PERUVIAN METALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2026 AND 2025

(Expressed in Canadian dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Peruvian Metals Corp.

Opinion

We have audited the consolidated financial statements of Peruvian Metals Corp. and its subsidiaries (together, the "Company"), which comprise the consolidated statements of financial position as at March 31, 2026 and 2025, and the consolidated statements of income (loss) and comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2026 and 2025 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis of Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements which indicates that as at March 31, 2026 the Company had an accumulated deficit of $52,152,709 and incurred negative cash flows from operations of $256,507 for the year then ended. These events or conditions along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended March 31, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described above in the Material Uncertainty Related to Going Concern section, we have determined that there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis ("MD&A") but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the MD&A and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the MD&A identified above and, in doing so, consider whether the MD&A is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

We obtained the MD&A prior to the date of this auditors' report. If, based on the work we have performed on this MD&A, we conclude that there is a material misstatement of this MD&A, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audits of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audits to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audits. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditors' report is Laurence W. Zeifman, CPA, CA.

Zeifmans LLP

Toronto, Ontario
July 31, 2026

Chartered Professional Accountants
Licensed Public Accountants

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

AS AT MARCH 31, 2026 AND 2025

	Note	March 31, 2026	March 31, 2025
		$	$
ASSETS			
Current assets			
Cash		1,253,443	79,099
Marketable securities	6	1,720,000	-
Amounts receivable	6	53,262	74,881
Sales tax recoverable		100,337	10,932
Inventory	7	20,987	22,956
Prepaid expenses		22,630	42,384
Total current assets		**3,170,659**	**230,252**
Non-current assets			
Amounts receivable	6	181,934	-
Property, plant and equipment	10	1,089,592	1,385,793
Investment in San Maurizo Mines Inc.	6	519,167	368,371
Total non-current assets		**1,790,693**	**1,754,164**
TOTAL ASSETS		**4,961,352**	**1,984,416**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		250,564	480,428
Due to related parties	9	-	54,227
Total current liabilities		**250,564**	**534,655**
Non-current liabilities			
Asset retirement and reclamation obligations	11	260,307	247,774
Total non-current liabilities		**260,307**	**247,774**
TOTAL LIABILITIES		**510,871**	**782,429**
Shareholders' equity			
Capital stock	12	56,158,828	54,101,103
Warrant reserve	12	95,251	200,144
Share-based payment reserve	13	251,060	12,500
Accumulated other comprehensive loss		(131,932)	(104,659)
Accumulated deficit		(52,152,709)	(53,230,939)
Equity attributable to shareholders of the parent		**4,220,498**	**978,149**
Equity attributable to non-controlling interest		229,983	223,838
TOTAL SHAREHOLDERS' EQUITY		**4,450,481**	**1,201,987**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**4,961,352**	**1,984,416**

Going concern (Note 2)

Commitments and contingencies (Note 21)

Subsequent events (Note 24)

Approved and Authorized by the Board on July 31, 2026:

"Dan Hamilton"	*"Jeffrey Reeder"*
Director	Director

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian dollars)
FOR THE YEARS ENDED MARCH 31, 2026 AND 2025

	Note	Year ended March 31, 2026	Year ended March 31, 2025
		$	$
Mineral processing revenue	17	3,061,890	3,097,781
Plant operating cost	15	(2,182,485)	(1,915,724)
Income from processing plant operations		**879,405**	**1,182,057**
Expenses			
General and administrative	16	1,016,322	623,532
Exploration and evaluation expenditures		321,823	711,270
Total expenses		**1,338,145**	**1,334,802**
Loss before the following:		**(458,740)**	**(152,745)**
Interest income		8,230	1,135
Accretion expense	11	(12,533)	(11,792)
Depreciation	10	(10,770)	(23,754)
Realized loss on sale of investment		-	(1,656)
Unrealized gain (loss) on marketable securities	6	(679,999)	-
Foreign currency translation gain (loss)		(17,445)	209,121
Share of loss of San Maurizo Mines Inc.	6	(143,950)	(112,141)
Gain on sale of subsidiary	6	2,709,504	-
Net income (loss) before taxes		**1,394,297**	**(91,832)**
Current income tax expense	23	(191,381)	(165,926)
Net income (loss)		**1,202,916**	**(257,758)**
Other comprehensive loss			
Items that may be reclassified subsequently to profit and loss:			
Foreign translation differences for foreign operations		(34,091)	(274,619)
Comprehensive income (loss)		**1,168,825**	**(532,377)**
Attributable to:			
Non-controlling interest		211,791	306,033
Shareholders of the parent		991,125	(563,791)
Net income (loss)		**1,202,916**	**(257,758)**
Attributable to:			
Non-controlling interest		204,973	251,109
Shareholders of the parent		963,852	(783,486)
Comprehensive income (loss)		**1,168,825**	**(532,377)**
Earnings per share			
Basic and diluted	14	0.01	(0.005)
Weighted average number of shares outstanding			
Basic and diluted	14	128,175,682	115,770,400

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars)

FOR THE YEARS ENDED MARCH 31, 2026 AND 2025

	Share Capital								
	Common Shares	**Amount**	**Warrant Reserve**	**Share-based Payment Reserve**	**Accumulated Deficit**	**Accumulated Other Comprehensive Income (Loss)**	**Equity Attributable to Shareholders of the Parent**	**Non-Controlling Interest**	**Total**
	#	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Balance, March 31, 2024	**99,742,521**	**53,472,540**	**-**	**273,750**	**(52,928,398)**	**115,036**	**932,928**	**154,089**	**1,087,017**
Shares and warrants issued for cash	23,929,286	471,217	203,833	-	-	-	675,050	-	675,050
Shares issued for investment	2,500,000	175,000	-	-	-	-	175,000	-	175,000
Share issuance costs	-	(17,654)	(3,689)	-	-	-	(21,343)	-	(21,343)
Options expired	-	-	-	(261,250)	261,250	-	-	-	-
Foreign translation differences for foreign operations	-	-	-	-	-	(219,695)	(219,695)	(54,924)	(274,619)
Dividends paid	-	-	-	-	-	-	-	(181,360)	(181,360)
Net income (loss)	-	-	-	-	(563,791)	-	(563,791)	306,033	(257,758)
Balance, March 31, 2025	**126,171,807**	**54,101,103**	**200,144**	**12,500**	**(53,230,939)**	**(104,659)**	**978,149**	**223,838**	**1,201,987**
Balance, March 31, 2025	**126,171,807**	**54,101,103**	**200,144**	**12,500**	**(53,230,939)**	**(104,659)**	**978,149**	**223,838**	**1,201,987**
Shares issued for cash	16,000,000	1,788,400	-	-	-	-	1,788,400	-	1,788,400
Warrants exercised	5,007,143	429,846	(100,132)	-	-	-	329,714	-	329,714
Warrants expired	-	-	(87,105)	-	87,105	-	-	-	-
Share issuance costs	-	(160,521)	82,344	-	-	-	(78,177)	-	(78,177)
Share based payments	-	-	-	238,560	-	-	238,560	-	238,560
Foreign translation differences for foreign operations	-	-	-	-	-	(27,273)	(27,273)	(6,818)	(34,091)
Dividends paid	-	-	-	-	-	-	-	(198,828)	(198,828)
Net income	-	-	-	-	991,125	-	991,125	211,791	1,202,916
Balance, March 31, 2026	**147,178,950**	**56,158,828**	**95,251**	**251,060**	**(52,152,709)**	**(131,932)**	**4,220,498**	**229,983**	**4,450,481**

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED MARCH 31,

	2026	2025
	$	$
CASH FLOW FROM OPERATING ACTIVITIES		
Net income (loss) for the year	1,202,916	(257,758)
items not requiring cash:		
Interest income	(6,610)	-
Accretion expense	12,533	11,792
Depreciation	328,997	157,241
Realized loss on sale of investments	-	206,789
Share based payments	238,560	-
Share of loss of San Maurizo Mines Inc.	143,950	112,141
Unrealized loss (gain) on marketable securities	679,999	(205,133)
Foreign currency translation gain	(2,648)	(372,278)
Gain on sale of subsidiary	(2,709,504)	-
Changes in non-cash working capital:		
Amounts receivable, advances receivable and sales tax receivable	69,043	221,171
Inventory	1,969	(7,877)
Prepaid expenses	19,754	376
Accounts payable and accrued liabilities	(181,239)	41,088
Due to related parties	(54,227)	(11,869)
Net cash used in operating activities	**(256,507)**	**(104,317)**
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(39,205)	(106,263)
Proceeds on sale of investment	-	21,137
Investment in San Maurizo Mines Inc.	(294,746)	(305,512)
Net cash used in investing activities	**(333,951)**	**(390,638)**
CASH FLOW FROM FINANCING ACTIVITIES		
Shares issued for cash – private placements	1,788,400	675,050
Shares issued for cash – exercise of warrants	281,089	-
Share issue costs	(78,177)	(21,343)
Dividends paid to non-controlling interest of subsidiary	(198,828)	(181,360)
Net cash provided by financing activities	**1,792,484**	**472,347**
Effect of exchange rates on cash	(27,682)	(5,492)
Change in cash	**1,174,344**	**(28,100)**
Cash, beginning of year	79,099	107,199
Cash, end of the year	**1,253,443**	**79,099**

Supplemental cash flow information (Note 22)

1. GENERAL INFORMATION

Peruvian Metals Corp. ("Peruvian Metals", and with its subsidiaries, the "Company") is a publicly listed company originally incorporated in British Columbia and subsequently continued federally under the Canada Business Corporations Act. Effective September 5, 2018 Peruvian Metals changed its name from Duran Ventures Inc. to Peruvian Metals Corp. Peruvian Metals' common shares have been listed on the TSX Venture Exchange ("TSXVE") since July 4, 2007, and trade under the symbol "PER". The Company is engaged in mineral processing and the exploration and development of mineral properties in Peru. The Company's principal office is located at 250 Southridge NW, Suite 300, Edmonton, AB, Canada T6H 4M9.

2. GOING CONCERN

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining and milling operations. The recoverability of the carrying value of exploration and evaluation assets and property, plant and equipment and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. The Company's assets are subject to increases in taxes and royalties, renegotiation of contracts, expropriation, currency exchange fluctuations and political uncertainty.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and 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 government licensing registration or regulations, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory, social and environmental requirements.

These consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

For the year ended March 31, 2026, the Company earned net income of $1,202,916 (2025 – loss of $257,758), had negative cash flow from operations of $256,507 (2025 – $104,317), and as at March 31, 2026 had an accumulated deficit of $52,152,709 (2025 – $53,230,939).

Management is aware, in making its assessment, of material uncertainties related to events or conditions that could cast significant doubt upon the Company's ability to continue as a going concern. The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing or to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. If the going concern assumption is not appropriate, material adjustments to the consolidated financial statements may be required.

3. BASIS OF CONSOLIDATION

These consolidated financial statements include the accounts of Peruvian Metals and its wholly owned subsidiaries, Mamaniña Exploraciones SAC ("Mamaniña Exploraciones") to December 12, 2025 (Note 5), Hatum Minas SAC ("Hatum Minas"), Magellan Gold Peru SAC, and it's 80% owned subsidiary companies Minera Aguila de Ora SAC ("Madosac") and Insumos Y Minerales del Notre SRL ("Insumos"), all of which are incorporated in Peru. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases.

All inter-company balances and transactions have been eliminated. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company after eliminating inter-entity balances and transactions.

For non-wholly owned, controlled subsidiaries, the net assets attributable to outside equity shareholders are presented as "non-controlling interests" in the equity section of the consolidated statements of financial position.

4. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of compliance

These consolidated financial statements of the Company were prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The Company has consistently applied the accounting policies used in preparation of these consolidated financial statements throughout all the periods presented. Significant accounting judgements and estimates used by management in the preparation of these consolidated financial statements are presented in Note 5.

The policies applied in these consolidated financial statements are based on the IFRS issued and effective as of March 31, 2026. These consolidated financial statements were approved and authorized for issue by the Board of Directors on July 31, 2026. The Company's Board of Directors have the power to amend the consolidated financial statements after their issue.

(b) Basis of preparation

The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its wholly owned subsidiaries except for Madosac for which the functional currency is the Peruvian Sol. The consolidated financial statements are prepared on the historical cost basis except for marketable securities which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(c) Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and management has determined that there are no standards that are expected to have a significant impact on the consolidated financial statements of the Company.

IFRS 18 Presentation and Disclosure in Financial Statements
IFRS 18 was issued by the IASB in April 2024, with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2027. Management is currently assessing the impact of IFRS 18 on the consolidated financial statements. No standards have been early adopted in the current period.

IFRS 9, Financial Instruments ("IFRS 9") and IFRS 7, Financial Instruments: Disclosures ("IFRS 7")
In May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 in response to practical implementation issues and to introduce new requirements applicable to both financial institutions and corporate entities. These amendments aim to enhance the clarity and consistency of financial reporting for various types of financial instruments and their related disclosures by (i) clarifying the date of recognition and derecognition for certain financial assets and liabilities, including a new exception for financial liabilities settled through an electronic cash transfer system (ii) providing help to determine whether a financial asset meets the Solely Payments of Principal and Interest criterion (iii) introducing new disclosures for instruments with contractual terms that may alter cash flows, such as financial instruments linked to the achievement of environmental, social, and governance targets, and (iv) updating the disclosure requirements for equity instruments designated at FVTOCI. The new standard is to be effective for annual periods beginning on or after January 1, 2026. The Company assessed the impact of the standard and concluded that it does not have a material impact on its consolidated financial statements.

All other IFRSs and amendments issued but not yet effective have been assessed by the Company and are not expected to have a material impact on the Company's consolidated financial statements.

(d) Share-based payments

The share option plan allows employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in share-based payment reserve. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value is estimated at the grant date and each tranche is recognized on a graded vesting basis over the period during which the options vest. The fair value of the options granted is estimated using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. Upon the exercise of stock options, consideration paid by the option holder together with the amount previously recognized in the stock option reserve account is recorded as an increase to share capital. At each reporting date, the amount recognized in profit and loss is adjusted to reflect the actual number of share options that are expected to vest.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

The offset to the recorded cost is to share-based payments reserve.

Upon expiry of share options, the recorded value is transferred to deficit from share-based payment reserve.

(e) Share capital

Where the Company issues common shares and warrants together as units for cash, value is allocated first to share capital based on the market value of common shares on the date of issue, with any residual value from the proceeds being allocated to the warrants. Consideration received for the exercise of options and warrants is recorded in share capital and the related amount recognized in share-based payment reserve is transferred to share capital. Distributions to shareholders are recorded as a reduction to equity at the fair value of the assets to be distributed. Upon expiry of warrants, the recorded value is transferred to the deficit from the warrant reserve.

(f) Income taxes

Income tax for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

Deferred taxes

Deferred income tax assets and liabilities are recognized for the estimated future income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities.

Deferred income tax assets and liabilities are measured using income tax rates in effect for the period in which those temporary differences are expected to be recovered or settled based on the tax rates that have been enacted or substantively enacted by the end of the reporting period. The effect on deferred income tax assets and liabilities of a change in income tax rates or laws is recognized as part of the provision for income taxes in the period the changes are considered substantively enacted.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Current tax

This is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end adjusted for amendments to tax payable with regards to previous years.

(g) Exploration and evaluation assets and expenditures

Exploration and evaluation expenses are comprised of costs that are directly attributable to:

- researching and analyzing existing data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and
- evaluating the technical feasibility and commercial viability of extracting a mineral resource.

All exploration and evaluation expenditures are expensed until properties are determined to contain economically viable reserves. When economically viable reserves have been determined, technical feasibility has been determined and the decision to proceed with development has been approved, the capitalized mineral property interest for that project, and subsequent costs incurred for the development of that project, are capitalized as mineral properties, a component of property, plant and equipment.

All mineral property interest are monitored for indications of impairment at each financial position reporting date. Where potential impairment is indicated, assessments are performed for each area of interest. To the extent that acquisition costs are not expected to be recovered, it is charged to results of operations.

Although the Company has taken steps to verify the title to the mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures so not guarantee the Company's title.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(h) Property, plant and equipment

Property, plant and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the assets to a working condition for their intended use, the initial estimate of the rehabilitation provisions, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Costs associated with the commissioning of new assets, in the period before they are operating in the way intended by management, are capitalized. Where an item of property, plant and equipment or mine properties comprises significant components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Depreciation is determined at rates which will reduce original cost to estimated residual value over the expected useful life of each asset.

The expected useful lives used to compute depreciation is as follows:

Computer equipment	4 years straight line basis
Field equipment	4 to 15 years straight line basis
Office furniture and equipment	4 years straight line basis
Plant	10 years declining-balance basis
Vehicles	10 years declining-balance basis

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Impairment of non-financial assets

At each reporting date the carrying amounts of the Company's property, plant and equipment and exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of operations for the period.

Impairment is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the individual assets of the Company are grouped together into cash generating units ("CGUs") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets. This generally results in the Company evaluating its non-financial assets on a geographical or license basis.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGUs) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(j) Foreign currencies

The determination of functional currency for each company requires an analysis of various indicators which IFRS splits between primary and additional indicators. The primary factors include analyzing (a) the currency that mainly influences sales prices for goods and services, (b) the currency of the country whose competitive forces and regulations mainly determine the sales price of its goods or services. There is judgement in determining whether the functional currency is Peruvian Sol or Canadian Dollars.

The additional factors for consideration under IFRS which include examining (a) the currency of the financing activities, (b) the currency in which the receipts from operating activities are usually retained, (c) whether the activities of foreign operations are carried out as an extension of the Company or operate with a large degree of autonomy, (d) whether the transactions between the entities is a high or low proportion of the foreign operation's activities, (e) whether cash flows from activities of a foreign operation directly affect the cash flows of the Company and (f) whether cash flows from the activities of the foreign operation are sufficient to service existing and normally expected debt obligations.

Management evaluates the underlying transactions, events and conditions to determine the functional currency at the end of each reporting period. Madosac subsidiary's functional currency was determined to be Peruvian Sol.

Monetary assets and liabilities are translated to Canadian dollars at the rate in effect at the reporting date. Non-monetary items are translated at historical rates. Revenue and expenses are translated at the average exchange rate for the period. The resulting gain or loss is included in the consolidated statements of income (loss). Assets and liabilities of foreign operations having different functional currency are translated to presentation currency using the reporting date exchange rate and revenue and expenses are translated at average rate for the period, with net gain or loss recognized in consolidated other comprehensive income.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(k) Financial instruments

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”) as appropriate or as amortized cost instruments. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

The Company initially recognizes financial instruments on the trade date, which is the date of which the Company becomes party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus/minus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or use.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVTPL or at amortized cost. Cash and amounts receivable are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The Company measures its receivables at amortized cost.

Subsequent measurement – financial assets at FVTPL
Financial assets measured at FVTPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVTPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of income (loss) and comprehensive income (loss). The Company measures its marketable securities at FVTPL.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of income (loss) and comprehensive income (loss). When the investment related to equity instruments is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of loss when the right to receive payments is established.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

Impairment of financial assets

Credit-impaired financial assets
At each reporting date, the Company assesses whether financial assets carried at amortized costs and debt financial assets carried at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

•Significant financial difficulty of the borrower or issuer;
•A breach of contract such as a default of past due event;
•The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
•It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
•The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower’s condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Recognition of allowance of expected credit losses (“ECL”) in the consolidated statement of financial position
The Company recognizes a loss allowance for ECL on accounts receivables that are measured at amortized cost. The Company’s applied the simplified approach for accounts receivables and recognizes the lifetime ECL for these assets. The ECL on accounts receivables is estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the customers, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets measured at amortized cost of FVOCI, the Company recognizes lifetime ECL only when there has been a significant increase in credit risk since initial recognition. If the credit risk on such financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance on those financial instruments at an amount equal to 12-months ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that are possible within 12 months after the reporting date. In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial asset at the reporting date with the risk of default occurring at the initial recognition. The Company considers both quantitative and qualitative factors that are supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Company presumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes pas due.

Definition of default
For internal credit risk management purposes, the Company considers a financial asset not recoverable if the customer balance owing is 180 days past due and information obtained from the customer and other external factors indicate that the customer is unlikely to pay its creditors in full.

Write off
Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

Financial liabilities

Recognition and initial measurement
The Company recognizes a financial liability when it becomes a party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss. Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Classification and subsequent measurement
Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss. Accounts payable and accrued liabilities and due to related parties are measured at amortized cost.

Derecognition of financial liabilities
The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

(l) Decommissioning and restoration provisions

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged to profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. Changes in closure and reclamation estimates are accounted for as a change in the corresponding capitalized costs. Costs of rehabilitation projects for which a provision has been recorded are recorded directly against the provision as incurred, most of which are incurred at the end of the life of the mine.

Other provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash flow and timing can be reliably estimated.

(m) Revenue recognition

Revenue is comprised of processing fees earned in operation of the mineral processing plant and is recognized when the Company satisfies the performance obligation associated with mineral processing. Typically this is accomplished when control over the processed mineral base and precious metals is passed from the Company to the buyer. Factors that may indicate the point in time at which control passes include:

- The Company has transferred to the purchaser the significant risks and rewards of ownership;
- The Company has transferred legal title to the asset sold to the purchaser;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The Company has transferred physical possession of the asset to the purchaser;
- The Company has present right to payment; and
- The purchaser has accepted the asset.

Prior to revenue being recognized, the Company must have an enforceable sales contract, in accordance with customary business practices that clearly outline each party’s rights regarding the services to be provided, payment terms, etc.; the contract must have economic substance; and it must be probable that the Company will ultimately receive payment.

Revenue is measured at the fair value of consideration received or receivable.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(n) Income/ (loss) per share

Basic income (loss) per common share is calculated by dividing the loss attributed to shareholders of the parent after adjusting for non-controlling interests, for the period by the weighted average number of common shares outstanding in the period. Diluted income (loss) per common share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares.

(o) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues, incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The Company operated in one business segment, mineral processing and exploration and two geographical segments, Peru and Canada, during the years ended March 31, 2026 and 2025.

(p) Cash

The Company holds all its cash at major Canadian and Peruvian financial institutions and has no cash equivalents.

(q) Leases

The Company recognizes right-of-use assets and lease liabilities in the consolidated statement of financial position initially measured as the present value of future lease payment and recognizes depreciation of right-of-use assets and interest on lease liabilities in the consolidated income statement. Lease payments, including both principal and interest components, are recognized within the consolidated statement of cash flows within financing activities. For short-term leases (lease terms of 12 months or less) and leases of low-value or immaterial assets, the Company has opted to recognize these lease payments as expenses on the consolidated income statement. This expense is presented within operating expenses.

(r) Inventory

The cost of inventory, which consists of consumables and chemical reagents used in the milling process, is comprised of the cost to purchase and the costs incurred to transport the material to the Company's plant.

(s) Investment in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method. The investment is recognized initially at cost and subsequently adjusted for the Company's share of the associate's profit or loss and other comprehensive income. Where the Company acquires an interest in an associate or a joint venture in exchange for non-cash consideration, including the issuance of the Company's own shares or the disposition of an interest in a mineral property, cost is measured at the fair value of the consideration given at the date of acquisition. Where an additional interest is acquired while significant influence or joint control is retained, the cost of the additional interest is added to the carrying amount and equity accounted prospectively from the acquisition date, without remeasurement of the interest previously held.

5. MATERIAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Estimated useful lives, assets' carrying values and impairment charges
  Amortization of property, plant and equipment is dependent upon estimates of useful lives based on management's judgment. In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment.

  These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- Estimation of decommissioning and restoration costs and the timing of expenditure
  Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

- Income, value added, withholding and other taxes
  The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations.

  The Company's interpretation of taxation law as applied to transaction and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- Share-based payments
  Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

(Expressed in Canadian dollars)

5. MATERIAL ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

- Determination of functional currency
  Functional currency is determined annually for each entity based on a set of primary and secondary factors that include; the currency that influences sales prices for goods and services; the currency of the country that determines the sales prices of goods and services; the currency that mainly influences the costs of providing goods and services; the currency in which funds from financing activities are generated; the currency in which receipts from operating activities are usually retained. When the factors do not provide clear indicators, management judgement must be applied in the determination of functional currency.

- Inventory
  Management applies estimate to the provisions recorded to reduce the carrying amount of inventory to net realizable value to reflect changes in grades, quantity or other economic factors and to reflect current intentions for the use of redundant or slow-moving items.

- Expected credit losses
  Management must exercise judgment to estimate the expected credit losses related to various financial assets. The evaluation of the expected credit losses is established considering the specific credit risk to its counterparties, historical trends and economic conditions.

- Going concern
  The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned projects, acquisitions, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

6. INVESTMENTS

a) Investment in San Maurizo Mines Inc. ("San Maurizo")

During the year ended March 31, 2025, the Company acquired a 50% interest in San Maurizo, a private Manitoba-based company by purchasing half of the outstanding shares previously owned by its sole shareholder, Hudson Heartland Ltd., through the issuance of 2,500,000 common shares and the payment of US$250,000. San Maurizo holds a 100% direct interest in the Mercedes gold-silver-lead-zinc-copper property, situated in central Peru via its wholly owned subsidiary, Basic Minerals SAC ("Basic Minerals").

The project is subject to a 20% Net Profit Interest ("NPI") which is to be eliminated once US$5 million has been paid to the NPI holder. Afterwards, a 1.5% Net Smelter Royalty ("NSR") is to be paid to the NPI holder. San Maurizo retains the right to buy out the NSR for US$1.5 million.

Summarized financial information of San Maurizo, is set out below:

As at	**March 31, 2026**	**March 31, 2025**
	$	**$**
ASSETS		
Current assets		
Cash and cash equivalents	174,002	22,326
Other current assets	64,910	40,933
Total current assets	238,912	63,258
Non-current assets	206,945	23,322
Total assets	445,857	86,580

(Expressed in Canadian dollars)

LIABILITIES		
Current liabilities		
Current liabilities	373,404	36,211
	373,404	36,211
Non-current liabilities	1,241,683	750,591
Total liabilities	1,615,087	786,802

	Year ended March 31, 2026	Year ended March 31, 2025
	$	$
EXPENSES		
Depreciation and amortization	1,598	-
Other income and expenses	286,302	224,283
Loss for the period	**(287,900)**	**(224,283)**
Share of loss for the period	**(143,950)**	**(112,141)**

A continuity of the Company's investment in San Maurizo is as follows:

	$
Balance, March 31, 2024	**-**
Investment in San Maurizo	480,512
Share of loss of San Maurizo	(112,141)
Balance, March 31, 2025	**368,371**
Investment in San Maurizo	294,746
Share of loss of San Maurizo	(143,950)
Balance, March 31, 2026	**519,167**

b) Shares in Rio Silver Inc. ("Rio Silver")

On December 12, 2025, the Company closed a sale transaction with Rio Silver whereby Rio Silver purchased the Company's Minas Maria Norte property via acquisition of 100% of the issued and outstanding common shares of the Company's Mamaniña Exploraciones subsidiary. The consideration received, or to be received, for the sale was as follows:

- Initial cash payments of $15,000 (*received*) and $12,500 USD (*received*);
- 3,999,999 common shares of Rio Silver (*received*);
- 10 equal semi-annual cash payments of $25,000 USD commencing June 15, 2025 and ending December 15, 2029 (*one payments received*)

The 3,999,999 shares were determined to have a value of $2,399,999 based on the TSXV trading price of Rio Silver's shares as of the transaction date. The semi-annual cash payments still receivable had a value of $222,462 as of the date of the transaction. The fair value of $222,462 attributable to the semi-annual advances at the transaction date was determined using a discount rate of 10%. This valuation input was based on discount rates used for similar arrangements by comparable companies. As of March 31, 2026, the future semi-annual amounts receivable had a carrying value of $231,720 (March 31, 2025 - $Nil) and $6,610 (March 31, 2025 - $Nil) in interest income was recognized pursuant to these payments.

(Expressed in Canadian dollars)

	$
Total consideration received	
Cash	70,013
Common shares of Rio Silver	2,399,999
Amounts receivable	239,672
	2,709,684
Carrying value of net assets sold	
Cash	5
Amounts receivable	175
	180
Gain on sale of subsidiary	**2,709,504**

As at March 31, 2026, the Company held 3,999,999 common shares in Rio Silver, measured at fair value through profit and loss. These shares represented 6.93% of the issued and outstanding shares of Rio Silver. At March 31, 2026, the Company adjusted the fair value of the shares in line with the market closing price and recognized an unrealized loss of $679,999 (2025 - $Nil).

	$
Balance, March 31, 2025	**-**
Addition	2,399,999
Unrealized loss	(679,999)
Balance, March 31, 2026	**1,720,000**

c) Shares in International Metals Mining Corp. ("IMMC")

During the year ended March 31, 2025, the Company sold 506,000 common shares of IMMC for net proceeds of $21,137 and recorded a realized loss on sale of marketable securities of $206,789.

During the year ended March 31, 2025, the Company adjusted the fair value of its investment in IMMC in line with the market closing price and recognized an unrealized gain of $205,133 which was recorded in the consolidated statements of income (loss) and comprehensive income (loss).

As at March 31, 2025 the Company had sold all its shares held in IMMC.

7. INVENTORY

The Company's inventory at March 31, 2026 is comprised of plant consumables with a value of $20,987 (March 31, 2025 - $22,956). The amount of inventories recognized as an expense during the year was $656,713 (2025 - $799,481), which is included in plant operating costs.

8. EXPLORATION AND EVALUATION PROPERTY INTERESTS

Palta Dorado Property, Peru

During the fifteen months ended March 31, 2024, the Company purchased Rio Silver's 50% interest in the Palta Dorada gold-silver-copper property located in northern Peru, resulting in 100% ownership. To acquire Rio Silver's remaining 50% interest, Peruvian Metals paid US$250,000. Rio Silver retained a 3% net smelter return which is capped at US$2 million. Peruvian Metals must also ensure that the royalty will pay a minimum of US$50,000 per year for a period of five years.

(Expressed in Canadian dollars)

Panteria Project

On April 21, 2022, the Company completed the sale of mineral concessions belonging to the Panteria Project (the “Mineral Concessions”) to IMMC. The total consideration for the sale of the Panteria Project was $256,540 ($200,000 US) cash and $417,376 shares (9,275,000 shares) for aggregate proceeds of $673,916 to be paid in two equal installments. In addition to the cash and shares, a 1% NSR has been granted to the Company. During the year ended March 31, 2025, the second cash payment of $100,000 US was received.

Additional bonus/milestone payments by IMMC include $750,000 (not received) on or before the completion date of 10,000 metres of drilling on the Panteria Project, and additional $750,000 (not received) on or before the completion date of 20,000 metres of drilling on the Panteria Project. At the sole election of IMMC, these payments can be made in cash or by the issuance of common shares of IMMC at their market value at the time of issuance, provided that such issuance is not to result in the Company holding 10% or more of the issued and outstanding shares of IMMC following such issuance. As of March 31, 2026 the progress targets had not been achieved and no bonus milestone/payment has been received.

9. RELATED PARTY TRANSACTIONS

Related parties include officers of the Company, the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including the directors of the Company. The remuneration of key management personnel of the Company for years ended March 31, 2026 and 2025 were as follows:

	Year ended	
	March 31, 2026	**March 31, 2025**
	$	**$**
Aggregate compensation	477,499	324,000

During the year ended March 31, 2026, $198,828 (2025 – $181,360) in dividends were issued to the party holding the remaining 20% non-controlling interest in Madosac and Insumos.

As at March 31, 2026, a balance of $Nil (2025 - $54,227) was due to certain officers and directors of the Company relating to unpaid compensation and advances. Amounts payable were unsecured, non-interest bearing and due on demand.

(Expressed in Canadian dollars)

10. PROPERTY, PLANT AND EQUIPMENT

All of the Company's property, plant and equipment at March 31, 2026 and 2025, are located in Peru.

	Office furniture and equipment	Computer equipment	Vehicles and field equipment	Plant	Total
	$	$	$	$	$
Cost					
Balance, March 31, 2024	**20,867**	**3,657**	**99,392**	**2,291,149**	**2,415,065**
Additions	320	-	1,377	102,118	103,815
Disposals	-	-	(7,637)	(262)	(7,899)
Foreign currency translation	-	-	-	170,280	170,280
Balance, March 31, 2025	**21,187**	**3,657**	**93,132**	**2,563,285**	**2,681,261**
Additions	-	-	2,299	36,905	39,204
Foreign currency translation	29,457	(3,657)	(41,479)	29,566	13,887
Balance, March 31, 2026	**50,644**	**-**	**53,952**	**2,629,756**	**2,734,352**
Accumulated depreciation					
Balance, March 31, 2024	**5,627**	**2,574**	**43,834**	**1,026,962**	**1,078,997**
Additions	5,193	709	17,852	133,487	157,241
Disposals	-	-	(7,636)	(2)	(7,638)
Foreign currency translation	-	-	-	66,868	66,868
Balance, March 31, 2025	**10,820**	**3,283**	**54,050**	**1,227,315**	**1,295,468**
Additions	9,940	-	830	318,227	328,997
Foreign currency translation	22,475	(3,283)	(4,884)	5,987	20,295
Balance, March 31, 2026	**43,235**	**-**	**49,996**	**1,551,529**	**1,644,760**
Net book value					
Balance, March 31, 2025	**10,367**	**374**	**39,082**	**1,335,970**	**1,385,793**
Balance, March 31, 2026	**7,409**	**-**	**3,956**	**1,078,227**	**1,089,592**

11. ASSET RETIREMENT AND RECLAMATION OBLIGATIONS

The Company's operations are governed by laws and regulations covering the protection of the environment. The Company intends to implement progressive measures for rehabilitation work to be carried out during the operation, closing and follow-up work upon closing of the Aguila Norte processing plant; consequently, the Company has accounted for its asset retirement obligations for the plant using best estimates of future costs, based on information available at the reporting date. These estimates are subject to change following modifications to laws and regulations or as new information becomes available.

The Company received its final environmental permit for the Aguila Norte Plant in February 2018 and set up a provision for the asset retirement and reclamation obligations. As at March 31, 2026, the estimated undiscounted cash flow required to settle the asset retirement obligation for Aguila Norte Plant and its related tailings pond is $270,000 and is projected to be disbursed July 2027. A 6.30% (March 31, 2025 – 5%) discount rate was used to evaluate this provision.

(Expressed in Canadian dollars)

	$
Balance, March 31, 2024	**238,430**
Accretion	11,792
Change in estimate	(2,448)
Balance, March 31, 2025	**247,774**
Accretion	9,227
Change in estimate	3,306
Balance, March 31, 2026	**260,307**

12. CAPITAL STOCK AND WARRANT RESERVE

a) Authorized, issued and outstanding shares

Authorized - Unlimited number of common shares,
- 100,000,000 preferred shares

	Common Shares	Amount
	#	$
Balance, March 31, 2024	**99,742,521**	**53,472,540**
Shares issued for cash	23,929,286	471,217
Shares issued for San Maurizo acquisition	2,500,000	175,000
Share issuance costs	-	(17,654)
Balance, March 31, 2025	**126,171,807**	**54,101,103**
Shares issued for cash	16,000,000	1,788,400
Shares issued for warrant exercises	5,007,143	429,846
Share issuance costs	-	(160,521)
Balance, March 31, 2026	**147,178,950**	**56,158,828**

During the year ended March 31, 2026:

(i) The Company issued a total of 3,400,000 common shares for warrant exercises at an exercise price of $0.05 per warrant. Total proceeds of $120,375 were received, while $39,875 was applied against balances owing to the warrant exercisers.

(ii) The Company issued a total of 1,607,143 common shares for warrant exercises at an exercise price of $0.10 per warrant. Total proceeds of $151,964 were received, while $8,750 was applied against balances owing to the warrant exercisers.

(iii) The Company issued a total of 10,000,000 common shares via a non-brokered private placement at a price of $0.10 per Unit. Each Unit included one common share and one-half share-purchase warrant (“Warrant”). Each Warrant is exercisable to acquire one additional common share for two years at a price of $0.15 per Warrant, the warrants were allocated a residual value of $nil. Agents received 396,900 agent warrants with a fair value of $55,177, each exercisable to acquire one additional common share for two years at a price of $0.15 per warrant.

(iv) The Company issued a total of 6,000,000 common shares via a non-brokered private placement at a price of $0.15 per Unit. Each Unit included one common share and one-half share-purchase warrant (“Warrant”). Each Warrant is exercisable to acquire one additional common share for two years at a price of $0.20 per Warrant, the warrants were allocated a residual value of $nil. Agents received 162,659 agent warrants with a fair value of $27,167, each exercisable to acquire one additional common share for two years at a price of $0.20 per warrant.

(Expressed in Canadian dollars)

During the year ended March 31, 2025:

(i) The Company issued a total of 3,929,286 common shares via a non-brokered private placement at a price of $0.07 per Unit. Each Unit included one common share and one-half share-purchase warrant (“Warrant”). Each Warrant is exercisable to acquire one additional common share for two years at a price of $0.10 per Warrant.

(ii) The Company issued a total of 20,000,000 common shares via a non-brokered private placement at a price of $0.02 per Unit. Each Unit included one common share and one-half share-purchase warrant (“Warrant”). Each Warrant is exercisable to acquire one additional common share for one year at a price of $0.05 per Warrant.

(iii) The Company issued a total of 2,500,000 common shares at a fair value of $0.07 per share as part of the transaction with Hudson Heartland Inc.

b) Share Purchase Warrants

A summary of changes in warrants outstanding for the two years ended March 31, 2026 is presented below:

	Warrants	Amount	Weighted average exercise price
	#	$	$
Balance, March 31, 2024	-	-	-
Issued	11,964,643	198,824	0.06
Agent warrants issued	132,000	1,320	0.05
Balance, March 31, 2025	**12,096,643**	**200,144**	**0.06**
Issued	8,000,000	-	0.17
Agent warrants issued	559,559	82,344	0.17
Exercised	(5,007,143)	(100,132)	0.07
Expired	(6,732,000)	(87,105)	0.05
Balance, March 31, 2026	**8,917,059**	**95,251**	**0.17**

Warrants outstanding as at March 31, 2026:

Expiry date	Number of warrants outstanding	Exercise price	Weighted average remaining contractual life
	#	$	(years)
May 28, 2026	357,500	0.10	0.16
February 24, 2027	5,396,900	0.15	0.90
March 25, 2028	2,706,659	0.20	1.99
March 30, 2028	456,000	0.20	2.00
	8,917,059		**1.26**

The grant date fair value of the agent warrants granted was estimated using the Black-Scholes option pricing model, using the following weighted average assumptions:

	2026
Risk-free interest rate	2.53%
Expected life (years)	1.29
Expected volatility	286%
Expected rate of forfeiture	nil
Expected dividend yield	nil
Share price	$0.17

(Expressed in Canadian dollars)

13. SHARE-BASED PAYMENTS – EMPLOYEE SHARE OPTION PLAN

The Company has adopted a share option plan (the "Plan") for its directors, officers, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date immediately preceding the date on which the option is granted. The terms and conditions of the options are determined by the Board of Directors.

The aggregate number of share options may not exceed 10% of the issued and outstanding common shares of the Company, and if any option granted under the Plan expires or terminates for any reason in accordance with the terms of the Plan without being exercised, that option would again be available for the purpose of the Plan. In addition, the exercise price of options granted under the Plan may not be lower than the exercise price permitted by the TSXVE, and all options granted under the plan may have a term not to exceed five years after issuance. All options currently issued and outstanding vested 100% on the date of grant.

A summary of changes in options outstanding for the two years ended March 31, 2026 is presented below:

	Number of options	Weighted average exercise price
	#	$
Balance, March 31, 2024	**2,500,000**	**0.18**
Expired	(2,250,000)	0.20
Balance, March 31, 2025	**250,000**	**0.08**
Issued	4,200,000	0.06
Balance, March 31, 2026	**4,450,000**	**0.06**

During the year ended March 31, 2026 the Company granted a total of 4,200,000 options with an exercise price of $0.06 and a contractual life of 3 years. 3,800,000 of the options granted were granted to directors, officers and employees of the Company.

As at March 31, 2026, the Company had outstanding share options issued to directors, officers, employees and consultants of the Company as follows:

Date of grant	Number of options outstanding	Number of options vested	Exercise price	Expiry date
December 14, 2023	250,000	250,000	0.08	December 14, 2028
January 6, 2026	4,200,000	4,200,000	0.06	January 6, 2029

The weighted average remaining contractual life of options issued and outstanding as at March 31, 2026 was 2.77 years (2025 – 3.96 years).

The grant date fair value of the options granted was estimated using the Black-Scholes option pricing model, using the following weighted average assumptions:

	2026
Risk-free interest rate	2.57%
Expected life (years)	3.0
Expected volatility	221%
Expected rate of forfeiture	nil
Expected dividend yield	nil
Share price	$0.06

(Expressed in Canadian dollars)

14. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income (loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net income (loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares. Potential ordinary shares that are anti-dilutive in nature are not considered in calculating diluted earnings per share.

Income and share data used in the basic and diluted earnings per share calculations are as follows:

	Year ended	
	March 31, 2026	**March 31, 2025**
Net income (loss)	**$ 991,125**	**$ (563,791)**
Weighted average number of shares outstanding		
Basic	128,175,682	115,770,400
Dilution from warrants	-	-
Dilution from options	-	-
Diluted	**128,175,682**	115,770,400

15. PLANT OPERATING EXPENSES

	Year ended	
	March 31, 2026	**March 31, 2025**
	$	**$**
Processing costs	927,854	1,040,873
Salaries and management fees	635,704	541,180
Depreciation	318,227	133,487
Office and general	188,530	55,015
Vehicles and equipment rentals	61,462	89,845
Professional fees	15,957	22,292
Security	34,751	33,032
	2,182,485	**1,915,724**

(Expressed in Canadian dollars)

16. GENERAL AND ADMINISTRATIVE

	Year ended	
	March 31, 2026	**March 31, 2025**
	$	**$**
Management and consulting fees	383,499	233,152
Share based payments	238,560	-
Professional fees	120,033	139,977
Shareholder relations and filing fees	109,440	124,374
Accounting and administration	70,663	50,470
Travel	69,293	42,611
Insurance	14,963	15,237
Rent	6,195	21,000
Telephone and communication	2,572	2,711
Interest and bank charges	1,104	-
	1,016,322	**629,532**

17. SEGMENTED INFORMATION

For the years ended March 31, 2026 and 2025, the Company's operations were focused in the resource industry in Peru while its head office was in Canada. As such, all of the Company's revenue and property, plant and equipment were concentrated in Peru. Furthermore, 51% of the Company's revenue for the year ended March 31, 2026 was with a single customer and 48% was with another customer. The remaining 1% of revenue was spread across the Company's other customers.

18. NON-CONTROLLING INTERESTS

The following subsidiary has material NCI:

Name of subsidiary	**Principal place of business**	**Ownership interest held by NCI**
Madosac	Peru	20%

The following is summarized financial information for the Madosac subsidiary, prepared in accordance with IFRS. The information is before inter-company eliminations with other consolidated entities.

	Year ended	
	March 31, 2026	**March 31, 2025**
	$	**$**
Revenue	3,061,890	3,097,781
Income	1,061,333	1,194,291
Income attributable to NCI	212,267	238,858
Other comprehensive loss	(6,818)	(54,924)
Total comprehensive income	**1,054,515**	**1,139,367**
Total comprehensive income attributable to NCI	**210,903**	**227,873**
Dividends paid to NCI during the year	198,828	181,360

(Expressed in Canadian dollars)

As at	March 31, 2026	March 31, 2025
	$	$
ASSETS		
Current assets	688,966	861,603
Non-current assets	2,390,763	2,887,452
Total assets	3,079,729	3,749,055
LIABILITIES		
Current liabilities	8,375,222	9,156,394
Total liabilities	8,375,222	9,156,394
Net liabilities	**5,295,493**	**5,407,339**

	Year ended	
	March 31, 2026	March 31, 2025
	$	$
Net cash provided by operating activities	41,266	313,626
Net cash provided by investing activities	424,551	276,669
Net cash used in financing activities	(320,107)	(678,890)
Net increase (decrease) in cash and cash equivalents	**145,710**	**(88,595)**

19. FINANCIAL INSTRUMENT RISK FACTORS

The Company may be exposed to risks of varying degrees of significance that could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below. There have been no significant changes in the risks, objectives, policies and procedures from the previous year.

a) Credit risk management

Credit risk relating to cash and amounts and advances receivable arises from the possibility that any counterparty to an instrument could fail to perform. The Company does not feel there is significant counterparty risk that could have an impact on the fair value of cash and receivables. The Company applies the simplified approach to providing for expected credit losses ("ECL") prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade and other receivables. As at March 31, 2026, the Company's cash is comprised of $1,123,203 (2025 - $14,082) held in a Canadian financial institution and $130,240 (2025 - $65,017) held in Peruvian financial institutions.

b) Liquidity risk

The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its capital, development and exploration expenditures. The Company ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Cash includes cash on hand and balances with banks. The deposits are held in Canadian and Peruvian chartered banks, or a financial institution controlled by Canadian and Peruvian chartered banks.

As at March 31, 2026, the Company had a cash balance of $1,253,443 (2025 - $79,099) to settle current liabilities of $250,564 (2025 - $534,655).

c) Market risk

At the present time, the Company does not hold any interest in a mining property that is in production. The Company's viability and potential success depends on its ability to source mineral for processing profitably and develop, exploit, and generate revenue from the development of mineral deposits. Revenue, cash flow, and profits from any future milling and mining operations in which the Company is involved will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices can fluctuate widely and are affected by numerous factors beyond the Company's control.

The Company is exposed to price risk associated with the change in the market value of its shares in Rio Silver. The Company closely monitors equity prices to determine the appropriate course of action to take. A 10% change in the market price of the investment would have resulted in an approximate $172,000 change to the Company's net income for the year ended March 31, 2026.

d) Foreign currency risk

Foreign currency risk relates to the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations affect the costs that the Company incurs in its operations.

Some of the Company's financial instruments and transactions are denominated in currencies other than its functional currencies. The fluctuation in foreign currencies will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of shareholders' equity. At March 31, 2026, the Company held net financial assets of approximately $329,000 denominated in currencies other than functional currencies. A 10% change in the foreign exchange rate would result in a change in the net income for the year of approximately $30,000.

e) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The majority of the Company's cash balances earn interest at fixed rates over the next three to twelve months. The Company is not exposed to significant interest rate risk.

f) Fair value of financial assets and liabilities

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 - Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 - Applies to assets or liabilities for which there is unobservable market data.

The Company's primary financial instruments are classified as follows:

Financial instruments	Classification
Cash	Amortized Cost
Marketable securities	Fair Value through Profit and Loss

(Expressed in Canadian dollars)

Amounts receivable	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Due to related parties	Amortized Cost

The recorded amounts of cash, current portion of amounts receivable, accounts payable and accrued liabilities and due to related parties approximate their respective fair values due to their short-term nature. The carrying value of the non-current portion of advances receivable approximates its fair value due to minimal changes in interest rates and the overall credit risk on the instrument. Marketable securities are measured at fair value using Level 1 inputs.

20. CAPITAL RISK MANAGEMENT

The Company defines capital as shareholders' equity which at March 31, 2026 was $4,450,481 (2025 - $1,201,987). The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support its exploration, development and operation activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to fund operations at the Aguila Norte Plant, pursue the exploration of its mineral properties, and maximize shareholder returns. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing bank indebtedness or equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. As at March 31, 2026 and March 31, 2025, the Company had no bank debt.

Management reviews its capital management approach on an ongoing basis. There were no significant changes in the Company's approach to capital management during the years ended March 31, 2026 and 2025. The Company and its subsidiaries are not subject to externally imposed capital requirements.

21. COMMITMENTS AND CONTINGENCIES

a) Lease agreements

The Company's subsidiary, Madosac, has annual office rental obligations of $21,138 (US$15,600) due during the year ending March 31, 2027.

b) Management compensation

The Company has agreed to pay management compensation of a minimum total in annual payments of $180,000.

c) Environmental matters

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

d) Legal proceedings

The Company is, from time to time, involved in various claims and legal proceedings. The Company cannot reasonably predict the likelihood or outcome of these activities.

The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reasons thereof, will have a material effect on the financial condition or future results of operations. As at March 31, 2026 and 2025, no amounts have been accrued related to such matters.

(Expressed in Canadian dollars)

22. SUPPLEMENTAL CASH FLOW INFORMATION

	2026	2025
	$	$
Interest received	1,620	1,135
Non-cash transactions:		
Marketable securities received on sale of Mamaniña	2,399,999	-
Amounts receivable recognized on sale of Mamaniña	222,462	-
Settlement of accounts payable upon exercise of warrants	48,625	-
Shares issued for investment in San Maurizo	-	175,000
Finders' warrants issued	82,344	1,320

23. INCOME TAXES

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 23.0% (March 31, 2025 - 23.0%) were as follows:

	2026	2025
	$	$
Income (loss) before income taxes	1,394,297	(91,832)
Expected income tax (recovery) based on statutory rate	321,000	(21,000)
Adjustments:		
Non-deductible (taxable) items	73,000	(129,000)
Impact of share issuance costs	(18,000)	(4,000)
Foreign exchange and other	(34,619)	(317,074)
Difference in tax rates	32,000	52,000
Expiry of loss carryforward	24,000	-
Change in deferred tax assets not recognized	(206,000)	585,000
Total tax expense (recovery)	191,381	165,926

b) Deferred Income Tax

The Company has the following unrecognized deferred tax assets:

	2026	2025
	$	$
Non-capital loss carry-forwards - Canada	4,785,000	4,728,000
Non-capital loss carry-forwards - Peru	2,483,000	2,765,000
Share issue costs – Canada	17,000	4,000
Exploration and evaluation assets	996,000	995,000
Equipment	407,000	404,000
Capital loss	102,000	102,000
Other	160,000	158,000
Total	8,950,000	9,156,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use benefits.

c) Tax Loss Carry- Forwards

(Expressed in Canadian dollars)

As at March 31, 2026, the Company had resources pools of approximately $27,985,000 in Canada, which under certain circumstances, may be utilized to reduce taxable income of future years. The Company has approximately $19,092,000 of non-capital losses in Canada and approximately S/. 22,500,000 ($8,893,000) of non-capital losses in Peru, which can be used to reduce taxable income in future years.

The non-capital losses in Canada and Peru expire as follows:

Year of Expiry	Canada	Peru
	$	$
2027	1,981,000	184,000
2028	463,000	204,000
2029	4,433,000	-
2030	1,008,000	-
2031	740,000	-
2032	1,593,000	-
2033	812,000	-
2034	1,604,000	-
2035	1,110,000	-
2036	1,052,000	-
2037	723,000	-
2038	523,000	-
2039	504,000	-
2040	682,000	-
2041	492,000	-
2042	621,000	-
2044	1,066,000	-
2045	1,147,000	-
2046	248,000	-
Indefinite	-	8,036,000
Total	20,802,000	8,424,000

24. SUBSEQUENT EVENTS

On May 12, 2026 stock options were granted to various directors, officers and consultants to purchase up to 3.3 million common shares of the Company on or before May 12, 2031 at an exercise price of $0.35 per share.

A total of 382,875 share purchase warrants were exercised for gross proceeds of $39,556.

A total of 400,000 stock options were exercised for gross proceeds of $24,000.