
MONTERO MINING AND EXPLORATION LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**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

The accompanying unaudited condensed interim consolidated financial statements of Montero Mining and Exploration Ltd. (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 the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity’s auditor.

MONTERO MINING AND EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

	Notes	As at September 30, 2025	As at December 31, 2024
		\$	\$
ASSETS			
Current assets			
Cash		202,016	417,527
Investments	4	2,393,555	505,926
Other receivables	6	2,904	19,932,142
Prepaid expenses and deposits		57,871	42,421
Total current assets		2,656,346	20,898,016
Non-current assets			
Plant and equipment	5	3,078	4,925
Exploration and evaluation assets	6	992,470	768,625
Total non-current assets		995,548	773,550
TOTAL ASSETS		3,651,894	21,671,566
LIABILITIES			
Current liabilities			
Trade and other payables	7,10	172,354	528,734
Loans payable	8,10	-	216,986
Total current liabilities		172,354	745,720
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital		20,475,994	20,475,994
Dividends paid		(15,036,893)	-
Share based payment reserve	9	10,287,552	10,285,783
Foreign currency translation reserve		1,047,560	1,047,560
Accumulated deficit		(13,294,673)	(10,883,491)
Total shareholders' equity		3,479,540	20,925,846
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		3,651,894	21,671,566

Note 1 – Nature and continuance of operations

Note 15 – Subsequent events

On behalf of the Board:

"Antony Harwood"
Antony Harwood, Director

"Andrew Thomson"
Andrew Thomson, Director

See accompanying notes to the condensed interim consolidated financial statements.

MONTERO MINING AND EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian dollars)

		Three Months ended September 30, 2025	Three Months ended September 30, 2024	Nine Months ended September 30, 2025	Nine Months ended September 30, 2024
	Notes	\$	\$	\$	\$
EXPENSES					
Consulting, administrative and management fees	10	80,942	46,458	1,461,766	150,086
Directors' fees	10	9,875	-	29,625	-
Depreciation	5	616	-	1,847	431
General and administrative	10	39,552	17,313	132,361	77,315
Professional fees		23,990	149,071	126,129	181,831
Project investigation costs		147,960	1,494	219,394	8,307
Shareholder and regulatory		1,526	827	32,396	11,624
Stock-based compensation		1,769	1,449,233	1,769	1,449,233
OPERATING EXPENSES		(306,230)	(1,664,396)	(2,005,287)	(1,878,827)
OTHER ITEMS					
Reversal of payables		-	31,043	-	31,043
Interest income (expense), net	8	27,105	(2,333)	207,522	(8,616)
Gain on legal settlement	6	-	-	251,974	-
Loss on settlement of debt		-	-	-	(51,839)
Foreign exchange gain (loss)		18,489	(1,486)	(865,391)	(13,577)
TOTAL OTHER ITEMS		45,594	27,224	(405,895)	(42,989)
NET LOSS AND COMPREHENSIVE LOSS		(260,636)	(1,637,172)	(2,411,182)	(1,921,816)
Loss per share, basic and diluted					
	9	(0.03)	(0.21)	(0.29)	(0.25)
Weighted average number of shares outstanding					
		8,353,833	7,885,128	8,353,833	7,558,624

See accompanying notes to the condensed interim consolidated financial statements

MONTERO MINING AND EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(Unaudited - Expressed in Canadian dollars)

	Notes	Share Capital		Share Based Payment Reserve	Foreign Currency Translation Reserve	Dividends paid	Accumulated Deficit	Total Equity (Deficit)
		Number of shares	Amount					
			\$	\$	\$	\$	\$	\$
Balance, December 31, 2023		6,441,248	18,116,063	8,836,549.00	1,047,560	-	(28,760,552)	(760,380)
Shares issued for cash		1,695,782	2,107,203	-	-	-	-	2,107,203
Share issue costs		-	(114,767)	-	-	-	-	(114,767)
Shares issued for debt		216,803	251,839	-	-	-	-	251,839
Share based payment reserve		-	-	1,449,234	-	-	-	1,449,234
Net loss and comprehensive loss		-	-	-	-	-	(1,921,816)	(1,921,816)
Balance, September 30, 2024		8,353,833	20,360,338	10,285,783	1,047,560	-	(30,682,368)	1,011,313
Share issue costs		-	(3,237)	-	-	-	-	(3,237)
Shares issued for debt		-	118,893	-	-	-	-	118,893
Net income and comprehensive income		-	-	-	-	-	19,798,877	19,798,877
Balance, December 31, 2024		8,353,833	20,475,994	10,285,783	1,047,560	-	(10,883,491)	20,925,846
Dividends paid		-	-	-	-	(15,036,893)	-	(15,036,893)
Share based payment reserve	9	-	-	1,769	-	-	-	1,769
Net loss and comprehensive loss		-	-	-	-	-	(2,411,182)	(2,411,182)
Balance, September 30, 2025		8,353,833	20,475,994	10,287,552	1,047,560	(15,036,893)	(13,294,673)	3,479,540

The number of shares outstanding is presented giving effect to the Share Consolidation (Note 9).

See accompanying notes to the condensed interim consolidated financial statements.

MONTERO MINING AND EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian dollars)

	Nine Months ended September 30, 2025	Nine Months ended September 30, 2025
	\$	\$
OPERATING ACTIVITIES		
Net loss for the period	(2,411,182)	(1,921,816)
Adjustments for non-cash items:		
Depreciation	1,847	431
Interest expense	-	9,248
Interest income	209,154	(633)
Loss on settlement of debt	-	51,839
Stock-based payments	1,769	1,449,234
Net changes in non-cash working capital items:		
Other receivables	19,929,238	280
Prepaid expenses and deposits	(15,450)	12,584
Trade and other payables	(356,559)	(303,256)
Net cash provided by (used in) operating activities	17,358,817	(702,089)
INVESTING ACTIVITIES		
Short term investment	(2,096,783)	(500,000)
Expenditures on exploration and evaluation assets	(223,666)	(213,309)
Net cash used in investing activities	(2,320,449)	(713,309)
FINANCING ACTIVITIES		
Dividends paid	(15,036,893)	-
Proceeds from issuance of shares	-	2,107,203
Loans from related party	(216,986)	(60,928)
Share issue costs	-	(106,628)
Net cash (used in) provided by financing activities	(15,253,879)	1,939,647
Net increase in cash	(215,511)	524,249
Cash, beginning of the period	417,527	9,641
CASH, END OF THE PERIOD	202,016	533,890

Note 12 – Supplemental cash flow information.

See accompanying notes to the condensed interim consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Montero Mining and Exploration Ltd ("Montero" or the "Company") was incorporated on October 5, 2006, under the laws of British Columbia, Canada. Montero is engaged in the acquisition and exploration of mineral properties.

Montero is a publicly listed company with its shares listed on the TSX Venture Exchange ("TSX-V"). The Company's registered office is located at 1040 West Georgia Street, Suite 1900, Vancouver, BC, V6E 4H3 and its head office address is 789 West Pender Street, Suite 480, Vancouver, BC V6C 1H2.

Going Concern

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2025, the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. When further funds are required, they will be financed through a private placement of common shares or by debt instruments.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements of the Company. These condensed interim consolidated financial statements do not contain all of the information required for full annual consolidated financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's most recent annual consolidated financial statements for the year ended December 31, 2024, which were prepared in accordance with IFRS as issued by the IASB.

The preparation of condensed interim consolidated 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 of complexity, or areas where assumptions and estimates are significant to the condensed interim consolidated financial statements are disclosed in Note 3.

The condensed interim consolidated financial statements for the three and nine months ended September 30, 2025, were authorized for issue on November 28, 2025, by the Audit Committee of the Company.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on an accrual basis and are based on the historical cost basis as modified by any revaluation of financial assets measured at fair value. The condensed interim consolidated financial statements are presented in Canadian dollars ("CAD"), which is also the Company's functional currency.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Consolidation

The condensed interim consolidated financial statements include the accounts of Montero, the parent company, and its controlled subsidiaries, after the elimination of all intercompany balances and transactions. Control is achieved when the Company has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceased. The condensed interim financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Material accounting judgements, estimates and assumptions

The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on managements' experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Areas requiring a significant degree of estimation relate to the recoverability of deferred tax assets, fair value measurements of financial instruments and share-based payments.

4. INVESTMENTS

Included in investments are:

A \$500,000 one-year term deposit, cashable after 90 days, bearing interest at 4.20% per annum and maturing on September 19, 2025. During the nine months ended September 30, 2025, the Company redeemed \$150,000 of the term deposit. Interest of \$7,837 and \$11,501 was earned during the three and nine months ended September 30, 2025, respectively (three and nine months ended September 30, 2024 - \$Nil and \$Nil, respectively). On September 19, 2025, the Company re-invested \$367,467 into a high interest savings account, bearing interest of 2.75%.

A 30-day fixed-term deposit of \$17,251,198 (US\$12,000,000), bearing interest at 4.35% per annum and maturing on April 24, 2025. During the three and nine months ended September 30, 2025, the Company recorded a foreign exchange loss related to this investment of \$Nil and \$737,886, respectively (three and nine months ended September 30, 2024 - \$Nil and \$Nil, respectively) and \$Nil and \$176,538 in interest income, respectively (three and nine months ended September 30, 2024 - \$Nil and \$Nil, respectively). On June 25, 2025, the Company redeemed the investment.

A 91-day fixed term deposit of \$1,000,020, bearing interest at 3.25% per annum and maturing on September 29, 2025. During the three and nine months ended September 30, 2025, the Company earned \$8,187 and \$10,034, respectively, in interest income on the term deposit (three and nine months ended September 30, 2024 - \$Nil and \$Nil, respectively). On September 29, 2025, the Company re-invested \$1,000,020 in to a 1 year cashable after 30 days, bearing interest at 3.15%.

A 91-day fixed term deposit of \$1,003,682 (US\$735,675), bearing interest at 4.30% per annum and maturing on September 29, 2025. During the three and nine months ended September 30, 2025, the Company recorded a foreign exchange gain related to this investment of \$20,454 and a loss of \$18,027, respectively (three and nine months ended September 30, 2024 - \$Nil and \$Nil, respectively) and earned \$11,081 and \$11,081, respectively, in interest income (three and nine months ended September 30, 2024 - \$Nil and \$Nil, respectively). On September 29, 2025, the Company re-invested \$1,024,133 (US\$735,675) in to a GIC 1 year cashable after 30 days bearing interest at 3.15%.

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THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 and 2024
(Unaudited - Expressed in Canadian dollars)

5. PLANT AND EQUIPMENT

	Field Equipment	Computer Equipment	Total
	\$	\$	\$
Cost:			
Balance, September 30, 2025 and December 31, 2024	39,994	8,458	48,452
Accumulated Depreciation:			
Balance, December 31, 2024	39,994	3,533	43,527
Depreciation	-	1,847	1,847
Balance, September 30, 2025	39,994	5,380	45,374
Net Book Value			
Balance, December 31, 2024	-	4,925	4,925
Balance, September 30, 2025	-	3,078	3,078

6. EXPLORATION AND EVALUATION PROJECTS

Details of the Company's exploration and evaluation activities for the nine months ended September 30, 2025 and year ended December 31, 2024, are as follows:

	Avispa Copper Molybdenum Project	Elivira/Potrero Project	Total
	\$	\$	\$
Balance, December 31, 2024	768,625	-	768,625
Costs incurred during the period			
Property option payments	-	55,040	55,040
Consultants	14,976	-	14,976
Field and camp costs	1,303	-	1,303
Licenses and claims	129,587	-	129,587
Project and administration	21,934	-	21,934
Travel and accommodation	1,005	-	1,005
Total costs	168,805	55,040	223,845
Balance, September 30, 2025	937,430	55,040	992,470

6. EXPLORATION AND EVALUATION PROJECTS (continued)

	Avispa Copper Molybdenum Project
	\$
Balance, December 31, 2023	819,541
Costs incurred during the period:	
Consultants	54,248
Field and camp costs	3,331
Licenses and claims	134,030
Project and administration	36,743
Travel and accommodation	71
Total costs	228,424
Impairment	(279,340)
Balance, December 31, 2024	768,625

a. CHILE

Avispa Copper Molybdenum Project

The Company applied for exploration mining concessions in northern Atacama in October 2019 to explore for copper and molybdenum and these were awarded on October 4, 2020. The Company submitted further applications in April 2021 and on March 14, 2022, and was subsequently awarded additional exploration concessions that include the original Avispa and recently awarded and adjacent Abeja exploration concessions. During the year ended December 31, 2024, the Company did not renew 31 claims related to Avispa and 61 claims related to Abeja exploration concessions for a total of 92 claims dropped on the Avispa Copper Molybdenum Project. The concessions were not renewed as they were located in a less prospective areas and limited work had been performed them. As a result, during the year ended December 31, 2024, the Company recorded an impairment of \$279,340 related to these claims.

During the nine months ended September 30, 2025, the Company capitalized \$168,805 in costs related to the Avispa Copper-Molybdenum Project. During the year ended December 31, 2024, \$228,424 of costs were capitalized related to the Avispa Copper-Molybdenum Project.

Elvira Gold Project and the Potrero Gold Project

The Elvira and Potrero projects are located in Chile's Maricunga Belt, both road-accessible and approximately 170 km northeast of Copiapó at elevations of ~3,800–4,700 metres above sea level. The Projects are characterized by Miocene-aged stratovolcano systems with well-preserved high-sulphidation epithermal alteration and gold-bearing breccia systems. Historical exploration has demonstrated significant gold mineralization and potential for underlying porphyry Au-(Cu) systems.

On October 2, 2025, the Company announced that Minera Joy SpA, a wholly owned subsidiary of Montero had entered into two option agreements to acquire a 100% interest in each of the Elvira Gold Project and the Potrero Gold Project located in Chile's Maricunga Belt, a recognized mining district hosting Kinross' La Coipa mine, Gold Fields' Salares Norte mine, and Rio2's Fenix gold project.

6. EXPLORATION AND EVALUATION PROJECTS (continued)

Under the terms of the Agreements, Montero has the right to acquire a 100% interest in each of the Elvira and Potrero Projects from Compañía Minera Atahualpa SpA by making staged payments totaling US\$7 million per Project over six years. The option payment schedule is the same for each Project as follows: US\$40,000 within ten days following receipt of approval from the TSX Venture Exchange regarding the Agreements – paid, 2025; US\$100,000 on or before September 15, 2026; US\$150,000 on or before September 15, 2027; US\$260,000 on or before September 15, 2028; US\$400,000 on or before September 15, 2029; US\$550,000 on or before September 15, 2030; and US\$5,500,000 on or before September 15, 2031.

Montero has approved an initial exploration budget of CAD\$140,000 for each Project. The programs are expected to commence immediately and involve confirmatory mapping, sampling, and geophysical surveys aimed at defining drill targets in a systematic and timely manner.

b. TANZANIA

Montero's Wigu Hill Rare Earth Element Retention License was expropriated by the Tanzanian Government in 2017/2018 when the Mining (Local Content) Regulations 2018, published on January 10, 2018, cancelled all previously issued Retention Licenses. The Company commenced exploration activities on the project in March 2008 under a prospecting license, before obtaining a five-year Retention License for the property in 2015. On January 10, 2018, the Government of Tanzania cancelled all Retention Licenses at which point they ceased to have any legal effect.

The Company sought damages from the Tanzanian Government for the expropriation of the Retention Licenses before the International Centre for Settlement of Investment Disputes, part of the World Bank Group. During the year ended December 31, 2024, Montero agreed to a settlement of US\$27,000,000 (approximately \$38,000,000) payable by the Tanzania Government in 3 instalments: 1) US\$12,000,000 received on November 20, 2024; 2) US\$8,000,000 received on February 11, 2025; and 3) US\$7,000,000 received on March 3, 2025.

During the year ended December 31, 2024, the Company recorded a gain on legal settlement of \$21,271,636 less arbitration fees of \$1,040,786, resulting in a total gain of \$20,230,850. During the three and nine months ended September 30, 2025, the Company recorded a further gain on settlement of \$Nil and \$251,974, respectively (the three and nine months ended September 30, 2024 - \$Nil and \$Nil, respectively).

As at September 30, 2025, no receivable remained outstanding in respect of this settlement (December 31, 2024 - \$19,928,207).

7. TRADE AND OTHER PAYABLES

The components of trade and other payables are as follows:

	September 30, 2025	December 31, 2024
	\$	\$
Trade payables	31,273	23,968
Amounts due to related parties (Note 10)	79,581	471,766
Accrued liabilities	61,500	33,000
Total	172,354	528,734

On February 28, 2025, the Company settled principal and interest of \$218,618 owing to a related party (Notes 9 & 11).

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8. LOANS PAYABLE

During the year ended December 31, 2023, the Company received loans from an officer of the Company in the aggregate amount of \$202,000. The loans were unsecured, bear interest at 5% per annum and were due and payable in full including accrued interest on or before December 31, 2024.

During the three and nine months ended September 30, 2025, the Company accrued interest on the loans of \$Nil and \$1,633, respectively (three and nine months ended September 30, 2024 - \$7,582 and \$6,283, respectively).

On February 28, 2025, the loans including accrued interest of \$218,618 were repaid in full.

9. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

On May 5, 2025, the Company completed a consolidation of all of its issued and outstanding common shares on the basis of one (1) post-consolidated common share for every six (6) pre-consolidated common shares. All share and per share data presented in the interim consolidated financial statements have been retroactively adjusted to reflect the Share Consolidation unless otherwise noted.

Issued and outstanding

At September 30, 2025, there were 8,353,833 issued and fully paid common shares outstanding (December 31, 2024 – 8,353,833).

Stock options

The Company has established a Stock Option Plan (the “Plan”) for directors, officers, employees and consultants. The number of common shares that are available for grants of options under the Plan shall not at any time exceed 10% of the number of outstanding common shares calculated at the time of grant. Options granted under the Plan generally have a term of five years and vest on the date of the grant.

During the nine months ended September 30, 2025, the company repriced an aggregate of 741,667 outstanding incentive stock options, reducing their exercise prices from \$1.98 and \$2.04 per common share to \$0.30 per common share. There was an additional \$1,769 recorded to share based payment reserve.

Share Based Payment Reserve

As at September 30, 2025, the Company had 741,667 stock options outstanding

Number of Stock Options			Contractual life remaining	Expiry Date
Outstanding	Exercisable	Exercise Price (\$)		
675,000	675,000	1.98	3.93	September 4, 2029
66,667	66,667	2.04	3.93	September 5, 2029
741,667	741,667			

As at September 30, 2025 and December 31, 2024, the Company's share-based payment reserve is comprised

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of the following:

9. SHARE CAPITAL (continued)

	September 30, 2025	December 31, 2024
Expired warrants	\$ 6,149,340	6,149,340
Expired stock options	2,687,209	2,687,209
Stock options issued	1,451,003	1,449,234
	\$ 10,287,552	\$ 10,285,783

The share-based payment reserve records items recognized as stock-based compensation expense, the fair value of warrants associated with private placements and the fair value of agent's warrants. If the stock options are exercised prior to expiry, the corresponding amount will be transferred to share capital.

Warrants

The Company had no warrants outstanding as at September 30, 2025, and December 31, 2024

Earnings/(Loss) Per Share

Basic earnings (loss) per share amounts are calculated by dividing the net income (loss) for the period by the weighted average number of ordinary shares outstanding during the period. The Company reported a loss for the three and nine months ended September 30, 2025. The basic and diluted earnings (loss) per share for the three and nine months ended September 30, 2025 and 2024 are shown in the table below.

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net loss attributable to owners of the parent company	(260,636)	(1,637,172)	(2,411,182)	(1,921,816)
Weighted average number of ordinary shares outstanding	8,353,833	7,885,128	8,353,833	7,558,624
Basic loss per ordinary share	(0.03)	(0.21)	(0.29)	(0.25)

10. RELATED PARTY TRANSACTIONS

The Company incurred the following transactions with management, directors, officers, or companies which have directors in common, or in which the directors have significant influence and interests.

	Nine months ended September 30,	
	2025	2024
	\$	\$
Bonus payments	1,070,500	-
Consulting and management ⁽¹⁾⁽²⁾⁽³⁾	129,866	127,985
Director's fees	26,625	-
General and administrative	27,482	9,438
Total remuneration of directors and key management personnel	1,254,473	137,423

⁽¹⁾ Consulting and management fees includes accounting, administrative and corporate services provided by a company controlled by the CFO.

⁽²⁾ Consulting and management fees includes services provided by the CEO.

⁽³⁾ Included in consulting and management fees during the nine months ended September 30, 2025 are bonus payments of \$1,070,500 paid to directors and officers of the Company.

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9. RELATED PARTY TRANSACTIONS (continued)

The following amounts due to related parties are included in trade and other payables:

	September 30, 2025	December 31, 2024
	\$	\$
Due to related parties (Note 7)	79,581	471,766
Promissory note (Note 8)	-	216,986
Total	79,581	688,752

- (a) The amounts due to related parties are unsecured, non-interest bearing and are payable within twelve months.
- (b) Loans owing to the CEO were unsecured, bore interest at 5.0% per annum and were due on December 31, 2024. On February 29, 2024, the Company partially settled \$139,274 of the related party loan by issuing 150,975 common shares (Notes 8 and 9). The remaining balance of \$216,986, plus accrued interest, was repaid in full on February 28, 2025 (Note 8).

11. SEGMENTED INFORMATION

The Company has one business segment being the exploration and evaluation of mineral resources. The Company is organized by geographic area and its reportable geographic segment is located in Chile

12. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash transactions that occurred during the nine months ended September 30, 2025 and 2024 are as follows:

	Nine months ended September 30, 2025	2024
Supplemental cash flow information:	\$	\$
<u>Non-cash transactions:</u>		
Expenditures on exploration and evaluation assets in accounts payable	\$ 179	\$ 1,397
Share issue costs in accounts payable and accrued liabilities	\$ -	\$ 8,139
Shares issued for debt settlement	\$ -	\$ 251,839

13. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it can be able to continue as a going concern, while supporting the Company's business and maximizing the return to its stakeholders. The Company's capital structure is adjusted based on management's decisions to issue debt or equity instruments to fund expenditures. In order to maximize ongoing exploration efforts, the Company does not pay dividends. The Company's Board of Directors does not establish quantitative return on capital criteria but rather relies on the expertise of management and other professionals to sustain future development of the business. The capital of the Company consists of equity attributable to owners of the parent comprised of share capital, stock options and warrants.

The Company's principal activities are in the exploration and evaluation stage and, as a result, the Company currently has no source of operating cash flow. In order to facilitate the management of capital and exploration of its mineral properties, the Company is required to raise capital as and when required to complete its projects and for working capital. The sources of future funds presently available to the Company include are through the issuance of new share capital, through the exercise of stock options and/or warrants or through borrowings from related parties.

The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions, as well as the business performance of the Company. There can be no assurances that the Company will be successful in its efforts to arrange additional financing, when required, on terms satisfactory to the Company.

Management prepares operating budgets to forecast its financing requirements in advance, and they review their capital management approach on an ongoing basis and believe that this approach is reasonable, given the relative size of the Company. The Company's investment policy is to hold excess cash in interest-bearing accounts at high credit quality financial institutions to minimize risk and maximize liquidity. The Company's overall strategy remains unchanged from the prior year. The Company is not subject to any externally imposed capital requirements.

14. RISK MANAGEMENT

The Company operates in the mining industry and faces a number of risks that could adversely affect the Company's operations. These risks include industry risk, credit risk, liquidity risk, interest rate risk, foreign currency risk, commodity price risk. Management reviews and develops policies for managing each of these risks which are summarized below.

Industry Risk

The Company is engaged in the mineral exploration field, which is subject to inherent risks of success as well as compliance with environmental and regulatory requirements. The Company may also be exposed to environmental reclamation obligations associated with resource property interests. As well, the Company operates in foreign countries and is subject to local political risks, as well as local regulatory requirements regarding ownership and maintenance of mineral licenses. Management believes it has the expertise to address these risks and make all efforts to conduct their business in compliance with local industry standards, however environmental and local industry laws and practices are complex, and there is no certainty that all exposure to liability or costs have been mitigated.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's ability to fulfill its payment obligations. The Company's primary exposure to credit risk is attributable to its cash and investments, as well as other receivables. This risk is considered low since the Company only invests its cash in major banks and high-credit-quality financial institutions. The other receivables, other than amounts due from the Tanzania Government primarily comprise local sales tax refunds due from governmental agencies and, as such, management considers the risk with their collection minimal.

14. RISK MANAGEMENT (continued)

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available cash in order to meet its liquidity requirements and to develop budgets to forecast cash requirements in advance of their requirements. The Company currently does not have a source of operating cash flow and must raise funds for its exploration and evaluation programs and for general working capital. There are risks associated with raising the funds required, and there can be no assurances that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. Liquidity risk is assessed as high.

Interest Rate Risk

Interest rate risk refers to the risk that the fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents which represents excess cash invested in short-term investments and these accrue interest at variable market rates. The Company monitors these investments with its need for cash flow and is satisfied with the return on these investments, given the timing of the need for cash in the Company. The effect of interest rate changes on the Company is insignificant. Interest rate risk is assessed as low.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates in Canada and Chile and portions of its expenditures are incurred in US Dollar and Chilean Peso. At September 30, 2025 and December 31, 2024, the value of financial assets and liabilities denominated in currencies other than the functional currency of the entity to which they relate was not significant. Foreign exchange risk is assessed as low.

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is the potential adverse impact on earnings and economic value of its exploration and evaluation assets, due to commodity price movements and volatilities. The Company monitors commodity prices (primarily gold and silver) to determine the appropriate course of action to be taken by the Company.

15. SUBSEQUENT EVENTS

On October 23, 2025, the Company granted 93,716 stock options to the members of the board of directors, management and consultants. The stock options have an exercise price of \$0.45 and a five-year term.