CONSOLIDATED FINANCIAL STATEMENTS

CERRO DE PASCO RESOURCES

For the years ended March 31, 2026
and 2025

Management's Responsibilities over Financial Reporting

The Financial Statements of Cerro de Pasco Resources Inc. (the "Corporation", "Company, or "CDPR") are the responsibility of the Corporation's management. The consolidated financial statements are 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") and reflect management's best estimates and judgment based on information currently available.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the consolidated financial statements prior to their submission to the Board of Directors for approval.

The consolidated financial statements have been audited.

DAVIDSON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Cerro De Pasco Resources Inc.

Opinion

We have audited the accompanying consolidated financial statements of Cerro De Pasco Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2026 and 2025, and the consolidated statements of comprehensive income (loss), changes in equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit 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 audit 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Company's ability to continue operations is dependent on securing future funding through various means, including, but not limited to, the issuance of new equity instruments. While management has been successful in raising financing in the past, there is no assurance that it will succeed in obtaining additional financing in the future. As stated in Note 2, these events and conditions 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 of the current year. 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.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be a key audit matter to be communicated in our report.

Assessment of Impairment of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 8 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $8,435,403 as of March 31, 2026. As more fully described in Notes 3 and 4 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures include, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Obtaining confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, 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, 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 related 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.

Auditor's Responsibilities for the Audit 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 auditor's 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 Canadian generally accepted auditing standards 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 Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. 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 audit 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.
- 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 auditor's 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 auditor's 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 audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 year and are therefore the key audit matters. We describe these matters in our auditor’s 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 audit resulting in this independent auditor's report is Alyson Neil.

Chartered Professional Accountants Vancouver, Canada

June 30, 2026

CPA auditor, public accountancy permit no. A151294

Cerro de Pasco Resources Inc.
Consolidated Statements of Financial Position
(Expressed in US dollars unless otherwise noted)

	Note	March 31, 2026	March 31, 2025
		$	$
Assets			
Current assets:			
Cash and cash equivalents		23,362,295	11,472,112
Other financial assets		60,193	48,016
Other receivables	6	102,401	153,493
Prepaid expenses		318,269	110,009
Total current assets		**23,843,158**	**11,783,630**
Non-current assets:			
Property, plant & equipment	7	171,295	31,534
Right-of-use assets		47,456	54,970
Exploration and evaluation assets	8	8,435,403	4,399,410
Total non-current assets		**8,654,154**	**4,485,914**
Total assets		**32,497,312**	**16,269,544**
Liabilities and Equity			
Current liabilities:			
Trade accounts payable and other liabilities	9	1,251,838	1,384,065
Lease liabilities		13,265	5,991
Deferred government assistance	11	500,000	-
Balance of purchase price payable	12	-	1,584,164
Current portion of contingent consideration payable	12	-	2,500,000
Total current liabilities		**1,765,103**	**5,474,220**
Non-current liabilities:			
Loans	13	17,213	4,073,314
Lease liabilities, net of current		35,095	50,054
Total non-current liabilities		**52,308**	**4,123,368**
Total liabilities		**1,817,411**	**9,597,588**
Equity:			
Share capital	15	69,135,326	44,707,044
Warrants	15	6,888,327	5,788,168
Share options	16	3,380,254	1,535,328
Contributed surplus		2,980,601	2,372,082
Deficit		(52,494,713)	(48,384,500)
Accumulated other comprehensive income		790,106	653,834
Total shareholders' equity		**30,679,901**	**6,671,956**
Total liabilities and shareholders' equity		**32,497,312**	**16,269,544**

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

Going concern, see Note 2.
Commitments and contingencies, see Note 25.
Subsequent events, see Note 26.
These financial statements were approved and authorized for issue by the Board of Directors on June 30, 2026.
On behalf of the board, Guy Goulet /s/, CEO, Director Steven Zadka /s/, Executive Chairman

Cerro de Pasco Resources Inc.
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in US dollars unless otherwise noted)

	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
		$	$
Expenses:			
General and administrative expenses	17	8,147,270	5,648,457
Operating loss before other income (expenses) and income tax		**(8,147,270)**	**(5,648,457)**
Other income (expenses):			
Other and financial income	17	-	845,356
Financial expenses	17	(1,008,459)	(968,004)
Interest income	17	503,842	121,445
Gain (loss) on extinguishment of debt	13	1,829,863	(3,586)
Gain on restructuring and modification of note	13	-	5,502,331
Loss on modification of convertible debt	14	-	(189,542)
Gain on settlement of purchase payable and contingent consideration payables	12	2,661,780	-
Exchange gain (loss)		50,031	(39,541)
Gain on sale of subsidiary	5	-	35,863,535
		4,037,057	**41,131,994**
Income (loss) before income taxes		**(4,110,213)**	**35,483,537**
Income tax expense		**-**	-
Net income (loss) from continuing operations		**(4,110,213)**	**35,483,537**
Other comprehensive income (loss) from continuing operations			
Currency translation adjustment		136,272	(126,038)
Other comprehensive loss (income) net of tax		**136,272**	**(126,038)**
Net comprehensive income (loss) from continuing operations		**(3,973,941)**	**35,357,499**
Net loss from discontinued operations	5	-	(10,885,403)
Other comprehensive income from discontinued operations			
Currency Translation adjustment		-	331
Net comprehensive loss from discontinued operations		-	(10,885,072)
Net comprehensive income (loss) - continuing operations and discontinued operations		**(3,973,941)**	**24,472,427**
Net income (loss)		**(4,110,213)**	**24,598,134**
Other comprehensive income (loss)		**136,272**	**(125,707)**
Net comprehensive income (loss)		**(3,973,941)**	**24,472,427**

Basic weighted average number of common shares outstanding:		**552,674,095**		**428,996,996**
Diluted weighted average number of common share outstanding:		**552,674,095**		**453,964,859**
Basic income (loss) per share – continuing operations:	**$**	**(0.01)**	**$**	**0.08**
Diluted income (loss) per share – continuing operations:	**$**	**(0.01)**	**$**	**0.08**
Basic and diluted loss per share – discontinued operations:		**N/A**		**(0.00)**
			$	
Basic income (loss) per share:	**$**	**(0.01)**	**$**	**0.06**
Diluted income (loss) per share	**$**	**(0.01)**	**$**	**0.06**

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

Cerro de Pasco Resources Inc.
Consolidated Statements of Changes in Equity (Deficiency)
(Expressed in US dollars unless otherwise noted)

	Note	Number of Shares Outstanding	Share Capital	Warrants	Share Options	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity (Deficiency)
			$	$	$	$	$	$	$
Balance as of March 31, 2025		**509,384,503**	**44,707,044**	**5,788,168**	**1,535,328**	**2,372,082**	**(48,384,500)**	**653,834**	**6,671,956**
Shares and units issued:									
Private Placements	15	47,366,957	13,497,741	-	-	-	-	-	13,497,741
Share issuance cost	15	-	(1,318,117)	427,334	-	-	-	-	(890,783)
Warrants exercised		60,360,705	11,742,957	(1,876,117)	-	-	-	-	9,866,840
Warrants granted as part of private placements	15	-	-	2,668,167	-	-	-	-	2,668,167
Warrants expired	15	-	-	(119,225)	-	119,225	-	-	-
Share options granted	16	-	-	-	2,334,220	-	-	-	2,334,220
Share options forfeited	16	-	-	-	(295,369)	295,369	-	-	-
Share options exercised	16	3,075,000	505,701	-	(193,925)	193,925	-	-	505,701
Transactions with owners		**110,802,662**	**24,428,282**	**1,100,159**	**1,844,926**	**608,519**	**-**	**-**	**27,981,886**
Net income and comprehensive loss for the year		-	-	-	-	-	(4,110,213)	136,272	(3,973,941)
Balance as of March 31, 2026		**620,187,165**	**69,135,326**	**6,888,327**	**3,380,254**	**2,980,601**	**(52,494,713)**	**790,106**	**30,679,901**

Cerro de Pasco Resources Inc.

Consolidated Statements of Changes in Equity (Deficiency)

(Expressed in US dollars unless otherwise noted)

	Note	Number of Shares Outstanding	Share Capital	Warrants	Share Options	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Share Subscription Receivable	Total Equity (Deficiency)
			$	$	$	$	$	$	$	$
Balance as of March 31, 2024		**347,813,434**	**27,020,881**	**1,718,039**	**691,624**	**2,310,974**	**(72,954,894)**	**752,120**	**(349,894)**	**(40,811,150)**
Shares and units issued:										
Private Placements	15	128,480,000	13,383,167	-	-	-	-	-	349,894	13,733,061
Termination fees	15	500,000	43,320	-	-	-	-	-	-	43,320
Consulting fees	15	150,000	20,963	-	-	-	-	-	-	20,963
Share issuance cost	15	-	(1,013,534)	369,033	-	-	-	-	-	(644,501)
Warrants exercised	15	20,831,080	4,044,456	(454,838)	-	-	-	-	-	3,589,618
Warrants granted as part of private placements	15	-	-	3,791,519	-	-	-	-	-	3,791,519
Warrants expired	15	-	-	(268,684)	-	268,684	-	-	-	-
Warrants issued as penalty interest on convertible debenture	15	-	-	74,244	-	-	-	-	-	74,244
Extended warrants		-	-	336,223	-	(336,223)	-	-	-	-
Share options granted	16	-	-	-	972,351	-	-	-	-	972,351
Share options forfeited	16	-	-	-	(116,198)	116,198	-	-	-	-
Share options exercised	16	150,000	20,946	-	(12,449)	12,449	-	-	-	20,946
Issuance of shares as conversion of convertible debenture	14	11,459,989	1,186,845	222,632	-	-	-	-	-	1,409,477
Reclassification of non-controlling interest to retained earnings upon sale	5	-	-	-	-	-	(27,740)	27,740	-	-
Reclassification of AOCI to retained earnings upon sale of subsidiary	5	-	-	-	-	-	-	(319)	-	(319)
Transactions with owners		**161,571,069**	**17,686,163**	**4,070,129**	**843,704**	**61,108**	**(27,740)**	**27,421**	**349,894**	**23,010,679**
Net income and comprehensive loss for the year		-	-	-	-	-	24,598,134	(125,707)	-	24,472,427
Balance as of March 31, 2025		**509,384,503**	**44,707,044**	**5,788,168**	**1,535,328**	**2,372,082**	**(48,384,500)**	**653,834**	**-**	**6,671,956**

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

Cerro de Pasco Resources Inc.
Consolidated Statements of Cash Flows
March 31, 2026 and 2025
(Expressed in US Dollars unless otherwise noted)

	Note	For the year ended March 31. 2026	For the year ended March 31, 2025
		$	$
Cash flows from operating activities:			
Net income (loss) from continuing operations		**(4,110,213)**	**35,483,537**
Adjustments for:			
Consulting fees paid through issuance of shares		-	20,963
Gain on settlement of purchase payable and contingent consideration	12	(2,661,780)	-
Shares issued for termination of services		-	43,320
Share-based compensation	16	2,334,220	972,351
Change in fair value of other financial assets		(12,177)	2,836
Loss on modification of convertible debt	14	-	189,542
(Gain) loss on extinguishment of debt	13	(1,829,863)	3,586
Gain on restructuring and modification of note	13	-	(5,502,331)
Gain on sale of subsidiary	5	-	(35,863,535)
Accretion expense on loan	13	592,207	128,372
Interest on loan	13	386,631	439,822
Presumed interest on convertible debenture		-	236,182
Presumed interest and penalties paid on promissory note		-	41,137
Interest on lease liability		-	4,152
Other and financial income		-	9,639
Depreciation of right-of-use assets		18,737	10,584
Foreign exchange effect		(16,919)	(67,745)
Depreciation of property, plant, and equipment		8,272	21,847
Continuing operating activities before changes in working capital items		(5,290,885)	(3,825,741)
Discontinued operating activities before changes in working capital items		-	(4,642,949)
Operating activities before changes in working capital items		(5,290,885)	(8,468,690)
Changes in continuing working capital items	21	(294,471)	(1,044,230)
Changes in discontinued working capital items	21	-	5,102,247
Changes in working capital items	21	(294,471)	4,058,017
Cash flows used in continuing operating activities		**(5,585,356)**	**(4,869,971)**
Cash provided by discontinued operating activities		**-**	**459,298**
Net cash used in operating activities		**(5,585,356)**	**(4,410,673)**
Cash flows from investing activities			
Acquisition of property, plant, and equipment		(150,022)	(25,119)
Cash paid to settle contingent consideration	12	(1,422,384)	-
Acquisition of exploration and evaluation assets	8	(4,035,993)	(2,802,053)
Cash flows used in continuing investing activities		**(5,608,399)**	**(2,827,172)**
Cash used in discontinued investing activities		**-**	**(506,199)**
Net cash used in investing activities		**(5,608,399)**	**(3,333,371)**
Cash flow from financing activities:			
Proceeds from deferred government assistance	11	500,000	-
Proceeds from shares issued	15	16,165,908	17,349,611
Proceeds from exercise of warrants	15	9,866,840	3,589,618
Proceeds from exercise of options	16	505,701	20,946

Repayment of loan payable	13	(3,200,000)	(275,527)
Repayment of convertible debenture		-	(198,327)
Repayment of promissory note		-	(665,630)
Repayment of lease liabilities		-	(13,626)
Share issuance costs	16	(890,783)	(644,501)
Cash flows provided by continuing financing activities		**22,947,666**	**19,162,564**
Cash provided by discontinued financing activities		**-**	**-**
Net cash provided by financing activities		**22,947,666**	**19,162,564**
Effect of exchange rate fluctuations on cash held in foreign currencies		**136,272**	**(63,219)**
Net change in cash during the year		**11,890,183**	**11,355,324**
Cash and cash equivalents, beginning of year - continued operations		11,472,112	69,887
Cash and cash equivalents, beginning of year - discontinued operations		-	66,834
Less cash disposed as part of disposal of subsidiary		-	(19,910)
Cash and cash equivalents, end of year		**23,362,295**	**11,472,112**

Non-cash transactions

Warrants issued as part of private placements	15	2,668,167	3,791,519
Adjustments relating to change in estimated inputs for ARO		-	116,198
Expiration of warrants		119,225	268,684
Fair value reversal on exercise of options		193,925	-
Deconsolidation of intercompany loan after sale of Santander		-	9,253,781
Fair value reversal of exercise of warrants	15	1,876,117	454,838
Fair value reversal on forfeiture of options	15	295,369	12,450
Release of restricted cash due to share issuance		-	1,889,258
Warrants issued as penalty interest on convertible debenture		-	74,244
Warrants issued as part of convertible debt extinguishment		-	222,632
Conversion of convertible debt into shares		-	1,186,845
Extension of warrants		-	70,101
Recognition of ROU asset and lease liability		-	65,554

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

1. REPORTING ENTITY AND NATURE OF OPERATIONS:

Cerro de Pasco Resources Inc. and its subsidiaries (hereafter the "Company" or "Cerro de Pasco" or "CDPR") is a natural resource company engaged in the acquisition, and exploration of mineral properties.

Cerro de Pasco Resources Inc. is a company located in Canada. The Company was incorporated on June 6, 2003 under the Business Corporations Act (Alberta).

The Company's head office, which is also the main establishment is located at 205-68 Av de la Gare, Saint-Sauveur, Québec, J0R 1R0, Canada and its web site is www.pascoresources.com. The Company is trading on the TSX Venture Exchange ("TSX-V") under symbol "CDPR".

The Company sold its subsidiaries Cerro de Pasco Resources Subsidiaria del Perú S.A.C. and El Metalurgista S.A.C. (collectively "Santander" or "Purchased Corporations") on August 29, 2024 (see Note 5 for details on sale). The Company maintains ownership of their tailings and stockpile, which is owned by Cerro de Pasco Resources del Peru S.A.C. ("CDPR del Peru"), which is still in an exploration stage.

2. GOING CONCERN:

The accompanying consolidated financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt on the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

For the year ended March 31, 2026, the Company recorded a net loss of $4,110,213 (net income of $24,598,134 for the year ended March 31, 2025). The accumulated deficit of $52,494,713 as of March 31, 2026 ($48,384,500 as of March 31, 2025) is attributable to all sectors of the Company. As of March 31, 2026, the Company had a working capital of $22,077,995 ($6,309,410 as of March 31, 2025). The Company's ability to continue operations is dependent on securing future funding through various means, including, but not limited to, the issuance of new equity instruments. While management has been successful in raising financing in the past, there is no assurance that it will succeed in obtaining additional financing in the future These circumstances may cast significant doubt regarding the Company's ability to continue as a going concern.

The recovery of the cost of exploration and evaluation assets as well as other tangible and intangible assets, is subject to certain conditions: the discovery of economically recoverable reserves, the continued support from the Company's suppliers and lenders, the ability of the Company to obtain the necessary financing to continue the exploration, evaluation, development, construction and ultimately disposal of these assets.

3. BASIS OF PREPARATION:

Statement of compliance:

These annual consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") applicable to the preparation of annual consolidated financial statements. The accounting policies applied in these consolidated financial statements are based on IFRS issued and in effect as of year end.

Basis of measurement:

The consolidated financial statements have been prepared on a historical cost basis except for where IFRS requires recognition at fair value.

Basis of consolidation:

A subsidiary is an entity over which the Company has control. The Company controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is acquired and de-consolidated from the date that control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group transactions and balances are eliminated in consolidation.

Subsidiary	Status	Jurisdiction of Incorporation	Principal activity	% Of Ownership
Cerro de Pasco Resources del Perú S.A.C.	Active	Peru	Exploration	100%

On August 29, 2024, the Company completed the sale of its full ownership interest in Santander (See Note 5).

Reclassification:

During the year ended March 31, 2026, certain prior period amounts have been reclassified to conform to the current year presentation. These reclassifications were made to improve the comparability of the Company's consolidated financial statements and included presentation changes within the consolidated statement of comprehensive income (loss), consolidated statement of cash flows and related disclosures. The reclassifications had no impact on previously reported total assets, total liabilities, shareholders' equity, net loss, comprehensive loss, or cash flows.

Functional and presentation currency

The consolidated financial statements are presented in United States dollars (“USD”). The functional currency of Cerro de Pasco Resources Inc. is the Canadian dollar (“CAD”). The functional currency of CDPR del Peru and Santander is USD.

Use of estimates and judgments:

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Significant management judgment:

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effects on the financial statements.

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, meets its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See Note 2 for more information.

Recognition of deferred income tax assets and measurement of income tax expense

The Company is subject to taxes from different tax country jurisdictions. Determining the tax treatment of a transaction requires the Company to apply judgment in its interpretation of the applicable tax law. The tax treatment may change based on the result of assessments or audits by the tax authorities, often years after the initial filing.

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period (see Note 20).

(b) Estimation uncertainty:

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities and expenses is provided below. Actual results may be substantially different.

Impairment of exploration and evaluation assets

Determining if there are any facts or circumstances indicating an impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash- generating units must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether a technically or economically viable extraction operation can be established, the probability that the expense will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of existence of reverses, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written-down in profit or loss in the period when the new information become available.

Impairment assessment of property, plant, and equipment

An impairment assessment requires the use of estimates and assumptions such as future zinc, lead, and silver prices (considering current and historical prices, price trends and related factors), operating and capital costs, discount rates, foreign exchange rates, closure and remediation costs, estimated life-of mines, mineral reserves and resources including exploration potential and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or cash generating units ("CGUs"). Such circumstances may give rise to an impairment or a reversal of previous impairments with the impact.

Reclamation and remediation provision

The ultimate costs for reclamation and remediation are uncertain, and cost estimates can vary in response to many factors, including estimates of the nature, extent and timing of remediation activities, technological changes, regulatory changes, cost increases as compared to inflation rates, the risk-free interest rate for discounting future cash flows, foreign exchange rates, and estimates of the underlying currencies in which the provisions will ultimately be settled. The Company estimates its costs based on studies using current restoration standards and techniques, and the provision at the reporting date represents management's best estimate of the present value of the future remediation costs required.

Useful lives of mineral properties, plant, and equipment

Estimated mineral resources are used in determining the depreciation of certain assets. This results in depreciation expense proportional to the depletion of the anticipated remaining life-of-mine production. The estimate of the remaining lives of the Company's producing mineral properties is based on a combination of quantitative and qualitative factors including historical production and financial results, mineral resources reported under National Instrument 43-101 ("NI 43-101"), estimates of ore mineral feed production from areas not included in the NI 43-101 reports, and management's intent to operate the property. The estimated remaining lives of the producing mineral properties are used to calculate amortization and depletion expense, forecast the timing of the payment of reclamation and remediation costs and perform impairment or impairment reversal testing to review the carrying values of assets and/or CGUs.

There are numerous uncertainties inherent in estimating the remaining lives of the producing mineral properties, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, or production costs may change the economic status of the resources, estimates of production from areas not included in the NI 43-101 reports, and management's intent to operate the property, and may ultimately have a material impact on the estimated remaining lives of the properties.

Share-based compensation

The estimation of share-based compensation costs requires the selection of an appropriate valuation model and data and consideration as to the volatility of the Company's own share, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model (see Note 16).

Basis of depreciation of mining sites in production

Depreciation of mining assets is computed principally by the units-of-production method over life-of-mine based on estimated quantities of economically recoverable mineral resources, which can be recovered in future from known mineral deposits.

In most instances, proved and probable reserves provide the best indication of the useful life of the Santander mining operation in production (and related assets). However, in some instances, additional resources may be included. This may be the case, for example, where management is confident that resources will be economically recoverable.

In assessing which resources to include so as to best reflect the useful life of the mine, management considers resources that have been included in the life-of-mine plan. To be included in the life-of-mine plan, resources need to be above the cut-off grade set by management, which means that the resource can be economically mined and is therefore commercially viable. This consistent systematic method for inclusion in the life-of-mine plan takes management's view of the zinc price, exchange rates as well as cost inflation into account. Changes in the assumptions used in estimating the mineral resources may affect the net value of property, plant, and equipment, provisions for restoration of mining sites and the amortization and depletion expense.

Inventories

Management estimates the net realizable values of inventories, considering the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes that may reduce future selling prices.

Provision and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, previous experience and the probability of a loss being realized. Several of these factors are source of estimation uncertainty.

Deconsolidation of Santander intercompany loan after sale and recognition of third party loan

As disclosed in Note 5, on August 29, 2024, the Company entered into a Share Purchase Agreement (SPA) for the sale of its 100% equity interest in Santander. Prior to the transaction, the Company and its subsidiary, CDPR del Perú, had outstanding intercompany loan balances totaling $9.3 million payable to the entities being sold (the "Purchased Corporations"). These balances were previously eliminated in consolidation.

Following the sale, the Purchased Corporations ceased to be subsidiaries of the Company and were deconsolidated. As a result, the intercompany loan became recognized as a third-party liability in the consolidated financial statements.

Under the terms of the SPA, the loan accrues interest at 4% per annum, compounded monthly. The SPA stipulates an initial payment of $1.0 million within 90 days of closing, with the remaining balance deferred for five years and repayable over the subsequent five years in quarterly installments of $414,689, plus annual interest payments.

During the year ended March 31, 2026, the Company fully settled the outstanding obligation under the SPA, including all accrued interest. Accordingly, as of March 31, 2026, no outstanding balance related to this obligation remained, and the third-party loan balance was $nil. See Note 13 for additional details regarding the settlement of the third-party loan.

4. MATERIAL ACCOUNTING POLICY INFORMATION:

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, unless otherwise indicated.

Foreign currency transactions and balances:

The consolidated financial statements are presented in US dollars (see Note 3 on Functional and presentation currency). Foreign currency transactions and balances are translated in their respective functional currency using the following method:

- Monetary assets and liabilities in foreign currency are translated at the closing exchange rate in effect at the reporting date, whereas other assets and liabilities are translated at the exchange rate in effect at the transaction date.
- Revenues and expenses are translated at the average rate in effect during the year.

- Gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year end exchange rates are included in profit or loss.
- Non-monetary items are not re-translated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Assets, liabilities, and transactions of the subsidiary with a functional currency other than the US dollar are translated into US dollars on consolidation. On consolidation, assets and liabilities are translated into US dollars at the closing rate of the reporting date. Income and expenses are translated under the Company's presentation currency at the average rate over the reporting year. Exchange differences are presented as other comprehensive loss and recognized in Accumulated other comprehensive income in equity (deficiency). On disposal of a foreign operation, the cumulative translation differences recognized in equity are reclassified to profit or loss and recognized as part of the gain or loss on disposal.

Goodwill, intangibles and fair value adjustments arising on the acquisition of a foreign subsidiary are treated as assets and liabilities of the foreign subsidiary and translated at the rate in effect at the statement of financial position date.

Financial instruments:

(a) Recognition and derecognition:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

(b) Classification and initial measurement of financial assets:

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets are classified into the following categories:

- amortized cost;
- fair value through profit or loss ("FVTPL");
- fair value through other comprehensive income ("FVOCI").

In the periods presented, the Company does not have any financial assets categorized as fair value through other comprehensive income.

The classification is determined by both:

- the entity’s business model for managing the financial asset;
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance expenses, finance income or other financial items, except for impairment of trade receivables which is presented within general and administrative expenses.

(c) Subsequent measurement of financial assets:

(i) Financial assets at amortized cost:

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company’s cash and cash equivalent and other receivables (except sales tax receivable) fall into this category of financial instruments.

(ii) Financial assets at fair value through profit or loss (FVTPL):

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category contains marketable securities in a quoted company (presented within other financial assets). The Company accounts for the investments at FVTPL and did not make the irrevocable election to account for the investment in Morocco Strategic Metals Corporation ("Morocco Strategic Metals", formerly Genius Metal Inc.) and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirement of IFRS 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

(d) Compound financial instruments:

The component parts of compound financial instruments (convertible debentures) issued by the Company are classified separately as financial liabilities and equity component in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

At the date of issue, the liability component is recognized at fair value, which is estimated using the borrowing rate available for similar non-convertible instruments. Subsequently, the liability component is measured at amortized cost using the effective interest method until extinguished upon conversion or at maturity.

The value of the conversion option classified as equity component is determined at the date of issue by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This amount is recognized in equity, net of income tax effects, and is not subsequently remeasured. When and if the conversion option is exercised, the equity component of convertible debentures will be transferred to share capital. If the conversion option remains unexercised at the maturity date of the convertible debentures, the equity component of the convertible debentures will be transferred to contributed surplus. No gain or loss is recognized upon conversion or expiration of the conversion option.

Transaction costs related to the issue of convertible debentures are allocated to the liability and equity component in proportion to the initial carrying amounts. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the term of the convertible debenture using the effective interest method.

Impairment of financial assets:

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses - the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included other receivables (except sales tax receivable).

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Stage 1: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk;
- Stage 2: financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not;
- Stage 3: there is objective evidence of impairment as of the reporting date.

12-month expected credit losses are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities:

The Company's financial liabilities at amortized cost include trade accounts payable and other liabilities, balance of purchase price payable, convertible debenture and loans. The Company's financial liabilities designated at FVTPL, which includes items such as the contingent consideration payable.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance expenses or finance income.

Basic and diluted loss per share:

Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting loss attributable to common shareholders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares which include options and warrants. Dilutive potential common shares are deemed to have been converted into common shares at the average market price at the beginning of the year or, if later, at the date of issue of the potential common shares. The diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding warrants and share options.

The table below identifies the equity instruments excluded from the calculation of diluted loss per share because their inclusion would be anti-dilutive in the year ended March 31, 2026:

Financial Instrument	Issuable shares as of March 31, 2026
Outstanding warrants	112,390,858
Issuable and exercisable outstanding options	25,090,000
	137,480,858

Cash and cash equivalents:

Cash and cash equivalent consists of cash, as well as other highly liquid short-term investments, easily convertible in a known amount of cash and subject to negligible risk of value impairment. The Company does not have any restricted cash as of March 31, 2026 or March 31, 2025. The Company has cash equivalents related to a guaranteed investment certificate amounting to approximately CAD $30,000 as of March 31, 2026.

Property, plant, and equipment:

Property, plant, and equipment are held at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred initially to acquire or construct an item of property, plant and equipment, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs incurred subsequently to add to or replace part thereof.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The Santander mining unit depreciation is determined using the units of production (PU) method calculated based on the economically recoverable resources. Other fixed assets including buildings, facilities, other equipment, computer equipment, communication equipment, and furniture and fixtures are depreciated using the straight-line method over the useful life of assets.

Depreciation is recognized on a straight-line basis to write down the cost to its estimated residual value, with a constant charge over the useful life of the asset. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and works in progress are not depreciated.

The estimated useful lives for the years ended March 31, 2026 and March 31, 2025 are as follows:

	Depreciation method	Useful life
Buildings	Straight-line	10
Mining unit	PU	4
Plant	PU	4
Facilities	Straight-line	10
Miscellaneous equipment	Straight-line	10
Computer equipment	Straight-line	3 to 5
Communication equipment	Straight-line	5
Software	Straight-line	2
Furniture and fixtures	Straight-line	5 to 10

The residual value, depreciation method, and useful life of each asset are reviewed at least at each financial year-end.

The carrying amount of an item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized.

Exploration and evaluation assets:

Exploration and evaluation expenditures are costs incurred during the initial search of mineral resources before the technical feasibility and commercial viability of extracting mineral resources are demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights, expenses related to the exploration and evaluation, and less refundable tax credits related to these expenses, are recognized as exploration and evaluation assets.

Expenses related to exploration and evaluation include topographical, geological, geochemical, geophysical, exploration drilling, trenching, sampling, general expenses, financial charges, management fees and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts, the difference is then immediately recognized in profit or loss. When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property, plant, and equipment. Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

Although the Company has taken steps to verify title to the exploration and evaluation assets in which it holds an interest, in accordance with industry practices for the current stage of exploration of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Impairment of exploration and evaluation assets and property, plant and equipment:

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash- generating units). As a result, some assets are tested individually for impairment, and some are tested at a cash-generating unit level.

At the end of each reporting period or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash-generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- no further exploration or evaluation expenditures in the area are planned or budgeted;

- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property, plant and equipment.

An impairment loss is recognized in profit or loss for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use. An impairment charge is reversed if the assets or cash-generating unit's recoverable amount exceeds its carrying amount.

Provisions, contingent liabilities, and contingent assets:

Provisions are recognized when present legal or constructive obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes, decommissioning, restoration and similar liabilities, or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Company's operations are governed by government environmental protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable, and impact. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations. To take into account the estimated cash flows required to settle its obligations arising from environmentally acceptable closure plans (such as dismantling and demolition of infrastructures, removal of residual matter and site restoration), provisions are recognized in the year, when the Company has an actual restoration mining site obligation and it is likely that an outflow will be required in settlement of the obligation and the obligation is reasonably determinable. These provisions are determined on the basis of the best estimates of future costs, based on information available on the reporting date.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Income taxes:

When applicable, tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

Currently, income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the year.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax in profit or loss, except where they relate to items that are recognized directly in equity, in which case the related deferred tax is also recognized in equity.

Deferred Government Assistance (Government Grants):

The Company accounts for funding received under its Project Development Funding Agreement with the United States International Development Finance Corporation ("DFC") in accordance with *IAS 20, Accounting for Government Grants and Disclosure of Government Assistance*. Grant funding is recognized only when there is reasonable assurance that the Company will comply with the related conditions and that the grant will be received, and is otherwise recorded as deferred government assistance. The arrangement provides for reimbursement of qualifying project development expenditures, which are primarily expected to be capitalized as exploration and evaluation assets in accordance with *IFRS 6*, with the associated funding recognized as a reduction of the carrying amount of those assets as costs are incurred once recognition criteria has been met. In assessing whether recognition criteria have been met, the Company considers provisions that may give rise to repayment, including those contingent on future financing events, and defers recognition where such conditions introduce uncertainty as to whether the grant has been earned.

Share capital:

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs.

If shares are issued following the exercise of share options, or warrants, this account also includes the charge previously accounted to the share options and warrants accounts.

Unit placements:

The funds from unit placement are allocated between shares and warrants using the relative fair value method. The fair value of the common shares is recognized in equity based on the share price at the date of issue. The fair value of the warrants is determined using the Black-Scholes valuation model and is recorded separately under "warrants".

Other elements of equity:

Warrants and share options accounts include unrealized charges related to share options and warrants until they are exercised, if applicable. Contributed surplus includes compensation expense related to share options and warrants not exercised and expired.

Deficit includes all current and prior year retained losses.

Accumulated other comprehensive losses include all foreign currency translation adjustments.

Equity-settled share-based compensation:

The Company has an equity-settled share-based compensation plan for its eligible directors, employees, and consultants. The Company's plan is not cash-settled.

All goods and services received in exchange for the grant of any share-based compensations are measured at their fair values unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, it must measure their value indirectly by reference to the fair value of the equity instruments granted.

For transactions with employees and with parties providing similar services, the Company evaluates the fair value of services received by reference to the fair value of equity instruments granted.

All equity-settled share-based compensation (except warrants to brokers) are ultimately recognized as an expense in the profit or loss with a corresponding credit to the Share options account. Equity-settled share-based compensation to brokers, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to warrants, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

Discontinued Operations:

The Company classifies assets held for sale in accordance with IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations. When the Company makes the decision to sell an asset or to stop some part of its business, the Company assesses if such assets should be classified as an asset held for sale. To classify as an asset held for sale, the asset or disposal group must meet all of the following conditions: i) the asset is available for immediate sale in its present condition, ii) management is committed to a plan to sell, iii) an active program to locate a buyer and complete the plan has been initiated, iv) the asset is being actively marketed for sale at a sales price that is reasonable in relation to its fair value, v) the sale is highly probable within one year from the date of classification, and vi) actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn. Assets held for sale are measured at the lower of its carrying amount or fair value less cost to sell ("FVLCTS") unless the asset held for sale meets the exceptions as denoted by IFRS 5. FVLCTS is the amount obtainable from the sale of the asset in an arm's length transaction, less the costs of disposal. Once classified as held for sale, any depreciation and amortization cease to be recorded. A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and meets one of the following conditions: i) represents a separate major line of business or geographical area of operations, ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or iii) is a subsidiary acquired exclusively with a view to resale. Results from discontinued operations are presented separately from continuing operations in the consolidated statements of profit and loss and the consolidated statements of cash flows.

New standards and interpretations that have not yet been adopted:

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* which will replace International Accounting Standard ("IAS") 1, *Presentation of Financial Statements*. The new standard on presentation and disclosure in financial statements focuses on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to the structure of the statement of profit or loss, required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. The Company is in the process of assessing the impact of this standard.

5. SALE OF SUBSIDIARIES:

Cerro de Pasco Resources Subsidiaria del Perú S.A.C. ("Santander")

On August 29, 2024, the Company sold its 100% equity interest in Santander through a share purchase agreement (the "SPA") with Fondo de Inversion Privado (the "Purchaser").

The Company received a net consideration of $2 and may receive contingent consideration of up to $10,000,000 in mining royalties. The probability of retrieving this royalty is considered remote within the terms of the agreement, therefore was not considered in the determination of the selling price of sale.

Pursuant to a second amendment to the SPA dated March 26, 2026, the parties agreed to eliminate the contingent royalty-based consideration and replace it with a fixed additional consideration of $100,000 payable in cash on April 6, 2026. As part of this amendment, all other contingent consideration rights were extinguished. As of March 31, 2026 and through the filing date of these financial statements, no amounts had been received and no amounts have been recognized in the financial statements with respect to this additional consideration.

The SPA also stipulated that the intercompany balance currently due to Santander from both CDPR, the parent, and CPDR del Peru, in the aggregate amount of $9,253,781 shall be payable by the Company to the buyer of Santander mine over a period of 10 years. The loan was fully settled during the year ended March 31, 2026 (see Note 13).

The business is reported as a discontinued operation for the year ended March 31, 2025. The Company has retrospectively recast its consolidated statements of profit and loss for all periods presented.

The net assets (liabilities) relinquished upon the sale of Santander were as follows:

Cash and cash equivalents	$	19,910
Cash and cash equivalents -restricted cash		4,589,876
Prepaid expenses		146,809
Accounts receivable		311,753
Other receivables		153,647
Inventories		1,722,969
Property, plant, & equipment		10,006,645
Exploration, and evaluation assets		7,995,425
Intercompany loan		9,253,781
Sales tax receivable		2,102,199
Trade accounts payable and other liabilities		(55,701,480)
Provisioning for rehabilitation and mine closure, current and long-term		(12,617,052)
Provision for taxes payable		(279,058)
Loans		(3,568,959)
Net liabilities	$	(35,863,535)
Cash proceeds		-
Net gain on sale of subsidiary	$	35,863,535

See below for a statement of comprehensive income (loss) for the year ended March 31, 2025 of the discontinued operations of Santander allocable to the Company:

	For the twelve-months ended March 31, 2025
	$
Revenue	1,870,344
Cost of Sales	(2,009,811)
Gross Profit	(139,467)
Expenses:	
Selling Expenses	42,461
Care and maintenance	4,402,209
General and administrative expenses	684,982
Operating loss before other expenses (income) and income tax	**(5,269,119)**
Other income and expenses:	
Financial income	5,164
Financial expenses	(145,177)
Exchange loss (gain)	(53,809)
Other expenses	(106,399)
Adjustments to sale of subsidiary*	(5,300,685)
	(5,600,906)
Loss before income taxes	(10,870,025)
Income taxes	(15,378)
Loss from discontinued operations	(10,885,403)
Currency translation adjustment	331
Net comprehensive loss from discontinued operations	(10,885,072)
Net loss attributable to (discontinued):	
Cerro de Pasco Resources Inc.	(10,885,072)

* Adjustments to sale of subsidiary primarily relates to the write-off of work-in-in progress items that were determined to be non-recoverable of $475,984, write-off of accounts receivable balances identified as uncollectible at the time of sale of $551,160 and write-down of VAT receivables deemed unrecoverable of $4,273,541.

6. OTHER RECEIVABLES:

	March 31, 2026	March 31, 2025
	$	$
Sales tax receivable (Corporate)	40,848	88,955
Temporary tax on net assets (ITAN)	-	1,288
Advances to third parties	637	33,173
Other receivables	60,916	30,077
	102,401	**153,493**
Current portion of other receivables	102,401	153,493
Non-current portion of other receivables	-	-

7. PROPERTY, PLANT, AND EQUIPMENT:

The movement of this item and its accumulated depreciation for the years ended March 31, 2026 and 2025 is as follows:

Cost	Balance as of March 31, 2025	Additions	Write-off/ Adjustments	Balance as of March 31, 2026
	$	$	$	$
Vehicles	-	110,185	-	110,185
Computer equipment	15,073	1,675	-	16,748
Software	28,669	32,284	-	60,953
Furniture and fixtures	12,085	5,878	(4,589)	13,374
	55,827	**150,022**	**(4,589)**	**201,260**

Accumulated Depreciation and Amortization	Balance as of March 31, 2025	Depreciation and Amortization	Write-off/ Adjustments	Balance as of March 31, 2026
	$	$	$	$
Vehicles	-	(5,509)	-	(5,509)
Computer equipment	(6,889)	(1,205)	2,600	(5,494)
Software	(5,319)	(1,558)	-	(6,877)
Furniture and fixtures	(12,085)	-	-	(12,085)
	(24,293)	**(8,272)**	**2,600**	**(29,965)**
Net carrying value	**31,534**	**141,750**	**(1,989)**	**171,295**

Cost	Balance as of March 31, 2024	Additions	Write-off/ Adjustments	Transfers from Work in Progress	Sale of Santander	Balance as of March 31, 2025
	$	$	$	$	$	$
Buildings	8,003,308	-	-	-	(8,003,308)	-
Mining Unit	39,765,494	-	-	-	(39,765,494)	-
Plant	17,142,754	-	-	-	(17,142,754)	-
Facilities	7,390,452	-	-	1,688,149	(9,078,601)	-
Miscellaneous equipment	3,227,279	-	-	-	(3,227,279)	-
Computer equipment	129,009	5,191	(11,637)	-	(107,490)	15,073
Software	8,529	20,140	-	-	-	28,669
Communication equipment	166,156	-	-	-	(166,156)	-
Furniture and fixtures	262,618	-	(27,904)	-	(222,629)	12,085
Development costs	4,302,793	-	(3,376)	-	(4,299,417)	-
Work in progress	3,884,804	-	-	(1,688,149)	(2,196,655)	-
	84,283,196	**25,331**	**(42,917)**	**-**	**(84,209,783)**	**55,827**

Accumulated Depreciation and Amortization	Balance as of March 31, 2024	Depreciation and Amortization	Write-off/ Adjustments	Transfers from Work in Progress	Sale of Santander	Balance as of March 31, 2025
	$	$	$	$	$	
Buildings	(6,736,076)	(51,109)	-	-	6,787,185	-
Mining Unit	(38,526,917)	(51,120)	-	-	38,578,037	-
Plant	(16,666,270)	(20,213)	-	-	16,686,483	-
Facilities	(7,088,994)	(245,094)	-	-	7,334,088	-
Miscellaneous equipment	(2,431,554)	(83,213)	-	-	2,514,767	-
Computer equipment	(121,944)	(2,314)	10,833	-	106,536	(6,889)
Software	(4,829)	(490)	-	-	-	(5,319)
Communication equipment	(164,078)	(387)	-	-	164,465	-
Furniture and fixtures	(243,046)	(1,349)	10,576	-	221,734	(12,085)
Development costs	(1,744,824)	(65,019)	-	-	1,809,843	-
	(73,728,532)	**(520,308)**	**21,409**	**-**	**74,203,138**	**(24,293)**
Net carrying value	**10,554,664**	**(494,977)**	**(21,508)**	**-**	**10,006,645**	**31,534**

8. EXPLORATION AND EVALUATION ASSETS:

Exploration and Evaluation assets by properties are detailed as follows:

	March 31, 2025	Additions	March 31, 2026
	$	$	$
Quiulacocha Tailings and Excelsior Stockpile			
Exploration and evaluation	4,399,410	4,035,993	8,435,403
	4,399,410	**4,035,993**	**8,435,403**

	March 31, 2024	Additions	Sale of Santander	March 31, 2025
	$	$	$	$
Quiulacocha Tailings and Excelsior Stockpile				
Exploration and evaluation	1,597,357	2,802,053	-	4,399,410
Santander				
Exploration and evaluation	7,949,104	46,321	(7,995,425)	-
	9,546,461	**2,848,374**	**(7,995,425)**	**4,399,410**

Quiulacocha Tailings and Excelsior Stockpile, Cerro de Pasco, Peru:

CDPR owns a 100% interest in the El Metalurgista Concession (where the Quiulacocha Tailings and Excelsior Stockpile are located), located in Cerro de Pasco, Peru ("Quiulacocha"). Quiulacocha consists of tailings, stockpiles and metal slag generated by legacy mining operations at the Cerro de Pasco Mine located near Lima, Peru.

On May 24, 2024, the Company signed an Easement Agreement with Activos Mineros S.A.C (AMSAC) with the participation of the General Directorate of Mining (the Peruvian Ministry of Energy and Mines) allowing the Company to proceed with engineering studies and a 40-hole drilling program at its Quiulacocha Tailings Project ("QT Project") including the payment of approximately $1 million into the Peruvian National Bank on May 29, 2024 (paid).

Quiulacocha is subject to a 2.0% Net Smelter Return ("NSR") on production. The total 2% may be purchased by the Company as per the following deadlines and payments:

	Cash Payments
	$
In the first 24 months after the start of commercial production	3,000,000
Between the 25th and 36th months after the start of commercial production	3,500,000
Between the 37th and 48th months after the start of commercial production	4,000,000

Santander Mine:

On August 29, 2024, CDPR sold 100% of its interest in Santander Mine which consists of a processing facility and mineral rights, located near the city of Lima, in the district of Santa Cruz de Andamarca, province of Huaral, department of Lima, Peru (Note 5).

9. TRADE ACCOUNTS PAYABLE AND OTHER LIABILITIES:

Trade accounts payable and other liabilities recognized in the consolidated statements of financial position can be analyzed as follows:

	March 31, 2026	March 31, 2025
	$	$
Trade accounts payable and accrued liabilities:		
Related parties	29,791	98,070
Income taxes	20,783	12,018
Trade accounts payable	948,406	1,083,236
Accrued payroll and benefits	220,925	139,495
Other payables and accrued expenses	31,933	51,246
	1,251,838	**1,384,065**

On January 29, 2024, the Company's subsidiary, Santander, was granted protection from its creditors by the Insolvency Proceedings Commission (the "Commission") of the National Institute for the Defense of the Competition and the Protection of Intellectual Property of Peru ("INDECOPI"), which establishes a suspension of enforceability of their unpaid obligations accrued until the future date of dissemination of the acceptance of a Meeting of the Creditors, which shall establish a global refinancing agreement that establishes any future enforceability of such obligations. Due to the sale of Santander on August 29, 2024, the Company is no longer liable for the suspended payables under INDECOPI.

10. PROVISION FOR REMEDIATION AND MINE CLOSURE:

	March 31 2026	March 31, 2025
	$	$
Opening Balance	-	12,539,586
Accretion expense	-	77,466
Variation due to change in key assumptions used	-	-
Sale of Santander	-	(12,617,052)
	-	**-**
Current portion	**-**	**-**
Non-current portion	**-**	**-**

The Company must comply with environmental regulations in the development of all its activities, in all the jurisdictions in which it operates. It also includes the obligation, at the close of its operations, to remediate the disturbed areas where it has carried out its activities and over which it maintains mining title.

The Company is not aware of any negative effects on the environment arising from any of its properties that may give rise to significant obligations to third parties.

Environmental legislation has regulated the obligation to assume the costs and expenses associated with the closure obligation and, remediation of operations at the time of the conclusion of their activities, which results in financial planning to reduce the impact that these expenses and future costs could bring to the Company. In addition to legislative measures by which the Company must guarantee the necessary funds to carry out the remediation activities.

As of March 31, 2026 and 2025, the provision for remediation and mine closure has a balance of $nil due to the sale of the related asset, and all associated liabilities have been transferred to the buyer as part of the sale of Santander (Note 5). There is no Asset Retirement Obligation (ARO) recognized for the tailings pond at this time, as it is not currently subject to closure or remediation requirements under applicable regulations.

11. DEFERRED GOVERNMENT ASSISTANCE

On March 2, 2026, the Company entered into a Project Development Funding Agreement with the DFC, pursuant to which DFC committed up to $5.0 million in project development funding to support feasibility, engineering, and environmental and social impact activities related to the Quiulacocha Tailings Reprocessing Project. The funding is interest-free, unsecured, and provided on a cost-reimbursement basis, contingent upon eligible expenditures and milestone requirements. During the period, the Company received $0.5 million, which has been recognized as deferred government assistance within current liabilities as it is probably that the related qualifying expenditures will be incurred and performance conditions had not yet been satisfied. The agreement includes a contingent repayment feature whereby amounts received may become repayable upon the occurrence of a qualifying future financing event related to the commencement of construction or operation of the Company's Quiulacocha project.

12. PURCHASE PAYABLE AND CONTINGENT CONSIDERATION PAYABLE

On December 3, 2021, the Company acquired the Santander Mine, from Trevali Mining Corporation ("Trevali") (the "Share Purchase Agreement" or "Trevali SPA"). As part of the purchase consideration, the Company had working capital adjustment payable. As of March 31, 2025, the Company recognized a remaining balance of $1,584,164 within current liabilities related to this purchase price payable.

In addition, the acquisition terms included a contingent consideration obligation of $2,500,000, contingent upon the average official zinc price remaining above USD $1.30 per pound during the twelve months after the closing of the SPA. As of March 31, 2025, the Company recognized contingent consideration payable of $2,500,000 within current liabilities.

The Santander Mine was subsequently sold by the Company on August 29, 2024 (Note 5). The purchase price payable and contingent consideration described above relate to the original 2021 acquisition and are separate from the 2024 disposition transaction.

In December 2025, the Company entered into a settlement agreement (the "Settlement Agreement") with FTI Consulting Canada Inc., a court-appointed monitor of Trevali, to resolve all claims and counterclaims arising from arbitration related to the SPA. Under the terms of the Settlement Agreement, the Company agreed to pay CAD $2.0 million in full and final settlement of all claims within ten days of the issuance of the arbitrator's termination order. The parties agreed to a mutual release of all claims, with each party bearing its own legal costs. During the year ended March 31, 2026, the Company paid $1.4 million in satisfaction of these obligations.

Upon settlement, the Company derecognized all Trevali-related liabilities, including the purchase price payable and contingent consideration associated with the original acquisition of the Santander Mine. As a result of the settlement and related derecognition of these obligations, the Company recognized a gain on settlement approximating $2.7 million for the year ended March 31, 2026.

13. LOANS:

Loans

	March 31 2026	March 31, 2025
	$	$
Banque Royale du Canada (a)	17,213	22,291
Loan from Santander (b)	-	4,051,023
	17,213	**4,073,314**
Current portion	-	-
Non-current	17,213	4,073,314

(a) The Company has a loan with the Banque Royale du Canada of CAD $40,000 originated on January 17, 2024. The loan accrues interest at a rate of 2.84% with monthly payments of approximately $628. The loan matures in 5 years from date of refinancing.

(b) As described in Note 5 – Sale of Subsidiary, on August 29, 2024 the Company entered into a Share Purchase Agreement ("SPA") for the sale of 100% of its interest in Santander. At the time of the transaction, the Company and its subsidiary, CDPR del Perú, had outstanding intercompany balances payable to the Purchased Corporations totaling $9.3 million. These balances had previously been eliminated on consolidation. Following the sale, the Purchased Corporations ceased to be consolidated subsidiaries, and the intercompany loan was subsequently recognized as a liability in the consolidated financial statements.

Under the original SPA, the liability accrued interest at 4% per annum, compounded monthly. The SPA required an initial payment of $1.0 million within 90 days of closing, with the remaining balance deferred for five years and repayable over the subsequent five years in quarterly installments of $414,689 plus annual interest payments.

On initial recognition, the fair value of the loan was determined to be $3,863,025, based on a discount rate of 19.76%, as determined by an independent valuation specialist. The effective interest rate on the restructured loan was calculated at 30.15%. The difference between the carrying amount of the original liability and the fair value of the new liability, amounting to $5,390,756, was recognized as a gain on restructuring of the loan during the year ended March 31, 2025.

On January 31, 2025, the parties executed a First Amendment to the SPA which revised the repayment terms of the initial $1.0 million as follows: $68,619 due on December 30, 2024, $200,000 due by February 14, 2025, and $731,381 due by July 1, 2026, accruing interest at a monthly effective rate of 1.00% beginning January 1, 2025. As a result, the Company recognized a gain on non-substantial modification of $111,575 for the year ended March 31, 2025. Following the amendment and revised payment schedule, the updated effective interest rate was recalculated to 13.43%.

During the year ended March 31, 2025, the Company recognized a total gain on restructuring and modification of note of $5,502,331 in the statement of comprehensive loss, which is comprised of the initial gain on restructuring of $5,390,756 and the subsequent modification of $111,575 described above.

On March 26, 2026, the Company entered into a Debt Payment and Acknowledgement Agreement with the creditor, pursuant to which the outstanding principal balance of the debt of approximately $9.0 million was settled through a cash payment of $3.2 million, with the remaining balance of approximately $5.8 million legally forgiven.

As a result of this transaction, the obligation was fully extinguished and the Company recognized a gain on extinguishment of approximately $1.8 million in the year ended March 31, 2026, representing the difference between the carrying value of the liability and the consideration transferred. At March 31, 2026, the total carrying value of the Santander loan was $nil.

For the year ended March 31, 2026, the Company recognized interest expense of $386,631 and accretion expense of $592,207 related to this loan. For the year ended March 31, 2025, the Company recognized interest expense of $128,372 and accretion expense of $439,822 related to the loan.

14. CONVERTIBLE DEBENTURE:

The Company previously entered into a convertible debenture arrangement on October 15, 2020, pursuant to which it received CAD $1,000,000 from a lender, bearing interest at 10% and originally maturing on June 15, 2022. The convertible debenture was subsequently amended on multiple occasions between June 2021 and July 2024, including extensions of maturity, revisions to interest terms, and the issuance and modification of associated warrants. Certain amendments were accounted for as extinguishments of the existing debt under IFRS 9, resulting in the recognition of losses on modification, including approximately $189,500 during the year ended March 31, 2025.

During the year ended March 31, 2025, the Company reduced the outstanding principal balance through a combination of cash repayments and equity conversions, including payments of approximately CAD $275,000 and the conversion of the remaining outstanding principal and accrued interest into an aggregate of 11,459,989 common shares. As a result, the convertible debenture was fully settled prior to March 31, 2025.

15. SHARE CAPITAL AND WARRANTS:

Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

Issued and outstanding:

As of March 31, 2026 the Company had 620,187,165 issued and outstanding common shares (March 31, 2025 – 509,384,503).

Transactions during the year ended March 31, 2026:

On November 7, 2025, the Company issued a total of 47,366,957 units in a brokered and concurrent non-brokered private placement at a price of CAD $0.48 per unit for combined gross proceeds of CAD $22,736,139 (USD $16,165,908). Each unit comprising one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of CAD $0.48 per share until November 7, 2027 and one-half of one common share purchase warrant of the Company with each whole warrant exercisable at CAD $0.68 per share. The Company paid an additional 6% in warrants as broker fees in connection with the private placement, equivalent to 1,910,892 warrant units at an exercise price of CAD $0.48 with a term of two years. The warrant units include 955,446 additional underlying warrants, each of which entitles the holder to purchase one common share at an exercise price of CAD $0.68 with a term of two years and issued finders fees warrants with a value of $427,334. In connection with the offering, the Company paid total cash commissions of approximately CAD $917,000 (USD $650,000).

Warrant holders paid an aggregate CAD $13,608,814 (USD $9,866,840) to exercise 60,360,705 warrants outstanding in exchange for 60,360,705 shares of the Company's common stock at exercise prices ranging from CAD $0.15 to $0.40.

The following table provides the weighted average fair value of warrants granted:

	March 31, 2026	March 31, 2025
	$	$
Weighted average fair value of warrants granted	CAD $0.18 ($0.13)	CAD $0.09 ($0.06)

The fair value of each warrant granted is estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	March 31, 2026	March 31, 2025
Weighted average expected dividend yield	0%	0%
Weighted average share price at grant date	CAD $0.46	CAD $0.16
Weighted average expected volatility (1)	93.12%	104.42%
Weighted average risk-free interest rate	2.43%	3.75%
Weighted average exercise price at grant date	CAD $0.67	CAD $0.26
Weighted average expected life	2.0 years	2.0 years

(1) The volatility was determined as per an average of the historical data volatility of the Company.

Transactions during the year ended March 31, 2025:

On April 22, 2024, the Company issued 2,000,000 shares of common stock in exchange for the conversion of CAD $200,000 (USD $146,120) of principal on their outstanding convertible debenture.

On May 24, 2024, the Company issued a total of 25,500,000 units in a private placement at a price of CAD $0.10 per unit for proceeds of approximately CAD $2,550,000 (USD $1,865,070). Each unit consists of one common share and half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of CAD $0.15 and an underlying warrant at an exercise price of CAD $0.25, with an expiration of May 24, 2026 for both instruments. The Company issued finders fees warrants, equivalent to 210,000 in warrants and 210,000 in underlying warrants. These finders fees warrants have the same terms as the private placement unit warrants.

On July 5, 2024, the Company issued a total of 32,980,000 units in a private placement at a price of $0.10 CAD per unit for proceeds of approximately CAD $3,298,000 (USD $2,418,423), net of share issuance costs. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.15 CAD with an expiration of July 5, 2026.

On July 9, 2024, the Company issued a total of 50,000 shares of common with a value of CAD $6,000 (USD $4,391) for consulting services.

On July 17, 2024, the Company issued a total of 500,000 shares of common stock at a price of CAD$0.12 per share as payment for termination fees with a vendor for proceeds of CAD $60,000 (USD $43,320).

On September 26, 2024, the Company issued a total of 20,000,000 units in a private placement at a price of CAD$0.15 per unit for proceeds of CAD $3,000,000 (USD $2,226,600). Each unit consists of one common share and one half of one common share warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of CAD $0.20 , with an expiration of September 26, 2026.

On October 7, 2024, the Company issued 50,000 shares with a value of CAD $8,500 (USD $6,130) to a consultant.

On October 10, 2024, the Company converted a portion of the indebtedness outstanding on their convertible debenture in the amount of CAD $250,000 (USD $173,975) for 1,666,666 shares, converted at the agreed-upon conversion rate of CAD $0.15 per share.

On October 25, 2024, the Company elected to convert the total remaining indebtedness on their convertible debenture in the amount of CAD $1,168,999 (USD $813,506) for 7,793,323 shares.

On November 27, 2024, the Company issued a total of 50,000,000 units in a private placement at a price of CAD $0.30 per unit for proceeds of CAD $15,000,000 (USD $10,651,500). Each unit consists of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of CAD $0.50 with an expiration of November 27, 2026. The Company paid an additional 6% in warrants as broker fees in connection with the private placement, equivalent to 2,000,000 warrant units at an exercise price of CAD $0.30 with a term of two years. The warrant units further include 1,000,000 additional underlying warrants, which have an exercise price of CAD $0.50 with a term of two years.

On January 20, 2025, the Company issued 50,000 shares with a value of CAD $15,000 (USD $10,442) to a consultant.

During the year ended March 31, 2025, holders exercised an aggregate of 20,831,080 warrants for gross proceeds of approximately CAD $5.13 million (USD $3.68 million), resulting in the issuance of 20,831,080 common shares.

In connection with the private placements completed during the year ended March 31, 2025, the Company paid cash share issue costs totaling $644,501 and issued finders fees warrants with a value of $369,033.

Warrants:

The changes to the number of outstanding warrants granted by the Company and their weighted average exercise price are as follows:

	March 31, 2026		March 31, 2025	
	Number of warrants granted	**Weighted average exercise price (CAD)**	**Number of warrants granted**	**Weighted average exercise price (CAD)**
		$		**$**
Outstanding at beginning	148,944,797	0.26	79,545,877	0.26
Granted	26,549,816	0.67	99,400,000	0.26
Exercised	(60,360,705)	0.23	(20,831,080)	0.25
Expired/ Cancelled	(2,743,050)	0.43	(9,170,000)	0.25
Outstanding at end	**112,390,858**	**0.36**	**148,944,797**	**0.26**

The following table provides outstanding warrants information as of March 31, 2026:

Expiry date	Number of outstanding warrants	Exercise Price (CAD)	Remaining life
		$	(years)
April 8, 2026	[c] 1,334,428	0.40	0.0
May 24, 2026	[d] 3,752,840	0.15	0.1
May 24, 2026	[b; e] 10,085,440	0.25	0.1
July 5, 2026	[a; f] 28,780,000	0.15	0.3
September 26, 2026	[a] 10,000,000	0.20	0.5
November 27, 2026	[g] 24,508,334	0.50	0.7
November 7, 2027	8,060,375	0.68	1.6
November 7,2027	15,303,103	0.68	1.6
November 7, 2027	200,000	0.68	1.6
November 7, 2027	[h] 1,874,772	0.48	1.6
November 7, 2027	[b] 937,386	0.68	1.6
November 7, 2027	36,120	0.48	1.6
November 7, 2027	[b] 18,060	0.68	1.6
January 31, 2028	5,000,000	0.15	1.8
May 1, 2028	2,500,000	0.15	2.1
	112,390,858	**0.36**	**0.8**

[a] Under the terms of the warrant agreement, the warrants are subject to acceleration of the expiry date, at the discretion of the Company, in the event that the 20-day volume-weighted average trading price of the common shares on the TSX-V exceeds CAD $0.60. This stock price exceeded the threshold during the year ended March 31, 2026; however, management elected to not exercise this right.

[b] These represent underlying warrants, which cannot be exercised until the purchase warrants held by the shareholder have been exercised.

[c] The Company exercised the full 1,334,428 warrants as of April 2026 subsequent to year end. See Note 26 for further details.

[d] The Company exercised the full 3,752,840 warrants as of May 2026 subsequent to year end. See Note 26 for further details.

[e] The Company exercised 10,024,240 warrants as of May 2026 subsequent to year end and the remaining 61,200 warrants expired. See Note 26 for further details.

[f] The Company exercised 6,080,000 warrants as of June 2026 and 22,700,000 warrants remain outstanding as of the date of issuance of these financial statements. See Note 26 for further details.

[g] The Company exercised 74,167 warrants as of May 2026 and 24,434,167 warrants remain outstanding as of the date of issuance of these financial statements. See Note 26 for further details.

[h] The Company exercised 197,430 warrants as of April 2026 and 1,687,295 warrants remain outstanding as of the date of issuance of these financial statements. See Note 26 for further details.

16. SHARE-BASED COMPENSATION:

Share option plan:

The Company has a stock option plan whereby the Board of Directors may grant directors, officers or consultants of the Company options to acquire common shares. The Board of Directors has the authority to determine the terms and conditions of the grant of options. On March 10, 2025, the Board of Directors moved to adopt a new fixed number stock option plan (the "Plan") to replace the rolling stock option plan, which the Company adopted in 2016. The Board approved 30,000,000 common shares to be allotted and reserved for issuance under the Plan.

The exercise price of any option granted under the Plan is fixed by the Board of Directors at the time of the grant and cannot be less than the market price per common share the day before the grant. The term of an option will not exceed ten years from the date of grant. Options are not transferable and can be exercised while the beneficiary remains a director, an officer, an employee, or consultant of the Company or up to 90 days after the beneficiary has left.

The following table provides outstanding share options information as of March 31, 2026 and 2025:

	March 31, 2026		March 31, 2025	
	Number of outstanding share options	Weighted average exercise price (CAD)	Number of outstanding share options	Weighted average exercise price (CAD)
		$		$
Outstanding at beginning	20,180,000	0.23	8,880,000	0.29
Granted	10,950,000	0.68	12,800,000	0.20
Exercised	(3,075,000)	0.23	(150,000)	0.20
Forfeited/Expired	(2,665,000)	0.32	(1,350,000)	0.33
Outstanding at end	**25,390,000**	**0.41**	**20,180,000**	**0.23**
Exercisable at end	**25,090,000**	**0.41**	**20,080,000**	**0.23**

The following table provides outstanding share options information as of March 31, 2026:

Expiry date	Number of granted share options	Number of exercisable share options	Exercise Price (CAD)	Remaining life
			$	(years)
March 2, 2027	1,040,000	1,040,000	0.40	0.9
April 16, 2027	150,000	150,000	0.35	1.0
December 16, 2027	1,600,000	1,300,000	0.68	1.7
September 5, 2028	2,600,000	2,600,000	0.20	2.4
April 10, 2029	250,000	250,000	0.15	1.0
September 19, 2029	10,550,000	10,550,000	0.20	3.5
December 16, 2030	9,000,000	9,000,000	0.68	4.7
January 29, 2031	200,000	200,000	0.90	4.8
	25,390,000	**25,090,000**	**0.41**	**3.6**

Activity during the year ended March 31, 2026:

On April 16, 2025, the Company granted 150,000 options to a consultant at an exercise price of CAD $0.35 per share, expiring April 16, 2027. The share option entitles the holder to acquire one common share. The fair value of the options was estimated at CAD $0.14 per share option at the grant date for a total of CAD $20,568 (USD $15,287) using the Black-Scholes option pricing model.

On December 16, 2025, the Company granted 1,600,000 options to various employees at an exercise price of CAD $0.68 per share, expiring December 16, 2027. The share options entitles the holders to acquire one common share. The fair value of the options was estimated at CAD $0.20 per share options at the grant date for a total of CAD $257,262 (USD $185,682) using the Black-Scholes option pricing model.

On December 16, 2025, the Company granted 9,000,000 options to various employees at an exercise price of CAD $0.68 per share, expiring December 16, 2030. The share options entitles the holders to acquire one common share. The fair value of the options was estimated at CAD $0.32 per share options at the grant date for a total of CAD $2,843,514 (USD $2,052,344) using the Black-Scholes option pricing model.

On January 29, 2026, the Company granted 200,000 options to a consultant at an exercise price of CAD $0.90 per share, expiring January 29, 2031. The share option entitles the holder to acquire one common share. The fair value of the options was estimated at CAD $0.55 per share option at the grant date for a total of CAD $109,348 (USD $80,907) using the Black-Scholes option pricing model.

During the year ended March 31, 2026, 3,075,000 share options were exercised, resulting in the issuance of 3,075,000 common shares for total cash proceeds of CAD $700,000 (US $505,701).

Activity during the year ended March 31, 2025:

On April 10, 2024, the Company granted 250,000 and 150,000 share options to consultants at an exercise price of CAD $0.15 per share, expiring April 10, 2029 and April 10, 2027 respectively. Each share option entitles the holder to acquire one common share. The fair value of the options was estimated at $0.04 per share option at the grant date for a total of $17,075 using the Black-Scholes option pricing model.

On September 19, 2024, the Company granted 12,400,000 share options to consultants, directors and employees at an exercise price of CAD $0.20 per share, expiring September 19, 2029. Each share option entitles the holder to acquire one common share. The fair value of the options was estimated at $0.08 per share option at the grant date for a total of $955,276 using the Black-Scholes option pricing model.

On February 6, 2025, 150,000 share options were exercised, resulting in the issuance of 150,000 common shares for total cash proceeds of CAD $30,000 (US $20,946).

The following table provides the weighted average fair value of share options granted:

	March 31, 2026	March 31, 2025
	$	$
Weighted average fair value of share options granted	CAD $0.30	CAD $0.10($0.07)

The fair value of each share option granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	March 31, 2026	March 31, 2025
Weighted average expected dividend yield	0%	0%
Weighted average share price at grant date	CAD $0.48	CAD $0.16
Weighted average expected volatility (1)	89.32%	90.70%
Weighted average risk-free interest rate	2.55%	2.82%
Weighted average exercise price at grant date	CAD $0.68	CAD $0.20
Weighted average expected life	4.52 years	4.98 years

(1) The volatility was determined as per an average of the historical data volatility of the Company.

17. INFORMATION REGARDING STATEMENTS OF COMPREHENSIVE LOSS:

(a) General and administrative expenses by nature:

General and administrative expenses recognized in the net loss of the periods is as follows:

	March 31, 2026	March 31, 2025
	$	$
General and administrative expenses:		
Salaries and employee benefit expense	1,061,148	910,316
Management and consulting fees	1,697,164	1,339,297
Professional fees	1,282,971	808,713
Business development	1,115,874	886,923
Office and business expenses	369,684	247,560
Registration, listing fees, and shareholders information	157,106	178,470
Share-based compensation	2,334,220	972,351
Depreciation of property and equipment	8,694	3,936
Other general and administrative expenses	120,409	300,891
	8,147,270	**5,648,457**

(b) Finance expenses:

Finance expenses recognized in the net loss of the year are as follows:

	March 31, 2026	March 31, 2025
	$	$
Fines, penalties, bank charges, and other expenses	28,060	50,099
Interest on promissory note	-	9,520
Interest on convertible debenture	-	165,805
Presumed interest on convertible debenture	-	140,213
Interest on loan	386,631	128,372
Accretion expense on loan	592,207	439,822
Presumed interest on loans	1,561	2,376
Presumed interest on promissory note	-	31,797
	1,008,459	**968,004**

(c) Other and financial income:

Other and financial income recognized in the net loss of the year are as follows:

	March 31, 2026	March 31, 2025
	$	$
Reversal of labor liability provision	-	845,356
	-	**845,356**

(d) Interest income:

Interest income recognized in the net loss of the year are as follows:

	March 31, 2026	March 31, 2025
	$	$
Interest income	503,842	121,445
	503,842	**121,445**

18. RELATED PARTY TRANSACTIONS:

Related parties include the Company's joint key management personnel. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel includes the following expenses:

	March 31, 2026	March 31, 2025
	$	$
Management and consulting fees	802,253	818,018
Salaries and director's fees	515,160	488,682
Share-based compensation	1,529,637	636,112
	2,847,050	**1,942,812**

As of March 31, 2026 and 2025, the Company owed $29,791 and $98,070, respectively, to various related parties (included in trade accounts payable and other liabilities).

These transactions, entered into in the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received.

19. SEGMENT REPORTING:

The Company presents and discloses segment information based on information that is regularly reviewed by the chief operating decision- maker, i.e. the President, the Chief Executive Officer and the Board of Directors for business activities from which it may earn revenues and/or incur expenses from which discrete financial information is available.

The Company has determined that it has two major segments (2025 – three which included mining operations of Santander):

1) Exploration, evaluation, and development; and

2) Corporate management

Significant information relating to the Corporation's reportable operating segments is summarized in the tables below:

Years ended March 31, 2026 and 2025		Operating expenses	Other expenses (income)	Net loss (income)
		$	$	$
Exploration, evaluation, and development (Quiulacocha and Excelsior)	**2026**	1,635,606	(679,697)	955,909
	2025	1,218,633	(4,442,908)	(3,224,275)
Corporate (Canada)	**2026**	6,511,664	(3,357,360)	3,154,304
	2025	4,429,824	(36,689,086)	(32,259,262)
Consolidated	**2026**	**8,147,270**	**(4,037,057)**	**4,110,213**
	2025	5,648,457	(41,131,994)	(35,483,537)

March 31, 2026

	Total non-current assets	Total assets	Total liabilities
	$	$	$
Exploration, evaluation, and development (Quiulacocha and Excelsior)	8,576,239	8,826,342	907,852
Corporate (Canada)	77,915	23,670,970	909,559
Total per consolidated statement of financial position	**8,654,154**	**32,497,312**	**1,817,411**

March 31, 2025

	Total non-current assets	Total assets	Total liabilities
	$	$	$
Exploration, evaluation, and development (Quiulacocha and Excelsior)	4,409,618	4,695,400	2,699,681
Corporate (Canada)	76,296	11,574,144	6,897,907
Total per consolidated statement of financial position	**4,485,914**	**16,269,544**	**9,597,588**

20. INCOME TAXES:

(a) Relationship between expected tax expense and accounting profit and loss:

The effective income tax rate of the Company differs from the combined federal and provincial tax rate in Canada. This difference results from the following items:

	March 31, 2026	March 31, 2025
	$	$
Loss from continuing operations	(4,110,213)	35,357,499
Loss from discontinued operations	-	(10,885,072)
Loss before income taxes	(4,110,213)	24,472,427
Expected tax expense calculated using the combined federal and provincial income tax rate in Canada	26.50%	26.50%
Expected income tax recovery	(1,089,206)	6,485,193
Changes in unrecorded temporary difference	(491,391)	(13,010,645)
Difference in tax rates of the foreign subsidiary	129,023	(191,418)
Peru non-deductible expenses	59,056	-
Sale of subsidiary	-	6,334,844
Loss on modification of debt	55,540	51,179
Mining tax	-	15,378
Accrual for prior period tax adjustments	842,446	214,393
Share-based compensation and other non-deductible expenses	618,568	-
Other	(124,036)	116,454
Income tax expense (benefit)	-	15,378
Income tax expense	-	15,378
Income tax expense (benefit)	-	15,378

(b) Composition of deferred income taxes expense (recovery) in the statement of comprehensive loss:

	March 31, 2026	March 31, 2025
	$	$
Inception and reversal temporary differences	362,368	13,202,063
Difference in tax rates of the foreign subsidiary	129,023	(191,418)
Changes in unrecorded temporary differences	(491,391)	(13,010,645)
Deferred income tax expense	-	-

(c) Movement in recognized deferred tax assets and liabilities during the year:

	March 31, 2025	Recognized in profit or loss	Acquisition of a mining company	Foreign exchange	March 31, 2026
	$	$	$	$	$
Property and equipment	(26,575)	26,523	-	-	(52)
Exploration and evaluation assets	(41,687)	61,139	-	-	19,452
Trade accounts payables and other liabilities	14,900	32,109	-	-	47,009
Non-capital losses	(91,539)	25,130	-	-	(66,409)
Convertible debenture	144,901	(144,901)	-	-	-
	-	-	-	-	-

	March 31, 2024	Recognized in profit or loss	Acquisition of a mining company	Foreign exchange	March 31, 2025
	$	$	$	$	$
Accounts receivable	(19,332)	-	19,332	-	-
Inventories	148,311	-	(148,311)	-	-
Property and equipment	1,066,440	-	(1,093,015)	-	(26,575)
Exploration and evaluation assets	(1,562,294)	-	1,520,607	-	(41,687)
Trade accounts payables and other liabilities	313,514	4,543	(303,157)	-	14,900
Non-capital losses	(86,018)	32,169	(37,690)	-	(91,539)
Convertible debenture	86,018	21,193	37,690	-	144,901
	(53,361)	57,905	(4,544)	-	-

(d) Unrecognized deductible temporary differences:

Unrecognized deductible differences for which the Company has not recognized a deferred tax asset are presented in the following tables. 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 utilize benefits therefrom.

	March 31 2026			March 31 2025		
	Federal	Québec	Peru	Federal	Québec	Peru
Property and equipment	162,436	162,436	65,761	162,436	162,436	(180,887)
Marketable securities	48,695	48,695	-	51,273	51,273	-
Share issuance costs	(530,800)	(530,800)	-	(94,021)	(94,021)	-
Trade account payables and other liabilities	(2,465,676)	(2,465,676)	159,353	(82,614)	(82,614)	50,510
Promissory note and loans	546,795	546,795	-	546,795	546,795	-
Lease liabilities	(16,590)	(16,590)	-	-	-	-
Capital losses carryforwards	8,528,172	8,528,172	-	8,528,172	8,528,172	-
Non-capital losses carryforwards	14,340,411	14,340,411	84,434	17,336,646	17,336,646	1,362,741
	20,613,443	20,613,442	309,548	26,448,687	26,448,687	1,232,364

The ability to realize tax benefits is dependent upon a number of factors. Deferred tax assets are recognized only to the extent that is probable that sufficient profits will be available to allow the asset to be recovered. As of March 31, 2026, deferred tax assets totaling $6,129,883 ($7,443,499 on March 31, 2025) have not been recognized.

(e) Non-capital losses:

The Company has the following non-capital losses, which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the consolidated statement of financial position, which can be carried over the following years:

	Federal	Quebec	Peru
	$	$	$
2039	1,096,225	1,096,225	-
2040	2,449,716	2,449,716	-
2041	1,866,039	1,866,039	-
2042	2,833,593	2,833,593	-
2043	-	-	-
2044	3,711,870	3,711,870	-
2045	-	-	-
2046	2,382,968	2,382,968	-
Unlimited (1)	-	-	84,434
	14,340,411	14,340,411	84,434

(1) In the Peruvian tax system, you can either carry forward your losses for four years or carry the losses forward indefinitely but to offset only up to 50% of the taxable income for each subsequent year.

(f) Movement in non-capital losses:

	March 31, 2025	Additions	Expired/Adjusted	March 31, 2026	Expiration
	$	$	$	$	$
Canada	12,035,961	2,382,967	(78,518)	14,340,411	2039-2046
Peru	1,362,741	(4,548,908)	3,270,601	84,434	Unlimited
	13,398,702	(2,165,941)	3,192,083	14,424,845	

21. CASH FLOW DETAIL OF WORKING CAPITAL:

	March 31, 2026	March 31, 2025
		$
Change in trade receivables	-	305
Change in other receivables	51,092	54,731
Change in prepaid expenses	(208,260)	(76,680)
Change in trade accounts payable and accrued liabilities	(137,303)	(1,022,586)
Changes in continuing working capital items	**(294,471)**	**(1,044,230)**
Changes in discontinued working capital items	**-**	**5,102,247**
Changes in working capital items	**(294,471)**	**4,058,017**

22. FINANCIAL ASSETS AND LIABILITIES:

The carrying amount and fair value of financial instruments presented in the consolidated statements of financial position related to the following classes of assets and liabilities:

	March 31, 2026		March 31, 2025	
	Carrying Amount	**Fair value**	**Carrying Amount**	**Fair value**
Financial assets: Amortized Cost	**$**	**$**	**$**	**$**
Cash	23,362,295	23,362,295	11,472,112	11,472,112
Short-term investment (included in other financial assets)	21,522	21,522	11,070	11,070
Other receivables (excluding sales tax receivables)	61,553	61,553	64,538	64,538
	23,445,370	**23,445,370**	**11,547,720**	**11,547,720**
Financial assets: Fair value through profit and loss (FVTPL)				
Marketable securities (included in other financial assets)	38,671	38,671	37,582	37,582
	38,671	**38,671**	**37,582**	**37,582**
Financial liabilities: Amortized cost				
Trade accounts payable and other liabilities (excluding source deductions & contributions)	1,251,838	1,251,838	1,384,065	1,384,065
Loan	17,213	17,213	4,073,314	4,073,314
Balance of purchase price payable	-	-	1,584,164	1,584,164
	1,269,051	**1,269,051**	**7,041,543**	**7,041,543**
Financial liabilities: Fair value through profit and loss (FVTPL)				
Contingent consideration payable	-	-	2,500,000	2,500,000
	-	**-**	**2,500,000**	**2,500,000**

The fair value of cash and cash equivalents, other receivables, trade accounts payable and other liabilities, loans, and balance of purchase price payable are comparable to their carrying amounts given the short period to maturity, i.e. the time value of money is not significant.

The fair value of the marketable securities is $38,671 as of March 31, 2026 ($37,582 as of March 31, 2025) and are determined by using the closing price of the instruments as at March 31, 2026 and 2025.

The fair value of the loan is $17,213 as of March 31, 2026 ($4,073,314 as of March 31, 2025) and is determined by using the estimated market rate that the Company would have obtained for a similar financing through the discounted cash flows method.

The fair value of the contingent consideration is $0 and $2,500,000 as of March 31, 2026 and 2025, respectively, based upon the acquisition terms of Santander which included repayment of $2.5 million twelve months after the closing contingent upon the average zinc price remaining above $1.30/lb. ($2,866/ton) during this period.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;
- **Level 2**: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (that is, derived from prices).
- **Level 3**: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The techniques and evaluation methods used to measure fair value were not changed compared to previous years.

			March 31, 2026
	Level 1	**Level 2**	**Level 3**
	$	**$**	**$**
Marketable securities (FVTPL)	38,671	-	-

			March 31, 2025
	Level 1	**Level 2**	**Level 3**
	$	**$**	**$**
Marketable securities (FVTPL)	37,582	-	-
Contingent consideration (FVTPL)	-	2,500,000	-

23. CAPITAL MANAGEMENT POLICIES AND PROCEDURES:

The Company considers the items included in equity(deficiency) as capital components.

The Company's capital management objectives are:

- to ensure the Company’s ability to continue as a going concern.
- to increase the value of the assets of the business; and
- to provide an adequate return to shareholders of the Company.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means.

The Company monitors capital on the basis of the carrying amount of equity and long-term debt. Capital for the reporting years is presented in the consolidated statement of changes in equity (deficiency).

The Company is not exposed to any externally imposed capital requirements except otherwise noted elsewhere in the financial statements.

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Company manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve. No changes were made in the objectives, policies, and processes for managing capital during the reporting years.

24. FINANCIAL INSTRUMENT RISKS:

The Company is exposed to various risks in relation to financial instruments. The main types of risks the Company is exposed to are credit risk, liquidity risk, foreign currency risk and metals pricing risk.

The Company manages risks in close cooperation with the board of directors. The Company focuses on actively securing short- to medium-term cash flows by minimizing exposure to financial markets.

Credit risk:

Credit risk is the risk that the other party to a financial instrument fails to honor one of its obligations and, therefore, causes the Company to incur a financial loss.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain sufficient cash balances and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

				March 31, 2026
	Less than 1 year	**1-5 years**	**More than 5 years**	**Total**
	$	**$**	**$**	**$**
Trade accounts payable and other liabilities	1,251,838	-	-	1,251,838
Loans	-	17,213	-	17,213

				March 31, 2025
	$	**$**	**$**	**$**
Trade accounts payable and other liabilities	1,384,065	-	-	1,384,065
Loans	-	2,004,503	6,947,222	8,951,725
Balance of purchase price payable	1,584,164	-	-	1,584,164
Contingent consideration payable	2,500,000	-	-	2,500,000

Metals Pricing risk:

The Company is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of mineral products it produces which sells into global markets. The market prices are the key drivers of the Company's capacity to generate cash flow.

Foreign currency risk:

The Company operates in Canada and Peru. The functional currency of the parent company is the Canadian dollar ("CAD"). The assets, liabilities, revenues and expenses of the Peru operations are denominated in U.S. dollars ("USD"). The Company is exposed to foreign exchange risk arising from fluctuations in exchange rates between the USD and CAD for the parent company and between the Peruvian Soles ("Soles") and USD for the operations in Peru.

A 10% strengthening or weakening of the USD relative to the PEN, with all other variables held constant, has an immaterial impact on the Company's consolidated comprehensive loss.

As of March 31, 2026, with other variables held constant, a 10% strengthening (weakening) of USD against the CAD would have increased (decreased) the Company's consolidated comprehensive loss by approximately $1,970,000.

The Company does not enter into arrangements to hedge its foreign exchange risk. Management monitors foreign currency exposure on an ongoing basis and may manage risk by holding cash balances in currencies aligned with expected expenditures.

25. COMMITMENTS AND CONTINGENCIES:

a) On October 5, 2018, Genius Properties Ltd. completed an Asset Transfer Agreement pursuant to which the Company transferred to Morocco Strategic Metals the ownership of all mining rights and titles, a part of its trade accounts payable and other liabilities and the other liability related to flow-through shares estimated at $23,086. In consideration for such transfer, Morocco Strategic Metals issued to the Company 9,797,970 Morocco Strategic Metals common shares for a consideration of $2,685,007. The transfer was recorded at the carrying amount of the assets and liabilities transferred. Notwithstanding that the liabilities related to the flow-through shares were transferred to Morocco Strategic Metals, the Company retains the ultimate responsibility for the tax liability related to this financing. Morocco Strategic Metals would indemnify the Company for any such liability.

b) Under the DFC Project Development Funding Agreement (see Note 11), the Company may receive up to $5.0 million of project development funding to partially reimburse eligible feasibility, engineering, environmental and drilling expenditures for the Quiulacocha Project. The funding becomes repayable only upon the occurrence of a qualifying financing event, defined as the Project obtaining financing sufficient to enable the commencement of construction, operation or other implementation. As no qualifying financing event was considered probable as of March 31, 2026, no long-term repayment obligation was recognized. The Company will reassess the likelihood of a qualifying financing event and any related repayment obligation at each reporting date.

c) On June 19, 2025, the Company's Peruvian subsidiary entered into a two-year access and investigation agreement with AMSAC relating to the Quiulacocha tailings project. Under the agreement, the Company obtained rights to conduct technical and environmental studies within the project area and is required to make periodic payments to AMSAC totaling approximately $7.2 million Peruvian Soles (PEN) over the contractual term. The agreement does not convey ownership of the tailings or mineral rights; however, it supports the Company's efforts to obtain future rights associated with the project, subject to regulatory approvals and additional agreements. As of March 31, 2026, the Company had not yet obtained the required insurance policies. The required environmental and general liability policies were subsequently obtained during April and May 2026 and name AMSAC as an additional insured.

26. SUBSEQUENT EVENTS:

Subsequent to the year ended March 31, 2026:

a) Certain holders of the Company’s outstanding warrants exercised their rights to purchase shares of the Company’s common stock. As a result of these exercises, the Company issued an aggregate of 21,463,105 shares of common stock. The exercises occurred at prices ranging from CAD $0.15 to $0.50 per share, resulting in total cash proceeds to the Company of approximately CAD $4,577,598;

b) 61,200 warrants expired unexercised.