

PANORO MINERALS LTD.

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in United States dollars, unless otherwise stated)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

These condensed consolidated interim financial statements of Panoro Minerals Ltd. ("the Company") and related information presented in this financial report are the responsibility of the Company's management and have been approved by the Board of Directors. These condensed consolidated interim financial statements are prepared in accordance with IFRS Accounting Standards and reflect management's best estimates and judgments based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls through its Audit Committee, which is comprised of a majority of non-management directors. The Audit Committee reviews the results of the audit and the annual consolidated financial statements prior to their submission to the Board of Directors for approval.

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

"Luquman A. Shaheen" (signed)

Luquman A. Shaheen
President and Chief Executive Officer

Vancouver, British Columbia

"Michael Malana" (signed)

Michael Malana
Chief Financial Officer

Vancouver, British Columbia

PANORO MINERALS LTD.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in **United States dollars**, unless otherwise stated)

	Note	March 31, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		\$ 236,025	\$ 693,612
Marketable securities		300	300
Accounts and advances receivable		143,631	146,075
Prepaid expenses		230,761	175,363
Total current assets		610,717	1,015,350
Non-current assets			
Property and equipment		100,981	123,739
Investment in Antilla Copper		1,885,730	1,885,730
Exploration and evaluation assets	6	50,208,373	49,700,363
Total assets		\$ 52,805,801	\$ 52,725,182
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	10	\$ 1,675,733	\$ 1,308,243
Current tax liability		52,314	61,381
Current portion of lease liabilities		49,273	48,955
Liabilities under Early Deposit Precious Metals Agreement	7	12,000,000	12,000,000
Total current liabilities		13,777,320	13,418,579
Non-current liabilities			
Long- term portion of lease liabilities		54,937	64,717
Liabilities under Early Deposit Precious Metals Agreement	7	2,000,000	2,000,000
Total liabilities		15,832,257	15,483,296
Shareholders' equity			
Share capital	8(a)	69,443,360	69,443,360
Share-based expense reserve	8(b)	10,213,266	9,600,386
Accumulated other comprehensive income (loss)		30,199	30,199
Deficit		(42,713,281)	(41,832,059)
Total shareholders' equity		36,973,544	37,241,886
Total liabilities and shareholders' equity		\$ 52,805,801	\$ 52,725,182
Going concern (Note 2)			
Commitments (Note 10)			

Approved on behalf of the Board:

"Luquman A. Shaheen"

"William J. Boden"

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

PANORO MINERALS LTD.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in **United States dollars**, unless otherwise stated and except per share data)

		Three Months Ended	
	Note	March 31, 2025	March 31, 2024
Expenses			
Amortization		\$ 22,758	\$ 30,713
Administration		72,281	117,588
Audit and tax		17,625	3,760
Consulting fees		1,264	6,759
Corporate development, conferences, travel, and shareholder relations		26,319	46,423
Directors' fees	9	32,211	28,263
Legal		2,331	1,084
Property evaluation		8,000	27,464
Salaries and benefits	9	156,448	133,564
Share-based expense	8(b)	612,880	-
		(952,117)	(395,618)
Interest income		2,540	24,700
Interest expense		(4,667)	(8,382)
Other income	9	-	6,214
Other expense		(9,610)	-
Foreign exchange loss		82,632	(18,869)
Loss and comprehensive loss for the period		\$ (881,222)	\$ (391,955)
Weighted average number of common shares outstanding, basic and diluted		264,375,058	264,375,058
Loss per share, basic and diluted		\$ (0.00)	\$ (0.00)

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

PANORO MINERALS LTD.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in **United States dollars**, unless otherwise stated)

	Number of shares	Share capital \$	Share-based expense reserve \$	Accumulated other comprehensive loss \$	Deficit \$	Total \$
Balance, December 31, 2023	264,375,058	69,443,360	9,600,386	(7,258)	(40,630,601)	38,405,887
Loss for the period	-	-	-	-	(391,955)	(391,955)
Balance, March 31, 2024	264,375,058	69,443,360	9,600,386	(7,258)	(41,022,556)	38,013,932
Balance, December 31, 2024	264,375,058	69,443,360	9,600,386	30,199	(41,832,059)	37,241,886
Share-based expense (note 8(b))	-	-	612,880	-	-	612,880
Loss for the period	-	-	-	-	(881,222)	(881,222)
Balance, March 31, 2025	264,375,058	69,443,360	10,213,266	30,199	(42,713,281)	36,973,544

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

PANORO MINERALS LTD.

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in **United States dollars**, unless otherwise stated)

		Three Months Ended	
	Note	March 31, 2025	March 31, 2024
Operating activities:			
Loss for the period		\$ (861,222)	\$ (391,955)
Items not involving the use of cash:			
Amortization		27,758	30,713
Share-based expense	8(b)	612,880	-
Interest expense on lease liabilities		2,644	17,568
Foreign exchange loss		506	423,705
Taxes paid		(9,067)	(10,254)
Interest income		(2,540)	(24,700)
Interest received		2,540	24,700
		(251,501)	69,777
Changes in non-cash operating working capital:			
Accounts and advances receivable		2,444	2,227,895
Prepaid expenses		(55,398)	(47,659)
Accounts payable and accrued liabilities		280,806	297,583
Cash provided by (used in) operating activities		(23,649)	2,547,596
Investing activities:			
Exploration and evaluation expenditures		(430,788)	(996,978)
Cash used in investing activities		(430,788)	(996,978)
Financing activities:			
Interest payment on lease liabilities		(2,644)	(17,568)
Repayment of lease liabilities			(53,490)
Cash used in financing activities		(2,644)	(71,058)
Effect of foreign exchange on cash held		(506)	(423,705)
Increase (decrease) in cash and cash equivalents		(457,587)	1,055,855
Cash and cash equivalents, beginning of period		693,612	256,533
Cash and cash equivalents, end of period		\$ 236,025	\$ 1,312,388

Supplementary cashflow information is disclosed in Note 12.

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

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Notes to the Condensed Consolidated Interim Financial Statements
(Expressed in **United States dollars**, unless otherwise stated)
For the three months ended March 31, 2025 and 2024

1. Nature of operations

Panoro Minerals Ltd. is incorporated under the *Business Corporations Act* in the Province of British Columbia. The Company's principal place of business is located at Suite 480 – 505 Burrard Street, Vancouver, BC, Canada V7X 1M3. Panoro Minerals Ltd. and its subsidiaries are referred to as "Panoro" or the "Company."

The Company is an exploration-stage company engaged principally in the acquisition, exploration, and development of mineral properties in Perú and trades on the TSX Venture Exchange (the "Exchange") as a Tier 2 mining issuer under the trading symbol "PML". The Company also trades on the Bolsa de Valores de Lima under the same trading symbol, and on the OCTQB under the symbol "POROF".

2. Going concern

These consolidated financial statements have been prepared on a going concern basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has no operating revenue and for the three months ended March 31, 2025, recorded a loss of \$881,222 (2024 – \$391,955). As at March 31, 2025, the Company had an accumulated deficit of \$42,713,281 (December 31, 2024 – \$41,832,059) and a working capital deficiency, being current assets less current liabilities, of \$13,166,603 (December 31, 2024 – \$12,403,229).

The Company's investment in its exploration and evaluation assets comprises a significant portion of the Company's assets. Recovery of the carrying value of the investment in these assets, including the investment in Antilla Copper S.A. and its property and equipment, and the Company's ability to continue operations as a going concern are dependent upon the existence of economically recoverable reserves, confirming and maintaining legal ownership of the resource properties, the ability of the Company to obtain the necessary mining and environmental permits, the ability of the Company to obtain necessary financing to complete the exploration and development, and the attainment of future profitable production or the disposition of these assets for proceeds in excess of their carrying values.

Although the Company expects to have sufficient financial resources to cover its existing obligations and operating costs and undertake its currently planned programs, the Company will require further funding to continue its exploration and evaluation activities, and ultimately develop its properties within the next twelve months. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. These conditions create a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

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 achieve operating profitability and generate positive cash flows. The Company is in the business of exploring and developing mineral property interests, and as such, must continually seek sources of financing to further develop and explore its mineral exploration and evaluation assets and to support general and administrative expenses.

The Company will continue to seek additional financing through the sale of mineral property interests, debt financing and/or equity financing. However, it is not certain that such financing will be available. The Company may be adversely impacted by a lack of normal available financing, inability to maintain mining licenses, and continued uncertainty in the exchange and commodity markets.

These condensed consolidated interim financial statements do not reflect adjustments to the carrying values of its assets and liabilities, the reported income and expenses, and the classification used in the condensed consolidated interim statements of financial position, which may be required should the Company be unable to continue as a going concern. These adjustments could be material.

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3. Basis of presentation

(a) Statement of compliance

These condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the Company's audited consolidated financial statements for the year ended December 31, 2024 and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") in compliance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting. Accordingly, certain disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024.

These condensed consolidated interim financial statements of the Company for the three months ended March 31, 2025, were approved and authorized for issuance by the Board of Directors on May 29, 2025.

(b) Critical accounting estimates

The preparation of financial statements requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas requiring the use of estimates and assumptions relate to the review of asset carrying values and determination of impairment charges relating to non-current assets if an indicator of impairment is identified. Actual results could differ from those estimates. Key estimates made by management with respect to the areas noted previously have been disclosed in the notes to these condensed consolidated interim financial statements as appropriate.

(c) Use of judgements

Significant areas requiring judgement relate to assessing exploration and evaluation assets for indicators of impairment, the going concern assessment as discussed in note 2, the fair market valuation of the Company's investment in Antilla Copper as disclosed in note 5 and determining the appropriate accounting for the Wheaton Precious Metals Purchase Agreement ("Wheaton PMPA") with Wheaton Precious Metals International Ltd. ("Wheaton Metals") as disclosed in note 7.

4. Material accounting policy information

Future accounting changes

Effective for annual periods beginning on or after January 1, 2027, the Company is required to adopt IFRS 18, Presentation and Disclosure in Financial Statements, with early adoption permitted. IFRS 18 will replace IAS 1; many of the existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss, in particular additional defined subtotals, disclosures about

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management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7, Statement of Cash Flows. The Company is assessing the potential impact of the application of the standards.

5. Investment in Antilla Copper

On December 3, 2021, the Company completed a sale of 75% of its interest in the Company's subsidiary, Antilla Copper which holds the Antilla project, an advanced stage mineral exploration project (the "Antilla Project"). The acquisition payments are staged and the acquiror, Heeney Capital Acquisition Company ("HCAC") initially acquired 75% of the shares of Antilla Copper for \$7,383,000 (C\$10,000,000) in cash, and \$2,032,540 (C\$2,753,000) (the "Second Payment"), receivable at the earlier of HCAC going public on an internationally recognized stock exchange or ten months from the closing of the transaction, being October 3, 2022. An additional 15% of the Company's shares in Antilla Copper is to be sold for a contingent \$5,293,000 (C\$7,000,000) twelve months after the earlier of drilling permits and community land use agreements being obtained or a pre-feasibility or feasibility study is completed on the Antilla Project which will result in HCAC having a 90% interest in Antilla Copper. The Company and HCAC are to contribute their pro-rata portion of all exploration and development expenditures.

The agreement also includes a further contingent payment of \$7.6 million (C\$10.0 million) if a feasibility study estimates the net present value at an 8% discount rate ("Antilla NPV8") of the Antilla Project to be above \$310 million; or up to \$37.8 million (C\$50.0 million) if the Study estimates the Antilla NPV8 to be above \$360 million.

The net smelter returns royalty ("NSR") to Panoro over the life of the Antilla Project will include an existing 2.0% NSR; and an additional 1.0% NSR if the Company's ownership in Antilla Copper is diluted to below 5%. If this occurs, the Company will have a total 3.0% NSR on the Antilla Project, subject to a buyback right for the 1.0% NSR for \$3.0 million (C\$4.0 million).

At the time of the sale, the Company deconsolidated the net assets of Antilla Copper and recorded the retained interest as an equity investment, initially recorded at its fair value of \$3,199,054 (C\$4,333,000), determined based on the transaction value.

During the year ended December 31, 2023, the Company amended the Antilla Copper sale agreement with Calisto Cobre Resources Corp. (formerly HCAC) ("Calisto") in which both parties agreed to the following amended terms:

- defer the Second Payment balance to the earlier of (i) a date within 30 days of an Initial Public Offering ("IPO") of Calisto on an internationally recognized stock exchange and (ii) March 31, 2024;
- Calisto agreed to pay interest on any Second Payment outstanding amounts at a rate of 6.7% accrued and payable at the earlier of the date of the full payment of the Second Payment outstanding balance or March 31, 2024;
- Calisto retained the right to prepay the Second Payment outstanding balance at any time prior to an IPO, without penalty, together with any accrued and unpaid interest up to the prepayment date; and
- In the event of failure by Calisto to pay the Second Payment outstanding balance by March 31, 2024, Calisto would immediately transfer to Panoro such number of shares of Antilla Copper comprising 17.3% of the issued and outstanding shares of Antilla Copper to be adjusted as necessary to result in Panoro's post-transfer interest in Antilla Copper to be its interest in Antilla Copper less any dilution as at October 6, 2022, the original due date of the Second Payment.

Upon signing the amended sale agreement, Calisto made a payment of \$222,630 (C\$300,000) towards the Second Payment.

As at December 31, 2023, included in accounts and advances receivable was \$1,854,713, the outstanding balance of the Second Payment and \$150,474, the outstanding balance of accrued interest receivable both amounts of which were paid during the year ended December 31, 2024.

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During the year ended December 31, 2023, the Company's investment in Antilla Copper was accounted for as an investment in associate. The Company recorded its share of net loss of \$42,757 and dilution gain of \$206,245 from its investment in Antilla Copper in the consolidated statements of loss and comprehensive loss. During the five months ended May 31, 2024, the Company recorded its share of net loss of \$17,745 and dilution gain of \$13,193 from its investment in Antilla Copper in the consolidated statements of income and loss and comprehensive income and loss.

	Antilla Copper
Balance as at December 31, 2022	\$ 3,199,054
Share of net loss	(42,757)
Dilution gain	206,245
Balance as at December 31, 2023	\$ 3,362,542
Share of net loss	(17,745)
Dilution gain	13,193
Balance as at May 31, 2024	\$ 3,357,990

On May 31, 2024, Antilla Copper ceased to be an associate thus the Company discontinued the use of the equity method and commenced accounting for its investment in Antilla Copper as an equity instrument. As a result, the Company recorded a loss of \$1,509,528 in the statement of loss, the difference between the carrying value of the investment at May 31, 2024 of \$3,357,990 and the fair value estimate of the investment of \$1,848,462 on the same date.

During the period from June 1, 2024 to December 31, 2024, the Company recorded a gain of \$37,268 in the statement of other comprehensive income, the difference between the fair value estimate of the investment at May 31, 2024 of \$1,848,462 and the fair value estimate of the Company's investment as at December 31, 2024 of \$1,885,730.

As at March 31, 2025, the Company retains an interest of 13.70% (December 31, 2024 –14.55%) in Antilla Copper.

Should Panoro's interest in Antilla Copper fall below 5%, the Company's then remaining shares in Antilla Copper will be cancelled and the Company will receive a one percent (1%) NSR on mineral production from the Antilla Project. In addition to its existing 2.0% NSR, the Company would have a total 3.0% NSR over the life of the Antilla Project subject to a buyback right for the 1.0% NSR for \$3.0 million (C\$4.0 million).

6. Exploration and evaluation assets

The investment in, and expenditures on, mineral interests comprise a significant portion of the Company's assets. The realization of the Company's investment in these assets is dependent upon the confirmation of legal ownership of the properties and the attainment of successful production from the properties or from the proceeds of their disposal. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company's main mineral property interest is Cotabambas, an advanced stage exploration property. As at December 31, 2024, the Company's other fully held mineral property interests are all in various stages of exploration. All exploration and evaluation asset interests are 100% held by the Company through wholly owned direct and indirect subsidiaries of the Company that were created to hold the various mineral property interests.

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The Company performs an ongoing review of its properties, and based on the analysis of the properties, there were no indicators of impairment with respect to the mineral property interests with capitalized exploration and evaluation costs at March 31, 2025 and December 31, 2024.

Humamantata

At March 31, 2025, the Company has \$0.8 million (December 31, 2024 – \$0.7 million) in capitalized exploration and evaluation costs with respect to the Humamantata Project.

Cochasayhuas

In August 2023, the Company completed the sale of its Cochasayhuas project for \$460,000 to a private Peruvian mining company and recorded a gain of \$384,874 on the sale. The transaction, transfer and registration of mineral concession ownership has been completed.

Kusiorcco

On December 28, 2017, the Company entered into an agreement with a subsidiary of Hudbay Minerals Inc. (“Hudbay”), whereby Hudbay acquired the Company’s concessions comprising the Kusiorcco Property. The Company retained a 2.0% NSR (the “Kusiorcco NSR”) from mineral production on the project.

In October 2024, the Company entered into a loan agreement with Hudbay (the “Hudbay Loan Agreement”) in which the Company borrowed \$2.0 million (the “Principal”) from Hudbay at an interest rate of 12% per annum.

In December 2024, Hudbay provided notice to Panoro of its intention to purchase and cancel the Kusiorcco NSR from Panoro for a price of \$2.0 million (the “Purchase Price”). Both parties agreed to offset the Principal against the Purchase Price in full satisfaction of the payment required for the purchase of the Kusiorcco NSR. The purchase and cancellation of the Kusiorcco NSR was registered in the Peru Public Registry in February 2025.

As at March 31, 2025 and December 31, 2024, included in accounts payable and accrued liabilities is \$28,229, the outstanding balance of accrued interest payable to Hudbay as per terms of the Hudbay Loan Agreement.

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Exploration and evaluation assets at March 31, 2025 and expenditures for the three months then ended are as follows:

	Cotabambas	Other	Total
Acquisition costs:			
Balance, March 31, 2025 and December 31, 2024	\$ 3,636,153	\$ 122,837	\$ 3,758,990
Exploration and evaluation expenditures:			
Balance, December 31, 2024	\$45,151,837	\$ 789,536	\$45,941,373
Incurred during the period:			
Camp and site	32,707	-	32,707
Community relations	65,881	-	65,881
Engineering and studies	49,111	-	49,111
Environmental	4,878	-	4,878
Geology	63,876	-	63,876
Recording and concession fees	226,127	65,430	291,557
	442,580	65,430	508,010
Exploration and evaluation expenditures capitalized at March 31, 2025	45,594,417	854,966	46,449,383
Total exploration and evaluation assets at March 31, 2025	\$49,230,570	\$ 977,803	\$50,208,373
Salaries and benefits allocation included in above amounts:			
Camp and site	\$ 19,641	\$ -	\$ 19,641
Community relations	60,224	-	60,224
Engineering and studies	48,852	-	48,852
Geology	63,528	-	63,528
	\$ 192,245	\$ -	\$ 192,245

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Exploration and evaluation assets at December 31, 2024 and expenditures for the year then ended are as follows:

	Cotabambas	Other	Total
Acquisition costs:			
Balance, December 31, 2024 and December 31, 2023	\$ 3,636,153	\$ 122,837	\$ 3,758,990
Exploration and evaluation expenditures:			
Balance, December 31, 2023	\$43,105,187	\$ 543,737	\$43,648,924
Incurred during the year:			
Camp and site	141,909	-	141,909
Community relations	317,118	-	317,118
Drilling	21,247	-	21,247
Engineering and studies	254,570	-	254,570
Environmental	170,874	-	170,874
Geology	280,550	-	280,550
Recording and concession fees	860,382	245,799	1,106,181
	2,046,650	245,799	2,292,449
Exploration and evaluation expenditures capitalized at December 31, 2024	45,151,837	789,536	45,941,373
Total exploration and evaluation assets at December 31, 2024	\$48,787,990	\$912,373	\$49,700,363
Salaries and benefits allocation included in above amounts:			
Camp and site	\$ 78,051	\$ -	\$ 78,051
Community relations	272,649	-	272,649
Drilling	1,196	-	1,196
Engineering and studies	194,172	-	194,172
Environmental	1,598	-	1,598
Geology	253,121	-	253,121
	\$ 800,787	\$ -	\$ 800,787

Capital commitments pertaining to the Company's mineral properties are disclosed in Note 10.

7. Early Deposit Precious Metals Agreement

On March 21, 2016 (the "Agreement Date"), the Company entered into the Wheaton PMPA in respect of the Cotabambas project located in Perú. The term of the Wheaton PMPA continues in effect for 20 years and automatically renews for successive ten-year periods until Wheaton Metals terminates the Wheaton PMPA. The principal terms of the Wheaton PMPA are such that Wheaton Metals will pay the Company upfront cash payments totaling \$140.0 million (the "Deposit") for 25% of the payable gold production and 100% of the payable silver production (decreasing to 16.67% of the payable gold production and 66.67% of the payable silver production), after a certain production volume has been delivered to Wheaton Metals from the Company's Cotabambas Project in Perú.

In addition, Wheaton Metals will make production payments to the Company of the lesser of the market price and \$450 per payable ounce of gold and \$5.90 per payable ounce of silver delivered to Wheaton Metals, increasing annually by 1%, four years after commencement of commercial production, over the life of the Company's Cotabambas Project. Any excess of the market price and the fixed payments will be credited against the Deposit ("Early Deposit") until the Early Deposit is nil. If, by the expiry of the term of the Wheaton PMPA,

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the Company has not delivered enough production to reduce the Early Deposit to nil, the uncredited balance will be repaid to Wheaton Metals.

From the Agreement Date to December 31, 2023, the Company has received payments totaling \$14.0 million, the full amount of the Early Deposit which is the portion of the Deposit to be advanced to the Company prior to the completion of a feasibility study on the Cotabambas project.

The balance of the Deposit of \$126.0 million (the "Initial Construction Payment") is payable in instalments during construction of the Cotabambas Project, should Wheaton Metals elect to proceed with the Agreement. Under provisions of the Initial Construction Payment, the Company must meet certain minimum working capital requirements. Wheaton Metals may terminate the Wheaton PMPA at any point up to 90 days following delivery of a feasibility study on the Cotabambas project upon giving the Company six months' notice, in which case all Early Deposit amounts advanced less \$2.0 million will become repayable. Wheaton Metals can elect to be repaid in cash or shares, with the deferral of cash payments under certain conditions for up to two years. If Wheaton Metals elects to terminate the Wheaton PMPA and be repaid with cash, interest will accrue at prime plus 8% per annum if repayment has not been made within two years of notice of termination. Wheaton Metals may also terminate the Wheaton PMPA at different points during the term of the Wheaton PMPA if certain production delays occur, in which case the uncredited deposit will be repayable to Wheaton Metals.

Following a change of control, subject to certain conditions, the Company has a one-time option to repurchase 50% of the precious metals stream with a payout based on the greater of: (i) a minimum fixed return (ii) a return based on appreciation of precious metals prices over the term of the Wheaton PMPA and (iii) a return based on appreciation of the share price of the Company over the term of the Wheaton PMPA.

8. Share capital

(a) Authorized

Unlimited common shares without par value.

Issued and outstanding:

264,375,058 common shares as at March 31, 2025 and December 31, 2024.

(b) Stock options

Stock options to purchase common shares have been granted to directors, employees, contractors, and consultants at exercise prices determined by reference to the market value on the date of the grant.

The number of shares available for options to be granted under the Company's rolling stock option plan is 10% of the number of shares outstanding (the "Plan"), as amended at the Annual General Meeting held on June 22, 2022 and re-approved at the Annual General Meeting held on June 20, 2024. Options granted under the Plan vest immediately or over a period of time at the discretion of the Board of Directors.

During the three months ended March 31, 2025, the Company granted 4,825,000 stock options with an exercise price of \$0.20 (C\$0.29) exercisable up to five years from the date of grant to directors, officers and employees of the Company. The fair value of the share-based compensation recognized was \$612,880 as determined using the Black-Scholes Option Pricing Model with weighted average assumptions of a risk-free rate of return of 3.14%, expected life of 5 years, expected volatility of 75.4% and expected dividend yield of 0%.

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The following were changes to the stock options of the Company:

	Number of Options	Weighted average exercise price
Balance, December 31, 2023	14,200,000	\$0.11
Stock options expired	(4,000,000)	\$0.11
Stock options cancelled	(300,000)	\$0.11
Balance, December 31, 2024	9,900,000	\$0.11
Stock options granted	4,825,000	\$0.20
Balance, March 31, 2025	14,725,000	\$0.14

The weighted average life of exercisable options outstanding as at March 31, 2025 is 3.43 years (December 31, 2024 – 3.01 years).

The following stock options were outstanding and exercisable as at March 31, 2025:

Expiry date	Number of options	Weighted average exercise price
August 26, 2027	500,000	\$0.09 (C\$0.12)
January 11, 2028	9,400,000	\$0.11 (C\$0.15)
January 10, 2030	4,825,000	\$0.20 (C\$0.29)
	14,725,000	\$0.14 (C\$0.19)

9. Related party transactions

Key management personnel are those persons that have the authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management includes the Company's directors and members of the senior management group.

For the three months ended March 31, 2025, key management personnel compensation included salaries, fees and benefits recorded in profit or loss and as part of additions to exploration and evaluation assets of \$256,404 (2024 – \$278,357).

During the three months ended March 31, 2025, the Company received other income of \$nil (2024 – \$6,214) from Calisto with respect to support services provided in relation to the Antilla project.

As at March 31, 2025, included in accounts payable and accrued liabilities was \$115,735 (December 31, 2024 – \$67,181) in fees and expenses payable to related parties.

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10. Commitments

The Company has the following commitments and payments due at March 31, 2025:

	2025	2026	2027	Total
Office lease (Vancouver)	\$ 75,976	\$ 77,296	\$ 45,539	\$ 198,811
Accrued vigencias	1,178,990	-	-	1,178,990
Accounts payable and accrued liabilities	496,743	-	-	496,743
Current tax liability	52,314	-	-	52,314
	\$ 7,804,023	\$ 77,296	\$ 45,539	\$ 1,926,858

Vigencias (or recording fees) are not commitments rather annual payments required to maintain mineral concessions in good standing with the Peruvian government. The ultimate amount to be paid is based on a formula relating to exploration costs incurred, offset against the basic fee and penalty. Penalties are reduced, based on exploration activity on the concessions the reduction of which is determined each year by the Peruvian government.

The Company entered into an office lease in Vancouver effective August 1, 2021 for a period of six years. The Company leases warehouses in Cusco which are renewed annually. The Company is in the process of finalizing its commitments under community agreements with respect to ongoing operations at the Cotabambas project.

11. Financial instruments and capital management

(a) Fair value of financial instruments

The fair values of the Company's cash and cash equivalents, accounts and advances receivable and accounts payable and other liabilities, including liabilities under the Early Precious Metals Agreement, approximate their carrying values because of the actual or potential short-term nature of these instruments. At March 31, 2025 and December 31, 2024, the Company held 6,667 common shares in Fidelity Minerals Corp. ("Fidelity"), at a book value of \$10,000 and an estimated fair value of \$300. These shares have been recognized at fair value in the consolidated statement of financial position with gains or losses on revaluation recognized in other comprehensive income (loss).

IFRS 13 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Marketable securities are determined based on a market approach reflecting the closing price of each particular security at the reporting date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security. As a result, these financial assets have been included in Level 1 of the fair value hierarchy.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, for substantially the full contract term.

Level 3: Inputs for the financial asset or liability are not based on observable market data.

The fair value of the investment in Antilla Copper was estimated by a combination of a cost approach and market approach. The cost approach was considered the most appropriate primary valuation approach for

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the investment particularly given that the Antilla Project is in the exploration stage with no production history. The market approach, specifically the analysis of comparable transactions and publicly available market data, was used to support and validate the value conclusion derived under the cost method. As a result, this financial asset has been included in Level 3 of the fair value hierarchy.

(b) Financial risks

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

Credit risk

The Company manages its credit risk through its counterparty ratings and credit limits. The Company is mainly exposed to credit risk on its bank accounts and accounts and advances receivable. Bank accounts and short-term investments are primarily with Canadian Schedule 1 banks and Banco de Credito in Peru. The Company has accounts and advances receivable primarily related to IGV receivable from the Peruvian government. At March 31, 2025, the total of cash and cash equivalents, and accounts and advances receivable of \$379,656 (December 31, 2024 – \$839,687) represents the maximum credit exposure. As at March 31, 2025 or December 31, 2024, the Company has not identified any significant increase in credit risk with respect to its financial assets and has not identified any allowances for credit losses.

Liquidity risk

The Company manages its liquidity risk by ensuring, as far as possible, that there is sufficient liquidity to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash and cash equivalents are primarily invested in bank accounts, bankers' acceptances, and US government treasury bills, which are available on demand.

Contractual commitments that the Company is obligated to pay in future years are disclosed in note 10. Accounts payable and accrued liabilities require payment within one year. See also note 2, Going Concern.

Market risk

The significant market risks to which the Company is exposed are foreign currency risk and interest rate risk.

Foreign currency risk

The Company maintains its financial statements in United States dollars. The Company is exposed to foreign currency fluctuations to the extent mineral interests, exploration expenditures and operating expenses incurred by the Company are not denominated in United States dollars.

The Company does not use derivatives or other instruments to manage foreign currency risk. The Company's operations in Perú make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company's operating results, and cash flows are affected to varying degrees by changes in the United States dollar exchange rate vis-a-vis the Peruvian Nuevo Sol and the Canadian Dollar.

The Company purchases foreign currencies as the need arises to fund its exploration activities. Corporate expenditures are primarily incurred in Canadian and US dollars.

As at March 31, 2025, a 10% change in applicable foreign exchange rates would not have a significant impact on the Company's financial results.

Interest rate risk

The Company's cash and cash equivalents earn interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to changes in short-term rates; however, based on the cash and cash equivalent balance

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at December 31, 2024, a 1% change in interest rates would not have a significant impact on the Company's financial results.

(c) Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to pursue the exploration and development of its mineral property interests, while maintaining a flexible capital structure. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not currently subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the three months ended March 31, 2025 and the year ended December 31, 2024.

12. Supplementary cash flow information

	Three Months Ended	
	March 31, 2025	March 31, 2024
Non-cash activities:		
Decrease (increase) in accounts payable and accrued liabilities associated with exploration and evaluation expenditures	\$ (296,283)	\$ 218,702