

CONDOR RESOURCES INC.

Condensed Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Six Months Ended August 31, 2026 and 2025
(Unaudited – prepared by Management)

CONDOR RESOURCES INC.

NOTICE OF NO AUDITOR REVIEW OF 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 interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

These accompanying unaudited condensed consolidated interim financial statements of Condor Resources Inc. have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Vancouver, Canada

October 30, 2026

CONDOR RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited, prepared by management and expressed in Canadian Dollars)

	August 31, 2026	February 28, 2026
ASSETS		
Current		
Cash and cash equivalents	$ 12,080	$ 175,925
Prepaid expenses	31,961	42,855
Accounts receivable	5,126	24,685
Total Current Assets	49,167	243,465
Non-Current Assets		
Equipment (Note 6)	-	-
Exploration and evaluation assets (Note 7)	6,314,180	5,972,018
Total Non-Current Assets	6,314,180	5,972,018
TOTAL ASSETS	$ 6,363,347	$ 6,215,483
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	$ 393,333	$ 507,128
TOTAL LIABILITIES	393,333	507,128
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	25,854,754	25,776,041
Contributed surplus (Note 9)	4,285,973	4,249,081
Deficit	(24,170,713)	(24,316,767)
TOTAL SHAREHOLDERS' EQUITY	5,970,014	5,708,355
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 6,363,347	$ 6,215,483

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

Approved on behalf of the Board:

"Paul Larkin" Director

"Chris Buncic" Director

See accompanying notes to consolidated financial statements.

CONDOR RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited, prepared by management and expressed in Canadian Dollars)

	For the Three Months Ended		For the Six Months Ended	
	August 31, 2026	**August 31, 2025**	**August 31, 2026**	**August 31, 2025**
Administrative expenses				
Foreign exchange (gain) loss	$ 4,150	$ (712)	$ 1,583	$ (20,103)
Insurance	3,869	3,869	7,738	7,738
Investor relations	480	19,115	2,985	76,725
Management fees and consulting fees (Note 8)	95,800	95,702	215,660	196,625
Office and miscellaneous	3,448	6,479	7,962	13,303
Professional fees (Note 8)	4,186	22,253	13,455	29,792
Project generation (Note 8)	52,083	94,495	83,386	116,953
Regulatory fees	6,396	6,326	17,885	8,092
Stock-based compensation (Notes 8 and 9)	31,266	107,048	92,075	120,544
Travel and entertainment	912	4,660	1,292	4,660
	(202,590)	(359,235)	(444,021)	(554,329)
Other items				
Interest income	-	-	-	65
Loss on sale of marketable securities (Note 5)	-	-	-	(10,385)
Other income (Note 7(j))	363,044	-	590,075	-
Unrealized loss on marketable securities (Note 5)	-	-	-	(4,552)
	363,044	-	590,075	(14,872)
Net Income (Loss) and Comprehensive Income (Loss) for the Period	$ 160,454	$ (359,235)	$ 146,054	$ (569,201)
Basic And Diluted Income (Loss) Per Share Outstanding	$ 0.00	$ (0.00)	$ 0.00	$ (0.00)
Weighted Average Number Of Shares Outstanding	151,935,474	149,932,978	151,779,715	146,638,685

See accompanying notes to consolidated financial statements.

CONDOR RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited, prepared by management and expressed in Canadian Dollars

	For the Six Months Ended	
	August 31, 2026	**August 31, 2025**
Cash and cash equivalents provided by (used in):		
Operating Activities		
Net income (loss) for the period	$ 146,054	$ (569,201)
Items not affecting cash:		
Stock-based compensation	92,075	120,544
Unrealized loss on marketable securities	-	4,552
Loss on sale of marketable securities	-	10,385
Shares issued as finder's fee	23,250	-
Recoveries included in income and reclassified to investing activities	(451,335)	-
Changes in non-cash operating working capital items:		
(Increase) decrease in prepaid expenses	10,894	1,560
Decrease in accounts receivable	19,559	2,652
Decrease in accounts payable and accrued liabilities	(105,234)	4,159
	(264,737)	(425,349)
Investing Activities		
Exploration and evaluation expenditures	(454,368)	(682,635)
Expenditure and evaluation assets sale proceeds	554,980	137,000
Sale of marketable securities	-	7,788
	100,612	(537,847)
Financing Activities		
Share capital issued	280	1,053,500
Share issue costs	-	(29,891)
	280	1,023,609
Increase (decrease) in cash and cash equivalents during the period	(163,845)	60,413
Cash and cash equivalents - beginning of period	175,925	238,226
Cash and cash equivalents - end of period	$ 12,080	$ 298,639

See accompanying notes to consolidated financial statements.

CONDOR RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited, prepared by management and expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total Equity
Balance, February 28, 2025	141,154,808	$ 24,580,552	$ 3,960,812	$ (22,842,640)	$ 5,698,724
Shares issued pursuant to private placement financing	8,758,333	1,051,000	-	-	1,051,000
Share issuance costs	-	(29,891)	-	-	(29,891)
Fair-value of finders' warrants issued	-	(10,792)	10,792	-	-
Options exercised	25,000	4,712	(2,212)	-	2,500
Stock-based compensation	-	-	120,544	-	120,544
Net loss and comprehensive loss for the period	-	-	-	(569,201)	(569,201)
Balance, August 31, 2025	149,938,141	$ 25,595,581	$ 4,089,936	$ (23,411,841)	$ 6,273,676

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total Equity
Balance, February 28, 2026	151,283,141	$ 25,776,041	$ 4,249,081	$ (24,316,767)	$ 5,708,355
Shares issued as a finder's fee	150,000	23,250	-	-	23,250
Finders' warrants exercised	2,333	280	-	-	280
Fair-value of finders' warrants exercised	-	183	(183)	-	-
Performance share units exercised	500,000	55,000	(55,000)	-	-
Stock-based compensation	-	-	92,075	-	92,075
Net income and comprehensive income for the period	-	-	-	146,054	146,054
Balance, August 31, 2026	151,935,474	$ 25,854,754	$ 4,285,973	$ (24,170,713)	$ 5,970,014

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 205 - 3626 West 28th Ave., Vancouver, British Columbia, V6S 1S4.

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 on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. Several adverse conditions and material uncertainties cast significant doubt upon the going concern assumption. The business of mining and exploration involves a high degree of risk and there can be no assurance that future exploration and development of its properties will result in profitable mining operations or royalty payments to the Company. The Company has no ongoing source of operating revenue and will require cash to maintain its mineral interests and to meet its administrative overhead. As August 31, 2026, the Company had a working capital deficit of $344,166 (February 28, 2026 – $263,663) and an accumulated deficit of $24,170,713 (February 28, 2026 - $24,316,767).

The ability of the Company to continue as a going concern is dependent upon its ability to realize on its assets or raise additional financing to complete the development of its mineral properties and to fund future corporate and administrative expenses. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future.

These financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION AND MEASUREMENT

(a) Statement of Compliance

These condensed consolidated interim financial statements of the Company for the six months ended August 31, 2026 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Accordingly, these condensed consolidated interim financial statements follow the same accounting principles and methods of application as the annual consolidated financial statements for the year ended February 28, 2026 but may condense or omit certain disclosures that otherwise would be present in annual financial statements prepared in accordance with IFRS. These financial statements should therefore be read in conjunction with the annual consolidated financial statements for the year ended February 28, 2026. Results for the period ended August 31, 2026, are not necessarily indicative of future results.

These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on October 30, 2026.

(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. ("Condor Peru")	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

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.

(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.

With respect to the measurement of shares and warrants issued as private placement units, the Company applies the residual value method, whereby the proceeds are first allocated to the component with the more readily determinable fair value (typically the common shares), with any residual amount allocated to the other component (typically warrants).

3. MATERIAL ACCOUNTING POLICIES (continued)

(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.

(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
Financial Liabilities	
Accounts payable and accrued liabilities	Amortized cost

3. MATERIAL ACCOUNTING POLICIES (continued)

(f) Financial instruments (continued)

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.

(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. 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.

3. MATERIAL ACCOUNTING POLICIES (continued)

(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, 2026 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.

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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

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

5. MARKETABLE SECURITIES

As at August 31, 2026, the Company holds no marketable securities

During the six months ended August 31, 2026, the Company sold marketable securities for gross proceeds of $Nil (2025 - $7,788).

6. EQUIPMENT

	Computer equipment	Motor vehicle	Office furniture and equipment	Total
COST				
Balance, February 28, 2025, February 28, 2026 and August 31, 2026	$ 3,408	$ 38,378	$ 10,433	$ 52,219
AMORTIZATION				
Balance, February 28, 2025	$ 2,908	$ 30,524	$ 9,624	$ 43,056
Amortization	500	7,854	809	9,163
Balance, February 28, 2026 and August 31, 2026	$ 3,408	$ 38,378	$ 10,433	$ 52,219
CARRYING AMOUNTS				
Balance, February 28, 2026 and August 31, 2026	$ -	$ -	$ -	$ -

7. EXPLORATION AND EVALUATION ASSETS

The following schedules of mineral property costs set forth the expenditures incurred on these properties as at August 31, 2026 and February 28, 2026:

	As at August 31, 2026	As at February 28, 2026
Acquisition costs	$ 62,509	$ 62,509
Deferred exploration costs	5,579,176	5,246,336
	5,641,685	5,308,845
IGV taxes	672,495	663,173
Total	$ 6,314,180	$ 5,972,018

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.

7. EXPLORATION AND EVALUATION ASSETS (continued)

Schedule of Exploration and Evaluation assets – Peru
For the Six Months Ended August 31, 2026

	Pucamayo	Soledad	Huinac Punta	Cobreorco	Rio Bravo	Total
Acquisition costs						
Balance, as at March 1, 2026	$ 62,509	$ -	$ -	$ -	$ -	$ 62,509
Additions during the period	-	-	-	-	-	-
Balance, as at August 31, 2026	62,509	-	-	-	-	62,509
Exploration and evaluation expenditures						
Balance, as at March 1, 2026	3,989,150	-	940,008	277,107	40,071	5,246,336
Additions during the period						
Property tenure	124,934	-	31,205	-	7,880	164,019
Office and technical support	87,288	103,645	76,769	279	4,485	272,466
	212,222	103,645	107,974	279	12,365	436,485
Balance, as at August 31, 2026	4,201,372	103,645	1,047,982	277,386	52,436	5,682,821
Sale of property	-	(103,645)	-	-	-	(103,645)
Overall balances, as at August 31, 2026	$ 4,263,881	$ -	$ 1,047,982	$ 277,386	$ 52,436	$ 5,641,685

Costs are exclusive of IGV taxes incurred

7. EXPLORATION AND EVALUATION ASSETS (continued)

Schedule of Exploration and Evaluation assets – Peru
For the Year Ended February 28, 2026

	Pucamayo	Soledad	Huinac Punta	Cobreorco	Rio Bravo	Total
Acquisition costs						
Balance, as at March 1, 2025	$ 62,509	$ -	$ -	$ -	$ -	$ 62,509
Additions during the period	-	-	-	-	-	-
Balance, as at February 28, 2026	62,509	-	-	-	-	62,509
Exploration and evaluation expenditures						
Balance, as at March 1, 2025	3,591,956	238,165	776,870	269,821	19,560	4,896,372
Additions during the period						
Property tenure	229,697	38,396	15,918	(3,769)	8,154	288,396
Office and technical support	167,497	221,876	147,220	11,055	12,357	560,005
	397,194	260,272	163,138	7,286	20,511	848,401
Balance, as at February 28, 2026	3,989,150	498,437	940,008	277,107	40,071	5,744,773
Sale of property	-	(498,437)	-	-	-	(498,437)
Overall balances, as at February 28, 2026	$ 4,051,659	$ -	$ 940,008	$ 277,107	$ 40,071	$ 5,308,845

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 International Royalty Corporation ("IRC"), a subsidiary of Royal Gold, Inc., for consideration of $100,000.

7. EXPLORATION AND EVALUATION ASSETS (continued)

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

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 IRC for $50,000.

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

In June 2024, the Company disposed of its 34% ownership in Minera El Dorado Ocros S.A.C., which held the Ocros concessions, 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.

(b) 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 commenced on February 26, 2026, once the permits and approvals required to commence a drill program were in place (the "Permit Date").

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 February 26, 2027;
iii. US $150,000 and US $2,000,000 cumulative expenditures on or before February 26, 2028; and
iv. US $170,000 and US $4,000,000 cumulative expenditures on or before February 26, 2029.

7. EXPLORATION AND EVALUATION ASSETS (continued)

(b) Cobreorco, Apurimac Department (continued)

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
i. US $200,000 and US $6,000,000 in additional expenditures on or before the third anniversary of the Organization Date.

(c) 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 IRC 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 IRC 0.5% NSR.

(d) 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.

(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. A number of amendments have been made to the Agreement since first signed, as detailed in the Company's prior financial statements.

Chakana did not complete a 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 Agreement, the Company delivered notice of its intent to exercise its rights to resume ownership of the Soledad concessions. Per the terms of the Agreement, the Company will grant a 1% Net Smelter Returns Royalty ("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.

7. EXPLORATION AND EVALUATION ASSETS (continued)

(e) Soledad, Aija Province (continued)

On December 12, the Company signed the definitive Mining Assignment and Option Agreement (the "Definitive Agreement") with a Peruvian company (the "Purchaser") to sell a 100% interest in the Soledad project.

Under the terms of the Definitive Agreement, Condor Peru granted the Purchaser an exclusive option to acquire the three mineral concessions comprising the Soledad project over a 36-month period. In parallel, a mining assignment agreement will allow the Purchaser to immediately commence exploration activities on the project.

The total consideration payable by the Purchaser for the purchase of the Soledad project is US $3,000,000, to be paid in the following installments:

- US $100,000 upon execution of the LOI (received);
- US $500,000 upon execution of the Definitive Agreement (received); and
- US $2,400,000 in twelve quarterly payments of US $200,000 each over three years.

The Purchaser may accelerate payments at its discretion, but the Purchaser may extract and sell products from the Property for the purpose of earning revenues only after the Option has been exercised. Upon exercise of the option, Condor Peru will also be granted a 1% NSR royalty. The Purchaser will also assume an existing 1% NSR royalty.

(f) 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 IRC for $50,000. In November 2019, Casapalca provided notice of termination of the production royalty agreement. On termination of the Casapalca production royalty agreement, IRC'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:

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

7. EXPLORATION AND EVALUATION ASSETS (continued)

(f) Lucero, Castilla Province (continued)

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.

In December 2022, Condor and 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.

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 was due on or before June 30, 2025. As consideration for the rescheduled payment, Element79 agreed to pay an additional US $100,000. As security for the payment due on or before June 30, 2025, Element79 pledged 1,750,000 common shares of Sun Silver Limited, an ASX-listed company, held by Element79. These common shares were 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 was an obligation regardless of any fluctuation in value of the pledged shares.

7. EXPLORATION AND EVALUATION ASSETS (continued)

(f) Lucero, Castilla Province (continued)

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

Element79 failed to make the payment that was due on June 30, 2025 and declared Force Majeure.

In August 2026, the Company and Element79 signed a fourth amendment (the "Fourth Amendment"), Element79 will:

i. Cure the overdue US$1,100,000 payment that fell due to Condor on June 30, 2025 by way of a US$100,000 non-refundable deposit on signing (received), with the US$1,000,000 balance paid at closing;
ii. Pay the remaining consideration owing under the agreement by one of two paths:

    a) Plan A: Payment of US$4,050,000 on or before July 31, 2027, consistent with the Final Cash Payment that would have been payable under the high-gold-price escalator in the original agreement; or

    b) Plan B (default if Plan A is not paid): Four milestone-linked payments totaling US$6,000,000, each payable on the earlier of a defined project milestone (community agreement registration, issuance of the Initiation of Activities Permit, commencement of mill development, and mill completion or commencement of production) and a fixed outside date in 2028, 2029, 2031, and 2033 respectively. The outside dates apply whether or not the underlying milestone has occurred and are not subject to force majeure.

(g) 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.

(h) 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 IRC 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, IRC'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.

7. EXPLORATION AND EVALUATION ASSETS (continued)

(i) 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 IRC for $50,000.

(j) 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.

8. RELATED PARTY TRANSACTIONS

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

	August 31, 2026	February 28, 2026
Directors or officers of the Company	$ 225,645	$ 169,012

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 Six Months Ended	
	August 31, 2026	August 31, 2025
Professional fees	$ 36,000	$ 55,335

Key management personnel compensation:

	For the Six Months Ended	
	August 31, 2026	August 31, 2025
Management fees	$ 168,020	$ 168,124
Management fees capitalized to mineral properties	37,800	37,515
Management stock-based compensation	87,091	114,634
	$ 292,911	$ 320,273

As at August 31, 2026, the Company had advanced $1,140 (February 28, 2026 - $3,391) 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.

9. CAPITAL STOCK AND CONTRIBUTED SURPLUS

(a) Share Issuances

Authorized: Unlimited common shares

During the six months ended August 31, 2026:

i. 150,000 common shares were issued with a deemed value of $23,250 per a finder's fee agreement related to the sale of the Soledad property;

ii. 500,000 common shares were issued upon the exercise of 500,000 PSUs. $55,000 was transferred from contributed surplus to share capital, being the fair value of the PSUs exercised; and

iii. 2,333 common shares were issued upon the exercise of share purchase warrants for gross proceeds of $280. $183 was transferred from contributed surplus to share capital, being the fair value of the warrants exercised.

During the year ended February 28, 2026:

iii. 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 were issued and exercisable for a period of 36 months from the date of issuance (the "Closing Date") and 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. 425,000 shares were issued upon the exercise of 425,000 incentive stock options at a weighted average price of $0.11 for gross proceeds of $46,500. $34,722 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 $0.19 (2025 – $nil).

iii. 945,000 shares were issued upon the exercise of 945,000 performance share units (the "PSUs"). $103,950 was transferred from contributed surplus to share capital, being the fair value of the PSUs exercised.

9. CAPITAL STOCK AND CONTRIBUTED SURPLUS (continued)

(b) Stock Options

At the Company's Annual and Special General Meeting (the "Meeting") held April 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").

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 six months ended August 31, 2026:</u>

During the six months ended August 31, 2026, the Company recognized stock-based compensation of $92,075 (2025 - $120,544) in respect of stock options granted and vested during the six months ended August 31, 2026.

9. CAPITAL STOCK AND CONTRIBUTED SURPLUS (continued)

(b) Stock Options (continued)

During the year ended February 28, 2026:

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.

During the year ended February 28, 2026, the Company recognized stock-based compensation of $243,523 (2025 - $65,166) in respect of stock options granted and vested during the year.

425,000 incentive stock options were exercised for gross proceeds of $46,500. $34,722 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 $0.19 (2025 – $nil).

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, 2025	7,202,500	$ 0.11
Granted	3,000,000	0.19
Exercised	(425,000)	0.11
Expired	(1,815,000)	0.10
Outstanding at February 28, 2026 and August 31, 2026	7,962,500	$ 0.14

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, 2026:

	For the Year Ended February 28, 2026
Risk-free interest rate	2.96%
Expected life of options	5 years
Annualized volatility	141.00%
Dividend rate	N/A

9. CAPITAL STOCK AND CONTRIBUTED SURPLUS (continued)

(b) Stock Options (continued)

At August 31, 2026, 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
3,962,500	$0.11	December 5, 2027
1,000,000	$0.15	April 15, 2029
500,000	$0.12	June 17, 2030
2,500,000	$0.20	June 17, 2030
7,962,500		

The weighted average remaining life of the outstanding incentive stock options at August 31, 2026 was 2.39 years (February 28, 2026 – 2.89 years).

(c) Performance Share Units

During the six months ended August 31, 2026, the Company recognized stock-based compensation of $22,880 (2025 - $27,500) in respect of PSUs granted and vested during the six months ended August 31, 2026. During the same period, 500,000 PSUs vested and exercised into common shares.

During the year ended February 28, 2026, 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 vested 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. During the year ended February 28, 2026, 55,000 PSUs expired due to key performance indicators not being met, and a total of 945,000 PSUs vested and exercised into common shares.

(d) Share Purchase Warrants

Share purchase warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at February 29, 2025	-	$ -
Issued	4,516,632	0.15
Outstanding at February 28, 2026	4,516,632	$ 0.15
Exercised	(2,333)	0.12
Outstanding at August 31, 2026	4,514,299	$ 0.15

9. CAPITAL STOCK AND CONTRIBUTED SURPLUS (continued)

(d) Share Purchase Warrants (continued)

At August 31, 2026, the Company had the following share purchase warrants outstanding entitling the holders thereof to acquire the following common shares in the Company:

Number of Warrants	Exercise Price	Expiry Date
135,133	$0.12	May 8, 2027
4,379,166	$0.15*	May 8, 2028
4,514,299		

* The exercise price of these warrants is $0.15 per share until May 8, 2027, and $0.20 thereafter until expiry.

The weighted average remaining life of the outstanding warrants at August 31, 2026 was 1.64 years.

The fair value of the 137,466 finders' warrants issued in May 2025 has been estimated to be $10,792 using the Black-Scholes Option-Pricing Model with the following weighted-average assumptions:

	For the Year Ended February 28, 2026
Risk-free interest rate	2.58%
Expected life of options	2 years
Annualized volatility	141.00%
Dividend rate	N/A

10. 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 August 31, 2026 and as at February 28, 2026 are all classified as Level 1.

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

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. 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.

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 August 31, 2026, the Company had a cash balance of $12,080 to settle current liabilities of $393,333. 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 August 31, 2026, the Company had not invested 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 and accounts payable and accrued liabilities that are denominated in United States Dollars and Peruvian Soles. As at February 28, 2026, approximately 42% of the Company's cash and 7% of its liabilities are denominated in United States Dollars and/or Peruvian Soles.

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

(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.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

As at August 31, 2026, there was $11,986 (February 28, 2026 - $20,489) of exploration and evaluation assets included in accounts payable and accrued liabilities.

During the six months ended August 31, 2026, amortization expense of $Nil (August 31, 2025 – $5,272) was capitalized to exploration and evaluation assets.

12. 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.

12. CAPITAL MANAGEMENT (continued)

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 six months ended August 31, 2026 and during the year ended February 28, 2026.

13. 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:

	As at August 31, 2026	As at February 28, 2026
Non-current assets:		
Peru	$ 6,314,180	$ 5,972,018

	For the Six Months Ended	
	August 31, 2026	August 31, 2025
Comprehensive income (loss):		
Canada	$ (267,002)	$ (602,218)
Peru	413,056	33,018
	$ 146,054	$ (569,200)

14. SUBSEQUENT EVENTS

Subsequent to August 31, 2026:

i. the Company received US $200,000 per the terms of the terms of the Definitive Agreement as defined in Note 7(e);