



SILVER NORTH RESOURCES LTD.

Condensed Consolidated Interim Financial Statements

For the nine months ended June 30, 2025 and 2024

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**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 an auditor has not reviewed the financial statements.

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

SILVER NORTH RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Presented in Canadian Dollars)

| | Note | June 30, 2025 (Unaudited) | September 30, 2024 (Audited) |
|---|------|---------------------------------|------------------------------------|
| Assets | | | |
| Current assets | | | |
| Cash | | \$ 573,236 | \$ 709,647 |
| Deferred financing costs | | 19,000 | - |
| Receivables | | 16,343 | 38,360 |
| Prepaid expenses | | 180,341 | 105,372 |
| | | <u>788,920</u> | <u>853,379</u> |
| Non-current assets | | | |
| Exploration and evaluation assets | 5 | 7,152,229 | 6,873,183 |
| Deposits | 6 | 13,643 | 75,889 |
| | | <u>7,165,872</u> | <u>6,949,072</u> |
| Total assets | | \$ 7,954,792 | \$ 7,802,451 |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | \$ 131,840 | \$ 498,199 |
| Due to related parties | 9 | 537,466 | 608,679 |
| Flow-through share premium liability | 7 | - | 107,997 |
| | | <u>669,306</u> | <u>1,214,875</u> |
| Shareholders' equity | | | |
| Share capital | 7 | 28,162,629 | 26,930,571 |
| Reserves | 7,8 | 4,212,216 | 4,131,153 |
| Accumulated other comprehensive loss | | (84,274) | (38,074) |
| Deficit | | (25,005,085) | (24,436,074) |
| | | <u>7,285,486</u> | <u>6,587,576</u> |
| Total shareholders' equity and liabilities | | \$ 7,954,792 | \$ 7,802,451 |

Nature of operations and going concern (Note 1)
Events after reporting period (Note 14)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on August 25, 2025.

On behalf of the Board of Directors:

Director "Jason Weber"

Director "Mark T. Brown"

See accompanying notes to the condensed consolidated interim financial statements

SILVER NORTH RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited, presented in Canadian Dollars)

| | Note | Three months ended June 30 | | Nine months ended June 30 | |
|--|------|----------------------------|--------------|---------------------------|----------------|
| | | 2025 | 2024 | 2025 | 2024 |
| Expenses | | | | | |
| Accounting and legal fees | 9 | \$ 38,306 | \$ 48,204 | \$ 127,581 | \$ 89,776 |
| Investor relations and shareholder information | 9 | 139,960 | 145,473 | 302,853 | 466,477 |
| Office facilities and administrative services | 9 | 4,500 | 4,500 | 13,500 | 13,500 |
| Office expenses | | 4,793 | 3,464 | 24,086 | 6,454 |
| Property investigation (recovery) | | - | 2,250 | - | 2,238 |
| Restoration expenses | | (15) | - | 1,905 | - |
| Share-based payments | 8 | 61 | 286,179 | 58,372 | 286,179 |
| Transfer agent, listing and filing fees | | 5,089 | 14,051 | 40,822 | 46,599 |
| Travel | | 11,690 | 2,111 | 37,873 | 10,821 |
| Wages, benefits and consulting fees | 9 | 39,150 | 91,301 | 99,900 | 140,681 |
| | | (243,534) | (597,533) | (706,892) | (1,062,725) |
| Interest income and other income | | 110 | 1,888 | 5,710 | 4,645 |
| Fair value gain (loss) on marketable securities | 4 | - | (4,313) | - | 7,500 |
| Flow-through share premium recovery | | 19,236 | - | 107,997 | - |
| Foreign exchange gain (loss) | | 16,042 | (184) | 24,174 | (1,482) |
| Gain on sale of marketable securities | 4 | - | 8,625 | - | 8,625 |
| Write-down of exploration and evaluation assets | 5 | - | (32,432) | - | (720,115) |
| Net loss for the period | | \$ (208,146) | \$ (623,949) | \$ (569,011) | \$ (1,763,552) |
| Other comprehensive income (loss) | | | | | |
| Exchange difference arising on the translation of foreign subsidiaries | | (40,269) | 12,221 | (46,200) | 13,516 |
| Total comprehensive loss for the period | | \$ (248,415) | \$ (611,728) | \$ (615,211) | \$ (1,750,036) |
| Basic and diluted loss per common share | | \$ (0.00) | \$ (0.02) | \$ (0.01) | \$ (0.05) |
| Weighted average number of common shares outstanding - basic and diluted | | 59,997,010 | 39,909,414 | 51,807,999 | 38,308,536 |

See accompanying notes to the condensed consolidated interim financial statements

SILVER NORTH RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited, presented in Canadian Dollars)

| | Note | Share Capital | | | Reserves | | | Accumulated Other Comprehensive Income (Loss) | | Total equity |
|--|-----------------|-------------------|----------------------|--------------------|----------------------------------|-------------------|-------------------|---|------------------------|---------------------|
| | | Number of shares | Amount | Share subscription | Equity settled employee benefits | Warrants | Finders' warrants | Foreign exchange reserve | Deficit | |
| Balance, September 30, 2023 (Audited) | | 31,877,994 | 24,891,882 | 85,000 | 2,498,092 | 791,848 | 455,246 | (38,104) | (22,404,661) | 6,279,303 |
| Private placements | 7(b)(i)(ii)(iv) | 15,099,250 | 2,376,380 | - | - | 12,000 | - | - | - | 2,388,380 |
| Flow-through share premium | 7(b)(iv) | - | (162,500) | - | - | - | - | - | - | (162,500) |
| Share subscription | 7(b)(i) | - | - | (85,000) | - | - | - | - | - | (85,000) |
| Share issue costs | 7(b)(i)(ii)(iv) | - | (256,759) | - | - | - | 25,447 | - | - | (231,312) |
| Acquisition of exploration and evaluation assets | 7(b)(iii) | 180,000 | 39,600 | - | - | - | - | - | - | 39,600 |
| Share-based payments | 8(a) | - | - | - | 286,179 | - | - | - | - | 286,179 |
| Net loss | | - | - | - | - | - | - | 13,516 | (1,763,552) | (1,750,036) |
| Balance, June 30, 2024 (Unaudited) | | 47,157,244 | 26,888,603 | - | 2,784,271 | 803,848 | 480,693 | (24,588) | (24,168,213) | 6,764,614 |
| Private placements | 7(b)(iv) | 556,250 | 77,875 | - | - | 11,125 | - | - | - | 89,000 |
| Share issue costs | 7(b)(iv) | - | (35,907) | - | - | - | 660 | - | - | (35,247) |
| Share-based payments | 8(a) | - | - | - | 50,556 | - | - | - | - | 50,556 |
| Net loss | | - | - | - | - | - | - | (13,486) | (267,861) | (281,347) |
| Balance, September 30, 2024 (Audited) | | 47,713,494 | 26,930,571 | - | 2,834,827 | 814,973 | 481,353 | (38,074) | (24,436,074) | 6,587,576 |
| Private placements | 7(c)(v) | 13,500,000 | 1,350,000 | - | - | - | - | - | - | 1,350,000 |
| Share issue costs | 7(c)(v) | - | (139,542) | - | - | - | 22,691 | - | - | (116,851) |
| Acquisition of exploration and evaluation assets | 7(c)(vi) | 180,000 | 21,600 | - | - | - | - | - | - | 21,600 |
| Share-based payments | 8(a) | - | - | - | 58,372 | - | - | - | - | 58,372 |
| Net loss | | - | - | - | - | - | - | (46,200) | (569,011) | (615,211) |
| Balance, June 30, 2025 (Unaudited) | | 61,393,494 | \$ 28,162,629 | \$ - | \$ 2,893,199 | \$ 814,973 | \$ 504,044 | \$ (84,274) | \$ (25,005,085) | \$ 7,285,486 |

See accompanying notes to the condensed consolidated interim financial statements

SILVER NORTH RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited, presented in Canadian Dollars)

| | Nine months ended June 30 | |
|---|---------------------------|---------------------|
| | 2025 | 2024 |
| Cash flows from (used in) operating activities | | |
| Net loss for the period | \$ (569,011) | \$ (1,763,552) |
| Items not affecting cash: | | |
| Fair value gain on marketable securities | - | (7,500) |
| Flow-through share premium recovery | (107,997) | - |
| (Gain) loss on sale / transfer of marketable securities | - | (8,625) |
| Share-based payments | 58,372 | 286,179 |
| Write-down of exploration and evaluation assets | - | 720,115 |
| Changes in non-cash working capital items: | | |
| Receivables | 22,174 | 3,640 |
| Prepaid expenses | (74,969) | (128,723) |
| Accounts payable and accrued liabilities | 15,365 | (55,725) |
| Due to related parties | (90,462) | (62,217) |
| Net cash (used in) operating activities | <u>(746,528)</u> | <u>(1,016,408)</u> |
| Cash flows from (used in) investing activities | | |
| Proceeds from sale of marketable securities | - | 20,625 |
| Deposits | 64,969 | - |
| Exploration and evaluation assets, net of recoveries | (643,296) | (164,439) |
| Net cash (used in) investing activities | <u>(578,327)</u> | <u>(143,814)</u> |
| Cash flows from financing activities | | |
| Proceeds from issuance of common shares | 1,350,000 | 2,298,380 |
| Share issue costs | (115,300) | (142,559) |
| Net cash provided by financing activities | <u>1,234,700</u> | <u>2,155,821</u> |
| Effect of exchange rate changes on cash | <u>(46,256)</u> | <u>43</u> |
| Change in cash for the period | <u>(136,411)</u> | <u>995,642</u> |
| Cash, beginning of the period | <u>709,647</u> | <u>135,203</u> |
| Cash, end of the period | <u>\$ 573,236</u> | <u>\$ 1,130,845</u> |
| Cash comprised of: | | |
| Cash | <u>\$ 573,236</u> | <u>\$ 1,130,845</u> |
| | <u>\$ 573,236</u> | <u>\$ 1,130,845</u> |

Supplemental disclosure with respect to cash flows (Note 10)

Cash includes \$Nil (2024 - \$859,898) held to pay for flow-through expenditures. Amounts of \$Nil (2024 - \$12,500) included in due to related parties relate to flow-through expenditures.

See accompanying notes to the condensed consolidated interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Silver North Resources Ltd. (formerly Alianza Minerals Ltd.) (the “Company” or “Silver North”) was incorporated in Alberta on October 21, 2005 under the Business Corporations Act of Alberta and its registered office is Suite 410, 325 Howe Street, Vancouver, BC, Canada, V6C 1Z7. On April 25, 2008 the Company filed for a certificate of continuance and is continuing as a BC Company under the Business Corporations Act (British Columbia). The Company is listed on the TSX Venture Exchange (the “Exchange”) under the trading symbol “SNAG”.

The Company is an exploration stage company and is engaged principally in the acquisition and exploration of mineral properties. The recovery of the Company’s investment in its exploration and evaluation assets is dependent upon the future discovery, development and sale of minerals, upon the ability to raise sufficient capital to finance these activities, and/or upon the sale of these properties.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on obtaining additional financing through the issuance of common shares or obtaining joint venture or property sale agreements for one or more properties.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the condensed consolidated interim statement of financial position. The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Adverse financial market conditions and volatility increase the uncertainty of the Company’s ability to continue as a going concern given the need to both manage expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds. Accordingly, these material uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

As at June 30, 2025, the Company had a working capital of \$119,614 (September 30, 2024: working capital deficiency of \$361,496), inclusive of a flow-through share premium liability of \$Nil (September 30, 2024: \$107,997).

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

2. BASIS OF PREPARATION - continued

Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for marketable securities classified as available-for-sale, which are stated at fair value through other comprehensive income (loss). In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS Accounting Standards that are published at the time of preparation.

3. MATERIAL ACCOUNTING POLICY INFORMATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended September 30, 2024.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended September 30, 2024. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the nine-month period ended June 30, 2025 are not necessarily indicative of the results that may be expected for the current fiscal year ending September 30, 2025.

4. MARKETABLE SECURITIES

On March 29, 2023, the Company received 75,000 shares of Highlander Silver Corp. (“Highlander”) valued at \$12,000 pursuant to a data purchase agreement. In October 2023, Highlander completed a share consolidation on a two pre-consolidation common shares for one new common share basis and the Company currently holds 37,500 Highlander shares. During the year ended September 30, 2024, 37,500 Highlander shares were sold for proceeds of \$20,625, with the Company realizing a \$8,625 gain on disposal.

The shares are measured and presented at fair value using the observable market share price as at the dates of the statements of financial position. The gain or loss as a result of the re-measurement is recorded in profit and loss.

| | June 30, 2025 | June 30, 2024 |
|---|---------------|---------------|
| Net changes in fair value on marketable securities through profit and loss: | | |
| Beginning of the period | \$ - | \$ 4,500 |
| Shares sold | - | (20,625) |
| Realized gain (loss) | - | 8,625 |
| Change in unrealized gain | - | 7,500 |
| Value at June 30, 2025 and 2024 | \$ - | \$ - |

5. EXPLORATION AND EVALUATION ASSETS

The Company typically obtains its mineral exploration rights by way of direct acquisition from government regulatory authorities, outright purchases from third parties, or by entering into option agreements to acquire such rights subject to future consideration, often inclusive of requirements to complete exploration work on such properties. Such costs, when subsequently incurred by the Company, are also capitalized as non-current assets and included within the Exploration and Evaluation category. The Company will, and has, also subsequently entered into arrangements with other parties to vend certain of these interests utilizing similar mechanisms, based on management’s assessment of what is advantageous to the Company.

Although the Company has taken steps to verify title to its unproven mineral right interests, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

The Company’s major mineral property interests are its Haldane and Tim silver properties located in the Yukon Territory of Canada while it also has other mineral property interests in North and South America. Following are summary tables of exploration and evaluation assets and brief summary descriptions of each of the exploration and evaluation assets:

SILVER NORTH RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED MARCH 31, 2025 AND 2024
(Unaudited, presented in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS - continued

Exploration and Evaluation Assets for the period ended June 30, 2025

| | Haldane | Tim | Others - Maintained | Total |
|--------------------------------------|---------------------|--------------------|------------------------|---------------------|
| Balance at September 30, 2024 | \$ 5,686,215 | \$ - | \$ 1,186,968 | \$ 6,873,183 |
| Additions during the period | | | | |
| Acquisition costs: | | | | |
| Property acquisition | - | - | 27,600 | 27,600 |
| | - | - | 27,600 | 27,600 |
| Exploration expenditures: | | | | |
| Camp, travel and meals | 22,750 | - | - | 22,750 |
| Community relations | 1,350 | - | - | 1,350 |
| Drilling | 139,344 | - | - | 139,344 |
| Field equipment rental | 1,800 | - | - | 1,800 |
| Geochemical | 12,574 | - | - | 12,574 |
| Geological consulting | 113,464 | 17,093 | 3,702 | 134,259 |
| Licence and permits | 273 | - | 8,027 | 8,300 |
| Permitting | - | - | 6,069 | 6,069 |
| | 291,555 | 17,093 | 17,798 | 326,446 |
| Less: | | | | |
| Option payments received | - | (75,000) | - | (75,000) |
| Net additions | 291,555 | (57,907) | 45,398 | 279,046 |
| Balance at June 30, 2025 | \$ 5,977,770 | \$ (57,907) | \$ 1,232,366 | \$ 7,152,229 |

SILVER NORTH RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED MARCH 31, 2025 AND 2024
(Unaudited, presented in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS - continued

Exploration and Evaluation Assets for the year ended September 30, 2024

| | Haldane | Tim | Others - Maintained | Others - Dropped | Total |
|--|---------------------|-------------|------------------------|---------------------|---------------------|
| Balance at September 30, 2023 | \$ 5,048,921 | \$ - | \$ 1,129,142 | \$ 703,582 | \$ 6,881,645 |
| Additions during the year | | | | | |
| Acquisition costs: | | | | | |
| Property acquisition | - | - | 45,600 | 3,375 | 48,975 |
| | - | - | 45,600 | 3,375 | 48,975 |
| Exploration expenditures: | | | | | |
| Camp, travel and meals | 66,154 | 3,335 | - | 3,645 | 73,134 |
| Drilling | 416,562 | - | - | - | 416,562 |
| Field equipment rental | 1,155 | - | - | - | 1,155 |
| Geochemical | - | - | - | 549 | 549 |
| Geological consulting | 140,953 | 55,129 | 4,246 | 592 | 200,920 |
| Licence and permits | - | - | 7,980 | (3,118) | 4,862 |
| Permitting | - | - | - | 6,148 | 6,148 |
| Trenching | 12,470 | - | - | - | 12,470 |
| | 637,294 | 58,464 | 12,226 | 7,816 | 715,800 |
| Less: | | | | | |
| Option payments received | - | (50,000) | (2,700) | - | (52,700) |
| Proceeds received in excess of exploration and evaluation asset costs - recognized as income | - | 1,286 | 2,700 | - | 3,986 |
| Recovered exploration expenditures | - | (9,750) | - | - | (9,750) |
| Write-down of properties | - | - | - | (717,378) | (717,378) |
| Net additions | 637,294 | - | 57,826 | (706,187) | (11,067) |
| Foreign currency translation | - | - | - | 2,605 | 2,605 |
| Balance at September 30, 2024 | \$ 5,686,215 | \$ - | \$ 1,186,968 | \$ - | \$ 6,873,183 |

5. EXPLORATION AND EVALUATION ASSETS – continued

(a) Haldane

On March 2, 2018, the Haldane property was purchased from Equity Exploration Consultants Ltd. (“Equity”), and is located in Yukon Territory, Canada. Equity has a 2% NSR royalty on the Haldane property and is entitled to receiving bonus share payments from the Company:

- issue 50,000 shares to Equity upon the public disclosure of a Measured Mineral Resource (as such term is defined in National Instrument 43-101- Standards of Disclosure for Mineral Projects) of 5 million oz silver-equivalent at 500g/t silver-equivalent; and
- issue 100,000 shares upon the decision to commence construction of a mine or processing plant.

On April 12, 2018, the Company purchased the Nur, Clarkston and Fara claims which are contiguous to and grouped with the Haldane property from the estate of Yukon prospector John Peter Ross (the “Estate”). The Estate is entitled to receiving bonus share payments from the Company:

- issue 50,000 shares to the Estate upon the public disclosure of a Measured Mineral Resource (as such term is defined in National Instrument 43-101- Standards of Disclosure for Mineral Projects) of 5 million oz silver-equivalent at 500g/t silver-equivalent; and
- issue 100,000 shares upon the decision to commence construction of a mine or processing plant.

As of June 30, 2025, the Company had spent \$5,977,770 (September 30, 2024 - \$5,686,215) on advancing this property, including the acquisition costs.

5. EXPLORATION AND EVALUATION ASSETS – continued

(b) Tim

On January 24, 2020, subsequently amended on December 5, 2023, the Company entered into an option agreement with a subsidiary of Coeur Mining Inc. (“Coeur”) for Coeur to acquire the Company’s wholly-owned Tim property located in southern Yukon.

Coeur can earn an initial 51% interest in the Tim property by completing item numbers 1 to 7 per the table below:

| | Date/Period | Expenditures | Option Payment |
|---|---|----------------------|-----------------------|
| 1 | On the Effective Date | None | \$10,000 (received) |
| 2 | On or before 1 st anniversary of the Class 1 Notification Date (*) | \$50,000 (completed) | \$15,000 (received) |
| 3 | On or before 2 nd anniversary of the Class 1 Notification Date (*) | - | \$25,000 (received) |
| 4 | By December 31, 2023 | - | \$50,000 (received) |
| 5 | By December 31, 2024 | \$700,000 | \$75,000 (received) |
| 6 | By December 31, 2025 | \$1,100,000 | \$100,000 |
| 7 | By December 31, 2026 | \$1,353,073 | \$100,000 |
| 8 | By December 31, 2027 | - | \$100,000 |
| 9 | On or before the 8 th anniversary of the Class 1 Notification Date (*) | - | \$100,000 |

(*) Class 1 Notification Date is December 16, 2020.

As further consideration for the agreed upon amendments, Coeur agreed to make a one-time payment of \$50,000 to the Company on or before December 31, 2023 (received).

After earning an initial 51% interest in the property, to increase its interest to 80%, Coeur must finance a feasibility study and notify the Company of its intention to develop a commercial mine on the property on or before the eighth anniversary from the date of notification of the Class 1 exploration permit, as well as completing item numbers 8 and 9 per the table above.

During the nine months ended June 30, 2025, Coeur was invoiced \$Nil (September 30, 2024 - \$9,750) for reimbursements related to the Tim property.

5. EXPLORATION AND EVALUATION ASSETS – continued

(c) Others

i. Ashby (Nevada)

On January 27, 2015, the Company signed a binding agreement to acquire the Ashby gold property from Sandstorm Gold Ltd. (“Sandstorm”) for 3,750 Company common shares valued at \$7,500 and granted Sandstorm a right of first refusal on any future metal streaming agreements.

On August 2, 2017, the Company signed an exploration lease agreement to lease the Ashby property to Nevada Canyon Gold Corp. (“Nevada Canyon”). Under the terms of the agreement, Nevada Canyon made a US\$1,000 payment on signing, will make annual payments of US\$2,000 and will grant a 2% Net Smelter Royalty (“NSR”) on future production from the Lazy 1-3 claims comprising the Ashby property. Nevada Canyon will also be responsible for all claim fees and certain reclamation work to be undertaken on the property. The initial term of the lease is 10 years and can be extended for an additional 20 years.

A 2% NSR is payable to Nevada Eagle Resources LLC (“NER”) and a 1% NSR is payable to Sandstorm on production from the property.

During the year ended September 30, 2024, Nevada Canyon paid the Company US\$2,000 for the 2024 annual payment.

ii. GDR (Yukon)

On May 9, 2024, the Company entered into an option agreement to earn a 100% interest in the GDR property in southern Yukon under the following terms:

| Date/Period | Cash | Shares |
|--|----------------|------------------|
| On the Closing Date (5 business days following TSX Venture Exchange’s approval) ** | \$6,000 (paid) | 180,000 (issued) |
| On or before 1 st anniversary of the Closing Date | \$6,000 (paid) | 180,000 (issued) |
| On or before 2 nd anniversary of the Closing Date | \$20,000 | 240,000 |
| On or before 3 rd anniversary of the Closing Date | \$30,000 | 240,000 |
| On or before 4 th anniversary of the Closing Date | \$40,000 | 720,000 |

** Closing Date is defined as May 29, 2024.

On exercise of the option, the GDR property will be subject to a Net Smelter Return (NSR) royalty of 2.4%, 0.9% of which can be purchased for \$2,000,000 by the Company until 6 months after the start of production.

As of June 30, 2025, the Company had spent \$86,330 (September 30, 2024 - \$48,959) on advancing this property, including the acquisition costs.

5. EXPLORATION AND EVALUATION ASSETS – continued

(c) **Others** – continued

iii. White River, Goz Creek and MOR (Yukon)

In 2010, the Company acquired the White River property through staking. The White River property is located in the Yukon Territory, northwest of Whitehorse.

On July 23, 2007, the Company purchased from Almaden certain properties in the Yukon and Almaden assigned the 2% NSR royalty on future production from these mineral claims to Almadex:

- Goz Creek – located 180 kilometers north east of Mayo, Yukon.
- MOR – located 35 kilometers east of Teslin, Yukon and is 1.5 kilometers north of the paved Alaska Highway.

As of June 30, 2025, the Company had spent \$1,146,036 (September 30, 2024 - \$1,138,009) on advancing these properties, net of recoveries.

iv. Mexico

The Company holds a 1% NSR, capped at \$1,000,000, on certain Mexican properties.

iv. Peru

The Company holds a 1.08% Net Smelter Royalty on the Pucarana project in central Peru.

5. EXPLORATION AND EVALUATION ASSETS – continued

(d) Dropped / disposed properties

i. Twin Canyon (Colorado)

On June 17, 2020, the Company acquired a lease of the Twin Canyon gold property in southwest Colorado from Myron Goldstein and Jon Thorson (“Goldstein and Thorson”). In June 2024, the Company transferred the Twin Canyon claims back to Goldstein and Thorson and relinquished any other commitments to this property. During the year ended September 30, 2024, the Company wrote off \$710,523 of capitalized exploration and evaluation costs.

ii. Klondike (Colorado)

During fiscal 2021, the Company acquired the Klondike property by staking a 100% interest in this property in Colorado. In August 2024, the Company transferred the Klondike claims back to original owner and relinquished any other commitments to this property. During the year ended September 30, 2024, the Company wrote off \$8,922 of capitalized exploration and evaluation costs.

iii. Stateline (Colorado and Utah)

During fiscal 2021, the Company acquired the Stateline property by staking a 100% interest in this property in Colorado and Utah. In August 2024, the Company transferred the Stateline claims back to original owner and relinquished any other commitments to this property. During the year ended September 30, 2024, the Company recovered \$2,067 of capitalized exploration and evaluation costs.

6. DEPOSITS

As of June 30, 2025, the Company has a US\$10,000 (\$13,643) performance bond with the State of Colorado Board of Land Commissioners and Colorado Division of Reclamation, Mining and Safety for the Klondike property and Twin Canyon property (September 30, 2024 – US\$56,218 (\$75,889)).

7. SHARE CAPITAL

a) Authorized:

As at June 30, 2025, the authorized share capital is comprised of an unlimited number of common shares without par value and an unlimited number of preferred shares issuable in series. All issued shares are fully paid.

7. SHARE CAPITAL – continued

b) Issued:

During the year ended September 30, 2024, the Company:

- i) Completed a non-brokered private placement in two tranches closing October 19, 2023 and December 28, 2023 by issuing 2,700,000 non-flow-through units (“Unit”) at a price of \$0.20 per Unit for gross proceeds of \$540,000 and 2,300,000 flow-through shares (“FT Share”) at a price of \$0.20 per FT Share for gross proceeds of \$460,000. Each Unit consists of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a 36-month period at a price of \$0.30. Under the residual value approach, \$12,000 was assigned to the warrant component of the Units. In connection with the financing, the Company paid \$24,640 in cash finder’s fees and issued 123,200 finder’s warrants, each of which is exercisable into one common share at a price of \$0.20 for a period of 36 months. The value of the finder’s warrants was determined to be \$16,293 and was calculated using the Black-Scholes option pricing model. The Company incurred additional share issue costs of \$61,205 in connection with this financing.
- ii) On April 11, 2024, the Company completed a non-brokered private placement by issuing 6,500,000 units (“Unit”) at a price of \$0.10 per Unit for gross proceeds of \$650,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a 36-month period at a price of \$0.20. In connection with the financing, the Company paid \$28,210 in cash finder’s fees and another \$45,102 paid in cash was also included as share issue costs.
- iii) Issued 180,000 common shares to the optionors at a price of \$0.22 per share for a total consideration of \$39,600 to pay for the GDR property (Note 5(c)(ii)).
- iv) On June 21, 2024, the Company completed the first tranche of a non-brokered private placement by issuing 2,500,000 charity flow-through units (“CFT Unit”) at a price of \$0.225 per CFT Unit for gross proceeds of \$562,500. Each CFT Unit consists of one common share and one common share purchase warrant. On June 28, 2024, the Company completed the second tranche of a non-brokered private placement by issuing 1,099,250 non-flow-through units (“NFT Units”) at a price of \$0.16 per NFT Unit for gross proceeds of \$175,880. Each NFT Unit consists of one common share and one common share purchase warrant. On July 18, 2024, the Company completed the third tranche of a non-brokered private placement by issuing 556,250 NFT Units for gross proceeds of \$89,000. Each Warrant entitles the holder to purchase one additional common share for a 48-month period at a price of \$0.35. Under the residual value approach, \$11,125 was assigned to the warrant component of the NFT Units. The Company recorded a flow-through premium liability of \$162,500 in connection with this financing.

In connection with the financing, the Company paid \$20,230 in cash finder’s fees and issued the following finder’s warrants exercisable into one common share at a price of \$0.16 for a period of 12 months: 105,000 finder’s warrants until June 21, 2025, 10,500 finder’s warrants until June 28, 2025 and 10,937 finder’s warrants until July 18, 2025. The value of the finder’s warrants was determined to be \$9,814 and was calculated using the Black-Scholes option pricing model. Another \$87,172 paid in cash was also included as share issue costs.

7. SHARE CAPITAL – continued

b) Issued: – continued

During the nine months ended June 30, 2025, the Company:

- v) On April 9, 2025, the Company completed a non-brokered private placement by issuing 13,500,000 units (“Unit”) at a price of \$0.10 per Unit for gross proceeds of \$1,350,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a 36-month period at a price of \$0.15. In connection with the financing, the Company paid \$32,200 in cash finder’s fees and issued 320,000 finder’s warrants, each of which is exercisable into one common share at a price of \$0.15 until April 9, 2028. The value of the finder’s warrants was determined to be \$22,691 and was calculated using the Black-Scholes option pricing model. Another \$84,651 paid in cash was also included as share issue costs.
- vi) Issued 180,000 common shares to the optionors at a price of \$0.12 per share for a total consideration of \$21,600 to pay for the GDR property (Note 5(c)(ii)).

8. STOCK OPTIONS AND WARRANTS

a) Stock option compensation plan

The Company grants stock options to directors, officers, employees and consultants pursuant to the Company’s Stock Option Plan (the “Plan”). The number of options that may be issued pursuant to the Plan are limited to 10% of the Company’s issued and outstanding common shares and to other restrictions with respect to any single participant (not greater than 5% of the issued common shares) or any one consultant (not greater than 2% of the issued common shares).

Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than one quarter of the options vesting in any 3-month period.

Vesting provisions may also be applied to other option grants, at the discretion of the directors. Options issued pursuant to the Plan will have an exercise price as determined by the directors, and permitted by the Exchange, at the time of the grant. Options have a maximum expiry date of 5 years from the grant date.

Stock option transactions and the number of stock options for the nine months ended June 30, 2025 are summarized as follows:

| Expiry date | Exercise price | September 30, 2024 | Granted | Exercised | Expired / cancelled | June 30, 2025 |
|---------------------------------|----------------|--------------------|---------|-----------|---------------------|---------------|
| October 15, 2025 | \$0.70 | 401,000 | - | - | - | 401,000 |
| January 18, 2027 | \$0.50 | 1,160,000 | - | - | - | 1,160,000 |
| April 24, 2029 | \$0.15 | 1,860,000 | - | - | - | 1,860,000 |
| July 2, 2029 | \$0.15 | 450,000 | - | - | - | 450,000 |
| January 28, 2030 | \$0.10 | - | 605,000 | - | - | 605,000 |
| Options outstanding | | 3,871,000 | 605,000 | - | - | 4,476,000 |
| Options exercisable | | 3,683,500 | 605,000 | - | - | 4,476,000 |
| Weighted average exercise price | | \$0.31 | \$0.10 | \$Nil | \$Nil | \$0.28 |

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8. STOCK OPTIONS AND WARRANTS - continued

a) Stock option compensation plan – continued

As at June 30, 2025, the weighted average contractual remaining life of options is 3.04 years (September 30, 2024 – 3.54 years). The weighted average fair value of stock options expensed during the nine months ended June 30, 2025 was \$58,372 (2024 - \$286,179).

Stock option transactions and the number of stock options for the year ended September 30, 2024 are summarized as follows:

| Expiry date | Exercise price | September 30, 2023 | Granted | Exercised | Expired / cancelled | September 30, 2024 |
|---------------------------------|----------------|--------------------|-----------|-----------|---------------------|--------------------|
| July 30, 2024 | \$0.50 | 345,000 | - | - | (345,000) | - |
| October 15, 2025 | \$0.70 | 401,000 | - | - | - | 401,000 |
| January 18, 2027 | \$0.50 | 1,160,000 | - | - | - | 1,160,000 |
| March 17, 2027 | \$0.50 | 100,000 | - | - | (100,000) | - |
| April 24, 2029 | \$0.15 | - | 1,860,000 | - | - | 1,860,000 |
| July 2, 2029 | \$0.15 | - | 450,000 | - | - | 450,000 |
| Options outstanding | | 2,006,000 | 2,310,000 | - | (445,000) | 3,871,000 |
| Options exercisable | | 2,006,000 | 2,122,500 | - | (445,000) | 3,683,500 |
| Weighted average exercise price | | \$0.54 | \$0.15 | \$Nil | \$0.50 | \$0.31 |

The weighted average assumptions used to estimate the fair value of options for the nine months ended June 30, 2025 and 2024 were as follows:

| | June 30, 2025 | June 30, 2024 |
|-------------------------|-------------------|---------------|
| Risk-free interest rate | 2.9% - 3.52% | 3.72% |
| Expected life | 5 years | 5 years |
| Expected volatility | 122.94% - 142.96% | 142.43% |
| Expected dividend yield | nil | nil |

b) Warrants

The continuity of warrants for the nine months ended June 30, 2025 is as follows:

| Expiry date | Exercise price | September 30, 2024 | Issued | Exercised | Expired | June 30, 2025 |
|---------------------------------|-----------------------|--------------------|------------|-----------|-------------|---------------|
| March 15, 2025 | \$0.50 | 87,860 | - | - | (87,860) | - |
| May 19, 2025 | \$0.625 | 1,000,000 | - | - | (1,000,000) | - |
| October 19, 2026 | \$0.30 | 1,250,000 | - | - | - | 1,250,000 |
| December 28, 2026 | \$0.30 | 100,000 | - | - | - | 100,000 |
| April 11, 2027 | ^(a) \$0.20 | 6,500,000 | - | - | - | 6,500,000 |
| June 21, 2028 | \$0.35 | 2,500,000 | - | - | - | 2,500,000 |
| June 28, 2028 | \$0.35 | 1,099,250 | - | - | - | 1,099,250 |
| July 18, 2028 | \$0.35 | 556,250 | - | - | - | 556,250 |
| April 9, 2028 | ^(b) \$0.15 | - | 13,500,000 | - | - | 13,500,000 |
| Outstanding | | 13,093,360 | 13,500,000 | - | (1,087,860) | 25,505,500 |
| Weighted average exercise price | | \$0.29 | \$0.15 | \$Nil | \$0.61 | \$0.20 |

(a) Subsequent to June 30, 2025, 200,000 warrants were exercised.

(b) Subsequent to June 30, 2025, 120,000 warrants were exercised.

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8. STOCK OPTIONS AND WARRANTS - continued

b) Warrants – continued

As at June 30, 2025, the weighted average contractual remaining life of warrants is 2.48 years (September 30, 2024 – 2.71 years).

The continuity of warrants for the year ended September 30, 2024 is as follows:

| Expiry date | Exercise price | September 30, 2023 | Issued | Exercised | Expired | September 30, 2024 |
|---------------------------------|----------------|--------------------|------------|-----------|---------|--------------------|
| May 19, 2025 | \$0.625 | 1,000,000 | - | - | - | 1,000,000 |
| March 15, 2025 | (a) \$0.50 | 87,860 | - | - | - | 87,860 |
| October 19, 2026 | \$0.30 | - | 1,250,000 | - | - | 1,250,000 |
| December 28, 2026 | \$0.30 | - | 100,000 | - | - | 100,000 |
| April 11, 2027 | \$0.20 | - | 6,500,000 | - | - | 6,500,000 |
| June 21, 2028 | \$0.35 | - | 2,500,000 | - | - | 2,500,000 |
| June 28, 2028 | \$0.35 | - | 1,099,250 | - | - | 1,099,250 |
| July 18, 2028 | \$0.35 | - | 556,250 | - | - | 556,250 |
| Outstanding | | 1,087,860 | 12,005,500 | - | - | 13,093,360 |
| Weighted average exercise price | | \$0.61 | \$0.26 | \$Nil | \$Nil | \$0.29 |

(a) Pursuant to the warrant incentive program, 87,860 warrants were exercised on March 15, 2023 for 87,860 common shares and 87,860 incentive warrants at a price of \$0.50 expiring on March 15, 2025.

c) Finder's warrants

The continuity of finder's warrants for the nine months ended June 30, 2025 is as follows:

| Expiry date | Exercise price | September 30, 2024 | Issued | Exercised | Expired | June 30, 2025 |
|---------------------------------|----------------|--------------------|---------|-----------|-----------|---------------|
| June 21, 2025 | \$0.16 | 105,000 | - | - | (105,000) | - |
| June 28, 2025 | \$0.16 | 10,500 | - | - | (10,500) | - |
| July 18, 2025 | (a) \$0.16 | 10,937 | - | - | - | 10,937 |
| October 19, 2026 | \$0.20 | 79,450 | - | - | - | 79,450 |
| December 28, 2026 | \$0.20 | 43,750 | - | - | - | 43,750 |
| April 9, 2028 | (b) \$0.15 | - | 320,000 | - | - | 320,000 |
| Outstanding | | 249,637 | 320,000 | - | (115,500) | 454,137 |
| Weighted average exercise price | | \$0.18 | \$0.15 | \$Nil | \$0.16 | \$0.16 |

(c) Subsequent to June 30, 2025, 10,937 finder's warrants were exercised.

(d) Subsequent to June 30, 2025, 28,000 finder's warrants were exercised.

As at June 30, 2025, the weighted average contractual remaining life of finder's warrants is 2.33 years (September 30, 2024 – 1.42 years).

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8. STOCK OPTIONS AND WARRANTS - continued

c) Finder's warrants - continued

The continuity of finder's warrants for the year ended September 30, 2024 is as follows:

| Expiry date | Exercise price | September 30, 2023 | Issued | Exercised | Expired | September 30, 2024 |
|---------------------------------|----------------|--------------------|---------|-----------|---------|--------------------|
| June 21, 2025 | \$0.16 | - | 105,000 | - | - | 105,000 |
| June 28, 2025 | \$0.16 | - | 10,500 | - | - | 10,500 |
| July 18, 2025 | \$0.16 | - | 10,937 | - | - | 10,937 |
| October 19, 2026 | \$0.20 | - | 79,450 | - | - | 79,450 |
| December 28, 2026 | \$0.20 | - | 43,750 | - | - | 43,750 |
| Outstanding | | - | 249,637 | - | - | 249,637 |
| Weighted average exercise price | | \$Nil | 0.18 | \$Nil | \$Nil | \$0.18 |

The weighted average assumptions used to estimate the fair value of finder's warrants for the nine months ended June 30, 2025 and 2024 were as follows:

| | June 30, 2025 | June 30, 2024 |
|-------------------------|---------------|-------------------|
| Risk-free interest rate | 2.64% | 3.39% - 4.54% |
| Expected life | 3 years | 1 year - 3 years |
| Expected volatility | 133.23% | 120.44% - 130.18% |
| Expected dividend yield | nil | nil |

9. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the nine months ended June 30, 2025

| | Short-term employee benefits | Post-employment benefits | Other long-term benefits | Termination benefits | Share-based payments | Total |
|---|------------------------------|--------------------------|--------------------------|----------------------|----------------------|------------|
| Jason Weber Chief Executive Officer, Director | \$ 121,500 | \$ Nil | \$ Nil | \$ Nil | \$ 9,963 | \$ 131,463 |
| Rob Duncan VP of Exploration | \$ 112,500 | \$ Nil | \$ Nil | \$ Nil | \$ 7,970 | \$ 120,470 |
| Winnie Wong Chief Financial Officer | \$ Nil | \$ Nil | \$ Nil | \$ Nil | \$ 6,376 | \$ 6,376 |
| Marc G. Blythe Director | \$ Nil | \$ Nil | \$ Nil | \$ Nil | \$ 6,376 | \$ 6,376 |
| Mark T. Brown Director | \$ Nil | \$ Nil | \$ Nil | \$ Nil | \$ 7,970 | \$ 7,970 |
| Craig Lindsay Director | \$ Nil | \$ Nil | \$ Nil | \$ Nil | \$ 6,376 | \$ 6,376 |

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9. RELATED PARTY TRANSACTIONS – continued

For the nine months ended June 30, 2024

| | Short-term employee benefits | Post-employment benefits | Other long-term benefits | Termination benefits | Share-based payments | Total |
|---|------------------------------|--------------------------|--------------------------|----------------------|----------------------|------------|
| Jason Weber Chief Executive Officer, Director | \$ 121,500 | \$ Nil | \$ Nil | \$ Nil | \$ 53,851 | \$ 175,351 |
| Rob Duncan VP of Exploration | \$ 114,224 | \$ Nil | \$ Nil | \$ Nil | \$ 40,158 | \$ 154,382 |
| Winnie Wong Chief Financial Officer | \$ Nil | \$ Nil | \$ Nil | \$ Nil | \$ 30,772 | \$ 30,772 |
| Marc G. Blythe Director | \$ Nil | \$ Nil | \$ Nil | \$ Nil | \$ 30,772 | \$ 30,772 |
| Mark T. Brown Director ^(a) | \$ Nil | \$ Nil | \$ Nil | \$ Nil | \$ 46,158 | \$ 46,158 |
| Craig Lindsay Director | \$ Nil | \$ Nil | \$ Nil | \$ Nil | \$ 30,772 | \$ 30,772 |

Related party transactions and balances

| | Services | Nine months ended | | Balance due | |
|---|---|-------------------|---------------|---------------------|--------------------------|
| | | June 30, 2025 | June 30, 2024 | As at June 30, 2025 | As at September 30, 2024 |
| Amounts due to: | | | | | |
| Jason Weber | Consulting fee and share-based payment | \$ 131,463 | \$ 175,351 | \$ Nil | \$ Nil |
| Rob Duncan | Consulting fee and share-based payment | \$ 120,470 | \$ 154,382 | \$ Nil | \$ Nil |
| Pacific Opportunity Capital Ltd. ^(a) | Accounting, financing, and shareholder communication services | \$ 176,065 | \$ 114,224 | \$ 537,466 | \$ 606,564 |
| Mark Brown | Expenses reimbursement | \$ 43,162 | \$ Nil | \$ Nil | \$ Nil |
| Marc G. Blythe | Expenses reimbursement | \$ Nil | \$ Nil | \$ Nil | \$ 2,115 |
| TOTAL: | | \$ 471,160 | \$ 443,957 | \$ 537,466 | \$ 608,679 |

(a) The president of Pacific Opportunity Capital Ltd., a private company, is a director of the Company.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash investing and financing transactions during the nine months ended June 30, 2025 were as follows:

- As of June 30, 2025, a total of \$1,301 in share issue costs was included in accounts payable and a total of \$131,000 in share issue costs was included in due to related parties; and
- As of June 30, 2025, a total of \$15,000 in deferred financing costs was included in due to related parties; and
- The Company recorded \$21,600 in share capital related to the issue of common shares pursuant to the acquisition of exploration and evaluation assets.

The significant non-cash investing and financing transactions during the nine months ended June 30, 2024 were as follows:

- As of June 30, 2024, a total of \$410 in exploration and evaluation asset costs was included in accounts payable and accrued liabilities and a total of \$12,500 was included in due to related parties;
- As of June 30, 2024, a total of \$4,254 in share issue costs was included in accounts payable and accrued liabilities and a total of \$117,250 in share issue costs was included in due to related parties;
- As of June 30, 2024, a total of \$5,000 in share capital was included in receivables; and
- The Company recorded \$39,600 in share capital related to the issue of common shares pursuant to the acquisition of exploration and evaluation assets.

11. SEGMENTED INFORMATION

The Company has one reportable operating segment, that being the acquisition and exploration of mineral properties. Geographical information is as follows:

| | <u>June 30, 2025</u> | <u>September 30, 2024</u> |
|--------------------|----------------------|---------------------------|
| Non-current assets | | |
| USA | \$ 13,643 | \$ 75,889 |
| Canada | 7,152,229 | 6,873,183 |
| | <u>\$ 7,165,872</u> | <u>\$ 6,949,072</u> |

12. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, market risk and commodity price risk.

(a) Currency risk

The Company's property interest in USA make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks. The Company's exploration program, some of its general and administrative expenses and financial instruments denoted in a foreign currency are exposed to currency risk. A 10% change in the US dollar and the Peruvian nuevo sol over the Canadian dollar would not significantly affect the Company.

12. FINANCIAL INSTRUMENTS – continued

(b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to the liquidity of its cash. The Company limits exposure to credit risk by maintaining its cash with a large Canadian financial institution.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company does not have sufficient cash to settle its current liabilities, and further funding will be required to meet the Company's short-term and long-term operating needs. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period.

(d) Market risk

Market risks to which the Company is exposed include unfavorable movements in commodity prices, interest rates, and foreign exchange rates. As at June 30, 2025, the Company has no producing assets and holds the majority of its cash in secure, Canadian dollar-denominated deposits. Consequently, its exposure to these risks has been significantly reduced, but as the Company redeploys its cash, exposure to these risks may increase. The objective of the Company is to mitigate exposure to these risks while maximizing returns.

The Company owns available-for-sale marketable securities in the mineral resource sector. Changes in the future pricing and demand of commodities can have a material impact on the market value of the investments. The nature of such investments is normally dependent on the invested company being able to raise additional capital to further develop and to determine the commercial viability of its resource properties. Management mitigates the risk of loss resulting from this concentration by monitoring the trading value of the investments on a regular basis.

i) Interest rate risk

As at June 30, 2025, the Company's exposure to movements in interest rates was limited to potential decreases in interest income from changes to the variable portion of interest rates for its cash. Market interest rates in Canada are at historically low levels, so management does not consider the risk of interest rate declines to be significant, but should such risks increase, the Company may mitigate future exposure by entering into fixed-rate deposits. A 1% change in the interest rate, with other variables unchanged, would not significantly affect the Company.

ii) Foreign exchange risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company may maintain cash and other financial instruments, or may incur revenues and expenditures in currencies other than the Canadian dollar. Significant changes in the currency exchange rates between the Canadian dollar relative to these foreign currencies, which may include but are not limited to US dollars and Peruvian nuevo sol, could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

12. FINANCIAL INSTRUMENTS – continued

(e) Commodity price risk

The ability of the Company to develop its mineral properties and the future profitability of the Company are directly related to the market price of minerals such as silver, gold, zinc, lead and copper. The Company's input costs are also affected by the price of fuel. The Company closely monitors mineral and fuel prices to determine the appropriate course of action to be taken by the Company.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at amortized cost by level within the fair value hierarchy.

| As at June 30, 2025 | Level 1 | Level 2 | Level 3 | Total |
|---------------------|------------|---------|---------|------------|
| Assets: | | | | |
| Cash | \$ 537,236 | \$ - | \$ - | \$ 537,236 |

| As at September 30, 2024 | Level 1 | Level 2 | Level 3 | Total |
|--------------------------|------------|---------|---------|------------|
| Assets: | | | | |
| Cash | \$ 709,647 | \$ - | \$ - | \$ 709,647 |

13. MANAGEMENT OF CAPITAL RISK

The Company considers items included in shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's approach to managing capital remains unchanged from the year ended September 30, 2024.

14. EVENTS AFTER REPORTING PERIOD

- a) On July 31, 2025, the Company completed a non-brokered private placement by issuing 2,467,000 units ("HD Units") at a price of \$0.15 per HD Unit for gross proceeds of \$370,050. Each HD Unit consists of one common share and one-half common share purchase warrant. Each Warrant entitles the holder to purchase one additional common share for a 48-month period at a price of \$0.35. In connection with the financing, the Company paid \$10,404 in cash finder's fees and issued 69,360 finder's warrants exercisable into one common share at a price of \$0.15 for a period of 24 months.
- b) On August 12, 2025, the Company completed a non-brokered private placement by issuing 10,000,000 charity flow-through units ("CFT Units") at a price of \$0.21 per CFT Unit for gross proceeds of \$2,100,000. Each CFT Unit consists of one common share and one-half common share purchase warrant. Each Warrant entitles the holder to purchase one additional common share for a 48-month period at a price of \$0.35. In connection with the financing, the Company paid \$54,420 in cash finder's fees and issued 362,800 finder's warrants exercisable into one common share at a price of \$0.15 for a period of 24 months.