Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2026 and 2025

(Expressed in United States dollars, unless otherwise noted)

(Unaudited)

NOTICE

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

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

Xali Gold Corp.
Interim Condensed Consolidated Statements of Financial Position
At June 30, 2026 and March 31, 2026
(Unaudited - expressed in United States dollars unless otherwise noted)

As at	Notes		June 30, 2026		March 31, 2026
Assets					
Current assets					
Cash		$	428,423	$	395,344
Tax receivable			23,903		4,135
Prepaid expenses and deposits			25,003		22,099
			477,329		421,578
Non-current assets					
Unproven mineral right interests	4		10,719,643		10,719,643
Equipment	6		1,901		-
Total non-current assets			10,721,544		10,719,643
Total assets		$	11,198,873	$	11,141,221
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	4,5,8	$	3,958,575	$	3,432,851
Deferred consideration liability- current	4		1,500,000		1,500,000
Loan payable			20,000		20,000
Loans payable to related parties	8		195,403		198,403
			5,673,978		5,151,254
Non-current liabilities					
Deferred consideration liability	4		8,934,613		8,643,914
Asset retirement obligations	4,6		489,306		480,995
Total non-current liabilities			9,423,919		9,124,909
Total liabilities			15,097,897		14,276,163
Shareholders' deficit					
Share capital	7		28,039,511		27,111,939
Reserves	7		6,415,823		6,215,101
Deficit			(38,354,358)		(36,461,982)
Total shareholders' deficit			(3,899,024)		(3,134,942)
Total liabilities and shareholders' deficit		$	11,198,873	$	11,141,221

Nature of operations and going concern	1
Commitments	12
Subsequent event	13

Approved for issuance on behalf of the Board of Directors on August 31, 2026

(signed) Larry Kornze	**(signed) George Elliott**
Director	**Director**

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

Xali Gold Corp.
Interim Condensed Consolidated Statements of Operations (Loss) and Comprehensive Income (Loss)
For the three months ended June 30, 2026 and 2025
(Unaudited - expressed in United States dollars unless otherwise noted)

		Three months ended June 30,	
	Notes	**2026**	2025
Expenses			
Exploration expenses	**10**	**$ 566,687**	$ 44,538
General and administrative expenses	**10**	**518,397**	76,582
		1,085,084	121,120
Other expenses (income)			
Loss on foreign exchange		**508,839**	954
Finance expense	**4**	**298,453**	-
Other income	**4**	**-**	(50,000)
Total other expenses (income)		**807,292**	(49,046)
Net (loss) income for the period		**$ (1,892,376)**	$ (72,074)
Other comprehensive income (loss)			
Items that will not be reclassified to profit or loss:			
Foreign currency translation		**274,864**	(72,333)
Comprehensive (loss) income for the period		**$ (1,617,512)**	$ (144,407)
Loss per share, basic and diluted		**$ (0.01)**	$ (0.00)
Weighted average number of common shares outstanding, basic and diluted		**163,345,247**	142,566,840

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

Xali Gold Corp.

Interim Condensed Consolidated Statements of Changes in Shareholders' Deficit

For the three months ended June 30, 2026 and 2025

(Unaudited - expressed in United States dollars unless otherwise noted)

	Share capital		Reserves						
	Total common shares	**Share capital**	**Equity settled employee compensation and warrants**	**Other reserve**	**Foreign currency reserve**	**Total reserves**	**Share subscription received**	**Deficit**	**Total**
Balance, March 31, 2025	142,566,840	$ 25,792,961	$ 6,185,970	$ 56,303	$ (41,578)	$ 6,200,695	$ 19,000	$ (35,111,223)	$ (3,098,567)
Share-based payments	-	-	721	-	-	721	-	-	721
Net income for the period	-	-	-	-	-	-	-	(72,074)	(72,074)
Foreign currency translation gain	-	-	-	-	(72,333)	(72,333)	-	-	(72,333)
Balance, June 30, 2025	142,566,840	25,792,961	6,186,691	56,303	(113,911)	6,129,083	19,000	(35,183,297)	(3,242,253)
Balance, March 31, 2026	**161,191,840**	**$ 27,111,939**	**$ 6,229,310**	**$ 52,046**	**$ (66,255)**	**$ 6,215,101**	**$ -**	**$ (36,461,982)**	**$ (3,134,942)**
Shares issued for cash	4,000,000	707,700	-	-	-	-	-	-	707,700
Share issuance costs	-	(20,281)	-	-	-	-	-	-	(20,281)
Shares issued, exercise of options	3,000,000	109,080	-	-	-	-	-	-	109,080
Reallocate FMV of options exercised	-	74,142	(74,142)	-	-	(74,142)	-	-	-
Shares issued, exercise of warrants	250,000	36,650	-	-	-	-	-	-	36,650
Shares issued for finder's fee	120,000	20,281	-	-	-	-	-	-	20,281
Net loss for the period	-	-	-	-	-	-	-	(1,892,376)	(1,892,376)
Foreign currency translation loss	-	-	-	274,864	-	274,864	-	-	274,864
Balance, June 30, 2026	**168,561,840**	**$ 28,039,511**	**$ 6,155,168**	**$ 326,910**	**$ (66,255)**	**$ 6,415,823**	**$ -**	**$ (38,354,358)**	**$ (3,899,024)**

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

Xali Gold Corp.
Interim Condensed Consolidated Statements of Cash Flows
For the three months ended June 30, 2026 and 2025
(Unaudited - expressed in United States dollars unless otherwise noted)

		Three months ended June 30, 2026		2025
Cash provided by (used) in				
Operating activities				
Net income (loss) for the period	**$**	**(1,892,376)**	$	(72,074)
Items not affecting cash:				
Foreign exchange		**245,000**		3,433
Interest expense		**790**		-
Finance expense		**298,453**		-
Share-based payments		**-**		721
Changes in non-cash working capital items:				
Tax receivable		**(19,768)**		(2,808)
Prepaid expenses and deposits		**(2,827)**		(8,409)
Accounts payable and accrued liabilities		**552,278**		50,546
Net cash used in operating activities		**(818,450)**		(28,591)
Investing activities				
Purchase of equipment		**(1,901)**		**-**
Net cash used by investing activities		**(1,901)**		-
Financing activites				
Shares issued for finder's fee		**20,281**		-
Issue of common shares for:				
Private placement, net of issuance cost		**687,419**		**-**
Exercise of warrants		**36,650**		**-**
Proceeds from exercise of options		**109,080**		**-**
Net cash provided by financing activities		**853,430**		-
Net change in cash		**33,079**		(28,591)
Cash, beginning of period		**395,344**		38,293
Cash, end of period	**$**	**428,423**	$	9,702
Non-cash investing and financing activities:				
Realloate fair market value of options exercised	**$**	**74,142**	$	-
Shares issued for finder's fee	**$**	**20,281**	$	-
Deferred consideration liability	**$**	**290,699**	$	**-**
Asset retirement obligations	**$**	**8,311**	$	**-**

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

1. Nature of operations and going concern

Xali Gold Corp. and its subsidiaries (the “Company”) are engaged in the exploration of mineral right interests in Mexico and Peru. The Company was incorporated on April 24, 2009 under the Business Corporations Act of British Columbia. The Company’s common shares are listed on the TSX Venture Exchange (“TSXV”) under the trading symbol XGC.V. The Company’s office is located at Suite 1100, 1111 Melville Street, Vancouver, BC, V6E 3V6, Canada.

These interim condensed consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. For the three months ended June 30, 2026, the Company had no revenues and incurred a net loss from operations of $1,892,376 (June 30, 2025 - $72,074). As at June 30, 2026, the Company has a working capital deficiency of $5,196,649 (March 31, 2026 - $4,729,676), and an accumulated deficit of $38,354,358 (March 31, 2026 - $36,461,982). The continued operations of the Company are dependent on management’s ability to manage costs and raise additional funds through the issuance of securities, resource secured debt or joint venture projects. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due is uncertain. These factors indicate the existence of a material uncertainty that may cast significant doubt regarding the Company’s ability to continue as a going concern. These interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate. The impact of those adjustments to the interim condensed consolidated financial statements could be material.

There are many external factors that can adversely affect general workforces, economies, and financial markets globally. Examples include, but are not limited to, the political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

2. Statement of compliance and basis of presentation

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards Board (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These interim condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended March 31, 2026, which have been prepared in accordance with IFRS issued by the IASB.

3. Material accounting policy information

Accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company’s interim condensed consolidated financial statements.

(Unaudited - expressed in United States dollars unless otherwise noted)

4. Unproven mineral right interests

As at June 30, 2026 and March 31, 2026, the Company's capitalized unproven mineral right interests' costs are as follows:

	Peruvian Properties	
	June 30, 2026	March 31, 2026
Opening balance	**$ 10,719,643**	$ 1
Additions	**-**	10,719,642
Ending balance	**$ 10,719,643**	$ 10,719,643

<u>Mexican properties</u>

<u>El Oro – Hardrock</u>

The El Oro gold-silver property located in the states of Mexico and Michoacán, Mexico ("El Oro Property") was the Company's principal asset from 2010 to 2024 having acquired it from a wholly owned subsidiary of Goldcorp Inc. The El Oro property was written down in prior years.

As at June 30, 2026, the Company owed $1,791,244, equivalent to MXN 31,294,290 (March 31, 2026 - $1,541,860, equivalent to MXN 31,294,290) of outstanding mining fees to the Mexican Mining Bureau ("MMB") (Note 5).

Agreement with Remedioambiente S.A. de C.V. ("Remedioambiente")

On January 28, 2025, the Company signed a definitive agreement (the "Agreement") with Remedioambiente S.A. de C.V. granting them the exclusive right to explore and extract gold, silver and any other economic minerals that may be found above the 2400 meter ("m") level in the historic workings covered by the El Oro 5 Concessions in exchange for payment of a 3% Net Smelter Return ("NSR") to the Company on all gold and silver recovered by Remedioambiente.

The Agreement has a term of five years which may be extended for an additional five years providing the Company is receiving benefits totaling $1,000,000 per year. The Company retains the exclusive ownership of all mineral bodies discovered or delineated below the 2400 m level.

Remedioambiente shall maintain the concessions in good standing during this period, by paying the semi-annual concession fees, by incurring the minimum investments and the corresponding filings with the MMB, by making the filings of statistical reports and by paying the Governmental Royalties.

<u>El Oro – Mine Tailings Project</u>

During the year ended March 31, 2014, the Company signed an agreement with the Municipality of El Oro ("Municipality") that provides the Company with the access and processing rights to tailings deposits in El Oro. Mexico. Under the terms of the agreement, the Company will pay an 8% net profits interest ("NPI") royalty to the Municipality on any products produced from the tailings properties. The Company is entitled to retain the first $1,500,000 of the 8% NPI payable to the Municipality.

4. Unproven mineral right interests (continued)

Mexican properties (continued)

Agreement with Kappes, Cassiday & Associates ("KCA")

On April 15, 2024, the Company signed a legally binding Letter of Intent to enter a Purchase Agreement (the "LOI Agreement") with Kappes, Cassiday & Associates ("KCA") on the Mexican Mine Tailings Reprocessing Project at El Oro (the "El Oro Tailings Project") in Mexico.

In order to earn 100% interest in the El Oro Tailings Project, subject to royalty payments outlined below, KCA has agreed to:

i. Pay the Company $150,000 within six months after signing the LOI Agreement (received).
ii. Pay the Company minimum royalty payments of $50,000 every six months commencing six months from signing the LOI Agreement, until a total royalty payment of $1,000,000 has been paid ($50,000 received to date).

Terms of the royalty payments are as follows:

Once production begins, KCA will pay the Company a gross royalty equal to 4% of the sales income ("NSR") received from the gold and silver produced from the El Oro Tailings Project, less any royalties due and payable to others (the Municipality of El Oro), but in no case less than a 3% gross royalty.

KCA has the right at any time to buy a 1% royalty from the Company for $1,000,000, which would lower the NSR from 4% to 3% of the sales income received from the gold and silver produced from the Project, less any royalties due and payable to others including the Municipality of El Oro, but in no case less than a 2% royalty.

KCA will also be obligated to pay the Municipality of El Oro an 8% Net Profits Interest ("NPI") on production from the Tailings or renegotiate this with the Municipality and the Company has the right to receive the first $1,500,000 from the Municipality's 8% NPI.

Sarape Property

In February 2025, the Company entered into a letter of intent ("LOI") with Advance Lithium Corp. ("Advance") for the option to acquire up to 90% interest in the Sarape epithermal gold-silver project ("Sarape") in Mexico in exchange for the issuance of 140,000,000 common shares of the Company, cash payments of up to 10% of each financing completed by the Company, subject to a maximum payment of CAD$450,000 over the lifetime of the agreement, and by performing an aggregate of 20,000 metres of drilling. The LOI stipulated that a definitive agreement must be entered into on or prior to August 31, 2025. The parties elected not to move forward with a definitive agreement, and as a result, the LOI expired unexercised.

Peruvian properties

Acquisition of Minera Calipuy S.A.C. (Pico Machay Gold Project)

On October 23, 2025, the Company entered into a Share Purchase Agreement ("SPA") with Pan American Silver Corp. and its subsidiary, Aquiline Resources Inc. (together, "Pan American"), to acquire 100% of the issued and outstanding shares of Minera Calipuy S.A.C. ("Calipuy"). Calipuy holds all rights, title and interest in the Pico Machay Gold Project ("Pico Machay" or the "Project") located in Central Peru. The transaction closed on December 24, 2025. Calipuy did not meet the definition of a business in accordance with *IFRS 3 – Business Combinations*, and as such, was accounted for as an asset acquisition.

(Unaudited - expressed in United States dollars unless otherwise noted)

4. Unproven mineral right interests (continued)

Peruvian properties (continued)

Consideration payable

Under the terms of the SPA, the Company is required to make the following cash payments:

Time Period	Cash Payments
Closing of Transaction	$ 500,000 (Paid)
On or before December 24, 2026	1,500,000
On or before December 24, 2027	1,500,000
On or before December 24, 2028	4,000,000
On or before December 24, 2029	3,000,000
On or before December 24, 2030 or commencement of production	4,500,000
On delineating more than of 1,250,000 ounces of gold	2,500,000
Total	**$17,500,000**

The consideration is comprised of $500,000 in cash owed up front, $14,500,000 in deferred consideration payable, and $2,500,000 in contingent consideration payable. The cash and deferred consideration was recognized as part of the cost of the acquired mineral property interest, net of assets and liabilities assumed, and a corresponding financial liability measured at present value.

The deferred consideration payments amount to $14,500,000, and were recorded as a deferred consideration liability equal to $9,839,904 representing the present value of the payments, discounted at a rate of 12%.

As at June 30, 2026, the Company recorded $298,453 of finance expense in relation to the deferred consideration liability. As at June 30, 2026, there is a deferred consideration liability of $10,434,613 ($1,500,000 current, $8,934,613 non-current) (March 31, 2026 - $10,143,914) in the interim condensed consolidated statement of financial position.

The $2,500,000 resource delineation milestone is considered to be contingent consideration. The consideration will become payable upon completion of a technical report prepared in accordance with National Instrument 43-101 by the purchaser disclosing aggregate mineral reserves or mineral resources classified as any of proven mineral reserves, probable mineral reserves, measured mineral resources, or indicated mineral resources greater than 1,250,000 gold ounces in the aggregate.

As the SPA does not meet the definition of a business, it was accounted for as an asset acquisition. Accordingly, the contingent consideration associated with the asset purchase agreements has been accounted for under *IAS 37 – Provisions, contingent liabilities and contingent assets*. It is management's view that the variable future payments are dependent on the Company's future activities, and as a result, will not meet the initial recognition criteria of a financial liability until the targets are probable. When adjustments are made to the financial liability for the variable payments as they become probable, the corresponding increase to the asset will be recorded to the extent the payments are associated with future economic benefits to be derived from the asset. As at June 30, 2026, the Company had recognized $Nil on the statement of financial position, as the targets are not yet probable.

(Unaudited - expressed in United States dollars unless otherwise noted)

4. Unproven mineral right interests (continued)

<u>Peruvian properties (continued)</u>

	$
Total consideration:	
Deferred consideration liability	9,839,904
Cash payment	500,000
Transaction cost	5,440
	10,345,344
Allocated to:	
Unproven mineral right interests	10,719,642
Accounts payable and accrued liabilities	(215)
Income tax payables	(19,306)
Asset retirement obligations	(354,777)
	10,345,344

There is an existing 1% NSR covering the El Alcatraz concessions which covers the centre of the project.

<u>Asset retirement obligation – Pico Machay</u>

The asset retirement obligation represents the estimated costs for required future reclamation and restoration activities on the Pico Machay Gold Project. These activities include remediation of access roads, deconstruction of platforms and campsite, recontouring and revegetation of previously used areas and closure environmental monitoring for five years. During the three months ended June 30, 2026, the undiscounted amount of estimated cash flows required to settle the asset retirement obligations was $526,766 (March 31, 2026 - $526,766). The estimated future cash flows were discounted using a real risk-free rate of 4% (March 31, 2026 – 4%) resulting in a present value of $363,088 (March 31, 2026 - $354,777) which had previously been capitalized to the exploration property. The asset retirement obligation will be accreted over a period of 13 years. Accretion expense in the period from acquisition to year end was insignificant.

		June 30, 2026		March 31, 2026
Opening balance	**$**	**354,777**	$	-
Changes in estimate		**8,311**		354,777
Ending balance	**$**	**363,088**	$	354,777

Other properties

As at June 30, 2026, the Company has maintained the Las Brujas property in good standing. This property is an early-stage gold and gold-silver exploration project in Peru.

(Unaudited - expressed in United States dollars unless otherwise noted)

5. Accounts payable and accrued liabilities

		June 30, 2026		March 31, 2026
Trade payables	**$**	**582,988**	$	589,684
Due to directors and officers (Note 8)		**915,266**		631,592
Due to Alta Copper Corp.		**629,494**		637,432
Accrued liabilities - mining fees - El Oro (Note 4)		**1,791,244**		1,541,860
Accued liabilities - other		**39,583**		32,283
	$	**3,958,575**	$	3,432,851

6. Equipment

		Equipment
Cost		
As at March 31, 2026		5,745
Additions		1,941
As at June 30, 2026	$	7,686
Accumulated depreciation		
As at March 31, 2026	$	(5,745)
Additions		(40)
As at June 30, 2026	$	(5,785)
Net book value		
As at March 31, 2026		**-**
As at June 30, 2026	**$**	**1,901**

As of June 30, 2026, the Company owns 50% of the San Dieguito de Arriba Plant (“SDA Plant”), a processing plant located in San Dieguito de Arriba, Nayarit State, Mexico. The plant comprises equipment, tools, supporting infrastructure and other facilities required to process ore and recover precious and base metals in the form of flotation concentrates. The plant also includes a precious metals leach circuit - Merrill Crowe system and associated assets, licences, and agreements.

In December 2023, the Company, along with the other owner of 50% of the plant, entered into an agreement with Grupo Minero WIYA (“WIYA”) whereby WIYA would acquire the SDA Plant for monthly payments of $150,000 for a period of 10 months (total payment of $1,500,000), and payment of all outstanding repairs to bring the plant into operation. From December 2023 to March 2025, the Company only received $75,000 (50% of $150,000) from WIYA and the agreement has since been cancelled due to non-payment from WIYA. During the year ended March 31, 2025, the Company recorded an impairment loss of $615,583 on the SDA Plant given the fact that the Company has no active customer that could lease or purchase the plant to generate cash flows that would recover the Company’s original acquisition cost, the Company has no intent or use to operate the plant itself, and the Company has no active plans to fund current and future repairs and maintenance costs of the plant.

(Unaudited - expressed in United States dollars unless otherwise noted)

6. Equipment (continued)

Asset retirement obligation – SDA Plant

The asset retirement obligation represents the estimated costs for required future reclamation and restoration activities. These activities include removal of site structures and infrastructure, recontouring and revegetation of previously used areas and the management of water and water quality in and around the site. During three months ended June 30, 2026, the undiscounted amount of estimated cash flows required to settle the asset retirement obligations calculated to be $134,428 (March 31, 2026 - $134,428). The estimated future cash flows were discounted using a risk free rate of 5% resulting in a present value of $126,218 (March 31, 2026 - $126,218). The asset retirement obligation will be accreted over a period of 5 years.

		June 30, 2026		March 31, 2026
Opening balance	**$**	**126,218**	$	91,900
Changes in estimate		**-**		34,318
Ending balance	**$**	**126,218**	$	126,218

7. Share capital and equity reserve

a. Shares authorized

The Company has an unlimited number of common shares with no par value.

b. Shares issued

As at June 30, 2026, the Company had 168,561,840 (March 31, 2026 – 161,191,840) common shares issued and outstanding.

During the three months ended June 30, 2026:

- On April 24, 2026 issued an aggregate of 250,000 common shares in connection with the exercise of warrants with an exercise price of $0.15 (CAD$0.20) for aggregate gross proceeds of $36,650 (CAD$50,000).
- On May 20, 2026 issued an aggregate of 3,000,000 common shares in connection with the exercise of stock options with an exercise price of $0.04 (CAD$0.05) for aggregate gross proceeds of $109,080 (CAD$150,000). The remaining 250,000 stock options in the tranche expired unexercised.
- On June 18, 2026 closed a non-brokered private placement and issued 4,000,000 common shares at a price of $0.18 (CAD$0.25) per share for gross proceeds of $707,700 (CAD$1,000,000). The Company issued 120,000 brokers' shares with a fair value of $20,281.

(Unaudited - expressed in United States dollars unless otherwise noted)

7. Share capital and equity reserve (continued)

c. Stock options

The Company has an Omnibus Equity Incentive Plan (the "Plan") which was approved on November 8, 2024. The Plan provides flexibility to the Company to grant equity-based incentive awards in the form of stock options, restricted share units, performance share units, and deferred share units to directors, officers, employees, and consultants of the Company. Under the Plan a total of 10% of the Company's outstanding common shares are reserved for the issuance of shares at discretion of the Board of Directors, with a maximum life of 10 years. The maximum number of shares which may be reserved for any eligible person within a 12-month period shall not exceed 5% of issued and outstanding shares and the maximum number of shares which may be reserved for all consultants or providers of investor relations services within a 12-month period shall not exceed 2% of the issued and outstanding shares.

Stock option transactions for the period ended June 30, 2026 were as follows:

	Number of options	Weighted average exercise price (CAD$)
Options outstanding March 31, 2026	15,050,000	0.12
Options exercised	(3,000,000)	0.05
Options expired	(250,000)	0.05
Options outstanding June 30, 2026	**11,800,000**	**0.13**
Options exercisable June 30, 2026	**7,850,000**	**0.13**

As at June 30, 2026, the following stock options were exercisable and outstanding:

	Outstanding		Exercisable
Expiry date	Exercise price (CAD$)	Number of options	Number of options
October 19, 2027	0.07	500,000	500,000
December 18, 2029	0.05	4,100,000	4,100,000
October 30, 2030	0.05	2,200,000	2,000,000
March 17, 2031	0.25	5,000,000	1,250,000
	0.13	11,800,000	7,850,000

The average remaining life of the options is 4.07 years as at June 30, 2026.

d. Warrants

Warrants transactions for the periods ended June 30, 2026 and 2025 were as follows:

	Number of warrants	Weighted average exercise price (CAD$)
Balance, March 31, 2026	7,599,000	0.20
Exercised	(250,000)	0.20
Balance, June 30, 2026	**7,349,000**	**0.20**

(Unaudited - expressed in United States dollars unless otherwise noted)

7. Share capital and equity reserve (continued)

d. Warrants (continued)

As at June 30, 2026, the following warrants were exercisable:

Number of warrants	Exercise price (CAD$)	Expiry date
7,250,000	0.20	23-Jun-27
99,000	0.20	23-Jun-27
7,349,000	0.20	

The average remaining life of the warrants is 0.98 years as at June 30, 2026.

e. Restricted share units

As at June 30, 2026, the Company had no RSU's outstanding.

8. Related party disclosures

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes directors, executive officers, and entities controlled by such persons. The following is a list of related parties that the Company enters into trading transactions with:

- Ridley Rocks Inc. – Joanne Freeze, CEO, Management and exploration fees
- Bullion Exploration Inc. – Matthew Melnyk, Geological exploration fees
- ARO Consulting Inc. – Sheri Rempel CFO, Financial services, fees thereto

a. Related party transactions

The Company incurred the following compensation with companies controlled by members of management and with directors, which has been recorded as general and administrative expenses:

	Three months ended June 30, 2026	2025
Management fees	**$ 302,487**	$ 18,427
Accounting fees to a company controlled by the CFO	**8,502**	4,732
	$ 310,989	$ 23,159

(Unaudited - expressed in United States dollars unless otherwise noted)

8. Related party disclosures (continued)

b. Balance owing

As at June 30, 2026 and March 31, 2026, the following amounts were due to related parties:

	June 30, 2026		March 31, 2026	
	Loans from related party	**Accounts payable and accrued**	Loans from related party	Accounts payable and accrued
CFO	**$ -**	**$ 33,250**	$ -	$ 28,247
Company controlled by the CFO	**-**	**7,889**	-	8,402
Company controlled by the CEO	**195,403**	**666,601**	198,403	393,149
Geological consulting and technical officer	**-**	**207,526**	-	201,794
	$ 195,403	**$ 915,266**	$ 198,403	$ 631,592

Amounts due to related parties are unsecured, non-interest bearing, and due on demand, with the exception of the loans with Ridley Rocks Inc., a company controlled by the CEO, as noted below.

The first loan was entered into on September 15, 2025 by the Company and Ridley Rocks Inc., the principal value is $107,937 (CAD$150,000) (2026 - $109,234 (CAD $150,000)), which has a maturity date of September 15, 2026, unsecured and has a compounding annual interest rate of 3%. The Company recorded $790 (CAD$1,122) as interest on the loan through the profit and loss statement. The final loan was entered into on March 31, 2026 by the Company and Ridley Rocks Inc., the principal value is $87,466 (CAD$124,300) (2026 - $89,169) (CAD $124,300)), which has a maturity date of March 31, 2027, unsecured and non-interest bearing.

9. Segmented information

The Company operates in one segment, the exploration of mineral properties. The Company operates in two geographical areas, being Peru and Mexico. Following is an analysis of the Company's non-current assets in Peru:

	June 30, 2026	March 31, 2026
Unproven mineral right interests (Note 4)	**$ 10,719,643**	$ 10,719,643
Equipment (Note 6)	**1,901**	-
	$ 10,721,544	$ 10,719,643

As at June 30, 2026 and March 31, 2026, the Company had $Nil in non-current assets in Mexico.

(Unaudited - expressed in United States dollars unless otherwise noted)

10. General and Administrative Expenses

	Notes		Three months ended June 30, 2026		2025
GENERAL AND ADMINISTRATIVE					
Accounting, audit and tax advisory fees	8	$	23,893	$	14,395
Bank charges and interest			998		604
Consulting			-		2,656
Legal			1,450		2,902
Management fees, office salaries and benefits	8		309,883		22,762
Office, rent and miscellaneous			27,038		4,930
Regulatory and filing fees			6,825		10,959
Share-based payments	7,8		-		721
Shareholder communications			142,577		15,495
Interest and other expense (income)			5,733		1,158
Total general and administrative expenses		$	518,397	$	76,582

	Three months ended June 30, 2026	2025
EXPLORATION		
Peru		
Mining Claim Penalties	$ 352,821	$ -
Field support including project administration	103,407	6,149
Consultants	26,780	-
Transportation, meals & Lodging	48,878	-
Permits and Fees	16,279	-
Mexico		
Mining fees - El Oro	-	30,596
Project administration	18,522	7,793
Total exploration expenses	$ 566,687	$ 44,538

11. Financial risk and capital management

The Company is exposed to certain financial risks in the normal course of its operations:

a. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The liquidity position of the Company is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost-efficient manner.

The Company's management continually reviews the liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels. The Company plans to make payments of trade payables and commitments from its current working capital and future sources of equity financing. As at June 30, 2026, the Company has cash of $428,423 (March

31, 2026 - $395,344) which is not sufficient to settle current liabilities totalling $5,673,978 (March 31, 2025 - $5,151,254); accordingly, liquidity risk is considered to be high.

11. Financial risk and capital management (continued)

b. Currency risk

Currency risk is the risk that arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured.

The Company operates internationally and is exposed to risks from foreign currency rates. The functional currency of the Company's subsidiaries is the United States and Canadian dollar and

some of the subsidiaries' transactions are denominated in Mexican Pesos and Peruvian Nuevo Soles. The Company does not enter into any foreign exchange contracts to mitigate this risk. The Company and its subsidiaries do not have significant transactions or hold significant cash denominated currencies other than their functional currencies.

c. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to meet its contractual obligations and cause the Company to incur a financial loss. The Company's exposure to credit risk is primarily attributable to its cash balances. Cash balances are held with reputable financial institutions and management believes the risk of loss to be low. The Company's tax receivable relates to sales tax credits from a government agency and is not subject to credit risk.

d. Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is the potential adverse impact on earnings and economic value of its exploration and evaluation assets, due to commodity price movements and volatilities. The Company monitors commodity prices (primarily gold and silver) to determine the appropriate course of action to be taken by the Company.

e. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

f. Fair values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

11. Financial risk and capital management (continued)

f. Fair values (continued)

The carrying amounts of cash, accounts payable and accrued liabilities, loan payable and loans payable to related parties approximate their fair values due to the short-term nature of these instruments.

The deferred consideration liability is present valued and accreted up to its face value over a period of five years using a discount rate of 12%.

g. Capital management

The Company's capital structure is comprised of the components of shareholders' deficit. The Company's objectives when managing its capital structure is to, maintain financial flexibility to preserve the Company's access to capital markets and its ability to meet its financial obligations.

The Company's corporate office is responsible for capital management. This involves the use of corporate forecasting models, which facilitate analysis of the Company's financial position including cash flow forecasts to determine the future capital management requirements.

In preparing its budgets and corporate forecasting models, the Company considers operating commitments imposed by its subsidiaries and the stability of the global capital markets.

Capital management is undertaken to ensure a secure, cost-effective supply of funds to ensure the Company's operating and capital expenditure requirements are met.

There were no changes in the Company's approach to capital management during the year and the Company is not subject to any restrictions on its capital.

12. Commitments

As at June 30, 2026, the Company had the following contractual commitments:

<u>Consulting Agreements</u>

The Company maintains a consulting agreement with Bullion Exploration Inc. that includes a termination clause requiring payment of a lump sum of CAD$50,000. Additionally, in the event of a change of control, or change of control combined with termination within one year, the Company is required to make a one-time payment of CAD$200,000.

The Company maintains a consulting agreement with Ridley Rocks Inc. that includes a termination clause requiring payment of a lump sum of CAD$200,000 upon severance. Additionally, in the event of a change of control or change of control combined with termination within one year, the Company is required to make a one-time payment of CAD$500,000.

(Unaudited - expressed in United States dollars unless otherwise noted)

12. Commitments (continued)

Pico Machay Gold Project – Deferred Acquisition Payments

Pursuant to the SPA entered into on October 23, 2025 to acquire 100% Calipuy, the Company is obligated to make the following future cash payments to Pan American.

Payment date	Amount $
December 24, 2026	**1,500,000**
December 24, 2027	**1,500,000**
December 24, 2028	**4,000,000**
December 24, 2029	**3,000,000**
December 24, 2030 or commencement of production, whichever occurs first	**4,500,000**
Total contractual commitments	**14,500,000**

The Company has recognized these non-contingent deferred payments at their present value as deferred consideration in the interim condensed consolidated statement of financial position (current $1,500,000, noncurrent $8,934,613).

In addition, the Company may be required to make a further contingent payment of $2,500,000 upon the delineation of more than 1,250,000 ounces of gold resources or reserves as defined in the SPA. As this milestone had not been achieved as at June 30, 2026, no liability has been recognized in the interim condensed consolidated financial statements (Note 4).

13. Subsequent events

On August 5, 2026, the Company issued 548,684 common shares to ARO Consulting Inc. upon the exercise of RSUs granted to Sheri Rempel, the Company's CFO, in lieu of cash compensation for services provided during 2025. These shares are subject to a four-month hold period and may not be traded until December 6, 2026.