CHAKANA COPPER CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2025 AND 2024

(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 IFRS Accounting 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, 2026

CHAKANA COPPER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2025 (UNAUDITED) AND MAY 31, 2025
(Expressed in Canadian Dollars)

		November 30, 2025 (Unaudited)		May 31, 2025 (Audited)
ASSETS				
Current Assets				
Cash	$	1,150,863	$	158,124
Prepaids and other current assets		82,009		164,722
		1,232,872		322,846
Non-current Assets				
Property and equipment (Note 5)		117,482		125,998
Value-added tax receivable (Note 6)		14,034		69,150
Prepaids		57,618		59,707
Exploration and evaluation assets (Note 4)		692,903		624,986
Total Assets	$	2,114,909	$	1,202,687
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities (Note 12(b))	$	275,104	$	728,465
Total Liabilities		275,104		728,465
Shareholders' Equity				
Common shares (Note 7)		49,107,470		47,622,191
Stock option reserve (Note 7)		1,106,299		1,687,924
Accumulated other comprehensive income		1,565,344		1,482,852
Deficit		(49,939,308)		(50,318,745)
Total Shareholders' Equity		1,839,805		474,222
Total Liabilities and Shareholders' Equity	$	2,114,909	$	1,202,687

Approved on behalf of the Board of Directors

/s/ David Kelley
David Kelley, Director

/s/ Darren Devine
Darren Devine, Director

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

CHAKANA COPPER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED NOVEMBER 30, 2025 AND 2024
(Unaudited – Expressed in Canadian Dollars)

	Three Months Ended November 30, 2025	Three Months Ended November 30, 2024	Six Months Ended November 30, 2025	Six Months Ended November 30, 2024
OPERATING EXPENSES				
Consulting fees (Note 12)	$ 47,940	$ 53,691	$ 98,524	$ 104,026
Depreciation (Note 5)	7,877	23,732	15,583	47,449
Exploration and evaluation expenditures (Note 8)	131,718	174,291	212,982	773,843
General and administrative	48,761	56,137	67,826	111,019
Investor relations	2,268	12,790	3,441	43,533
Legal and professional fees (Note 12)	41,696	42,250	76,196	76,500
Salaries and wages (Note 13)	34,021	84,001	109,481	166,674
Travel and meals	-	11,291	-	11,291
Operating Expenses	(314,281)	(458,183)	(584,033)	(1,334,335)
Other				
Foreign exchange gain (loss)	3,210	(17,695)	2,450	(23,259)
Gain on settlement of debt	379,701	-	379,701	-
Impairment of exploration property (Note 4)	-	-	-	(5,638,110)
Loss on sale of assets	(360)	-	(3,840)	-
Interest income	244	5,412	599	16,507
	382,795	(12,283)	378,910	(5,644,862)
Net Income (Loss)	68,514	(470,466)	(205,123)	(6,979,197)
Other Comprehensive Loss				
Item that may be reclassified to profit or loss				
Foreign currency translation	60,663	109,176	82,492	61,309
Comprehensive Income (Loss)	$ 129,177	$ (361,290)	$ (122,631)	$ (6,917,888)
Basic and diluted earnings (loss) per share	$ 0.00	$ (0.02)	$ (0.01)	$ (0.26)
Weighted average number of common shares outstanding (basic and diluted)	41,290,541	26,700,850	33,955,837	26,616,561

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, 2025 AND 2024
(Unaudited – Expressed in Canadian Dollars)

		Six Months Ended November 30, 2025		Six Months Ended November 30, 2024
Cash Flows Used in Operating Activities				
Net loss	$	(205,123)	$	(6,979,197)
Adjustments to reconcile net loss to cash used in operating activities				
Depreciation		15,583		47,449
Loss on disposal of assets		3,925		-
Unrealized foreign exchange		(1,142)		20,735
Gain on settlement of liabilities		(379,701)		-
Impairment of exploration property		-		5,638,110
Prepaids and other current assets		84,802		40,235
Value-added tax receivable		55,116		(83,888)
Accounts payable and accrued liabilities		172,965		(120,030)
		(253,575)		(1,436,586)
Cash Flows Used in Investing Activities				
Acquisition of exploration and evaluation assets		(7,863)		(277,998)
		(7,863)		(277,998)
Cash Flows Provided by (Used in) Financing Activities				
Repayment of lease obligation		-		(44,999)
Proceeds from private placement		1,250,001		-
Share issuance costs		(8,412)		-
Repayment of lease obligation		-		-
		1,241,589		(44,999)
Foreign exchange on cash		12,588		2,580
Changes in cash during the period		992,739		(1,757,003)
Cash – beginning of the period		158,124		2,280,298
Cash – end of period	$	1,150,863	$	523,295
Non-cash items				
Shares issued for debt	$	246,625	$	-
Shares issued for property	$	-	$	71,983
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	Reserve	Accumulated Other Comprehensive Income	Deficit	Total
Balance – May 31, 2024	26,495,185	$ 47,550,208	$ 2,299,156	$ 1,155,808	$ (40,925,156)	$ 10,080,016
Shares issued for property	205,665	71,983	-	-	-	71,983
Other comprehensive income for the period	-	-	-	61,309	-	61,309
Net loss for the period	-	-	-	-	(6,979,197)	(6,979,197)
Balance – November 30, 2024	26,700,850	47,622,191	2,299,156	1,217,117	(47,904,353)	3,234,111
Fair value of expired warrants	-	-	(611,232)	-	611,232	-
Other comprehensive income for the period	-	-	-	265,735	-	265,735
Net loss for the period	-	-	-	-	(3,025,624)	(3,025,624)
Balance – May 31, 2025	26,700,850	47,622,191	1,687,924	1,482,852	(50,318,745)	474,222
Units issued on private placement	17,857,156	1,250,001	-	-	-	1,250,001
Share issuance costs	-	(11,347)	2,935	-	-	(8,412)
Shares issued for debt	2,529,487	246,625	-	-	-	246,625
Fair value of expired options	-	-	(584,560)	-	584,560	-
Other comprehensive income for the period	-	-	-	82,492	-	82,492
Net loss for the period	-	-	-	-	(205,123)	(205,123)
Balance – November 30, 2025	47,087,493	$ 49,107,470	$ 1,106,299	$ 1,565,344	$ (49,939,308)	$ 1,839,805

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 ("TSXV") 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, 2025, the Corporation incurred a net loss of $205,123 (2024 - $6,979,197) and as of that date has a deficit of $49,939,308 (May 31, 2025 - $50,318,745). 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 condensed interim 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 IFRS Accounting 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 as at May 31, 2025 and for the year then ended ("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, 2026.

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that 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 condensed interim 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 two wholly owned subsidiaries: Chakana Resources S.A.C., a Peruvian company and Essential Minerals Inc. a US corporation.

All intercompany 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 that determined the primary economic environment.

3. Significant Accounting Judgments and Estimates (continued)

Critical accounting judgments (continued):

- *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.

  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 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 November 30, 2025 and May 31, 2025 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 condensed interim 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 the vesting period of each award for stock options and recorded as share issuance 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, 2024	$ 5,608,732	$ 1,847,206	$ 344,358	$ 7,800,296
Reclassification	(328,209)	-	328,209	-
Acquisition costs	29,273	309,349	11,358	349,980
Foreign exchange on translation	223,782	81,546	719	306,047
Impairment	(5,533,578)	(2,238,101)	(59,660)	(7,831,339)
Balance – May 31, 2025	-	-	624,984	624,984
Acquisition costs	-	-	7,865	7,865
Foreign exchange on translation	-	-	60,054	60,054
Balance – November 30, 2025	$ -	$ -	$ 692,903	$ 692,903

4. Exploration and Evaluation Assets (continued)

The Corporation's wholly owned subsidiary, Chakana Resources S.A.C., holds the following:

(i) An option to acquire up to a 100% ownership in mineral concessions ("Condor Concessions") owned by Barrick Mining Corporation ("Barrick") (the "Barrick Option") subject to certain "back-in" rights; and
(ii) A 1% net smelter return royalty right ("NSR") on the Condor Concessions plus a 2 kilometre area of interest.

The Barrick Option is referred to as the "La Joya Project".

The Corporation is the operator of all related mineral exploration activities on these projects. During the year, the Corporation relinquished its concessions under the Condor and Aija option agreements These concessions, together with concessions acquired from the Barrick option agreement other adjoining concessions, were collectively considered as the Condor Project. As a result of the relinquishment, certain amounts that had previously been recorded within the Condor Project were reclassified to the Barrick and other (La Joya Project), as they related to exploration activities that are independent of the Condor option agreements.

(a) 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 Standards of Disclosure for Mineral Projects. 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 (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 ("Back-in"). 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.

(b) Aija Project

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

During the year ended May 31, 2025, the Corporation relinquished its option on the Aija Project given insufficient resources identified during exploration. As a result, during the year ended May 31, 2025, the Corporation recognized an impairment of $2,238,101 using a fair value less costs of disposal measure. The Corporation has no further obligations regarding the property.

4. Exploration and Evaluation Assets (continued)

(c) Condor Option

On April 17, 2017, the Corporation entered into a mining assignment and option agreement with Minera Vertiente del Sol S.A.C., a subsidiary of Condor Resources Inc. ("Condor"), pursuant to acquiring 100% of the rights and interests in the Soledad copper/gold project, Peru (the "Soledad Project"), subject to a 2% NSR.

During the year ended May 31, 2025, the Corporation relinquished its option to acquire three concessions from Condor. As a result, during the year ended May 31, 2025, the Corporation recognized an impairment of $5,533,578 using a fair value less costs of disposal measure. As part of the purchase agreement with Condor, Condor granted a 1% NSR in favor of the Corporation over the Condor Concessions within a 2 kilometre 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 further obligations regarding the property.

5. Property and Equipment

	Right-of-use Asset	Equipment	Total
Cost			
As at May 31, 2024	$ 257,918	$ 610,850	$ 868,768
Amendment to lease agreement	244,267	-	244,267
Foreign exchange on translation	6,592	23,389	29,981
Disposal and termination of lease agreement	(508,777)	(230,667)	(739,444)
As at May 31, 2025	-	403,572	403,572
Additions	-	-	-
Foreign exchange on translation	-	35,219	35,219
Disposal	-	(63,058)	(63,058)
As at November 30, 2025	$ -	$ 375,733	$ 375,733
Accumulated Depreciation			
As at May 31, 2024	$ (167,519)	$ (282,111)	$ (449,630)
Depreciation	(47,528)	(48,117)	(95,645)
Foreign exchange on translation	(5,449)	(10,843)	(16,292)
Disposal	220,496	63,497	283,993
As at May 31, 2025	-	(277,574)	(277,574)
Depreciation	-	(15,583)	(15,583)
Foreign exchange on translation	-	(24,227)	(24,227)
Disposal	-	59,133	59,133
As at November 30, 2024	$ -	$ (258,251)	$ (258,251)
Net Book Value			
As at May 31, 2025	$ -	$ 125,998	$ 125,998
As at November 30, 2025	$ -	$ 117,482	$ 117,482

6. VAT Receivable

	November 30 2025	May 31 2025
VAT receivable	$ 14,034	$ 69,150

As at November 30, 2025, the Corporation has $14,034 (May 31, 2025 - $69,150) 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 as to when it will be received.

7. Share Capital

(a) Authorized Share Capital

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

Effective February 28, 2025, the Corporation completed the consolidation of its common shares on the basis of one new-post consolidation common share for every ten pre-consolidation common shares. All share data in these condensed interim consolidated financial statements have given effect to this consolidation on a retroactive basis.

(b) Issued Capital

During the six months ended November 30, 2025, the Corporation issued common shares as follows:

- On September 26, 2025, the Corporation completed a non-brokered private placement of 17,857,156 units at a price of $0.07 per unit for gross proceeds of $1,250,001. 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 $0.09 for a period of three years. The Corporation paid aggregate finder's fees of $1,929 and issued 27,552 finder's warrants in connection with the private placement. Each finder's warrant is exercisable to purchase one share at a price of $0.09 for a period of three years from closing of the private placement. The finder’s warrants were valued at $2,935 using the Black-Scholes option pricing model.

- On September 11, 2025, the Corporation entered into agreements to settle all debt owing to related parties, totaling $644,791, through a combination of share issuances and debt forgiveness. As part of the settlement, the Corporation issued 2,529,487 common shares at a deemed price of $0.0975 per common share, representing an aggregate settlement amount of $246,625. In addition, the same creditors forgave $353,455 of remaining debt owed to them leaving a balance of $44,711, which was settled through cash payments. Upon completion, this transaction resulted in the full extinguishment of all outstanding board and management debt obligations. The Corporation received TSXV approval for these transactions on September 25, 2025.

During the year ended May 31, 2025, the Corporation issued common shares as follows:

- On August 14, 2024, the Corporation issued 205,665 common shares with respect to the Aija Option and paid US$75,000 (Note 4).

(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.

7. Share Capital (continued)

(c) Stock Options (continued)

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, 2024	$2.80	1,002,500
Expired	$3.16	(272,500)
Balance – May 31, 2025	$2.65	730,000
Expired	$4.00	(135,000)
Balance – November 30, 2025	$2.34	595,000

Incentive stock options outstanding and exercisable at November 30, 2025 and May 31, 2025 are summarized as follows:

Expiry Date	Exercise Price	November 30, 2025	May 31, 2025
July 10, 2025	$4.00	-	135,000
April 22, 2026	$5.00	222,500	222,500
September 29, 2027	$0.75	372,500	372,500
Weighted average life remaining		1.29	2.65
Total outstanding options	$2.65	595,000	730,000
Total exercisable options	$2.80	595,000	730,000

(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, 2024	$0.90	8,508,898
Expired	$1.40	(2,888,352)
Balance – May 31, 2025	$0.60	5,620,546
Issued	$0.09	17,884,706
Balance – November 30, 2025	$0.21	23,505,252

7. Share Capital (continued)

(d) Warrants (continued)

Warrants outstanding at November 30, 2025 and May 31, 2025 are summarized as follows:

Expiry Date	Exercise Price	November 30, 2025	May 31, 2025
January 12, 2026[1]	$0.60	5,620,546	5,620,546
September 26, 2028	$0.09	17,884,706	-
Total outstanding warrants	$0.21	23,505,252	5,620,546

[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 $0.60 per unit.

8. Exploration and Evaluation Expenditures

The Corporation incurred exploration and evaluation expenditures as follows:

	Three Months Ended November 30, 2025	Three Months Ended November 30, 2024	Six Months Ended November 30, 2025	Six Months Ended November 30, 2024
Drilling	$ -	$ 5,785	$ -	$ 224,672
Exploration support and administration	37,594	114,254	113,261	352,020
Field operations and consumables	4,165	14,559	8,523	90,248
Geological consultants	81,601	26,706	82,755	58,042
Permitting and environmental consulting	-	11,163	-	37,009
Travel and transportation	8,358	1,824	8,443	11,852
	$ 131,718	$ 174,291	$ 212,982	$ 773,843

9. 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 is being held in bank accounts 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, 2025 and May 31, 2025, the Corporation has not hedged its exposure to currency fluctuations.

9. Financial Instruments (continued)

Foreign currency risk (continued)

As at November 30, 2025 and May 31 2025, the Corporation is exposed to currency risk through the following assets and liabilities denominated in US dollars:

	November 30, 2025 $	May 31, 2025 $
Cash	405,398	28,346
Accounts payable and accrued liabilities	(86,479)	(68,120)
Net	318,919	(39,774)
Canadian dollar equivalent	566,706	(54,721)

Based on the above net exposures as at November 30, 2025, a 5% (May 31, 2025 - 5%) change in the Canadian/US dollar exchange rate would impact the Corporation's income (loss) and comprehensive income (loss) by approximately $23,000 (May 31, 2025 - $2,700), respectively.

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, 2025, the Corporation has cash of $1,150,863 (May 31, 2025 - $158,124), current liabilities of $275,104 (May 31, 2025 - $728,465) and non-current liabilities of $nil (May 31, 2025 - $nil).

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

As at		November 30, 2025		May 31, 2025
Due Date:				
0 – 90 days	$	275,104	$	728,465
91 – 365 days		-		-
More than 1 year		-		-
	$	275,104	$	728,465

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 payable and accrued liabilities are assumed to approximate their fair values. Lease liabilities are valued in accordance with Level 3 of the fair value hierarchy.

9. 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).

10. 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, 2025.

11. 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, 2025						
Current assets	$	1,054,682	$	178,190	$	1,232,872
Prepaids		-		57,618		57,618
Property and equipment		-		117,482		117,482
Value-added tax receivable		-		14,034		14,034
Exploration and evaluation assets		-		692,903		692,903
	$	1,054,682	$	1,060,227	$	2,114,909
As at May 31, 2025						
Current assets	$	114,765	$	208,081	$	322,846
Prepaids		-		59,707		59,707
Property and equipment		77		125,921		125,998
Value-added tax receivable		-		69,150		69,150
Exploration and evaluation assets		-		624,986		624,986
	$	114,842	$	1,087,845	$	1,202,687

12. 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 are 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, 2025 and 2024, the Corporation paid and/or accrued the following compensation for salaries, fees and stock-based compensation to key management personnel:

	November 30, 2025	November 30, 2024
Fees		
Management fees included in salaries and wages[(1)]	$ 138,400	$ 127,120
Accounting fees	44,000	51,000
Director fees included in consulting fees	80,524	83,226
	$ 262,924	$ 261,346

(1) Included in management fees is an amount of $96,520 recorded in salaries and wages and $41,880 expensed to exploration and evaluation expenses (2024 - $127,120 and $nil, respectively).

(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, 2025	May 31, 2025
Management	$ 10,920	$ 313,318
Directors	23,940	199,704
	$ 34,860	$ 513,022