



Western Metallica Resources Corp.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian Dollars)

(Unaudited)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim consolidated financial statements of the Company 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 interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada (CPA Canada) for a review of interim financial statements by an entity's auditor.

Western Metallica Resources Corp.
Condensed Interim Consolidated Statements of Financial Position
Expressed in Canadian Dollars
(Unaudited)

As at:	Note	September 30, 2025 \$	December 31, 2024 \$
ASSETS			
Current			
Cash and cash equivalents		61,026	39,944
Amounts receivable		11,368	37,794
Prepaid expenses		4,170	56,700
Total current assets		76,564	134,438
Long-term			
Restricted cash		-	10,000
Reclamation deposit		131,714	120,399
Total assets		208,278	264,837
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8,10	448,691	602,000
Bridge loan	9	290,010	-
Total liabilities		738,701	602,000
SHAREHOLDERS' (DEFICIENCY)/EQUITY			
Common shares	5	9,581,188	9,581,188
Warrant reserve	6	216,540	216,540
Option reserve	6	395,365	655,114
RSU reserve	6	25,465	-
Deficit		(10,748,981)	(10,790,005)
Total shareholders' (deficiency)		(530,423)	(337,163)
Total liabilities and shareholders' (deficiency)		208,278	264,837
Nature of operations and going concern	1		
Commitments and contingencies	4,12		
Subsequent events	13		

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 28, 2025.

Approved on behalf of the Board of Directors:

Signed: "Gregory Duras", Director

Signed: "Roxanne Gelineau", Director

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

Western Metallica Resources Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars

(Unaudited)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2025	2024	2025	2024
		\$	\$	\$	\$
Expenses					
Project evaluation expenses	4	(234,839)	388,376	24,152	1,449,786
Salaries and benefits	10	31,500	54,612	81,793	207,943
Consulting and management fees	10	12,000	28,690	31,605	187,045
Professional fees		17,092	40,706	60,413	74,315
Share-based compensation	6	6,386	1,133	25,465	12,258
Office and general		17,116	19,174	92,471	104,435
Income (Loss) for the period before other items		150,745	(532,691)	(315,899)	(2,035,782)
Other items					
Interest income		5	16,807	274	33,089
Other income	4	150,000	-	150,000	-
Interest expense	9	(7,294)	-	(17,865)	-
Foreign exchange (gain)/loss		(33,733)	7,589	(35,235)	19,100
Net Income (loss) and comprehensive income (loss)		259,723	(508,295)	(218,725)	(1,983,593)
Basic and diluted (loss) per share		\$ 0.03	\$ (0.01)	\$ (0.03)	\$ (0.03)
Weighted average number of common shares outstanding					
Basic and Diluted		8,256,199	7,172,863	8,256,199	7,172,863

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

Western Metallica Resources Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' (Deficiency)/Equity

Expressed in Canadian Dollars

(Unaudited)

	Number of shares #	Common Shares \$	Warrant Reserve \$	Option Reserve \$	RSU Reserve \$	Deficit \$	Shareholders' (Deficiency) \$
Balance, December 31, 2024	8,256,199	9,581,188	216,540	655,114	-	(10,790,005)	(337,163)
Share based compensation	-	-	-	-	25,465	-	25,465
Options expired during the period	-	-	-	(259,749)	-	259,749	-
Loss and comprehensive loss for the period	-	-	-	-	-	(218,725)	(218,725)
Balance, September 30, 2025	8,256,199	9,581,188	216,540	395,365	25,465	(10,748,981)	(530,423)

	Number of shares #	Common Shares \$	Warrant Reserve \$	Option Reserve \$	RSU Reserve \$	Deficit \$	Shareholders' equity \$
Balance, December 31, 2023	7,172,863	9,420,480	401,491	646,179	-	(8,151,502)	2,316,648
Share-based compensation	-	-	-	12,258	-	-	12,258
Warrants expired during the period	-	-	(318,451)	-	-	318,451	-
Loss and comprehensive loss for the period	-	-	-	-	-	(1,983,593)	(1,983,593)
Balance, September 30, 2024	7,172,863	9,420,480	83,040	658,437	-	(9,816,644)	345,313

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

Western Metallica Resources Corp.
Condensed Interim Consolidated Statements of Cash Flows
Expressed in Canadian Dollars
(Unaudited)

		Nine months ended September 30,	
	Note	2025	2024
		\$	\$
Cash (used in)/provided by:			
Operating activities			
(Loss) for the year		(218,725)	(1,983,593)
Items not involving cash:			
Share-based compensation	6	25,465	12,258
Changes in non cash working capital:			
Change in amounts receivable		26,426	136,722
Change in prepaid expenses		52,530	(42,928)
Change in accounts payable and accrued liabilities		(153,309)	28,646
Net cash (used in) operating activities		(267,613)	(1,848,895)
Investing activities			
Change in restricted cash		10,000	-
Reclamation deposit		(11,315)	(28,924)
Net cash (used in) provided by investing activities		(1,315)	(28,924)
Financing activities			
Bridge loan	9	290,010	-
Net cash provided by financing activities		290,010	-
Change in cash and cash equivalents		21,082	(1,877,819)
Cash and cash equivalents, beginning of period		39,944	2,280,406
Cash and cash equivalents, end of period		61,026	402,587

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Notes to the Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and 2024

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1. NATURE OF OPERATIONS AND GOING CONCERN

Western Metallica Resources Corp. (the “Company”, or “Western Metallica”) was incorporated on September 28, 2020 as a Province of British Columbia registered corporation pursuant to the *Business Corporations Act of British Columbia*. On November 21, 2022, the Company was continued into the Province of Ontario under the Business Corporations Act of Ontario. The Company commenced trading as a Tier 2 Mining Issuer on the TSX Venture Exchange (“TSXV”) on April 19, 2022 under the trading symbol “WMS”.

The Company is currently engaged in the acquisition, exploration, and development of mineral properties in Spain and Peru. The head office and principal address of the Company is 93 Ridley Blvd., Toronto, Ontario, M5M 3L6.

The Company owns the following subsidiaries:

- A 100% interest in Western Metallica Corp., a company incorporated on September 18, 2018 as a Province of Ontario registered corporation pursuant to the *Business Corporations Act of Ontario*. Western Metallica Corp. owns 100% of Western Metallica Espana, a company incorporated on May 18, 2016 in Spain, which in turn owns 100% of Asminarq S.L. (“Asminarq”), a company incorporated on February 12, 2013 in Spain.
- A 100% interest in Consolidated Copper Corp., a company incorporated on September 20, 2022, as a Province of Ontario registered corporation pursuant to the *Business Corporations Act of Ontario*. Consolidated Copper Corp. owns 100% of Green Rock Copper SAC, a company incorporated on June 30, 2023 in Peru.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that the current exploration programs will result in profitable operations.

The Company is in the process of exploring its mineral exploration properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The recoverability of exploration and evaluation expenditures is dependent upon the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition of these assets.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, and non-compliance with regulatory and environmental requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

As at September 30, 2025, the Company had continued losses, a working capital deficit of \$662,137 (December 31, 2024 – \$457,562) and an accumulated deficit of \$10,748,981 (December 31, 2024 - \$10,790,005). The Company has a need for equity financing for working capital and exploration and development of its properties. Because of continuing operating losses, the Company’s continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. The above factors indicate that material uncertainty exists that cast significant doubt on the Company’s ability to continue as a going concern.

These condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets

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and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material.

Approval of the consolidated financial statements

These condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2025 and 2024 were reviewed, approved and authorized for issue by the Board of Directors of the Company on November 28, 2025.

2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Handbook of Chartered Professional Accountants of Canada applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting. These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements as at and for the year ended December 31, 2024. In particular, the Company’s significant accounting policies were summarized in Note 3 of the financial statements for the year ended December 31, 2024, and have been consistently applied in the preparation of these condensed interim consolidated financial statements. These unaudited condensed interim consolidated financial statements were prepared on a going concern basis.

3. NEW ACCOUNTING POLICIES

Share-based payments

The Company’s restricted share unit (“RSU”) plan allows Company employees, directors, officers and consultants to acquire common shares of the Company. The fair value of RSU’s granted is recognized as a share-based payment expense with a corresponding increase in equity reserves.

RSUs that the Company intends to settle through the issuance of common shares are expensed over the vesting period on a straight-line basis based on the grant date fair value and are not remeasured. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options and RSU’s that are expected to vest.

4. PROJECT EVALUATION EXPENSES

The Company holds certain property interests for gold exploration in Asturias, Spain and for polymetallic exploration in the Autonomous Region of Andalusia, Spain.

a) Penedela Property

During 2019, the Company entered into an option agreement with Asminarq, to earn up to 100% of the rights to the Penedela Property. Asminarq is the company that currently owns the mining rights. The property is located in the west of Asturias, Spain, in the council area of Ibias, and was granted by the Asturian Mines (Minas de Asturias) authority to cover the exploration for gold, silver, lead and zinc.

On February 14, 2022, Western Metallica entered into a purchase agreement (the “Purchase Agreement”) with Asminarq, superseding the above-mentioned agreement whereby Western Metallica acquired 100% of Asminarq pursuant to the following terms:

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- Payment from Western Metallica to the Asminarq shareholders in the amount of €105,000 (\$147,420) upon signature of the Purchase Agreement, including €5,000 to extend the agreement (€13,000 (\$19,330) paid in 2021 and €92,000 (\$128,090) paid on March 4, 2022);
- The issuance of 2,000,000 post-share split Western Metallica common shares to the Asminarq shareholders (1,271,242 pre-share split Western Metallica common shares, issued on April 13, 2022);
- If Western Metallica completes a NI43-101-compliant resource of one million ounces of gold in a defined target area, Western Metallica will pay Asminarq shareholders €500,000, plus an additional €0.50 per additional ounce, over and above the one million ounces of gold, up to two million ounces of gold; and
- Asminarq shareholders will retain a 2% Net Smelter Return (“NSR”), of which 1% (half) of the NSR may be purchased by Western Metallica for €400,000 at any time.

The prospecting license original granted on February 15, 2016, was extended for the Company and expires on August 17, 2026.

Exploration expenditures incurred are detailed in the table below.

b) Nueva Celti Property

The Nueva Celti Property is located in the autonomous region of Andalucia, Spain. On January 30, 2019, the application for the Nueva Celti prospecting license was registered with the Seville mining office in the municipality of Penaflor. The prospecting licence was granted December 21, 2021 and expired December 21, 2024. The Company is currently awaiting the renewal of the licence.

On August 18, 2025, the Company entered into a non-binding letter of intent (the “LOI”) with Emerita Resources Corp. (“Emerita”) pursuant to which it is proposed that Emerita would acquire the Company’s Spanish subsidiary Western Metallica, S.L. (“WMS Spain”), which holds 100% ownership of the Nueva Celti project.

Pursuant to the LOI, in order to acquire the 100% interest in WMS Spain, Emerita must pay to the Company \$150,000 cash and \$250,000 to be settle in Emerita shares using the closing price per Emerita share on the day prior to the execution of a binding share purchase agreement between the parties. The terms of the final agreement may differ. This transaction remains subject to obtaining a three-year extension to the exploration permit(s) on the Nueva Celti concession, entering into a binding share purchase agreement, TSX Venture Exchange approval including disinterested shareholders’ approval and evidence of value demonstration if necessary, as well as other customary closing conditions.

Emerita is considered to be a non-arm’s length party to the Company as Greg Duras, the Company’s CEO, is Emerita’s Chief Financial Officer.

c) Caña Brava Project

The Caña Brava Project is located in La Libertad Province in Peru. The copper-molybdenum project is comprised of certain exploration concessions.

On June 10, 2025, the Company announced it terminated its option to acquire 100% of the mineral claims, rights and interests in the Caña Brava Project.

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d) Turmalina Project

On August 21, 2024, the Company announced that it dropped its interests in the Turmalina Project.

Project evaluation expenses are detailed in the following table:

Nine months ended September 30, 2025	Spain	Peru		Total
		Turmalina	Caña Brava	
Labour	\$ -	\$ -	\$ 148,962	\$ 148,962
Project overhead costs	14,927	-	(139,737)	(124,810)
Total project evaluation expenses	\$ 14,927	\$ -	\$ 9,225	\$ 24,152

Nine months ended September 30, 2024	Spain	Peru		Total
		Turmalina	Caña Brava	
Option payments	\$ -	\$ -	\$ 177,970	\$ 177,970
Labour	5,924	-	521,302	527,226
Technical	-	-	69,943	69,943
Project overhead costs	95,469	84,899	494,279	674,647
Total project evaluation expenses	\$ 101,393	\$ 84,899	\$ 1,263,494	\$ 1,449,786

5. COMMON SHARES

Authorized

As at September 30, 2025, the authorized share capital consisted of an unlimited number of common shares without par value.

Common Shares Issued

	Number of shares	
	outstanding	Amount
Balance, December 31, 2023	7,172,864	\$ 9,420,480
Private placement (ii)	1,083,335	-
Share issue costs	-	(34,292)
Balance, December 31, 2024	8,256,199	\$ 9,386,188
Balance, September 30, 2025	8,256,199	\$ 9,386,188

- (i) These condensed interim financial statements reflect the 10:1 share consolidation approved by the board of directors on July 2, 2025.
- (ii) On November 13, 2024, the Company closed a private placement financing by issuing 1,083,335 units at a price of \$0.30 per unit for gross proceeds of \$325,000.

Each unit entitled the holder thereof to automatically receive one common share and one common share purchase Warrant. Each Warrant will entitle the holder to purchase one common share at a price of \$0.06 at any time on or before November 13, 2026. The fair value of the 1,083,335 warrants was estimated at \$130,000 using the Black-Scholes option pricing model with the following assumptions: stock price \$0.25; exercise price \$0.60; risk-free interest rate 3.17%; annualized volatility 128%; expected dividend yield 0%; and expected life of 2 years.

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A total of 29,167 broker warrants, each exercisable to acquire one common share at a price of \$0.60 for a period of 24 months, were issued in connection with the offering. The fair value of the broker warrants issued was estimated at \$3,500 using the Black-Scholes option pricing model with the following assumptions: stock price \$0.25; exercise price \$0.60; risk-free interest rate 3.17%; annualized volatility 128%; expected dividend yield 0%; and expected life of 2 years.

A finders fee of \$8,750 was paid for the financing.

Officers and Directors of the Company subscribed for 247,502 units, generating gross proceeds of \$74,250.

6. EQUITY RESERVES

Warrants

The changes in warrants issued during the nine months ended September 30, 2025 and the year ended December 31, 2024, are as follows:

	Number of warrants	Weighted average exercise price	Value of warrants issued
Balance, December 31, 2023	833,021	\$ 1.27	\$ 401,491
Expired, April 2024	(293,021)	1.90	(208,951)
Expired, August 2024	(500,000)	1.00	(109,500)
Granted, November 2024	1,083,335	0.60	130,000
Granted, November 2024 - Broker warrants	29,167	0.60	3,500
Balance, December 31, 2024	1,152,502	\$ 0.58	\$ 216,540
Balance, September 30, 2025	1,152,502	\$ 0.58	\$ 216,540

The following table summarizes the warrants outstanding as of September 30, 2025:

Number of warrants outstanding	Number of warrants exercisable	Grant date	Expiry date	Exercise price	Share price	Estimated fair value at grant date	Volatility	Risk-free interest rate	Expected life	Expected dividend yield
#	#			\$	\$	\$			Years	
40,000	40,000	12-Apr-22	5-Oct-26	1.00	2.40	83,040	122%	2.52%	4.48	0%
1,083,335	1,083,335	13-Nov-24	13-Nov-26	0.60	0.25	130,000	128%	3.17%	2.00	0%
29,167	29,167	13-Nov-24	13-Nov-26	0.60	0.25	3,500	128%	3.17%	2.00	0%
1,152,502	1,152,502			0.61		216,540			2.09	

The weighted-average remaining contractual life of the warrants as of September 30, 2025, is 1.12 years (December 31, 2024 – 1.86 years).

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Options

Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company, enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of 10 years and are subject to vesting provisions as determined by the Board of Directors of the Company. The changes in stock options issued during the nine months ended September 30, 2025 and the year ended December 31, 2024, are as follows:

	Number of options	Weighted average exercise price	Value of options
Balance, December 31, 2023	610,000	\$ 1.53	\$ 646,179
Vested	-	-	3,398
Grant, February 2024	20,000	0.60	8,860
Expired, October 2024	(7,500)	0.60	(3,323)
Balance, December 31, 2024	622,500	\$ 1.51	\$ 655,114
Expired, March 2025	(20,000)	\$ 0.60	\$ (9,060)
Expired, June 2025	(95,000)	\$ 1.13	\$ (66,686)
Expired, September 2025	(132,500)	\$ 1.75	\$ (184,003)
Balance, September 30, 2025	375,000	\$ 1.57	\$ 395,365

On February 9, 2024, the Company granted at total of 200,000 stock options to consultants of the Company pursuant to its stock option plan. The options vested immediately and may be exercised at a price of \$0.06 per option until February 9, 2029. The fair value of the stock options issued was estimated at \$5,504 using the Black-Scholes pricing model with the following assumptions: expected dividend yield of 0%, share price of \$0.055, expected volatility of 113% based on volatilities of comparable companies, risk-free rate of 3.65% and expected average life of 5 years.

During the three and nine months ended September 30, 2025, \$nil (three and nine months ended September 30, 2024 - \$1,133 and \$12,258, respectively) in share-based compensation was recognized in the consolidated statements of loss.

During the nine months ended September 30, 2025, 247,500 stock options expired unexercised (2024 – nil).

Options outstanding as of September 30, 2025 are as follows:

Number of options outstanding	Number of options exercisable	Grant date	Expiry date	Exercise price	Share price	Estimated fair value of vested grants	Volatility	Risk-free interest rate	Expected life	Expected dividend yield
#	#			\$	\$	\$			Years	
210,000	210,000	25-May-22	25-May-27	2.00	1.80	309,120	119%	2.60%	5.00	0%
50,000	50,000	20-Oct-22	20-Oct-27	2.00	0.90	34,150	120%	3.84%	5.00	0%
115,000	115,000	30-Aug-23	30-Aug-28	0.60	0.55	52,095	118%	3.90%	5.00	0%
375,000	375,000			1.57		395,365			5.00	

As of September 30, 2025, the weighted-average remaining contractual life of the options is 2.09 years (December 31, 2024 – 2.88 years) and the weighted-average exercise price is \$1.57 (December 31, 2024 - \$1.53).

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Restricted Share Units

The Company's restricted share unit ("RSU") plan allows Company employees, directors, officers and consultants to acquire common shares of the Company. The fair value of RSUs granted is recognized as a share-based payment expense with a corresponding increase in equity reserves.

Fair value is measured at grant date. RSUs that the Company intends to settle through the issuance of common shares are expensed over the vesting period on a straight-line basis based on the grant date fair value and are not remeasured. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of RSU's that are expected to vest.

As at September 30, 2025, the Company had RSUs outstanding as follows:

Issue date	Vesting date	Number of RSUs	Fair value of RSUs vested
January 16, 2025	December 1, 2025	63,333	14,043
January 16, 2025	December 1, 2026	63,334	6,873
January 16, 2025	December 1, 2027	63,333	4,549
		190,000	25,465

RSU activity during the nine months ended September 30, 2025 and the year ended December 31, 2024, is as follows:

	Number of RSUs #	Weighted average grant price \$	Fair value of RSUs vested \$
Balance, December 31, 2023 and 2024	-	-	-
Grant, January 2025	455,000	0.30	25,465
Forfeited, March 2025	(45,000)	-	-
Forfeited, June 2025	(190,000)	-	-
Forfeited, September 2025	(30,000)	-	-
Balance, September 30, 2025	190,000	0.30	25,465

On January 16, 2025, the Company granted 455,000 Restricted Share Units ("RSUs") to certain officers, directors, employees and consultants. The RSUs vest 1/3 on December 1, 2025, 1/3 on December 1, 2026 and 1/3 on December 1, 2027. Officers and directors were granted 215,000 RSUs.

During the nine months ended September 30, 2025, 265,000 RSUs were forfeited.

For the three and nine months ended September 30, 2025, the Company recorded share-based compensation of \$6,386 and \$25,465, respectively for RSUs (2024 - \$nil).

7. CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. The Board 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 Company considers its capital to consist of common shares, warrant reserve and option reserve.

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The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and evaluation and pay for administrative costs, the Company must raise additional amounts.

The Company may continue to assess new properties and may 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. There were no significant changes in the Company's approach to capital management during the nine months ended September 30, 2025.

The Company and its subsidiaries are not subject to any capital requirements imposed by a lending institution or regulatory body, other than the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months.

As at September 30, 2025, the Company was not compliant with the policies of the TSXV. The Company's management is considering alternative short-term financing in order to meet its future liabilities and remain compliant with the TSXV (see Note 11). Any consequence of non-compliance are at the discretion of the TSXV.

8. FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value on the condensed interim consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company's financial instruments include cash and cash equivalents, restricted cash, amounts receivable, and accounts payable and accrued liabilities. The carrying values of these financial instruments reported in the consolidated statement of financial position approximate their respective fair values due to the relatively short-term nature of these instruments. As at September 30, 2025, the Company had no financial instruments carried at fair value within the fair value hierarchy.

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

(a) *Credit risk*

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

Trade credit risk

The Company is not exposed to significant trade credit risk.

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Cash and cash equivalents

In order to manage credit and liquidity risk the Company's policy is to invest only in highly rated, investment grade instruments. Limits are also established based on the type of investment, the counterparty, and the credit rating.

(b) *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's foreign currency risk arises primarily with respect to the Euro from its property interests in Spain, Peruvian Sol ("PSol") from its property interest in Peru, and US dollars from operations. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

As at September 30, 2025 and December 31, 2024, the Company had the following financial instruments denominated in foreign currency (expressed in Canadian dollars):

September 30, 2025

	Euros	Peruvian Sol	US Dollars
Cash	\$ 203	\$ 354	\$ 5,444
Amounts receivable	3,500	-	-
Accounts payable and accrued liabilities	(4,749)	(26,146)	(95,998)
	\$ (1,046)	\$ (25,792)	\$ (90,554)

December 31, 2024

Cash	\$ 17,113	\$ 1,450	\$ 4,019
Amounts receivable	17,956	40,617	-
Accounts payable and accrued liabilities	(29,057)	(116,673)	(255,250)
	\$ 6,012	\$ (74,606)	\$ (251,231)

A 10% strengthening (weakening) of the Canadian dollar against the Euro would decrease (increase) net loss by approximately \$100 (December 31, 2024 - \$600).

A 10% strengthening (weakening) of the Canadian dollar against the PSol would increase (decrease) net loss by approximately (\$2,600) (December 31, 2024 - (\$7,500)).

A 10% strengthening (weakening) of the Canadian dollar against the US dollar would decrease (increase) net loss by approximately (\$9,100) (December 31, 2024 - (\$25,100)).

(c) *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2025, the Company had a cash and cash equivalents balance of \$61,026 (December 31, 2024 - \$39,944) to settle current liabilities of \$738,701 (December 31, 2024 - \$602,000). The Company's trade payables have contractual maturities of less than 30 days and are subject to normal trade terms.

(d) *Commodity / equity 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

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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 monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Commodity price risk is remote as the Company is not a producing entity.

9. BRIDGE LOAN

On January 13, 2025, the Company received a bridge loan for financing up to \$300,000 ("Bridge Loan") from its Chief Executive Officer and Director. The Bridge Loan bears interest at 10% per annum and due in cash on the earlier of June 30, 2025; or the date upon which the Company secures funding (whether by debt, equity, or otherwise) of an amount equal or greater to the Bridge Loan. The Company can repay any and all amounts under the Bridge Loan at any time without penalty. The Bridge Loan is unsecured, and no securities will be issued in connection with the Bridge Loan. As of September 30, 2025, \$290,010 was drawn on this facility plus accrued interest of \$17,865.

10. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. During the three and nine months ended September 30, 2025, and 2024, the remuneration of directors and other key management personnel is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Salaries and benefits	\$ 31,500	\$ 51,294	\$ 81,793	\$ 193,883
Consulting fees	-	34,008	-	198,247
Share-based compensation	3,784	-	10,722	-
Total	\$ 35,284	\$ 85,302	\$ 92,515	\$ 392,130

As at September 30, 2025, an amount of \$153,027, included in accounts payable and accrued liabilities, was owed to directors and officers of the Company (December 31, 2024 - \$87,210). The amounts outstanding on fees are unsecured, non-interest bearing, with no fixed terms or repayment.

On November 13, 2024, Officers and Directors of the Company subscribed for 247,502 units of the private placement, for gross proceeds of \$74,250.

See also Notes 4, 5, 6 and 9.

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11. SEGMENT INFORMATION

The Company conducts its business as a single operating segment, being mineral exploration and evaluation in Spain and Peru. The following table summarizes the total assets and liabilities by geographic area as at September 30, 2025 and December 31, 2024:

September 30, 2025	Spain	Peru	Canada	Total
Cash and cash equivalents	\$ 203	\$ 3,431	\$ 57,392	\$ 61,026
Amounts receivable	3,500	-	7,868	11,368
Prepaid expenses	-	-	4,170	4,170
Reclamation deposit	131,714	-	-	131,714
Total assets	\$ 135,417	\$ 3,431	\$ 69,430	\$ 208,278
Accounts payable and accrued liabilities	\$ (947)	\$ 121,685	\$ 327,953	\$ 448,691
Bridge loan	-	-	290,010	290,010
Total liabilities	\$ (947)	\$ 121,685	\$ 617,963	\$ 738,701
December 31, 2024	Spain	Peru	Canada	Total
Cash	\$ 17,113	\$ 5,017	\$ 17,814	\$ 39,944
Amounts receivable	17,956	9,981	9,857	37,794
Prepaid expenses	-	4,832	51,868	56,700
Restricted cash	-	-	10,000	10,000
Reclamation deposit	120,399	-	-	120,399
Total assets	\$ 155,468	\$ 19,830	\$ 89,539	\$ 264,837
Accounts payable and accrued liabilities	\$ 17,520	\$ 394,101	\$ 190,379	\$ 602,000
Total liabilities	\$ 17,520	\$ 394,101	\$ 190,379	\$ 602,000

The following table summarizes the loss by geographic area for the nine months ended September 30, 2025 and 2024:

September 30, 2025	Spain	Peru	Canada	Total
Project evaluation expenses	\$ 14,927	\$ 9,225	\$ -	\$ 24,152
General and administrative expenses	-	-	291,747	291,747
Interest income	-	-	(274)	(274)
Other income	-	-	(150,000)	(150,000)
Interest expense	-	-	17,865	17,865
Foreign exchange loss/(gain)	(27,921)	61,211	1,945	35,235
Net loss and comprehensive loss	\$ (12,994)	\$ 70,436	\$ 161,283	\$ 218,725
September 30, 2024	Spain	Peru	Canada	Total
Project evaluation expenses	\$ 95,469	\$ 1,354,317	\$ -	\$ 1,449,786
General and administrative expenses	-	-	585,996	585,996
Interest income	-	-	(33,089)	(33,089)
Foreign exchange (gain)	(8,422)	(8,331)	(2,347)	(19,100)
Net loss and comprehensive loss	\$ 87,047	\$ 1,345,986	\$ 550,560	\$ 1,983,593

12. COMMITMENTS AND CONTINGENCIES

Environmental

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more

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restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make expenditures to comply with such laws and regulations.

General

The Company may be subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable.

Management Contracts

The Company is party to certain employment and consulting contracts. These contracts contain minimum commitments of approximately \$76,500 with regards to termination pay and additional contingent payments of up to approximately \$273,000 upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed interim consolidated financial statements.

Minimum commitments under these contracts due within one year are \$126,000.

13. SUBSEQUENT EVENTS

Debt settlement

On November 20, 2025, the Company entered into a debt settlement agreement with a supplier to settle an aggregate amount of USD \$13,648 through the issuance of 180,000 common shares at a deemed price of \$0.065 and a cash payment of USD \$6,000.

Closing of the Shares for Debt Transaction is subject to customary closing conditions, including the approval of the TSXV. The Common Shares to be issued pursuant to the Shares for Debt Transaction will be subject to a hold period of four months and one day following the date of issuance, in accordance with applicable securities laws and TSXV policies.

Option expiration

Subsequent to September 30, 2025, 224,000 option expired unexercised.