, 2025, RSUs were outstanding, enabling holders to acquire common shares as follows:

Number of RSUs	Number of RSUs vested	Grant Date
2,350,000	-	September 3, 2024 ¹
550,000	-	January 11, 2025
350,000	-	June 26, 2025
3,250,000	-	

1. Subsequent to August 31, 2025, 783,331 of these RSUs vested and the corresponding shares were issued.

8. Related party balances and transactions:

Key management personnel consist of directors and senior management including the Executive Chairman, President and Chief Executive Officer, Chief Financial Officer, and Corporate Secretary.

During the periods ended August 31, 2025 and 2024, the Company paid or accrued the following amounts to key management personnel or companies controlled by them:

	August 31, 2025	August 31, 2024
Accounting and legal	\$ 22,500	\$ 22,500
Consulting	49,500	45,000
Geological consulting fees included in pre-acquisition exploration	77,709	44,438
Corporate secretarial	9,750	8,250
Directors' fees	28,500	22,500
Share-based payments	191,030	-
Wages and salaries	66,000	60,000
	\$ 444,989	\$ 202,688

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8. Related party balances and transactions (continued):

In addition, payments to companies with common directors and officers for rent, office, and administration totaled \$23,325 (2025 - \$19,525).

As at August 31, 2025, due to related parties included \$116,367 (May 31, 2025 - \$42,752) due to key management personnel. As at August 31, 2025, \$27,027 (May 31, 2025 - \$34,311) in advances to related parties was included within prepaid expenses and advances.

9. Financial instruments:

The carrying values of cash, investments, receivables, restricted cash, accounts payable and accrued liabilities, and due to related parties approximate their fair values due to their short terms to maturity. The acquisition costs payable was valued using a valuation technique.

(a) Financial instrument risk exposure and risk management:

Credit risk

Credit risk arises from the possibility that counterparties may be unable to fulfill their commitments to the Company. The Company's credit risk is primarily attributable to its liquid financial assets, including cash, investments, restricted cash, and receivables. The carrying value of these instruments represents the Company's maximum exposure to credit risk. The Company manages and limits exposure to credit risk by maintaining its cash with high-credit quality financial institutions. During the year ended May 31, 2025, the Company purchased a \$5,000,000 six-month locked guaranteed interest certificate with a major Canadian financial institution, recognized within investments which was redeemed during the period ended August 31, 2025 for \$5,091,233, inclusive of interest. During the period ended August 31, 2025, the Company purchased a \$3,000,000 six-month locked GIC recognized in investments and as at August 31, 2025 was valued at \$3,022,853 inclusive of accrued interest, for which management believes the risk of loss to be remote. The Company's receivables related to GST receivable in Canada and VAT receivable in Peru. As the only amounts owing are from government agencies, the Company has determined the credit risk to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company manages liquidity risk through the management of its capital structure, as outlined in note 9(b) of these consolidated financial statements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing financial assets as at August 31, 2025.

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9. Financial instruments (continued):

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign currency rates. The Company's functional and reporting currency is the Canadian dollar. The Company incurs foreign currency risk on purchases that are denominated in a currency other than the functional currency of the Company, which will have an impact on the profitability of the Company and may also affect the value of the Company's assets, liabilities and the amount of shareholders' equity.

The Company's main risks are associated with fluctuations in the US dollar ("US"), the Chilean peso ("CLP"), the Peruvian Sol ("PEN"), and the Mexican peso ("MXN"). The Company does not enter into any foreign exchange hedging contracts. As at August 31, 2025, the Company had foreign current assets totaling approximately CLP164,609,673 and PEN728,009 and amounts payable totaling approximately US\$1,630,201, CLP1,734,060, PEN1,452,710 and MXN263,984. The Company has determined that a 10% increase or decrease in these currencies against the Canadian dollar on these instruments, as at August 31, 2025, would result in a \$231,023 change to profit or loss for the year.

(b) Capital management:

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's exploration and evaluation of its resource properties and support any expansion plans. The capital of the Company consists of the items included in shareholders' equity.

The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its financial objectives. Notwithstanding the risks described in note 1 of the consolidated financial statements, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

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

10. Segmented information:

The Company operates in one segment, the acquisition and exploration of mineral properties. Geographical information can be found in notes 4, 5, and 6. All of the Company's equipment is located in Peru.