CONDOR RESOURCES INC.

Consolidated Financial Statements

(expressed in Canadian dollars)

For the Years Ended February 28, 2025 and February 29, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Condor Resources Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Condor Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at February 28, 2025 and February 29, 2024 and the consolidated statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of the material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2025 and February 29, 2024 and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company's continuing operations are dependent upon its ability to obtain adequate financing through debt or equity issuance. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
Refer to note 3(a) – Accounting policy for Exploration and evaluation assets, note 4 – Critical accounting estimates and judgements and Note 7 – Exploration and evaluation assets Management assesses at each reporting period whether there is an indication that the carrying value of the	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following: • Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment.

exploration and evaluation assets may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.	• Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the properties had not expired. • Obtained management's written representations regarding the Company's future plans for the mineral properties. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is James Roxburgh.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
June 27, 2025

CONDOR RESOURCES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(expressed in Canadian dollars)

	As at February 28, 2025	As at February 29, 2024
ASSETS		
Current		
Cash and cash equivalents	$ 238,226	$ 1,695,569
Prepaid expenses	25,218	67,398
Accounts receivable	8,408	5,152
Marketable securities (Note 5)	30,587	583,672
Other receivable (Note 8)	-	1,756,331
Total Current Assets	302,439	4,108,122
Non-Current Assets		
Equipment (Note 6)	9,163	19,901
Exploration and evaluation assets (Note 7)	5,606,142	5,037,673
Other receivable (Note 8)	-	1,335,158
Total Non-Current Assets	5,615,305	6,392,732
TOTAL ASSETS	$ 5,917,744	$ 10,500,854
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	$ 219,020	$ 131,477
TOTAL LIABILITIES	219,020	131,477
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	24,580,552	24,580,552
Contributed surplus (Note 11)	3,960,812	3,895,646
Deficit	(22,842,640)	(18,106,821)
TOTAL SHAREHOLDERS' EQUITY	5,698,724	10,369,377
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 5,917,744	$ 10,500,854

Nature and continuance of operations (Note 1)
Subsequent events (Notes 11 and 17)

Approved on behalf of the Board:

“Robert Boyd” Director

“Chris Buncic” Director

See accompanying notes to consolidated financial statements.

CONDOR RESOURCES INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(expressed in Canadian dollars)

	For the Year Ended	
	February 28, 2025	February 29, 2024
Administrative expenses		
Conferences and seminars	$ -	$ 338
Foreign exchange loss	4,855	19,149
Insurance	15,350	15,392
Investor relations	119,320	6,850
Management fees and consulting fees	437,270	250,411
Office and miscellaneous	47,660	7,412
Professional fees	158,411	60,101
Project generation	111,091	39,897
Regulatory fees	34,953	38,046
Stock-based compensation	65,166	-
Travel and entertainment	13,857	4,063
	(1,007,933)	(441,659)
Other items		
Accretion of other receivable (Note 8)	274,337	276,271
Bonus shares and excess payment (Notes 7(g) and 8)	40,814	234,598
Change in estimate regarding other receivable (Note 8)	263,514	-
Foreign exchange gain (loss) on translation of other receivable (Note 8)	189,219	(12,473)
Interest income	29,404	44,542
(Loss) gain on sale of marketable securities (Note 5)	(79,289)	11,000
Other income (Note 7(o))	67,500	1,159,166
Realized gain on loan forgiveness (Note 10)	-	10,000
Unrealized loss on marketable securities (Note 5)	(491,944)	(27,486)
Write-off of exploration and evaluation assets (Note 7)	(712,743)	(30,469)
Impairment of other receivable (Note 8)	(3,308,698)	-
	(3,727,886)	1,665,149
Net Income (Loss) and Comprehensive Income (Loss) for the year	$ (4,735,819)	$ 1,223,490
Basic And Diluted Income (Loss) Per Share Outstanding	$ (0.03)	$ 0.01
Weighted Average Number Of Shares Outstanding	141,154,808	136,899,432

See accompanying notes to consolidated financial statements.

CONDOR RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(expressed in Canadian dollars)

	For the Year Ended	
	February 28, 2025	**February 29, 2024**
Cash and cash equivalents provided by (used in):		
Operating Activities		
Net income (loss) for the year	$ (4,735,819)	$ 1,223,490
Items not affecting cash:		
Stock-based compensation	65,166	-
Write-off of exploration and evaluation assets	712,743	30,469
Impairment of other receivable	3,308,698	-
Unrealized loss on marketable securities	491,944	27,486
Loss (gain) on sale of marketable securities	79,289	(11,000)
Realized gain on loan forgiveness	-	(10,000)
Bonus shares and excess payment	(13,514)	(234,598)
Accretion of other receivable	(274,337)	(276,271)
Change in estimate regarding other receivable	(263,514)	-
Foreign exchange (gain) loss on translation of other receivable	(189,219)	12,473
Recoveries included in income and reclassified to investing activities	-	(1,159,166)
Other income received in marketable securities	(67,500)	-
Changes in non-cash operating working capital items:		
Decrease (increase) in prepaid expenses	42,180	(49,862)
Increase in accounts receivable	(3,256)	(2,522)
Increase in accounts payable and accrued liabilities	82,555	35,658
	(764,584)	(413,843)
Investing Activities		
Equipment purchased	-	(3,408)
Exploration and evaluation expenditures	(1,265,486)	(2,235,294)
Expenditure recoveries/option proceeds	-	1,458,000
Proceeds from sale of Peruvian subsidiary	408,510	269,001
Purchase of marketable securities	(68,815)	-
Sale of marketable securities	233,032	19,000
	(692,759)	(492,701)
Financing Activities		
Share capital issued	-	2,094,125
Loan repayment	-	(30,000)
	-	2,064,125
(Decrease) increase in cash and cash equivalents during the year	(1,457,343)	1,157,581
Cash and cash equivalents - beginning of year	1,695,569	537,988
Cash and cash equivalents - end of year	$ 238,226	$ 1,695,569

See accompanying notes to consolidated financial statements.

CONDOR RESOURCES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(expressed in Canadian dollars)

	Number of Shares		Share Capital		Contributed Surplus		Deficit		Total Equity
Balance, February 28, 2023	126,882,308	$	22,374,913	$	4,007,160	$	(19,330,311)	$	7,051,762
Warrants exercised	13,100,000		1,965,000		-		-		1,965,000
Options exercised	1,172,500		240,639		(111,514)		-		129,125
Net income and comprehensive income for the year	-		-		-		1,223,490		1,223,490
Balance, February 29, 2024	141,154,808	$	24,580,552	$	3,895,646	$	(18,106,821)	$	10,369,377
Stock-based compensation	-		-		65,166		-		65,166
Net loss and comprehensive loss for the year	-		-		-		(4,735,819)		(4,735,819)
Balance, February 28, 2025	141,154,808	$	24,580,552	$	3,960,812	$	(22,842,640)	$	5,698,724

See accompanying notes to consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Condor Resources Inc. (the "Company") was incorporated in British Columbia on November 26, 2003. The company's primary business is the acquisition and exploration of mineral properties and is considered to be an exploration stage company.

The Company is listed on the TSX Venture Exchange ("TSX-V"), having the symbol CN-V, as a Tier 2 mining issuer.

The address of the Company's corporate office and principal place of business is Suite 615 - 800 West Pender Street, Vancouver, British Columbia, V6C 2V6.

The Company is currently engaged in the exploration and development of mineral properties in Peru and has not yet determined whether its properties contain ore reserves that are economically recoverable and, to date, the Company has not generated any operational revenue. The mining exploration business involves a high degree of risk. The recoverability of the amounts expended on mineral interests by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete exploration and development of its mineral properties and upon future profitable production or proceeds from disposition of its mineral interests.

Going concern of operations

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. As of February 28, 2025, the Company has not generated any revenues and has incurred losses of $22,842,640 (February 29, 2024 - $18,106,821) since inception. The Company's continued existence and plans for future growth depend on its ability to obtain additional capital.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including relations between NATO and Russian Federation regarding the situation in Ukraine, the conflict in the Middle East and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

The above material uncertainties raise significant doubt about the Company's ability to continue as a going concern. Although these financial statements have been prepared on a going concern basis, the Company's continuing operations are dependent upon its ability to obtain adequate financing through debt or equity issuance and funds received upon the sale, optioning or joint-venturing of its mineral properties.

2. BASIS OF PRESENTATION AND MEASUREMENT

(a) Statement of Compliance

These consolidated financial statements of the Company for the years ended February 28, 2025 and February 29, 2024 have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue by the Board of Directors on June 27, 2025.

(b) Financial Statement Presentation

These financial statements include the accounts of the Company, its 100% owned Peruvian subsidiaries, Condor Exploration Peru S.A.C. and Minas Qolque S.A.C., and its 85%-owned Peruvian subsidiary, Ferroaluminios Peru No.4 S.A.C. All significant inter-company transactions and balances have been eliminated on consolidation. All amounts are stated in Canadian dollars unless otherwise indicated.

Name of Subsidiary	Place of Operation	Ownership Interest	Principal Activity
Condor Exploration Peru S.A.C.	Peru	100%	Carries out business for Peruvian properties
Ferroaluminios Peru No.4 S.A.C.	Peru	85%	Carries out business for Peruvian properties
Minas Qolque S.A.C.	Peru	100%	Carries out business for a Peruvian property

On December 21, 2020, the Company entered into an agreement to sell its formerly 100% owned Peruvian subsidiary, Minas Lucero Del Sur S.A.C. ("MLDS") See Note 7(g). The accounts of this subsidiary were consolidated up to the date of disposition.

In June 2024, the Company disposed of its 34% interest in Minera El Dorado Ocros S.A.C. which held the Ocros property. See Note 7(b).

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(c) Comparative information

Certain comparative amounts have been reclassified to conform with the current year's financial statement presentation. Such reclassicifations were not considered material.

3. MATERIAL ACCOUNTING POLICIES

(a) Exploration and evaluation assets

The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain reserves that are economically recoverable.

The Company capitalizes mineral property expenditures applicable to property interests for which it has an exploration license as deferred mineral property costs.

The costs of acquiring mineral properties and exploration expenditures are deferred until such time as the mineral properties are placed into production or the prospect is determined by management to be impaired, or is abandoned. Upon production, the deferred costs are amortized on a unit-of-production basis while in circumstances of impairment or abandonment the costs are written off.

Any option or royalty payments received by the Company from third parties are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the period received.

Title to mineral properties involves certain inherent risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties, and to the best of the Company's knowledge, titles to all of its properties are in good standing.

(b) Stock-based compensation

The Company accounts for stock-based compensation using the fair value-based method with respect to all stock-based payments to directors, employees and non-employees. Under the fair value-based method, stock-based compensation is measured at fair value and recognized in operations over the vesting period. Fair value is determined using the Black-Scholes option pricing model. Any consideration paid on exercise of stock options together with the related fair value previously recognized in contributed surplus is credited to share capital.

3. MATERIAL ACCOUNTING POLICIES (continued)

(c) Share capital

Proceeds from the exercise of stock options and warrants are recorded as share capital at the amount for which the stock option and warrant enabled the holder to purchase shares of the Company. Share capital issued for non-monetary consideration is recorded at fair value based on the quoted market price on the date of issuance. Share issue costs, which include commissions and professional and regulatory fees are charged directly to share capital.

(d) Foreign currency translation

The functional and reporting currency of the Company, inclusive of the accounts of each of its consolidated subsidiaries, is the Canadian dollar. Transactions denominated in other currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction date. Carrying values of monetary assets and liabilities denominated in foreign currencies are adjusted at each balance sheet date to reflect exchange rates prevailing at that date. Foreign exchange gains and losses are included in operations.

(e) Income taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. MATERIAL ACCOUNTING POLICIES (continued)

(f) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. On initial recognition, financial assets are recorded at fair value and are subsequently classified and measured at amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI").

The Company's financial instruments are classified and subsequently measured as follows:

Financials Assets	**Classification**
Cash and cash equivalents	Amortized cost
Accounts receivables (excluding sales tax receivable)	Amortized cost
Marketable securities	FVTPL
Other receivable	Amortized cost
Financial Liabilities	
Accounts payable and accrued liabilities	Amortized cost

The classification of financial assets is based on how the entity manages its financial instruments and the contractual cash flow characteristics of each financial asset. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the statement of income (loss).

(g) Income (Loss) per share

Basic income (loss) per share is calculated by dividing the income (loss) available to common shareholders by the weighted average number of common shares outstanding in the period. Diluted income (loss) per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income (loss) per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted loss per share is presented as the same as basic loss per share.

3. MATERIAL ACCOUNTING POLICIES (continued)

(h) Impairment

At each reporting period, management reviews mineral properties for indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

(i) Cash and cash equivalents

Cash and cash equivalents include all cash accounts, which are not subject to withdrawal restrictions or penalties.

(j) Equipment

Equipment is recorded at cost. Amortization is recorded on a declining balance basis over the estimated useful lives of the related assets at the following annual rates:

Office furniture and equipment	20%
Computer equipment	50%
Motor vehicles	20%

(k) New accounting standards and interpretations issued but not yet effective:

The Company has reviewed any new and revised accounting pronouncements that are issued and effective as of March 1, 2024 and has determined that these new and revised standards did not have a material impact on the Company's consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income (loss) in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Financial statement items that are subject to significant estimation uncertainty include the valuation of stock-based compensation and the carrying value of exploration and evaluation assets.

In addition, as disclosed in Note 8, the Company's carrying amount for the other receivable is derived based on variables which involve significant uncertainty and estimation, including inputs used in the determination of the current value of the receivable and the effect of changes in foreign exchange rates.

The judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

i) Critical judgment is applied for the determination of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the Company and its subsidiaries, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

ii) The Company has selected a policy of capitalizing exploration and evaluation expenditures that it has an exploration license in as exploration and evaluation assets. Acquisition and exploration costs incurred in respect to a particular property interest before the formal exploration licenses are acquired, but where such subsequent acquisition can be reasonably assured, are also capitalized as exploration and evaluation assets. At each period end, management applies its judgment in determining whether facts and circumstances suggest that the carrying amount of the asset exceeds it recoverable amount, and if so, the carrying value of the asset is tested for impairment.

iii) Critical judgment and estimates are applied for the determination that the Company will continue as a going concern for the next year.

(expressed in Canadian dollars)

5. MARKETABLE SECURITIES

Marketable securities consist of 82,759 (post 1 for 10 consolidation) common shares of Chakana Copper Corp. ("Chakana") that were received as described in Note 7(e), and 519,231 common shares of Element79 Gold Corp. ("Element79") that were received as described in Note 7(g). These marketable securities are stated at their February 28, 2025 fair market value of $30,587 (February 29, 2024 - $583,672).

During the year ended February 28, 2025, the Company purchased 299,196 units of Element79 in June 2025 for $68,815 which Element79 then used to pay the Lucero annual concession taxes. The Company also received 519,231 common shares of Element79 in settlement of consulting fees totalling $67,500.

During the year ended February 28, 2025, the Company sold marketable securities for gross proceeds of $233,032 (2024 - $19,000).

6. EQUIPMENT

	Computer equipment	Motor vehicle	Office furniture and equipment	Total
COST				
Balance, February 28, 2023	$ -	$ 38,378	$ 10,433	$ 48,811
Additions	3,408	-	-	3,408
Balance, February 29, 2024 and February 28, 2025	$ 3,408	$ 38,378	$ 10,433	$ 52,219
AMORTIZATION				
Balance, February 28, 2023	$ -	$ 13,976	$ 8,304	$ 22,280
Amortization	1,160	8,266	612	10,038
Balance, February 29, 2024	$ 1,160	$ 22,242	$ 8,916	$ 32,318
Amortization	1,748	8,282	708	10,738
Balance, February 28, 2025	$ 2,908	$ 30,524	$ 9,624	$ 43,056
CARRYING AMOUNTS				
Balance, February 29, 2024	$ 2,248	$ 16,136	$ 1,517	$ 19,901
Balance, February 28, 2025	$ 500	$ 7,854	$ 809	$ 9,163

(expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

The following schedules of mineral property costs set forth the expenditures incurred on these properties as at February 28, 2025 and February 29, 2024:

	As at February 28, 2025	As at February 29, 2024
Acquisition costs	$ 62,509	$ 62,509
Deferred exploration costs	4,896,372	4,374,981
	4,958,881	4,437,490
IGV taxes	647,261	600,183
Total	$ 5,606,142	$ 5,037,673

As their recoverability from government authorities is uncertain, IGV input credits are capitalized and included within the carrying value of the related property interests. Any amounts ultimately recovered will therefore be offset against the related deferred costs or included in income if such costs have been expensed.

IGV is a form of value-added tax levied on expenditures incurred in Peru.

(expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

Schedule of Exploration and Evaluation assets – Peru
For the Year Ended February 28, 2025

	Pucamayo	Chavin	Quriurqu	San Martin	Soledad	Humaya	Huinac Punta	Andrea	Quilisane	Cobreorco	Cantagallo	Rio Bravo	Total
Acquisition costs													
Balance, as at March 1, 2024	$ 62,509	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 62,509
Additions during the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, as at February 28, 2025	62,509	-	-	-	-	-	-	-	-	-	-	-	62,509
Exploration and evaluation expenditures													
Balance, as at March 1, 2024	2,937,604	231,172	191,074	29,015	-	21,250	565,450	98,708	33,631	252,931	3,947	10,199	4,374,981
Additions during the period													
Geophysics	73,145	-	-	-	-	-	-	-	-	-	-	-	73,145
Drilling	51,340	-	-	-	-	-	-	-	-	-	-	-	51,340
Property tenure	41,348	5,840	(16,102)	1,661	-	3,739	39,666	9,138	1,662	-	833	8,307	96,092
Community relations	106,735	-	-	-	-	-	5,562	-	-	-	-	-	112,297
Geochemistry	3,911	-	-	-	-	-	-	-	-	-	-	-	3,911
Office and technical support	377,873	28,999	21,078	28,096	238,165	-	166,192	19,002	-	16,890	-	1,054	897,349
	654,352	34,839	4,976	29,757	238,165	3,739	211,420	28,140	1,662	16,890	833	9,361	1,234,134
Balance, as at February 28, 2025	3,591,956	266,011	196,050	58,772	238,165	24,989	776,870	126,848	35,293	269,821	4,780	19,560	5,609,115
Write-off of exploration and evaluation assets	-	(266,011)	(196,050)	(58,772)	-	(24,989)	-	(126,848)	(35,293)	-	(4,780)	-	(712,743)
Overall balances, as at February 28, 2025	$ 3,654,465	$ -	$ -	$ -	$ 238,165	$ -	$ 776,870	$ -	$ -	$ 269,821	$ -	$ 19,560	$4,958,881

Costs are exclusive of IGV taxes incurred

(expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

Schedule of Exploration and Evaluation assets – Peru
For the Year Ended February 29, 2024

	Pucamayo	Ocros	Chavin	Quriurqu	San Martin	Soledad	Humaya	Huinac Punta	Andrea	Quilisane	Cobreorco	Cantagallo	Rio Bravo	Total
Acquisition costs														
Balance, as at March 1, 2023	$ 62,509	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 62,509
Additions during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, as at February 29, 2024	62,509	-	-	-	-	-	-	-	-	-	-	-	-	62,509
Exploration and evaluation expenditures														
Balance, as at March 1, 2023	1,398,743	19,848	196,020	152,958	-	-	16,390	463,839	84,589	32,011	287,027	3,137	3,941	2,658,503
Additions during the period														
Drilling	835,171	-	-	-	-	-	-	-	-	-	-	-	-	835,171
Property tenure	63,250	-	8,208	24,810	2,416	-	4,860	11,942	8,910	1,620	19,072	810	5,030	150,928
Community relations	394,965	-	-	-	-	-	-	2,589	-	-	1,261	-	-	398,815
Office and technical support	245,475	10,621	26,944	13,306	26,599	273,593	-	87,080	5,209	-	53,571	-	1,228	743,626
	1,538,861	10,621	35,152	38,116	29,015	273,593	4,860	101,611	14,119	1,620	73,904	810	6,258	2,128,540
Balance, as at February 29, 2024	2,937,604	30,469	231,172	191,074	29,015	273,593	21,250	565,450	98,708	33,631	360,931	3,947	10,199	4,787,043
Write-off of exploration and evaluation assets	-	(30,469)	-	-	-	-	-	-	-	-	-	-	-	(30,469)
Proceeds of option payments	-	-	-	-	-	(273,593)	-	-	-	-	(108,000)	-	-	(381,593)
Overall balances, as at February 29, 2024	$ 3,000,113	$ -	$ 231,172	$ 191,074	$ 29,015	$ -	$ 21,250	$ 565,450	$ 98,708	$ 33,631	$ 252,931	$ 3,947	$ 10,199	$4,437,490

Costs are exclusive of IGV taxes incurred

7. EXPLORATION AND EVALUATION ASSETS (continued)

PERU

(a) Ocros and Pucamayo – Combined Amended Agreement: Option to acquire an 85% interest

On February 16, 2009 the Company replaced and superseded its original agreements dated August 21, 2007 on the Ocros, Pucamayo and Condor de Oro prospects.

Pursuant to the February 16, 2009 Amended Peruvian Property Agreement (“Amended Agreement”), the Company paid USD $400,000 and issued 2,000,000 common shares at a value of $670,000 to acquire an 85% working interest in each of the Ocros, Pucamayo and Condor de Oro prospects from the property vendor. On the execution and delivery of the agreement, $95,000 in advances to the property vendor for title perfection for the prospects was forgiven and recorded as acquisition costs. Prior to March 1, 2016, the Company forfeited its interest and allowed the title to lapse in all the original Pucamayo concessions, except the Pucamayo 14 concession. The Company also forfeited its interest and allowed the title to lapse in the Condor de Oro property in June 2016.

The vendor, a private company controlled by a senior officer of the Company retained a royalty of one per cent (1%) of the “net smelter return” (“NSR”) derived from each of the Ocros concessions and the Pucamayo 14 concession (the “Properties”). The Company shall have the exclusive right to purchase the royalty on one or more of the Properties at any time on payment to the vendor of the sum of USD $2,000,000 per property.

The vendor will receive an additional 1,000,000 common shares in the capital of the Company on the completion and publication of a positive feasibility study on any or all of the Properties which indicates that commercial production for the applicable property is feasible.

In this agreement “Feasibility Study” shall have the meaning set out in NI 43-101, or such successor policy as may be adopted from time to time by the Canadian Securities Administrators.

Following the closing, the holder of the 15% interest in each of the Properties, a party related to a senior officer of the Company, became a carried and non-contributing interest. The Company will fund all of the vendor’s costs to the commencement of commercial production, such costs to be repaid to the Company, with interest at the Canadian prime rate plus 2%, from 100% of the vendor’s production revenues.

In February 2017, the Company assigned the royalty buyback rights on the Ocros concessions and Pucamayo 14 concession to Sandstorm Gold Ltd. (“Sandstorm”) for consideration of $100,000.

7. EXPLORATION AND EVALUATION ASSETS (continued)

(b) Ocros, Ocros Province

In May 2017, a Comprehensive Agreement (the "Ocros Agreement)" was signed with Compañia Minera Virgen de la Merced S.A.C. ("Merced") with respect to the Ocros project. Under the Ocros Agreement, Merced had two exclusive options to earn up to a 70% interest in the Ocros concessions over a period of four years.

During the year ended February 28, 2021, Merced completed the first option and earned a 51% interest in the property by having made the applicable cash payments to the Company and having completed exploration work.

Merced did not complete the second option to earn an additional 19% interest, thereby resulting in Merced maintaining a 51% interest in the property.

In October 2021, the Company, Merced, and a third party entered into a share option agreement whereby the parties agreed to transfer their respective ownership interests in the Ocros project into a new entity, Minera El Dorado Ocros S.A.C. ("MDO"), and to convert their ownership interest in the project into shares of MDO. At the date of the agreement, the Company, Merced, and the third party respectively owned 34%, 51% and 15% of the issued share capital of MDO.

In June 2024, the Company disposed of its 34% ownership of MDO by returning it to the private company controlled by a senior officer of the Company in exchange for the assumption of the cost of the outstanding and ongoing concession fees. During the year ended February 29, 2024, the Company wrote off $30,469 in deferred exploration costs related to the Ocros property.

Subsequent to the February 16, 2009 agreement, the Company dropped all but the Pucamayo 14 concession, and acquired by staking one concession to the east and 2 concessions to the south of Pucamayo 14. These added concessions were not subject to the provisions of the February 16, 2009 agreement and thus owned 100% by the Company. As at March 1, 2016, the project consisted of 19 sq. km., with the Company holding an 85% interest in 6 sq. km. (Pucamayo 14), and a 100% interest in 13 sq. km. of staked concessions. During the fiscal year ended February 28, 2017, the Company acquired unencumbered title to a 100% interest in 94 sq. km. of mineral concessions, and in May 2018 acquired another 2 sq. km. concession by staking. In June 2019, the Company relinquished two concessions. In February 2017, the Company sold a 0.5% NSR royalty on all the Pucamayo concessions except for Pucamayo 14, to Sandstorm for $50,000.

During the year ended February 28, 2023, the Company dropped two buffer concessions reducing the total project area to 85 sq km.

7. EXPLORATION AND EVALUATION ASSETS (continued)

(c) Chavin, Santa Province

During the year ended February 28, 2010, the Company acquired two concessions by staking in the Province of Santa, referred to as the Chavin project. During the year ended February 28, 2011, a third concession was acquired by staking.

In November 2015, the Company concluded a production royalty agreement with Compañia Minera Casapalca S.A. (“Casapalca”) on the Chavin project. In February 2017, the Company sold a 50% interest in its annual production royalty at Chavin to Sandstorm for $50,000. In November 2018, Casapalca terminated the production royalty agreement and returned the original three concessions as well as five adjoining concessions to the Company, bringing the total project area to approximately 42 sq km. On termination of the Casapalca production royalty agreement, Sandstorm’s interest at Chavin converted to a 0.5% NSR.

During the year ended February 28, 2023, the Company dropped five concessions reducing the total project area to 11 sq km.

During the year ended February 28, 2025, the Company wrote off $266,011 in deferred exploration costs related to the Chavin property.

(d) San Martin, Castilla Province

During the year ended February 28, 2010, the Company acquired, by staking, one concession in the Province of Castilla for a nominal amount. In 2015, a second contiguous concession was acquired by staking for a nominal amount. In February 2017, the Company sold a 0.5% NSR on the San Martin project to Sandstorm for $50,000. During the year ended February 28, 2025, the Company wrote off $58,772 in deferred exploration costs related to the Sam Martin property.

7. EXPLORATION AND EVALUATION ASSETS (continued)

(e) Soledad, Aija Province

In late 2011, the Company acquired, by sealed bid auction, a 100% interest in one concession in north-central Peru. A second and third concession were acquired by staking in 2015 and 2017.

In April 2017, a Comprehensive Agreement (the "Agreement") was signed with Chakana Resources S.A.C. ("Chakana") with respect to the Soledad project. Pursuant to the Agreement, Chakana had the option to earn a 100% interest in Soledad, over a period of 4.5 years, subject to a 2% NSR in favour of the Company. To earn the 100% interest, Chakana was required to:

a. complete the following drilling:

i. complete a minimum of 3,000m of drilling (or work equivalent) by December 23, 2018 (complete);
ii. complete a cumulative total of 5,500m of drilling (or work equivalent) by December 23, 2019 (complete);
iii. complete a cumulative total of 8,500m of drilling (or work equivalent) by December 23, 2020 (complete); and
iv. complete a cumulative total of 12,500m of drilling (or work equivalent) by December 23, 2021 (complete).

b. make the following cash payments:

i. US $10,000 upon signing the MOU (received);
ii. US $15,000 upon signing the Agreement (received);
iii. US $25,000 by December 23, 2017 (received);
iv. US $50,000 by June 23, 2018 (received);
v. US $50,000 by December 23, 2018 (received);
vi. US $75,000 by June 23, 2019 (received);
vii. US $75,000 by December 23, 2019 (received);
viii. US $100,000 by June 23, 2020 (received);
ix. US $150,000 by December 23, 2020 (received);
x. US $200,000 by June 23, 2021 (received);
xi. US $200,000 by December 23, 2021 (received);
xii. US $4,425,000 by April 23, 2022.

c. issue 500,000 Chakana Resources Corp. shares to Condor by June 23, 2018, provided Chakana has not terminated the Agreement (received).

In April 2022, the Company entered into an addendum to the Agreement with Chakana with respect to the April 23, 2022 scheduled payment of US $4,425,000. Pursuant to the addendum, the due date of this payment was extended to June 23, 2022. On signing the addendum, Chakana paid US $200,000 towards the final payment.

7. EXPLORATION AND EVALUATION ASSETS (continued)

(e) Soledad, Aija Province (continued)

In June 2022, the Company and Chakana entered into an amended option agreement (the "Amended Agreement") whereby they amended the payment terms of the US $4,225,000 due on June 23, 2022. Per the terms of the Amended Agreement, Chakana was required to:

i. pay US $800,000 (received) and issue $200,000 worth of Chakana common shares (received 1,379,310 common shares) by June 23, 2022;
ii. pay US $1,000,000 (received) and issue $200,000 worth of Chakana common shares by June 23, 2023 (received 1,379,310 common shares);
iii. pay US $1,000,000 and issue $200,000 worth of Chakana common shares by June 23, 2024; and
iv. pay US $1,425,000 and issue $400,000 worth of Chakana common shares by June 23, 2025.

The number of Chakana shares to be issued per the Amended Agreement was based on the greater value of (i) the ten (10) day volume-weighted average trading price on the TSX-V of the Chakana common shares at the date of issuance of the Chakana common shares, or (ii) the price per share of $0.145.

In April 2019, the NSR was amended, whereby Condor received 900,000 Chakana shares and US $275,000 cash in consideration for reducing the royalty it would retain on exercise of the purchase option from a 2% NSR to a 1% NSR. Chakana had the right to buy down Condor's remaining 1% NSR to a 0.5% NSR by further payment of US $1,000,000. Pre-production NSR payments scheduled to commence in 2022 were also eliminated.

Chakana did not complete the payment that was due on or before June 23, 2024 (US $1,000,000 in cash and $200,000 in Chakana common shares). Thus, on October 7, 2024, pursuant to the terms of the Amended Agreement, the Company delivered notice of its intent to exercise its rights to resume ownership of the Soledad concessions. Per the terms of the Amended Agreement, the Company will grant a 1% NSR to Chakana covering the Soledad concessions and a 2 km area of interest should the Company acquire additional concessions in the area. The Company has the option to reduce the 1% NSR to a 0.5% NSR by making a one-time payment of US $1,000,000.

(f) Quriurqu; Aija and Huarmey Provinces

In February 2012, the Company acquired, by staking, one concession located both in the Provinces of Aija and Huarmey for a nominal amount. In January 2016, the Company petitioned for 6 sq. km. contiguous and to the south of Quriurqu, and secured this area at a sealed bid auction conducted by the Ministry of Energy & Mines in September bringing the total to 8.5 sq. km. A third 2.5 sq km concession was acquired by sealed bid auction in March 2023. In February 2017, the Company sold a 0.5% NSR on the Quriurqu project to Sandstorm for $50,000. At February 28, 2025, the Company wrote-off $196,050 in exploration costs, and in June 2025, the Company relinquished all three Quriurqu concessions.

7. EXPLORATION AND EVALUATION ASSETS (continued)

(g) Lucero, Castilla Province

The Company originally acquired by staking three concessions totaling 21 sq. km.

In November 2015, the Company concluded a production royalty agreement with Compañia Minera Casapalca S.A. (“Casapalca”) on the Lucero project. In February 2017, the Company sold 50% of Condor’s production royalties to Sandstorm for $50,000. In November 2019, Casapalca provided notice of termination of the production royalty agreement. On termination of the Casapalca production royalty agreement, Sandstorm’s interest at Lucero converted to a 0.5% NSR, and 9 additional concessions were transferred from Casapalca to MLDS.

In December 2020, the Company entered into an agreement with Calipuy Resources Inc. (“Calipuy”), a BC private company, whereby Calipuy purchased Condor’s wholly-owned Peruvian subsidiary, MLDS. The principal asset of MLDS is the Lucero project.

Total consideration paid by Calipuy will be US$3.5 million, payable over six years as follows:

i. US $90,000 on the December 21, 2020 (received);
ii. US $75,000 on or before June 21, 2022 (received);
iii. US $300,000 on or before December 21, 2022 (received);
iv. US $500,000 on or before December 21, 2023 (received);
v. US $1,000,000 on or before December 21, 2024; and
vi. US 1,535,000 on or before December 21, 2026.

If the price of gold averages not less than US $2,500/ounce over the 30-day period preceding the final payment date, the total consideration will increase to US$4.0 million, with the final payment being US $2,035,000. If the price of gold averages not less than US $3,000/ounce over the 30-day period preceding the final payment date, the total consideration will increase to US$6.0 million, with the final payment being US $4,035,000.

During the term of the agreement, Condor has the right to participate in future Calipuy financings at a 20% discount to the financing price by converting part or all of any outstanding payments due from Calipuy to the purchase of common shares of Calipuy. Condor’s right to participate in a Calipuy financing is limited to 50% of the financing.

In December 2022, Condor and Element79 Gold Corp. (“Element79”), the parent company of Calipuy, agreed to reschedule the US $300,000 payment due December 21, 2022 into two payments. The first payment of US $100,000 was due on or before January 31, 2023 (received), and the balance of US $200,000 was due on or before March 31, 2023 (received). As consideration for the rescheduled payments, Element79 issued 25,000 post-consolidated common shares to Condor.

7. EXPLORATION AND EVALUATION ASSETS (continued)

(g) Lucero, Castilla Province *(continued)*

In January 2024, Condor and Element79 agreed to reschedule the US $500,000 payment due December 21, 2023 into two payments. The first payment of US $125,000 was paid in common shares of Element 79 at that time, and the balance of US $375,000 was due on or before March 31, 2024. As consideration for the rescheduled payments, Element79 issued a bonus of US $12,500 to Condor which was paid in common shares of Element79 during the year ended February 29, 2024.

In April 2024, Condor and Element79 agreed to reschedule the US $375,000 payment due on or before March 31, 2024, as follows:

i. US $100,000 was received on April 2, 2024;
ii. US $200,000 was received on May 15, 2024; and
iii. US $75,000 was paid in units of Element79 (an “Element79 Unit"). Each Element79 Unit was comprised of one common share of Element79 and one common share purchase warrant. Each share purchase warrant is exercisable into one Element79 common share at a price of $0.35 per share for a period of two years from the date of issuance.

As consideration for the rescheduled payments, Element79 issued an additional US $10,000 ($13,514) worth of Element79 Units to Condor and paid an additional US $20,000 ($27,300).

In December 2024, Condor and Element79 agreed to reschedule the US $1,000,000 payment that was due on or before December 21, 2024. The payment is now due on or before June 30, 2025. As consideration for the rescheduled payment, Element79 will pay an additional US $100,000. As security for the payment due on or before June 30, 2025, Element79 has pledged 1,750,000 common shares of Sun Silver Limited, an ASX-listed company. The common shares of Sun Silver Limited are held by Element79 and are subject to trading restriction until May 6, 2025. These common shares are pledged in favour of Condor as a continuing and specific security interest in the shares and the proceeds thereof. These shares do not represent the sole security for the June 30, 2025 payment, and the June 30, 2025 payment is an obligation regardless of any fluctuation in value of the pledged shares.

Sandstorm, Condor, Calipuy and MLDS have executed an NSR assignment agreement with respect to Sandstorm’s NSR, with Calipuy assuming the NSR obligations to Sandstorm.

Refer also to Note 8.

(h) Humaya, Ayacucho Department

The Company previously acquired, by staking, one concession of 7 sq. km. In February 2017, the Company sold a 0.5% NSR on the Humaya project to Sandstorm for $50,000. At February 28, 2025, the Company wrote-off $24,989 in exploration costs and in June 2025, the Company relinquished the Humaya concession.

7. EXPLORATION AND EVALUATION ASSETS (continued)

(i) Quilisane, Puno Department

The Company originally acquired by staking, and sealed bid auctions, two concessions comprising a total area of 18.4 sq. km. In February 2017, the Company sold a 0.5% NSR on the Quilisane project to Sandstorm for $50,000. In 2019, the Company reduced its holdings to 4 sq. km. At February 28, 2025, the Company wrote-off $35,293 in exploration costs related to the Quilisane project, and in June 2025, the Company relinquished the two concessions.

(j) Huiñac Punta, Huanuco Department

The Company acquired, by staking, one concession in 2016. In February 2017, the Company sold a 0.5% NSR on the Huiñac Punta project to Sandstorm for $50,000. Two additional concessions were acquired in November 2017. In November 2024, the Company acquired five additional concessions by uncontested application adjacent to its other three concessions. The Huiñac Punta project now consists of nine concessions totaling approximately 74 sq. km which are all subject to the Sandstorm 0.5% NSR.

(k) Andrea, Ayacucho Department

The Company acquired a 100% interest in the 22 sq. km Andrea project by staking and by sealed bid auction conducted by the Peruvian Ministry of Energy and Mines. During the year ended February 28, 2025, the Company wrote off $126,848 in deferred exploration costs related to the Andrea property.

(l) Cobreorco, Apurimac Department

The Company acquired a 100% interest in approximately 50 sq. km by staking, and by sealed bid auctions conducted by the Peruvian Ministry of Energy and Mines.

In December 2023, the Company entered into an option and joint venture agreement (the “Teck Agreement”) on its Cobreorco copper-gold project located in the Apurimac Department, Peru with Teck Perú S.A. (“Teck”), a subsidiary of Teck Resources Limited.

Under the terms of the agreement, Teck has a first option to earn a 55% interest in the Cobreorco project over three years by completing US$4 million in exploration expenditures and making cash payments totaling US$500,000. An initial cash payment of US$80,000 was received by the Company on signing the agreement. The start of the three-year term commences once the permits and approvals required to commence a drill program are in place (the “Permit Date”).

7. EXPLORATION AND EVALUATION ASSETS (continued)

(l) Cobreorco, Apurimac Department (continued)

The cash payments and minimum exploration expenditures (the “expenditures”) schedule of the first option is as follows:

i. US $80,000 upon signing the Teck Agreement (paid);
ii. US $100,000 and US $500,000 cumulative expenditures on or before the first anniversary of the Permit Date;
iii. US $150,000 and US $2,000,000 cumulative expenditures on or before the second anniversary of the Permit Date; and
iv. US $170,000 and US $4,000,000 cumulative expenditures on or before the third anniversary of the Permit Date.

On exercise of the first option, the parties will form a dedicated holding company which will own the Cobreorco concessions, and thereafter Teck has a second option to increase its interest in the Cobreorco project to 75% over the next three years by completion of a further US$6 million in exploration expenditures and additional cash payments of US$600,000 which will be payable based on the date of formation of the dedicated holding company (the “Organization Date”).

The cash payments and minimum exploration expenditures (the “expenditures”) schedule of the second option is as follows:

v. US $200,000 on or before the first anniversary of the Organization Date;
vi. US $200,000 on or before the second anniversary of the Organization Date; and
vii. US $200,000 and US $6,000,000 in additional expenditures on or before the third anniversary of the Organization Date.

(m) Cantagallo, Lima Department

The Company acquired one concession totaling 2 sq. km by staking in 2019. At February 28, 2025, the Company wrote-off $4,780 in exploration costs related to the Cantagallo project, and in June 2025, the Company relinquished the concession.

(n) Rio Bravo, Lima Department

The Rio Bravo project consists of two concessions, acquired by staking and sealed bid auction in late 2021, and early 2022, with a total area of 20 sq km.

(o) Other Income

Other income consists of proceeds from the sale of royalties or from the receipt of property option payments or sales proceeds on certain properties in excess of costs previously incurred and deferred by the Company in respect of those interests and miscellaneous consulting income.

(expressed in Canadian dollars)

8. OTHER RECEIVABLE

Under the terms of the agreement with Calipuy (see Note 7(g)), the Company is owed US $3.41 million over the period between February 28, 2021 and December 21, 2026. The total consideration receivable is variable dependent upon certain factors, those being the payment terms met by Calipuy and the future price of gold.

On the date of the agreement, the Company assessed the likelihood of receiving each consideration payment amount and as a result estimated total consideration to be received by the Company would be US $3.25 million (Canadian dollar equivalent of $4,060,284). The Company recorded this amount at its present value of $2,694,387, using a discount rate of 10%.

During the year ended February 28, 2025, the Company re-assessed the likelihood of receiving each consideration payment amount and as a result estimated the total consideration to be received by the Company would be US $3.5 million. The basis for this change in estimate was the expiry of Calipuy's option to accelerate the payment schedule and reduce the total consideration to US $3 million. This change in estimate resulted in a gain of $263,514 being recorded on the statement of comprehensive income (loss).

The carrying value of the other receivable as at February 28, 2025 consists of the following:

Balance, February 28, 2023	$	3,265,441
Payment received		(437,750)
Accretion		276,271
Foreign exchange loss		(12,473)
Balance, February 29, 2024	$	3,091,489
Payment received		(509,861)
Accretion		274,337
Foreign exchange gain		189,219
Change in estimates		263,514
Impairment		(3,308,698)
Balance, February 28, 2025	$	-

The other receivable has been measured as a financial asset at amortized cost, reduced by the actual payments received ($1,293,773 received to date) and subject to the effective interest rate method.

Amounts outstanding are classified as current in respect to the values applicable to the period ending one year from the balance sheet date; all residual balances are classified as non-current. At February 28, 2025 and February 29, 2024, the current and non-current amounts receivable are as follows:

	February 28, 2025	February 29, 2024
Current portion	$ -	$ 1,756,331
Non-current portion	-	1,335,158
Balance	$ -	$ 3,091,489

(expressed in Canadian dollars)

8. OTHER RECEIVABLE (continued)

During the year ended February 28, 2025, the Company received 499,183 Element79 units to settle the May 15, 2024 payment of US $75,000 and the bonus payment of US $10,000 (see Note 7(g)). These Element79 units had a fair value of $114,865, resulting in a gain of $13,514, being the excess of the total fair value received over the other receivable payment due from Calipuy.

During the year ended February 29, 2024, the Company received 1,152,422 Element79 common shares to settle the January 2024 payment of US $125,000 and the bonus payment of US $12,500 (see Note 7(g)). These shares had a fair value of $403,347, resulting in a gain of $234,598, being the excess of the total fair value received over the other receivable payment due from Calipuy.

As at February 28, 2025, the Company had assessed the likelihood of collectability of the other receivable as being low, and has recorded an impairment of $3,308,698 for the full amount.

9. RELATED PARTY TRANSACTIONS

The following amounts are due to related parties and are included in accounts payables and accrued liabilities:

	February 28, 2025	February 29, 2024
Directors or officers of the Company	$ 57,013	$ 87,845

All amounts owing to related parties are non-interest bearing, unsecured and have no set terms of repayment.

The Company incurred the following transactions with directors and companies controlled by directors of the Company:

	For the year ended	
	February 28, 2025	February 29, 2024
Professional fees	$ 194,743	$ 57,148

Key management personnel compensation:

	For the year ended	
	February 28, 2025	February 29, 2024
Management fees	$ 350,855	$ 208,780
Management fees capitalized to mineral properties	81,686	79,954
Management stock-based compensation	65,166	-
	$ 497,707	$ 288,734

As at February 28, 2025, the Company had advanced $6,969 (February 29, 2024 - $15,900) to an officer of the Company which is included in prepaid expenses.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

(expressed in Canadian dollars)

10. LOAN

During the year ended February 28, 2021, the Company obtained federal government-sponsored financing by way of a $40,000 line of credit, which converted to a two-year non-interest-bearing term loan on January 1, 2021. In October 2022, the Government of Canada advised that the non-interest-bearing term was extended by one year. If not repaid by January 18, 2024, the loan was extendable for a further two years, subject to annual interest of 5%. In June 2023, the Company repaid $30,000 of the loan. The balance of $10,000 has been forgiven, resulting in the Company recognizing $10,000 as a gain on the statement of comprehensive income during the year ended February 29, 2024.

11. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares		Share Capital		Contributed Surplus
Authorized:					
Unlimited common shares					
Issued:					
Balance as at February 28, 2023	126,882,308		22,374,913	$	4,007,160
Exercise of warrants	13,100,000		1,965,000		-
Exercise of options	1,172,500		240,639		(111,514)
Balance as at February 29, 2024	141,154,808	$	24,580,552	$	3,895,646
Stock-based compensation	-		-		65,166
Balance as at February 28, 2025	141,154,808	$	24,580,552	$	3,960,812

(a) Share Issuances

During the year ended February 28, 2025, no shares were issued.

During the year ended February 29, 2024:

i. 13,100,000 share purchase warrants were exercised for gross proceeds of $1,965,000; and

ii. 1,172,500 incentive stock options were exercised for gross proceeds of $129,125. $111,514 was transferred from contributed surplus to share capital, being the fair value of the stock options exercised. The weighted average share price on the date of exercise was $0.39.

(b) Stock Options

At the Company's Annual and Special General Meeting (the "Meeting") held December 11, 2024, the shareholders of the Company approved a new omnibus equity incentive plan (the " Omnibus Plan") which replaced the previous stock option plan dated December 5, 2023. Pursuant to the Omnibus Plan, the Company may grant stock options ("Options"), performance share units ("PSUs"), deferred share units ("DSUs") and certain other share-based awards ("Other Share-Based Awards" and collectively with Options, PSUs, and DSUs granted under the Omnibus Plan, the "Awards").

11. CAPITAL STOCK AND CONTRIBUTED SURPLUS (continued)

(b) Stock Options (continued)

The Omnibus Plan is a “rolling up to 10% and fixed up to 10%” Security Based Compensation Plan, as contemplated in Policy 4.4 – Security Based Compensation of the TSX-V (“Policy 4.4”).

In respect of Options: (i) subject to adjustment as provided under the Omnibus Plan, the Omnibus Plan is a “rolling” plan to which the aggregate number of common shares reserved for issuance pursuant to Awards of Options granted under the Omnibus Plan, including Predecessor Options, shall not exceed 10% of the Company’s total issued and outstanding common shares from time to time; and (ii) to the extent any Awards of Options have been exercised, expire, terminate or are cancelled prior to their exercise, then any common shares subject to such Awards shall be added back to the number of common shares reserved for issuance under the Omnibus Plan and will again become available for issuance pursuant to the exercise of Options.

In respect of DSUs or PSUs: (i) subject to adjustment as provided under the Omnibus Plan, the aggregate number of common shares reserved for issuance pursuant to Awards other than for Options granted under the Omnibus Plan shall not exceed 11,000,000 common shares; and (ii) to the extent any Awards other than for Options terminate or are cancelled prior to exercise, then any common shares subject to such Awards shall be added back to the number of common shares reserved for issuance under the Omnibus Plan and will again become available for issuance pursuant to the exercise of Awards (other than for Options).

<u>During the year ended February 28, 2025:</u>

i. the Company granted 1,000,000 incentive stock options with an exercise price of $0.15 expiring on April 15, 2029. The Company recognized stock-based compensation of $65,166 in respect of these stock options.

<u>During the year ended February 29, 2024:</u>

ii. 1,172,500 incentive stock options with a weighted average exercise price of $0.11 were exercised for gross proceeds of $129,125; and

iii. 325,000 incentive stock options with a weighted average exercise price of $0.12 were forfeited.

(expressed in Canadian dollars)

11. CAPITAL STOCK AND CONTRIBUTED SURPLUS (continued)

(b) Stock Options (continued)

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at February 28, 2023	8,450,000	$ 0.10
Exercised	(1,172,500)	0.11
Expired	(500,000)	0.07
Forfeited	(325,000)	0.12
Outstanding at February 29, 2024	6,452,500	$ 0.10
Forfeited	(250,000)	0.10
Granted	1,000,000	0.15
Outstanding at February 28, 2025	7,202,500	$ 0.11

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of the stock options granted during the year ended February 28, 2025:

	For the Year Ended February 28, 2025
Risk-free interest rate	3.72%
Expected life of options	5 years
Annualized volatility	141.00%
Dividend rate	N/A

At February 28, 2025, the Company had the following incentive stock options outstanding entitling the holders thereof to acquire the following common shares in the Company:

Number of Options	Exercise Price	Expiry Date
1,840,000	$0.10	June 19, 2025
4,362,500	$0.11	December 5, 2027
1,000,000	$0.15	April 15, 2029
7,202,500		

6,202,500 incentive stock options were exercisable at February 28, 2025 (February 29, 2024 – 6,452,500). The weighted average remaining life of the outstanding incentive stock options at February 28, 2025 was 2.33 years (February 29, 2024 – 2.97 years). Subsequent to February 28, 2025, 25,000 incentive stock options were exercised at $0.10 and 1,815,000 incentive stock options with an expiry date of June 19, 2025 expired unexercised.

(expressed in Canadian dollars)

11. CAPITAL STOCK AND CONTRIBUTED SURPLUS (continued)

(c) Share Purchase Warrants

Share purchase warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at February 28, 2023	13,100,000	$ 0.15
Exercised	(13,100,000)	0.15
Outstanding at February 29, 2024 and February 28, 2025	-	$ -

12. FINANCIAL INSTRUMENTS, MANAGEMENT OF CAPITAL AND FINANCIAL RISK

Fair value

All financial instruments are included on the Company's statement of financial position and are measured at either fair value or amortized cost.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable (excluding sales taxes receivable), marketable securities, other receivable and accounts payable and accrued liabilities. The fair values of accounts receivable and accounts payable and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

Financial instruments measured at fair value on the statement of financial position as at February 28, 2025 and as at February 29, 2024 are all classified as Level 1.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and other receivable. Management believes that the credit risk concentration with respect to cash and cash equivalents is remote as it maintains accounts with highly-rated financial institutions. However, there is credit risk associated with other receivable due to the current financial position of Element79, the parent company of Calipuy. During the year ended February 28, 2025, the Company assessed the credit risk associated with the other receivable as high and made the determination that the full amount was impaired.

12. FINANCIAL INSTRUMENTS, MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at February 28, 2025, the Company had a cash balance of $238,226 to settle current liabilities of $219,020. All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest rate risk

The Company has cash and cash equivalents and no interest-bearing debt. The Company's current policy is to invest excess cash and cash equivalents in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its bank. As at February 28, 2025, the Company had $101,300 in interest bearing cashable on demand investment grade guaranteed investment certificates.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, other receivable and accounts payable and accrued liabilities that are denominated in United States Dollars and Peruvian Soles. As at February 28, 2025, approximately 15% of the Company's cash and 11% of its liabilities are denominated in United States Dollars and/or Peruvian Soles.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(d) Political Uncertainty

In conducting operations in Peru, the Company is subject to considerations and risks not typically associated with companies operating in North America. These include risks such as the political, economic and legal environments. Among other things, the Company's results may be adversely affected by changes in the political and social conditions in Peru, and by changes in governmental policies with respect to mining laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation.

(expressed in Canadian dollars)

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

As at February 28, 2025, there was $23,927 (February 29, 2024 - $18,939) of exploration and evaluation expenditures included in accounts payable and accrued liabilities.

During the year ended February 28, 2025, amortization expense of $10,738 (Year ended February 29, 2024 – $10,038) was capitalized to mineral properties.

In May 2024, the Company received 499,413 Element79 units at a fair value of $114,865 pursuant to the MLDS sale agreement described in Note 7(g).

In February 2024, the Company received 1,152,422 common shares of Element79 at a fair value of $403,347 pursuant to the MLDS sale agreement described in Note 7(g).

In June 2023, the Company received 1,379,910 common shares of Chakana at a fair value of $82,759 pursuant to the Soledad amended property option agreement described in Note 7(e).

14. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2025		2024
Net (loss) income for the year	$	(4,735,818)	$	1,223,490
Statutory tax rate		27.39%		29.06%
Expected income tax (recovery) payable		(1,297,115)		355,552
Non-deductible and deductible items and other		278,665		(268,611)
Effect of non-capital loss carryforwards		-		(86,941)
Change in unrecognized deferred tax assets		1,018,450		-
Income tax recovery	$	-	$	-

The components of the Company's deferred income tax assets and liabilities are as follows:

		2025		2024
Deferred tax assets:				
Non-capital loss carryforwards	$	1,929,551	$	1,751,589
Capital loss carryforwards		434,419		466,459
Share issue costs		-		1,620
Exploration expenditures and equipment		1,420,412		546,264
		3,784,382		2,765,932
Valuation allowance		(3,784,382)		(2,765,932)
Net deferred income tax assets	$	-	$	-

The Company has available for deduction against future taxable income non-capital losses in Canada of approximately $7,146,000 (2024 - $6,487,000). These losses, if not utilized, will expire through to 2045. The Company does not have non-capital losses available for carry forward in Peru. Future tax benefits which may arise as a result of non-capital losses and resource expenditures have not been recognized in these financial statements and have been offset by a valuation allowance.

(expressed in Canadian dollars)

15. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties and to maintain its ability to continue as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage, and as such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management and remained unchanged during the year ended February 28, 2025 and the year ended February 29, 2024.

16. SEGMENTED FINANCIAL INFORMATION

The Company operates in one industry segment, being the acquisition and exploration of mineral properties in Peru. Geographic information is as follows:

	For the Year Ended	
	February 28, 2025	February 29, 2024
Non-current assets:		
Canada	$ -	$ 1,335,158
Peru	5,615,305	5,057,574
	$ 5,615,305	$ 6,392,732

	For the Year Ended	
	February 28, 2025	February 29, 2024
Comprehensive income (loss):		
Canada	$ (1,022,531)	$ 215,116
Peru	4,813	1,008,374
	$ (1,017,718)	$ 1,223,490

17. SUBSEQUENT EVENTS

Subsequent to February 28, 2025:

i. The Company completed a non-brokered private placement (the "Offering"). Under the Offering, the Company issued an aggregate of 8,758,333 units of the Company (each, a "Unit") at a price of $0.12 per Unit for aggregate gross proceeds of $1,051,000, of which 4,165,499 Units were issued pursuant to the Listed Issuer Financing Exemption under Part 5A of National Instrument 45-106 – Prospectus Exemptions.

   Pursuant to the Offering, each Unit consisted of (i) one common share of the Company (a "Share") and (ii) one-half of one Share purchase warrant (a "Warrant"). A total of 4,379,166 Warrants will be issued and exercisable for a period of 36 months from the date of issuance (the "Closing Date") and will entitle the holder thereof to purchase one additional Share (a "Warrant Share"): (i) at an exercise price of $0.15 per Warrant Share if duly exercised on or before the date that is 24 months following the Closing Date; or (ii) thereafter at an exercise price of $0.20 per Warrant Share.

   In connection with the closing of the financing, the Company paid cash finder's fees of $16,496 and issued 137,466 finder's warrants. Each finder's warrant entitles the holder to purchase one Share for a period of 24 months from the date of issuance at a price of $0.12 per Share.

ii. The Company granted 500,000 incentive stock options with an exercise price $0.12 and 2,500,000 incentive stock options with an exercise price of $0.20, all of which expire on June 17, 2030.

iii. The Company granted 2,000,000 PSUs to an officer of the Company. 250,000 PSUs vested immediately. 750,000 will vest subject to the achievement of certain corporate and/or individual milestones, 500,000 will vest on April 10, 2026 and 500,000 will vest on April 10, 2027. Upon vesting, each PSU will be convertible into one common share of the Company for no additional consideration.