CHAKANA COPPER CORP.

CONDENSED INTEIRM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMEBR 30, 2024 AND 2023

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the unaudited condensed interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Chakana Copper Corp. (the "Corporation") have been prepared by and are the responsibility of the Corporation's management. The unaudited condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Corporation's independent auditor has not performed a review of these condensed interim consolidated financial statements.

January 28, 2025

CHAKANA COPPER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2024 (UNAUDITED) AND MAY 31, 2024
(Expressed in Canadian Dollars)

		November 30, 2024 (Unaudited)		May 31, 2024 (Audited)
ASSETS				
Current Assets				
Cash (Note 12)	$	523,295	$	2,280,298
Prepaids and other current assets		124,423		166,939
		647,718		2,447,237
Non-current Assets				
Property and Equipment (Note 6)		627,328		419,138
Value-added tax receivable (Note 7)		172,601		88,713
Prepaids		77,815		75,534
Exploration and evaluation assets (Note 5)		2,551,305		7,800,296
Total Assets	$	4,076,767	$	10,830,918
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities (Notes 12 and 15)	$	519,435	$	639,465
Current portion of lease obligation (Note 8)		35,417		53,233
		554,852		692,698
Non-current Liabilities				
Lease obligation (Note 8)		287,804		58,204
Total Liabilities		842,656		750,902
Shareholders' Equity				
Common shares (Note 9)		47,622,191		47,550,208
Stock option reserve (Note 9)		2,299,156		2,299,156
Accumulated other comprehensive income		1,217,117		1,155,808
Deficit		(47,904,353)		(40,925,156)
Total Shareholders' Equity		3,234,111		10,080,016
Total Liabilities and Shareholders' Equity	$	4,076,767	$	10,830,918

Approved on behalf of the Board of Directors

/s/ Tom Wharton	*/s/ Darren Devine*
Tom Wharton, Director	Darren Devine, Director

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

CHAKANA COPPER CORP.
CONSOLIDATED INTEIRM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED NOVEMBER 30, 2024 AND 2023
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended November 30, 2024	Three Months Ended November 30, 2023	Six Months Ended November 30, 2024	Six Months Ended November 30, 2023
OPERATING EXPENSES				
Consulting fees (Note 15)	$ 53,691	$ 46,139	$ 104,026	$ 95,877
Depreciation (Note 6)	23,732	22,599	47,449	49,279
Exploration and evaluation expenditures (Note 5 and 10)	174,291	175,689	773,843	447,614
General and administrative	56,137	61,915	111,019	130,744
Investor relations	12,790	11,366	43,533	21,994
Legal and professional fees (Note 15)	42,250	33,299	76,500	58,799
Salaries and wages (Note 15)	84,001	85,145	166,674	157,747
Stock-based compensation (Notes 9 and 15)	-	11,690	-	30,742
Travel and meals	11,291	-	11,291	7,989
Operating Expenses	(458,183)	(447,842)	(1,334,335)	(1,000,785)
Other				
Foreign exchange gain (loss)	(17,695)	(4,706)	(23,259)	(47,629)
Write-off of leasehold improvements (Note 5)	-	-	(5,638,110)	-
Interest income	5,412	2,416	16,507	7,663
	(12,283)	(2,290)	(5,644,862)	(39,966)
Net Loss	(470,466)	(450,132)	(6,979,197)	(1,040,751)
Other Comprehensive Loss				
Item that may be reclassified to profit or loss				
Foreign currency translation	109,176	(54,954)	61,309	(82,505)
Comprehensive Loss	$ (361,290)	$ (505,086)	$ (6,917,888)	$ (1,123,256)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.03)	$ (0.01)
Weighted average number of common shares outstanding (basic and diluted)	179,810,226	179,810,226	265,323,868	176,920,837

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

CHAKANA COPPER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2024 AND 2023
(Unaudited - Expressed in Canadian Dollars)

		Six Months Ended November 30, 2024		Six Months Ended November 30, 2023
Cash Flows Used in Operating Activities				
Net loss	$	(6,979,197)	$	(1,040,751)
Adjustments to reconcile net loss to cash used in operating activities				
Depreciation		47,449		49,279
Stock-based compensation		-		30,742
Unrealized foreign exchange		20,735		8,210
Impairment of exploration property		5,638,110		-
Prepaids and other current assets		40,235		30,280
Value-added tax receivable		(83,888)		(11,513)
Accounts payable and accrued liabilities		(120,030)		116,861
		(1,436,586)		(816,892)
Cash Flows Used in Investing Activities				
Acquisition of exploration and evaluation assets		(277,998)		(1,468,976)
		(277,998)		(1,468,976)
Cash Flows Provided by Financing Activities				
Repayment of lease obligation		(44,999)		(21,994)
Proceeds from private placement, net of share issuance costs		-		807,840
		(44,999)		785,846
Foreign exchange on cash		2,580		243
Changes in cash during the year		(1,757,003)		(1,499,779)
Cash – beginning of the year		2,280,298		2,251,365
Cash – end of the year	$	523,295	$	751,586
Non-cash items				
Shares issued for property	**$**	71,983	$	82,558
Amendment to lease agreement	**$**	262,559	$	-

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

CHAKANA COPPER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Common Shares						
	Shares	Amount	Subscription Receipts	Accumulated Other Comprehensive Income	Reserves	Deficit	Total
Balance – May 31, 2023	173,013,379	$ 43,716,860	$ -	$ 1,176,188	$ 2,236,276	$ (38,449,273)	$ 8,680,050
Units issued on private placement	20,541,495	821,660	-	-	-	-	821,660
Share issue cost	-	(20,033)	-	-	6,213	-	(13,820)
Share issued for property	1,379,310	82,558	-	-	-	-	82,558
Other comprehensive income for the period	-	-	-	(82,505)	-	-	(82,505)
Stock-based compensation	-	-	-	-	30,742	-	30,742
Net loss for the period	-	-	-	-	-	(1,040,751)	(1,040,751)
Balance – November 30, 2023	194,934,184	$ 44,601,045	$ -	$ 1,093,683	$ 2,273,230	$ (39,490,024)	$ 8,477,934
Units issued on private placement	54,459,356	2,178,374	-	-	-	-	2,178,374
Share issue costs	-	(228,415)	-	-	101,692	-	(126,723)
Shares issued for property	2,379,529	202,260	-	-	-	-	202,260
Exercise warrants for cash	13,178,852	796,944	-	-	(6,213)	-	790,731
Fair value of expired warrants	-	-	-	-	(111,636)	111,636	-
Other comprehensive income for the year	-	-	-	62,125	-		62,125
Stock-based compensation	-	-	-	-	42,083		42,083
Net loss for the period	-	-	-	-	-	(1,546,768)	(1,546,768)
Balance – May 31, 2024	264,951,921	$ 47,550,208	$ -	$ 1,155,808	$ 2,299,156	$ (40,925,156)	$ 10,080,016
Shares issued for property	2,056,650	71,983	-	-	-	-	71,983
Other comprehensive income for the year	-	-	-	61,309	-	-	61,309
Net loss for the period	-	-	-	-	-	(6,979,197)	(6,979,197)
Balance – November 30, 2024	267,008,571	$ 47,622,191	$ -	$ 1,217,117	$ 2,299,156	$ (47,904,353)	$ 3,234,111

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

1. Nature of Operations and Going Concern

Chakana Copper Corp. (the "Corporation" or "Chakana") was incorporated on May 2, 2011, under the laws of the province of British Columbia, Canada. The Corporation is listed on the TSX Venture Exchange under the symbol "PERU". The Corporation is currently engaged in exploration of mineral properties, with its principal focus at this stage on the exploration of the expanded Soledad copper-gold-silver project located in central Peru (the "Soledad Project").

The head office and principal address is Suite 1012 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3, Canada. The records office of the Corporation is located at 1055 West Pender Street, Suite 1500, Vancouver, British Columbia, V6E 4V7, Canada.

The Corporation is in the process of exploring and developing its mineral properties. The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, successful permitting, the ability of the Corporation to obtain necessary financing to complete exploration and development, and upon future profitable production or proceeds from the disposition of each mineral property. Furthermore, the acquisition of title to mineral properties is a complicated and uncertain process, and while the Corporation has taken steps in accordance with normal industry standards to verify its title to the mineral properties in which it has an interest, there can be no assurance that such title will ultimately be secured. The carrying amounts of mineral properties are based on costs incurred to date, and do not necessarily represent present or future values.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Corporation will be able to continue in operation for the foreseeable future and meet its obligations in the normal course of business.

The Corporation has incurred ongoing losses and will continue to incur further losses in the course of exploring its mineral properties. During the period ended November 30, 2024, the Corporation incurred a net loss of $6,979,197 (2023 - $1,040,751) and as of that date has a deficit of $47,904,353 (May 31, 2024 - $40,925,156). The Corporation has historically relied on the issuance of share capital to fund its operations. Although the Corporation has been successful in raising equity financing in the past, there is no assurance that such financing will continue to be available with acceptable terms. These uncertainties may cast significant doubt about the Corporation's ability to continue as a going concern. Accordingly, these consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Corporation be unable to continue as a going concern. Such adjustments could be material.

2. Basis of Preparation and Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports, including International Accounting Standard 34 Interim Financial Reporting. Therefore, these condensed interim consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended May 31, 2024 ("Annual Financial Statements"), which have been prepared in accordance with IFRS.

The accounting policies applied in preparation of these condensed interim consolidated financial statements are the same as those applied in the most recent Annual Financial Statements and were consistently applied to all the periods presented. These condensed interim consolidated financial statements were approved by the Board of Directors on January 28, 2025.

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information and are presented in Canadian dollars except where otherwise indicated.

2. Basis of Preparation and Statement of Compliance (Continued)

The Corporation's consolidated financial statements include the accounts of the Corporation and its subsidiaries. Subsidiaries are entities controlled by the Corporation, where control is achieved by the Corporation being exposed to, or having rights to, variable returns from its involvement with the entity and having the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Corporation and are deconsolidated from the date that control ceases. The Corporation currently has one wholly owned subsidiary: Chakana Resources S.A.C., a Peruvian company.

All inter-company transactions, balances, income, and expenses are eliminated on consolidation.

3. Significant Accounting Judgments and Estimates

The preparation of the Corporation's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ significantly from these estimates.

Significant judgments and estimates that have the most significant effect on the amounts recognized in the Corporation's condensed interim consolidated financial statements are as follows.

Critical accounting judgments:

Judgments that have the most significant effect on the amounts recognized in the Corporation's condensed interim consolidated financial statements are as follows:

- *Impairment of Exploration and Evaluation Asset*

  The net carrying value of an exploration asset is reviewed regularly for conditions that suggest potential indications of impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future.

- *Going Concern*

  The assessment of the Corporation's ability to continue as a going concern involves critical judgment based on historical experience and expectations of the Corporation's ability to generate adequate financing. Significant judgment is used in the Corporation's assessment of its ability to continue as a going concern.

- *Functional Currency*

  The functional currency of Chakana Resources S.A.C. is the Peruvian Sol – the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Corporation reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

- *Income taxes*

  Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward.

(Unaudited - Expressed in Canadian Dollars)

3. Significant Accounting Judgments and Estimates (continued)

Critical accounting judgments (continued):

- *Income taxes (Continued)*

The determination of the ability of the Corporation to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Corporation. Management is required to assess whether it is probable that the Corporation will benefit from these prior losses and other deferred tax assets. Change in economic conditions, metal prices and other factors could result in revision to the estimates of the benefits to be realized or the timing of utilizing the losses.

- *Value Added Tax ("VAT")*

Management's assumptions regarding the recoverability of Value Added Tax ("VAT") receivable at the end of each reporting period is made using all relevant facts available, including past collectability, the development of VAT policies and the general economic environment of the country to determine if a write-down of the VAT is required. Collection of the amount receivable depends on processing and payment of the claims by the local government, which historically has been very slow. The Corporation has been receiving its VAT from prior years and as such, management has determined as at May 31, 2024 and 2023 that it is appropriate to record the VAT as a receivable without any allowance for collectability. The timing and amount of the VAT ultimately collectable could be materially different from the amount recorded in the consolidated financial statements.

Critical accounting estimates:

- *Stock-based compensation*

Stock-based compensation is valued using the Black-Scholes option pricing model at the date of grant and expensed in profit or loss over vesting period of each award for stock options and recorded as share issue cost for broker warrants issued in conjunction with financings. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Stock-based compensation expense also utilizes subjective assumption on forfeiture rate. Changes in these input assumptions can significantly affect the fair value estimate.

4. Exploration and Evaluation Assets

	Condor Option	Aija Project	Barrick	Total
Balance – May 31, 2023	$ 4,212,021	$ 1,386,624	$ 348,193	$ 5,946,838
Acquisition costs	1,437,861	472,993	-	1,910,854
Foreign exchange on translation	(41,150)	(12,411)	(3,835)	(57,396)
Balance – May 31, 2024	5,608,732	1,847,206	344,358	7,800,296
Acquisition costs	40,627	309,329	-	349,956
Foreign exchange on translation	(11,249)	42,924	7,488	39,163
Impairment of exploration asset	(5,638,110)	-	-	(5,638,110)
Balance – November 30, 2024	$ -	$ 2,199,459	$ 351,846	$ 2,551,305

The Corporation's wholly owned subsidiary, Chakana Resources S.A.C., holds the following:
(i.) An option to acquire a 100% ownership interest in the adjacent Aija Project, Peru ("Aija Project"); and
(ii.) An option to acquire up to a 100% ownership in other adjacent mineral concessions owned by Minera Barrick Misquichilca S.A. ("Barrick") (the "Barrick Option").

These options are collectively referred to as the "expanded Soledad Project".
The Corporation is the operator of all related mineral exploration activities on these projects.

(Unaudited - Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets (continued)

(a) Aija Project

On March 20, 2018, the Corporation entered into an Option Agreement (the "Aija Option") with an arms-length third party to acquire 100% of the rights and interest in the Aija Project (the "Aija Project") subject to a 2% NSR.

During December 2022, the Corporation entered into an agreement to amend the payment terms under the Aija Option. The agreement was subsequently amended again during January 2024.

Under the terms of the original agreement, a final payment of US$1.5 million was due on May 1, 2023. The parties agreed to extend and amend the terms of the agreement as follows:

Installment	Date	Cash Amount (in US$)	US$ paid in shares
1	Upon execution of Letter of Intent on October 3, 2017 (paid)	75,000	-
2	Upon close of Definitive Agreement on August 1, 2018 (paid)	75,000	-
3	February 1, 2019 (paid)	50,000	-
4	August 1, 2019 (paid)	50,000	-
5	February 1, 2020 (paid)	75,000	-
6	November 1, 2020 (paid)	75,000	-
7	May 1, 2021 (paid)	100,000	-
8	November 1, 2021 (paid)	100,000	-
9	May 1, 2022 (paid)	100,000	-
10	November 1, 2022 (paid)	100,000	-
11	December 1, 2022 (Cash paid, shares issued)	100,000	75,000
12	May 1, 2023 (Cash paid, shares issued)	100,000	125,000
13	November 1, 2023 (Cash paid, shares issued)	100,000	150,000
14	August 1, 2024 (Cash paid, shares issued)	75,000[(1)]	75,000
15	November 1, 2024 (paid)	75,000	-
16	February 1, 2025	150,000	75,000
17	May 1, 2025	150,000	-
18	November 1, 2025	150,000	-
19	May 1, 2026	150,000	-
20	November 1, 2026	250,000	-
	Total	**2,100,000**	**500,000**

(1) The Corporation renegotiated the August 1, 2024 cash amount of US$150,000 to be paid in two instalments of US$75,000; one instalment was paid August 14, 2024 along with the issuance common shares equivalent to US$75,000 and the second US$75,000 payment to be made November 1, 2024.

The number of shares will be determined based on the greater of (i) the ten-day volume weighted average trading price of the Chakana common shares as of the date of issuance of such Chakana shares, or (ii) the market value at the time the obligation arises, provided that the shares for each payment may not be issued at a price lower than $0.05 per share. As at November 30, 2024, the Corporation has paid instalments 1 to 15, totaling US$1,250,000 and made payment 15 subsequent to November 30, 2024. Under the terms of the Aija Option, the Corporation may purchase all of the 2% NSR at any time for US$2,000,000. There are no drilling or work expenditure commitments under the Option.

5. Exploration and Evaluation Assets (continued)

(b) Barrick Option

On July 11, 2018, Barrick granted the Corporation an option to acquire a 100% interest in three concessions adjoining the southern extent of the Aija Project (the "Barrick Option"). Under terms of the agreement, the Corporation has five years in total to complete a minimum of 2,000 metres of drilling and produce a Preliminary Economic Assessment report compliant with National Instrument 43-101. In October 2021, the Corporation amended the July 11, 2018 agreement. Under terms of the amended agreement, the Corporation must obtain the Authorization to Imitate Activities ("AIA") for exploration drilling on or before September 27, 2023 (first option). It then has four years from the date of the AIA to complete a minimum of 4,000 metres of drilling and produce a Preliminary Economic Assessment report compliant with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (second option). Upon exercise of the Barrick Option, Barrick will retain a 2% NSR subject to the Corporation's right to purchase 50% of the royalty for US$2,000,000.

Barrick will have a one-time right to reacquire a 70% interest in the concessions within 120 days of exercising the option by paying the Corporation three times the aggregate amount of exploration expenditures incurred since the execution date and cancelling the 2% NSR. If a production decision is then not made by Barrick within seven years of the Back-in Closing Date, Barrick will make pre-royalty payments of US$75,000 per year until a production decision is made for a maximum of five years (US$375,000). If the Corporation does not contribute its share of project costs its interest will be diluted to 10%, upon which its interest will be converted to a 2% NSR with Barrick retaining a right to purchase 50% of the royalty for US$2,000,000. If Barrick declines, an undivided 100% interest in the concessions will be transferred to the Corporation.

c) Condor

On April 17, 2017, the Corporation entered into a Mining Assignment and Option Agreement ("Condor Option") with Minera Vertiente del Sol S.A.C. ("MVS") (the "Agreement"), a subsidiary of Condor Resources Inc. ("Condor"), pursuant to which the Corporation had the sole and exclusive option to acquire 100% of the rights and interests in the Soledad Copper/Gold Project, Peru (the "Soledad Project"), subject to a 2% net smelter return royalty ("NSR"). The agreement was amended on March 18, 2019 and November 13, 2020, relating to the Soledad Project.

The Condor Option was exercisable by issuing 500,000 common shares by June 23, 2018 (issued), making aggregate cash payments of US$5,375,000, and completing 12,500 metres of drilling on the Soledad Project. During the year ended May 31, 2018, the Corporation fulfilled the 12,500 metres of exploration drilling requirement on the Soledad Project. On April 14, 2022, the Corporation reached an agreement with Condor to amend the terms of the Condor Option whereby the final payment of US$4.425 million dollars which was due to Condor on April 23, 2022, was extended and amend the terms of the option provided that Chakana may complete the exercise of the option by making cash and share payments over the following three-year period as shown below. During the term of this option agreement and up to October 8, 2024 the Corporation made total payments of $2,950,000 and issued 3,258,620 shares related to the option agreement.

On October 8, 2024, the Corporation announced that the Board decided to relinquish its option to acquire three concessions from Condor Resources Inc. that made up approximately 25% of the Company's expanded Soledad Project. As a result, the company recognized an impairment of $5,638,110.

As part of a previous royalty purchase agreement with Condor, Condor will grant a 1% net smelter returns royalty in favor of the Corporation over the Condor Concessions with a 2 km area of interest. Condor will have the right to purchase half of the royalty (0.5%) for US$1,000,000. The Corporation controls the surface rights over the expanded Soledad project, including the Condor Concessions, which means that Condor will not have access to the Condor Concessions without establishing an access agreement with the Corporation.

The Corporation has no additional obligation to pay any of the $2,450,000 option payments or issue any of the shares that were remaining under the option agreement.

(Unaudited - Expressed in Canadian Dollars)

6. Property and Equipment

	Right-of-use Asset	Equipment	Total
Cost			
As at May 31, 2023	$ 286,976	$ 619,228	$ 906,204
Additions	-	-	-
Foreign exchange on translation	(4,053)	(8,378)	(12,431)
Amendment to lease agreement	(25,005)	-	(25,005)
As at May 31, 2024	257,918	610,850	868,768
Additions	-	-	-
Foreign exchange on translation	13,348	18,224	31,572
Amendment to lease agreement	238,076	-	238,076
As at November 30, 2024	$ 509,342	$ 629,074	$ 1,138,416
Accumulated Depreciation			
As at May 31, 2023	$ (119,614)	$ (237,912)	$ (357,526)
Depreciation	(49,260)	(47,264)	(96,524)
Foreign exchange on translation	1,355	3,065	4,420
As at May 31, 2024	(167,519)	(282,111)	(449,630)
Depreciation	(25,614)	(21,835)	(47,449)
Foreign exchange on translation	(187)	(13,822)	(14,009)
As at November 30, 2024	$ (193,319)	$ (317,768)	$ (511,088)
Net Book Value			
As at May 31, 2024	$ 90,399	328,739	419,138
As at November 30, 2024	$ 316,022	311,306	627,328

7. VAT Receivable

	November 30 2024	May 31 2024
VAT receivable	$ 172,601	$ 88,713

As at November 30, 2024, the Corporation has $172,601 (May 31, 2024 - $88,713) in VAT receivable refundable from Peruvian tax authorities, net of VAT that is available to the Corporation which is not refundable but can be offset against future VAT payable. Management has determined to classify VAT receivable as long-term due to uncertainty of timing when it will be received.

(Unaudited - Expressed in Canadian Dollars)

8. Lease Obligation

Balance – May 31, 2023	$	178,150
Amendment to lease agreement		(25,005)
Interest expense		10,043
Lease payments		(48,762)
Currency translation adjustment		(2,989)
Balance – May 31, 2024		111,437
Amendment to lease agreement		262,559
Interest expense		9,276
Lease payments		(43,680)
Currency translation adjustment		(16,371)
Balance – November 30, 2024	$	323,221
Which consists of:		
Current portion of lease obligation	$	35,417
Non-current portion of lease obligation		287,804
	$	323,221

On May 1, 2021, the Corporation entered into a lease agreement for its Peruvian warehouse for a five-year term, expiring April 30, 2026. Pursuant to this lease, the Corporation is obligated to pay basic rent of 15,000 soles (approximately $4,737) on a monthly basis. On September 2023 the lease agreement was amended and the monthly payments were reduced to 10,000 soles per month for a period of 12 months resulting in a reduction of the right-of-use asset of $25,005 and lease liability of $25,005. On June 2024, the lease agreement was extended to 2031, the company paid an initial deposit of 120,000 soles (CAD$43,680) representing the first 12 months of rent, starting June 2025 the company will resume payments of 10,000 soles per month and will increase to 15,000 soles per month starting September 2025. The amendment resulted in an increase in the right of use asset of 262,559. The right-of-use asset and lease obligation were measured at the present value of the lease payments and discounted using an incremental borrowing rate of 5.99%.

9. Share Capital

(a) Authorized Share Capital

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

(b) Issued Capital

During the six months ended November 30, 2024, the Corporation issued common shares (“Shares”) as follows:

On August 14, 2024, the Corporation issued 2,056,650 common shares with respect to the Aija Project and paid US$75,000 (Note 5).

(Unaudited - Expressed in Canadian Dollars)

9. Share Capital (continued)

(b) Issued Capital (continued)

During the year ended May 31, 2024, the Corporation issued common shares (“Shares”) as follows:

- During June 2023, the Corporation issued 1,379,310 shares valued at $82,558 issued as part of the Condor Option payments.

- On November 6, 2023, the Corporation completed the first tranche of a non-brokered private placement of 20,541,495 units at a price of $0.04 per unit for gross proceeds of $821,660. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share at a price of $0.06 per share for a period of two years. The Corporation may accelerate the expiry of the warrants in the event that for any ten consecutive trading days the closing price of the shares is greater than $0.09. The Corporation paid aggregate finder's fees of $13,720 and issued 343,000 finder's warrants in connection with the first tranche of the private placement. Each finder's warrant is exercisable to purchase one share at a price of $0.06 per share for a period of two years from closing of the private placement. The finder’s warrants were valued at $6,213 using the Black-Sholes option pricing model.

- On January 15, 2024, the Corporation completed the second and final tranche of a private placement issuing 54,459,356 units of the Corporation at a price of $0.04 per unit for gross proceeds of $2,178,374. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share at a price of $0.06 per share for a period of two years from closing of the private placement. The Corporation may accelerate the expiry of the warrants in the event that for any ten consecutive trading days the closing price of the shares is greater than $0.09. The Corporation paid aggregate finder’s fees of $102,564 and issued 2,996,100 finder’s warrants in connection with the second tranche of the private placement. Each finder’s warrant is exercisable to purchase one share at a price of $0.06 for period of two years from closing of the private placement. The finder’s warrants were valued at $125,072 using the Black-Scholes option pricing model.

- On January 25, 2024, the Company issued 2,379,529 shares valued at $202,260 as part of the Aija Option agreement.

- During the year ended May 31, 2024, 13,178,852 shares were issued on exercise of warrants for total proceeds of $790,731.

(c) Stock Options

The Corporation adopted a stock option plan (the “Plan”) whereby it can grant stock options to directors, officers, employees and consultants of the Corporation. The maximum number of common shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Corporation at any time.

The changes in incentive stock options outstanding are summarized as follows:

	Weighted Average Exercise Price	Number of Shares Issued or Issuable on Exercise
Balance – May 31, 2023	$0.41	8,985,000
Granted	$0.075	4,200,000
Forfeited/Cancelled	$0.37	(3,160,000)
Balance – May 31, 2024 and November 30, 2024	$0.28	10,025,000

(Unaudited - Expressed in Canadian Dollars)

9. Share Capital (continued)

(c) Stock Options

Incentive stock options outstanding and exercisable at November 30, 2024 and May 31, 2024 are summarized as follows:

Expiry Date	Exercise Price	November 30, 2024	May 31, 2024
December 12, 2024	$0.20	900,000	900,000
July 10, 2025	$0.40	1,650,000	1,650,000
April 22, 2026	$0.50	3,275,000	3,275,000
September 29, 2027	$0.075	4,200,000	4,200,000
Weighted average life remaining		1.68	2.25
Total outstanding options	$0.28	10,025,000	10,025,000
Total exercisable options	$0.28	10,025,000	10,025,000

(d) Warrants

The changes in warrants outstanding are summarized as follows:

	Weighted Average Exercise Price	Number of Shares Issued or Issuable on Exercise
Balance – May 31, 2023	$0.14	31,294,352
Issued	$0.06	78,339,951
Expired	$0.09	(11,366,466)
Exercised	$0.06	(13,178,852)
Balance – May 31, 2024	$0.09	85,088,985
Expired	$0.14	(28,883,529)
Balance – November 30, 2024	$0.06	56,205,456

During the year ended May 31, 2024, the Corporation issued 75,000,851 investor warrants and 3,339,100 Finder’s Warrants as part of the private placement, which closed November 6, 2023 and January 15, 2024 (Note 9(b)).

During the year ended May 31, 2024, the Company extended the term of 28,369,789 share purchase warrants that were set to expire on May 20, 2024 and June 21, 2024 with an exercise price of $0.20 to October 31, 2024, these warrants were also repriced to $0.14.

The fair value of Finder’s Warrants uses the Black-Scholes option pricing model, assuming a weighted average risk-free interest rate of N/A (May 31, 2024 – 3.86%) per annum, an expected life of N/A (May 31, 2024 - 2 years), a weighted average volatility of N/A (May 31, 2024 – 105.18%) based on historical data and no expected dividends. The Corporation has estimated the dividend and forfeiture rate to be N/A (May 31, 2024 - 0.00%) based on historical dividend payments and historical forfeiture rates. Expected volatility was determined based on the historical movements in the closing price of the Corporation’s common shares for a length of time equivalent to the expected life of each warrant.

10. Share Capital (continued)

(d) Warrants (continued)

Warrants outstanding at November 30, 2024 and May 31, 2024 are summarized as follows:

Expiry Date	Exercise Price	November 30, 2024	May 31, 2024
October 31, 2024	$0.14	-	28,369,793[(1)]
January 12, 2026	$0.06	56,205,456[(2)]	56,205,456[(2)]
Total outstanding warrants	$0.09	56,205,456	85,088,985

(1) The Corporation may accelerate the expiry of the Warrants in the event that for any ten consecutive trading days the closing price of the shares is greater than $0.30 per unit.

(2) The Corporation may accelerate the expiry of the Warrants in the event that for any ten consecutive trading days the closing price of the shares is greater than $0.09 per unit.

11. Exploration and Evaluation Expenditures

The Corporation incurred exploration and evaluation expenditures as follows:

		Three Months Ended November 30, 2024	Three Months Ended November 30, 2023		Six Months ended November 30, 2024		Six Months ended November 30, 2023
Drilling	$	5,785	10,610	$	224,672	$	10,610
Exploration support and administration		114,254	120,794		352,020		299,239
Field operations and consumables		14,559	17,179		90,248		48,630
Geological consultants		26,706	9,496		58,042		24,858
Permitting and environmental consulting		11,163	14,283		37,009		53,939
Sampling and geological costs		-	146		-		146
Transportation		1,824	3,181		11,852		10,192
	$	174,291	175,689	$	773,843	$	447,614

12. Financial Instruments

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation's primary exposure to credit risk is on its cash, which are being held in bank accounts. The cash is deposited in bank accounts held with one major bank in Canada, therefore, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution, as determined by rating agencies.

Foreign Currency Risk

The Corporation incurs expenditures in Canada and Peru. Foreign currency risk arises as the amount of the Peruvian sol and US dollar cash, intercompany balances and payables will vary in Canadian dollar terms due to changes in exchange rates.

As at November 30, 2024 and May 31, 2024, the Corporation has not hedged its exposure to currency fluctuations.

12. Financial Instruments (continued)

Foreign Currency Risk (continued)

As at November 30, 2024 and May 31 2024, the Corporation is exposed to currency risk through the following assets and liabilities denominated in US dollars:

	November 30, 2024	May 31, 2024
Cash	44,997	199,243
Accounts payable and accrued liabilities	(44,917)	(172,060)
Net	80	27,183
Canadian dollar equivalent ($)	109	37,069

Based on the above net exposures as at November 30, 2024, a 5% (May 31, 2024 - 5%) change in the Canadian/US dollars exchange rate would impact the Corporation's income (loss) and comprehensive income (loss) by approximately $5 (May 31, 2024 - $2,000).

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation's exposure to interest rate risk relates to its ability to earn interest income on cash at variable rates. The risk is minimal.

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in satisfying financial obligations as they become due. The Corporation manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At November 30, 2024, the Corporation has cash of $523,295 (May 31, 2024 - $2,280,298), current liabilities of $554,852 (May 31, 2024 - $692,698) and non-current liabilities of $287,804 (May 31, 2024 - $58,204).

The amounts listed below are the remaining contractual maturities for financial liabilities held by the Corporation:

As at		November 30, 2024		May 31, 2024
Due Date				
0 – 90 days	$	519,435	$	655,890
91 – 365 days		28,095		49,275
More than 1 year		365,235		60,225
	$	912,765	$	765,390

Determination of Fair value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Management considers that due to their short-term nature the carrying amounts of financial assets and financial liabilities, which include cash, and accounts payables and accrued liabilities are assumed to approximate their fair values. Lease liabilities are valued in accordance with level 3 of the fair value hierarchy.

(Unaudited - Expressed in Canadian Dollars)

12. Financial Instruments (continued)

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

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

13. Management of Capital

The Corporation's primary objectives in capital management are to safeguard the Corporation's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the development of the Soledad and Aija Projects. Capital is comprised of the Corporation's shareholders' equity. The Corporation manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. To maintain or adjust its capital structure, the Corporation may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Corporation is not subject to any externally imposed capital requirements. The Corporation did not change its approach to capital management during the period ended November 30, 2024.

14. Segmented Information

The Corporation operates in one reportable segment, the exploration and development of unproven exploration and evaluation assets. The Corporation's primary exploration and evaluation assets are located in Peru and its corporate assets, comprising mainly cash, are located in Canada. The Corporation is in the exploration stage and has no reportable segment revenues or operating results.

The Corporation's total assets are segmented geographically as follows:

	Canada	Peru	Total
As at November 30, 2024			
Current assets	$ 499,325	$ 148,393	$ 647,718
Prepaids	-	77,815	77,815
Property and equipment	-	627,328	627,328
Value-added tax receivable	-	172,601	172,601
Exploration and evaluation assets	-	2,551,305	2,551,305
	$ 499,325	$ 3,577,442	$ 4,076,767
As at May 31, 2024			
Current assets	$ 2,077,257	$ 369,980	$ 2,447,237
Prepaids	-	75,534	75,534
Property and equipment	999	418,139	419,138
Value-added tax receivable	-	88,713	88,713
Exploration and evaluation assets	-	7,800,296	7,800,296
	$ 2,078,256	$ 8,752,662	$ 10,830,918

(Unaudited - Expressed in Canadian Dollars)

15. Related Party Disclosures

The Corporation's related parties include key management personnel and companies related by way of directors or shareholders in common.

(a) Key Management Personnel Compensation

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. During the six months ended November 30, 2024 and 2023, the Corporation paid and/or accrued the following compensation for salaries, fees and stock-based compensation to key management personnel:

		November 30, 2024		November 30, 2023
Fees				
Management fees included in salaries and wages	$	127,120	$	118,775
Accounting fees		51,000		51,000
Director fees included in consulting fees		83,226		73,637
Stock-based compensation		-		28,613
	$	261,347	$	272,023

(b) Due to Related Parties

The Corporation has the following amounts due to related parties included in accounts payable and accrued liabilities. The amounts owing are non-interest-bearing, unsecured and due on demand.

		November 30, 2024		May 31, 2024
Officers and Directors	$	286,772	$	172,760
	$	286,772	$	172,760