

PANORO MINERALS LTD.

Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

(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 have been 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 fulfils 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.

"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)
Unaudited

	Note	June 30, 2026	December 31, 2025
Assets			
Current assets			
Cash and cash equivalents		\$ 17,568,935	\$ 490,048
Accounts and advances receivable		514,761	524,483
Prepaid expenses		349,178	183,332
Total current assets		18,432,874	1,197,863
Non-current assets			
Property and equipment		26,611	58,546
Investment in Antilla Copper	4	-	1,146,786
Exploration and evaluation assets	5	53,730,821	51,717,039
Total assets		\$ 72,190,306	\$ 54,120,234
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	12	\$ 1,285,118	\$ 1,675,788
Short term loans	6	-	991,960
Current portion of lease liabilities	7	50,866	50,230
Derivative warrant liability	8	14,118,198	1,078,267
Liabilities under Early Deposit Precious Metals Agreement	9	12,000,000	12,000,000
Total current liabilities		27,454,182	15,796,245
Non-current liabilities			
Long- term portion of lease liabilities	7	1,285	23,665
Liabilities under Early Deposit Precious Metals Agreement	9	2,000,000	2,000,000
Total liabilities		29,455,467	17,819,910
Shareholders' equity			
Share capital	10(b)	86,283,649	71,192,977
Reserves	10(c);		
Accumulated other comprehensive income (loss)	10(d)	11,249,460	10,193,750
Deficit		-	(709,045)
Total shareholders' equity		(54,798,270)	(44,377,358)
Total liabilities and shareholders' equity		42,734,839	36,300,324
Total liabilities and shareholders' equity		\$ 72,190,306	\$ 54,120,234

Going concern (note 2)
Commitments (note 12)
Subsequent events (note 16)

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)
Unaudited

		Three months ended		Six months ended	
	Note	June 30, 2026	June 30, 2026	June 30, 2026	June 30, 2025
Expenses					
Amortization		\$ 19,500	\$ 14,068	\$ 39,599	\$ 36,826
Administration		82,448	70,004	150,911	142,285
Audit and tax		39,968	24,323	78,700	41,948
Consulting fees		36,713	7,628	45,092	8,892
Corporate development, conferences, travel, and shareholder relations		314,053	50,088	364,195	76,407
Directors' fees	11	41,252	27,504	72,798	59,715
Legal		82,810	71,875	127,575	74,206
Property evaluation		14,369	4,649	18,869	12,649
Salaries and benefits	11	359,087	186,526	538,414	342,974
Share-based expense	10(c)	-	-	559,174	612,880
		(990,200)	(456,665)	(1,995,327)	(1,408,782)
Interest income		62,459	70	68,903	2,610
Interest expense		(1,741)	(4,028)	(29,834)	(8,695)
Other income		5,078,950	-	5,078,950	-
Other expense		(106)	(2,569)	(875)	(12,179)
Loss on derivative warrant liability	8	(8,772,922)	-	(11,113,128)	-
Write-off investment in equity securities	4	(827,431)	-	(827,431)	-
Foreign exchange gain (loss)		(456,545)	(54,702)	(573,770)	27,930
Loss for the period		\$ (5,907,536)	\$ (517,894)	\$ (9,392,512)	\$ (1,399,116)
Other comprehensive loss:					
Fair value adjustment on investment in Antilla Copper		(42,695)	(164,301)	(319,355)	(164,301)
Loss and comprehensive loss for the period		(5,950,231)	(682,195)	(9,711,867)	(1,563,417)
Weighted average number of common shares outstanding, basic and diluted					
		297,013,617	264,501,431	288,615,299	264,438,593
Loss per share, basic and diluted		\$ (0.02)	\$ (0.00)	\$ (0.03)	\$ (0.01)

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)

Unaudited

	Number of shares	Share capital \$	Reserves \$	Accumulated other comprehensive income (loss) \$	Deficit \$	Total \$
Balance, December 31, 2024	264,375,058	69,443,360	9,600,386	30,199	(41,832,059)	37,241,886
Shares issued for options exercised (note 10(c))	500,000	53,222	-	-	-	53,222
Share-based expense (note 10(c))	-	-	612,880	-	-	612,880
Other comprehensive loss	-	-	-	(164,301)	-	(164,301)
Loss for the period	-	-	-	-	(1,399,116)	(1,399,116)
Balance, June 30, 2025	264,875,058	69,496,582	10,213,266	(134,102)	(43,231,175)	36,344,571
Balance, December 31, 2025	274,170,558	71,192,977	10,193,750	(709,045)	(44,377,358)	36,300,324
Shares issued for cash (note 10(b))	32,105,263	16,212,304	-	-	-	16,212,304
Share issuance costs (note 10(b))	-	(1,815,922)	658,255	-	-	(1,157,667)
Shares issued for options exercised (note 10(c))	950,000	206,329	(78,267)	-	-	128,062
Shares issued for warrants exercised (note 10(d))	946,273	487,961	(83,452)	-	-	404,509
Share-based expense (note 10(c))	-	-	559,174	-	-	559,174
Other comprehensive income (loss)	-	-	-	709,045	(1,028,400)	(319,355)
Loss for the period	-	-	-	-	(9,392,512)	(9,392,512)
Balance, June 30, 2026	308,172,094	86,283,649	11,249,460	-	(54,798,270)	42,734,839

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)
Unaudited

		Six months ended	
	Note	June 30, 2026	June 30, 2025
Operating activities:			
Loss for the period		\$ (9,392,512)	\$ (1,399,116)
Items not involving the use of cash:			
Amortization		39,599	36,826
Share-based expense	10(c)	559,174	612,880
Gain on Antilla Copper sale	4	(5,078,950)	-
Loss on derivative warrant liability		11,113,128	-
Write-off investment in equity securities	4	827,431	-
Interest expense on lease liabilities		3,106	5,060
Foreign exchange (gain) loss		(583,619)	2,588
Taxes paid		-	(18,983)
Interest income		(68,903)	(2,610)
Interest received		68,903	2,610
		(2,512,643)	(760,745)
Changes in non-cash operating working capital items:			
Accounts and advances receivable		9,722	(87,483)
Prepaid expenses		(165,846)	(24,656)
Accounts payable and accrued liabilities		(1,111,258)	468,331
Cash used in operating activities		(3,780,025)	(404,553)
Investing activities:			
Exploration and evaluation expenditures	5	(2,285,155)	(1,484,303)
Purchase of equipment		(7,664)	-
Proceeds from sale of Antilla Copper	4	5,078,950	-
Cash provided by (used in) investing activities		2,786,131	(1,484,303)
Financing activities:			
Gross proceeds from share issuance	10(b)	18,139,107	-
Share issuance costs	10(b)	(1,157,667)	-
Options exercised	10(c)	128,062	53,222
Warrants exercised	10(d)	404,509	-
Proceeds from short term loans		-	1,356,528
Interest payment on lease liabilities		(3,106)	(5,060)
Repayment of lease liabilities		(21,743)	(19,151)
Cash provided by financing activities		17,489,162	1,385,539
Effect of foreign exchange on cash held		583,619	(2,588)
Increase (decrease) in cash and cash equivalents		17,078,887	(505,905)
Cash and cash equivalents, beginning of period		490,048	693,612
Cash and cash equivalents, end of period		\$ 17,568,935	\$ 187,707

Supplementary cashflow information is disclosed in note 15.

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

PANORO MINERALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements
(Expressed in **United States dollars**, unless otherwise stated)
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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 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 unaudited condensed consolidated interim 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 intends to fund operating costs with cash and cash equivalents and through further equity financing. The Company believes that it has sufficient cash to meet its liabilities for the next twelve months.

As of June 30, 2026, the Company had not advanced its property to commercial production and is not able to finance day-to-day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations.

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, 2025 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, 2025.

These condensed consolidated interim financial statements of the Company for the three and six months ended June 30, 2026, were approved and authorized for issuance by the Board of Directors on August 24, 2026.

(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.

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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 S.A. as disclosed in note 4 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 9.

(d) New accounting standards

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 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.

4. 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 S.A. ("Antilla Copper") which holds the Antilla project, an advanced stage mineral exploration project (the "Antilla Project"). The acquisition payments were 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) paid at the time of sale, and \$2,032,540 (C\$2,753,000) (the "Second Payment"), originally 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. During the year ended December 31, 2023, the Company amended the Antilla Copper sale agreement with Calisto Cobre Resources Corp. (formerly HCAC) ("Calisto"). Upon signing the amended sale agreement, Calisto made a payment of \$222,630 (C\$300,000) towards the Second Payment. During the year ended December 31, 2024, the Company received \$2,005,187 from Calisto comprised of \$1,854,713, the outstanding balance of the Second Payment and \$150,474, the outstanding balance of accrued interest receivable as at the payment date.

The agreement also includes a further contingent payment of \$7.1 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 \$35.7 million (C\$50.0 million) if the Study estimates the Antilla NPV8 to be above \$360 million.

Also included in the sale agreement is an election for the Company and Calisto to contribute their pro-rata portion of all exploration and development expenditures based on their respective ownership in Antilla Copper at the time of sale, that is, 75% owned by Calisto and 25% owned by Panoro. Non-contributing shareholders are subject to dilution of their ownership based on a C\$30M valuation of Antilla Copper.

To date, the Company has not contributed its pro-rata share of Antilla Copper's exploration and development expenditures resulting in dilution of the Company's investment in Antilla Copper to below 5% as at June 30, 2026 (December 31, 2025 – 6.31%). As a result, the Company's remaining shares in Antilla Copper will be

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cancelled and the Company will receive a 1.0% net smelter returns royalty ("NSR") on mineral production from the Antilla Project subject to a buyback right for the 1.0% NSR for \$3.0 million (C\$4.2 million).

During the six months ended June 30, 2026, the Company recorded a loss of \$319,355 in the statement of other comprehensive loss, the difference between the fair value estimate of the investment of \$827,431 when the Company's interest in Antilla Copper fell below 5% and the fair value estimate of the Company's investment as at December 31, 2025 of \$1,146,786. As at June 30, 2026, the Company considers that expected cashflows associated with the 1.0% NSR are speculative. As a result, the Company wrote-off its investment of \$827,431 in Antilla Copper.

During the six months ended June 30, 2026, the Company received a payment of \$5,078,950 (C\$7,000,000) from the sale of an additional 15% of the Company's shares in Antilla Copper (not subject to dilution) which was contingent on the earlier of drilling permits and community land use agreements being obtained (completed in 2025) or a pre-feasibility or feasibility study being completed on the Antilla Project (not yet completed).

As at June 30, 2026, the Company has a total 3% NSR on the Antilla Project consisting of an existing 2% NSR (the "2% NSR") and an additional 1% NSR received when the Company's ownership in Antilla Copper was diluted to below 5%. During the six months ended June 30, 2026, the Company entered into amending agreements (the "Amending Agreements") to an option agreement dated March 4, 2024, as amended on March 18, 2024 with TABB Partners LLC ("TABB") and Calisto allowing TABB to acquire 50% of the 2% NSR (that is, 1% of the 2% NSR) within 30 days of the Amending Agreements and the remaining interest in the 2% NSR (that is, the remaining 1% of the 2% NSR) on or before January 19, 2027. Subsequent to June 30, 2026, TABB paid \$2.0 million to the Company to acquire the first 50% of the 2% NSR (that is, 1% of the 2% NSR) (see note 16).

5. 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 June 30, 2026 and December 31, 2025, 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.

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 June 30, 2026 and December 31, 2025.

Humamantata

At June 30, 2026, the Company has \$1.2 million (December 31, 2025 – \$1.0 million) in capitalized exploration and evaluation costs with respect to the Humamantata Project.

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Exploration and evaluation assets as at June 30, 2026 and expenditures for the six months then ended are as follows:

	Cotabambas		Other		Total
Acquisition costs:					
Balance, December 31, 2025 and December 31, 2024	\$	3,636,153	\$	122,837	\$ 3,758,990
Exploration and evaluation expenditures:					
Balance, December 31, 2025	\$	46,897,641	\$	1,060,408	\$ 47,958,049
Incurred during the period:					
Assays and sampling		25,200		-	25,200
Camp and site		191,407		-	191,407
Community relations		193,939		-	193,939
Drilling		369,819		-	369,819
Engineering and studies		307,631		-	307,631
Environmental		17,874		-	17,874
Geology		237,921		-	237,921
Recording and concession fees		520,839		149,152	669,991
		1,864,630		149,152	2,013,782
Exploration and evaluation expenditures capitalized at June 30, 2026		48,762,271		1,209,560	49,971,831
Total exploration and evaluation assets at June 30, 2026	\$	52,398,424	\$	1,332,397	\$ 53,730,821
Salaries and benefits allocation included in above amounts:					
Camp and site	\$	55,462	\$	-	\$ 55,462
Community relations		131,027		-	131,027
Drilling		31,840		-	31,840
Engineering and studies		97,587		-	97,587
Environmental		2,749		-	2,749
Geology		151,916		-	151,916
	\$	470,581	\$	-	\$ 470,581

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Exploration and evaluation assets as at December 31, 2025 and expenditures for the year then ended are as follows:

	Cotabambas		Other		Total
Acquisition costs:					
Balance, December 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
Incurring during the period:					
Camp and site		93,862		-	93,862
Community relations		250,005		-	250,005
Engineering and studies		196,466		-	196,466
Environmental		9,985		-	9,985
Geology		257,340		-	257,340
Recording and concession fees		938,146		270,872	1,209,018
		1,745,804		270,872	2,016,676
Exploration and evaluation expenditures capitalized at December 31, 2025		46,897,641		1,060,408	47,958,049
Total exploration and evaluation assets at December 31, 2025	\$	50,533,794	\$	1,183,245	\$ 51,717,039
Salaries and benefits allocation included in above amounts:					
Camp and site	\$	36,614	\$	-	\$ 36,614
Community relations		199,449		-	199,449
Engineering and studies		195,110		-	195,110
Geology		255,298		-	255,298
	\$	686,471	\$	-	\$ 686,471

Capital commitments pertaining to the Company's mineral properties are disclosed in note 12.

6. Short term loans

During the year ended December 31, 2025, the Company entered into a \$900,000 loan agreement with Wheaton Metals the terms of which include an interest rate equal to 18% per annum and a maturity date of September 30, 2025 (the "Maturity Date") after which if unpaid, interest on the principal and accrued interest (the "Outstanding Balance") as at the Maturity Date will accrue at a rate of 21% per annum until the Outstanding Balance and all interest accrued thereon is paid. The Outstanding Balance included in short term loans as at June 30, 2026, is \$nil (December 31, 2025 – \$991,960),

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7. Right-of-use assets and lease liabilities

The Company signed an office lease agreement commencing August 1, 2021, for a period of 6 years.

The following were changes to the Company's lease liabilities for the periods indicated:

Lease liability recognized as at December 31, 2024	\$	113,672
Repayment of lease liability		(39,777)
Interest accrued on lease liabilities		(9,177)
Interest payment on lease liabilities		9,177
Lease liability recognized as at December 31, 2025	\$	73,895
Repayment of lease liability		(21,744)
Interest accrued on lease liabilities		(3,106)
Interest payment on lease liabilities		3,106
Lease liability recognized as at June 30, 2026	\$	52,151
Current portion of lease liability	\$	50,866
Long-term portion of lease liability	\$	1,285

⁽¹⁾ The lease liabilities were discounted using an incremental rate of 9.57% per annum on entering into the lease.

As at June 30, 2026, the remaining undiscounted lease payments, including non-lease components, are disclosed in note 12 – Commitments.

8. Derivative warrant liability

During the six months ended June 30, 2026 and the year ended December 31, 2025, the Company issued warrants in connection with its share issuances which were recorded as derivative financial liabilities. These liabilities are not cash obligations. They are revalued at each reporting period and any gain or loss is recorded in income or loss.

The fair value of the warrants issued during the six months ended June 30, 2026, was initially measured at \$1,926,803 using the Black Scholes Option Pricing Model with the following assumptions:

Share price on date of issue	\$0.34
Warrant exercise price	\$0.43 (C\$0.60)
Risk free rate of return	2.47%
Expected life	3.00 years
Expected volatility	82.92%
Expected dividend yield	0.00%

The fair value of the warrants issued during the year ended December 31, 2025, was initially measured at \$688,794 using the Black Scholes Option Pricing Model with the following assumptions:

Share price on date of issue	\$0.305 – \$0.32
Warrant exercise price	\$0.43 (C\$0.60)
Risk free rate of return	2.44% – 2.57%
Expected life	3.00 years
Expected volatility	79.58% – 81.75%
Expected dividend yield	0.00%

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The following were changes to the Company's warrant liabilities during the periods indicated:

Derivative warrant liability as at December 31, 2024	\$	-
Warrants issued November 21, 2025		571,150
Warrants issued December 22, 2025		117,644
Fair value adjustment		389,473
Derivative warrant liability as at December 31, 2025	\$	1,078,267
Warrants issued February 6, 2026		1,926,803
Fair value adjustment		11,113,128
Derivative warrant liability as at June 30, 2026	\$	14,118,198

The fair value of the derivative warrant liability as at June 30, 2026 was determined to be \$14,118,198 using the Black Scholes Option Pricing Model with the following assumptions:

Share price on reporting date	\$1.08 (C\$1.54)
Warrant exercise price	\$0.43 (C\$0.60)
Risk free rate of return	2.84%
Expected life	2.40 – 2.61 years
Expected volatility	85.97% – 87.83%
Expected dividend yield	0.00%

9. 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 Early Deposit (as defined below) until the Early Deposit is \$nil. If by the expiry of the term of the Wheaton PMPA, the Company has not delivered enough production to reduce the Early Deposit to nil, the uncredited balance will be repaid to Wheaton Metals.

The Company received payments totaling \$14.0 million from the Agreement Date to December 31, 2023 (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

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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.

10. Share capital

(a) Authorized

Unlimited common shares without par value. As at June 30, 2026, the Company had 308,172,094 (December 31, 2025 – 274,170,558) common shares issued and outstanding.

(b) Issued and fully paid

On May 13, 2026, the Company completed a brokered private placement of 22,105,263 common shares of the Company for gross proceeds of \$15,236,850 (C\$21,000,000). The Company paid a finder's fee of \$914,256, paid other share issuance costs totaling \$111,245 and issued 1,326,315 non-transferable compensation options valued at \$582,371 based on the Black Scholes Option Pricing Model with the following assumptions:

Risk free rate of return	2.91%
Expected life	1 year
Expected volatility	94.22%
Expected dividend yield	0.00%
Weighted average fair value	\$0.44

On February 6, 2026, the Company completed a non-brokered private placement of 10,000,000 units for gross proceeds of \$2,902,257 (C\$4,000,000). Each unit consists of one common share of the Company and one common share purchase warrant entitling the holder thereof to purchase one common share of the Company at a price of \$0.43 (C\$0.60) at any time on or before 36 months from the date of issuance. The Company determined that the attached warrants included a derivative liability due to the exercise price being denominated in a currency other than the functional currency. The fair value of the warrants was estimated at \$1,926,803 using the Black Scholes Option Pricing Model and the remaining proceeds of \$975,454 was allocated to share capital. The Company paid a finder's fee of \$113,194, paid other share issuance costs totaling \$19,028 and issued 390,000 broker warrants valued at \$75,844 based on the Black Scholes Option Pricing Model with the following assumptions:

Risk free rate of return	2.47%
Expected life	3 years
Expected volatility	82.92%
Expected dividend yield	0.00%
Weighted average fair value	\$0.19

During the year ended December 31, 2025, the Company completed a brokered private placement of 8,595,500 units for gross proceeds of \$2,460,580 (C\$3,438,200). Each unit consists of one common share of the Company and one common share purchase warrant entitling the holder thereof to purchase one common share of the Company at a price of \$0.43 (C\$0.60) at any time on or before 36 months from the date of issuance. The Company determined that the attached warrants included a derivative liability due to the exercise price being denominated in a currency other than the functional currency. The fair value of the warrants was estimated at \$688,794 using the Black Scholes Option Pricing Model and the remaining

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proceeds of \$1,771,786 was allocated to share capital. The Company paid a finder's fee of \$146,776, paid other share issuance costs totaling \$23,728 and issued 512 730 broker warrants valued at \$52,362 based on the Black Scholes Option Pricing Model with the following assumptions:

Risk free rate of return	2.44% – 2.59%
Expected life	3 years
Expected volatility	79.58% – 81.75%
Expected dividend yield	0.00%
Weighted average fair value	\$0.10 – \$0.11

(c) 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 approved by shareholders at the Company's Annual General Meeting held on June 25, 2026 and as amended at the Company's Annual General Meeting held on June 26, 2025. Options granted under the Plan vest immediately or over a period of time at the discretion of the Board of Directors.

During the six months ended June 30, 2026, the Company granted 2,350,000 stock options with an exercise price of \$0.39 (C\$0.53) 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 \$559,174 as determined using the Black-Scholes Option Pricing Model.

During the year ended December 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.

Assumptions used in the Black Scholes Option Pricing Model for the options issued are as follows:

	2026	2025
Risk free rate of return	2.75%	3.14%
Expected life	5 years	5 years
Expected volatility	73.21%	75.40%
Expected dividend yield	0.00%	0.00%
Weighted average fair value	\$0.24	\$0.13

The following were changes to the Company's stock options during the periods indicated:

	Number of options	Weighted average exercise price
Balance, December 31, 2024	9,900,000	\$0.11 (C\$0.15)
Stock options granted	4,825,000	\$0.20 (C\$0.29)
Stock options exercised	(1,200,000)	\$0.11 (C\$0.15)
Balance, December 31, 2025	13,525,000	\$0.14 (C\$0.20)
Stock options granted	2,350,000	\$0.39 (C\$0.53)
Stock options exercised	(950,000)	\$0.13 (C\$0.19)
Balance, June 30, 2026	14,925,000	\$0.18 (C\$0.25)

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The weighted average life of exercisable options outstanding as at June 30, 2026 is 2.62 years (December 31, 2025 – 2.73 years).

The following stock options were outstanding and exercisable as at June 30, 2026:

Expiry date	Number of options	Weighted average exercise price
January 11, 2028	8,100,000	\$0.11 (C\$0.15)
January 10, 2030	4,475,000	\$0.20 (C\$0.29)
February 19, 2031	2,350,000	\$0.39 (C\$0.53)
	14,925,000	\$0.18 (C\$0.25)

(d) Warrants

The following were changes to the Company's warrants during the periods indicated:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2024	-	-
Warrants issued	9,108,230	\$0.42 (C\$0.59)
Balance, December 31, 2025	9,108,230	\$0.42 (C\$0.59)
Warrants issued	10,390,000	\$0.42 (C\$0.59)
Warrants exercised	(946,273)	\$0.43 (C\$0.60)
Balance, June 30, 2026	18,551,957	\$0.42 (C\$0.59)

The weighted average life of warrants outstanding as at June 30, 2026 is 2.77 years (December 31, 2025 – 2.91 years).

The following warrants were outstanding as at June 30, 2026:

Expiry date	Number of warrants	Weighted average exercise price
November 21, 2028	6,550,500	\$0.43 (C\$0.60)
November 21, 2028	393,957	\$0.29 (C\$0.40)
December 22, 2028	1,250,000	\$0.43 (C\$0.60)
December 22, 2028	67,500	\$0.29 (C\$0.40)
February 6, 2029	9,900,000	\$0.43 (C\$0.60)
February 6, 2029	390,000	\$0.29 (C\$0.40)
	18,551,957	\$0.42 (C\$0.59)

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(e) Compensation options

The following were changes to the Company's compensation options during the periods indicated:

	Number of compensation options	Weighted average exercise price
Balance, December 31, 2025 and 2024	-	-
Compensation options issued	1,326,315	\$0.73 (C\$1.00)
Balance, June 30, 2026	1,326,315	\$0.73 (C\$1.00)

The weighted average life of compensation outstanding as at June 30, 2026 is 0.87 years (December 31, 2025 – nil years).

Expiry date	Number of compensation options	Weighted average exercise price
May 13, 2027	1,326,315	\$0.73 (C\$1.00)

11. 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.

During the six months ended June 30, 2026, key management personnel compensation included salaries, fees and benefits recorded in loss and as part of additions to exploration and evaluation assets of \$759,343 (2025 – \$553,556).

During the six months ended June 30, 2026, the Company issued 2,000,000 (2025 – 4,000,000) stock options to key management personnel and recorded related share-based expense of \$548,114 (2025 – \$508,087) for related parties.

As at June 30, 2026, included in accounts payable and accrued liabilities was \$158,701 (December 31, 2025 – \$45,900) in salaries, fees and expenses payable to related parties.

12. Commitments

The Company has the following commitments and payments due at June 30, 2026:

	2026	2027	Total
Office lease (Vancouver)	\$ 65,570	\$ 46,175	\$ 111,745
Accrued vigencias ⁽¹⁾	654,232	-	654,232
Accounts payable and accrued liabilities	630,886	-	630,886
	\$ 1,350,688	\$ 46,175	\$ 1,396,863

⁽¹⁾ Vigencias (or recording and concession 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.

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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.

13. 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.

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 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. As at June 30, 2026, the total of cash and cash equivalents, and accounts and advances receivable of \$18,083,696 (December 31, 2025 – \$1,014,531) represents the maximum credit exposure. As at June 30, 2026 and December 31, 2025, 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.

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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 considering 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 12. Accounts payable and accrued liabilities, shareholder loans and current tax liability require payment within one year.

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 June 30, 2026, a 10% change in applicable foreign exchange rates would not have an impact of approximately \$1,700,000 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. Based on the cash and cash equivalent balance as at June 30, 2026, a 1% change in interest rates would have an impact of approximately \$175,000 on the Company's financial results on an annualized basis.

(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 adjusts it in 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 six months ended June 30, 2026 and 2025.

14. Segmented disclosures

The Company has one operating segment, mineral exploration. All the Company's exploration and evaluation assets and investments are located in Peru and are disclosed in Notes 4 and 5. Property and equipment are distributed geographically as follows:

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		March 31, 2026		December 31, 2025
Peru	\$	10,347	\$	12,227
Canada		16,264		46,319
	\$	26,611	\$	58,546

15. Supplementary cash flow information

		Six months ended June 30, 2026		June 30, 2025
Non-cash activities:				
Increase (decrease) in accounts payable and accrued liabilities associated with exploration and evaluation expenditures	\$	(271,373)	\$	296,283
Fair value of warrants attached to private placement units		1,926,803		-
Fair value of options transferred to share capital from reserves on exercise of options		78,267		-
Fair value of options transferred to share capital from reserves on exercise of warrants		83,452		-
Fair value of Agent Warrants		75,844		-
Fair value of Agent Compensation Options		582,371		-

16. Subsequent events

Subsequent to June 30, 2026:

- (a) 743,257 warrants with an exercise price of \$0.43 (C\$0.60) were exercised;
- (b) 4,825,000 stock options were granted to directors, officers and employees of the Company exercisable at a price of \$1.20 (C\$1.70) for a period of five years from the grant date; and
- (c) TABB paid \$2.0 million to the Company to acquire 50% of the 2.0% NSR (that is, 1% of the 2.0% NSR) – see note 4.