

METALERO MINING CORP.

Consolidated Financial Statements

For the years ended October 31, 2025 and 2024

(Expressed in Canadian Dollars)

Independent Auditor’s Report

To the Shareholders of Metalero Mining Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Metalero Mining Corp. (the “Company”), which comprise the consolidated statements of financial position as at October 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2025 and 2024 and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards (IFRS).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company’s continuation as a going concern is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

We have determined that there is the following key audit matter to communicate in our auditor’s report:

Key audit matter	How our audit addressed the key audit matter:
Assessment of impairment indicators of Exploration and evaluation properties.	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to note 3(a) – Material accounting policy – management estimates and judgments; note 3(f) – Material accounting policy – exploration and evaluation properties; and note 5 – Exploration and evaluation properties</i>	Evaluated the reasonableness of management’s assessment of impairment indicators, which included the following:
Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may not be recoverable. Management	<ul style="list-style-type: none"> Assessed the Company’s market capitalization in comparison to the Company’s net assets, which may be an indication of impairment.

applies significant judgment in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment.

We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgment.

- Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit.
- Confirmed that the Company's right to explore the properties had not expired.
- Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets.
- Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

The image shows a handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC, Canada
March 2, 2026

METALERO MINING CORP.
Consolidated Statements of Financial Position
Expressed in Canadian Dollars

As at	October 31, 2025	October 31, 2024
Assets		
Current		
Cash	\$ 339,710	\$ 79,080
Goods and services tax receivable	30,923	2,625
Investment (note 10)	400,000	-
Prepayments and deposits	36,681	4,308
	807,314	86,013
Right-of-use asset (note 9)	28,984	57,968
Exploration and evaluation properties (note 5)	143,321	226,853
	\$ 979,619	\$ 370,834
Liabilities		
Current		
Accounts payable and accrued liabilities (note 8)	\$ 609,361	\$ 893,318
Current portion of lease liability (note 9)	43,020	37,016
Loans (notes 4,8)	69,365	64,969
Flow-through premium liability (note 11)	61,095	-
	782,841	995,303
Long-term		
Long-term portion of accounts payable and accrued liabilities	-	313,100
Long-term portion of lease liability	-	42,707
Long-term portion of loans	-	65,000
	782,841	1,416,110
Equity		
Share capital (note 6)	8,877,677	7,015,407
Subscriptions received in advance	100,000	150,628
Option and warrant reserve	208,987	189,940
Deficit	(9,085,213)	(8,580,560)
Total shareholders' equity attributable to shareholders of Metalero Mining Corp.	101,451	(1,224,585)
Non-controlling interest (note 2)	95,327	179,309
Total shareholders' equity	196,778	(1,045,276)
Total liabilities and shareholders' equity	\$ 979,619	\$ 370,834
Nature of operations and going concern (note 1)		
Subsequent events (note 14)		

Approved by the Board of Directors

Director (signed by) "John Williamson"

Director (signed by) "Sean Mager"

The accompanying notes form an integral part of these consolidated financial statement

METALERO MINING CORP.
Consolidated Statements of Loss and Comprehensive Loss
Expressed in Canadian Dollars

For the years ended	October 31, 2025	October 31, 2024
Expenses		
Advertising and promotion	\$ 164,075	\$ 7,623
Management consulting (note 8)	168,000	127,000
Office and administration (note 8)	137,992	90,844
Professional fees (note 8)	101,382	119,483
Regulatory and filing fees	18,347	43,522
Depreciation (note 9)	32,782	28,984
	<u>(622,578)</u>	<u>(417,456)</u>
Other income		
Exploration expenses	(135,885)	(47,547)
Foreign exchange gain (loss)	8,757	(15,222)
Gain on sale of exploration and evaluation assets	144,539	-
Gain on settlement of debt	-	52,102
Interest expense (note 4)	(12,076)	(35,447)
Impairment of exploration and evaluation properties (note 5)	(171,392)	(146,340)
Unrealized gain on investment (note 10)	200,000	-
	<u>(588,635)</u>	<u>(609,910)</u>
Net and comprehensive loss for the year		
	(588,635)	(609,910)
Net and comprehensive loss attributable to:		
Shareholders' of Metalero Mining Corp.	(504,653)	(566,914)
Non-controlling interest	(83,982)	(42,996)
	<u>\$ (588,635)</u>	<u>\$ (609,910)</u>
Basic and diluted loss per common share		
	<u>\$ (0.03)</u>	<u>\$ (0.09)</u>
Basic and diluted weighted average number of common shares outstanding	<u>19,058,924</u>	<u>6,946,939</u>

The accompanying notes form an integral part of these consolidated financial statements.

METALERO MINING CORP.
Consolidated Statements of Changes in Equity
Expressed in Canadian Dollars

	Share capital	Subscriptions received in advance	Option and warrant reserve	Deficit	Attributable to shareholders' of Metalero Mining Corp	Non-controlling interest	Total Equity
Balance at October 31, 2023	\$ 6,129,248	\$ 906,868	\$ 189,940	\$ (8,013,646)	\$ (787,590)	\$ 222,305	\$ (565,285)
Shares issued for cash	903,500	(903,500)	-	-	-	-	-
Subscriptions received in advance	-	147,260	-	-	147,260	-	147,260
Share issuance costs	(17,341)	-	-	-	(17,341)	-	(17,341)
Net loss	-	-	-	(566,914)	(566,914)	(42,996)	(609,910)
Balance at October 31, 2024	\$ 7,015,407	\$ 150,628	\$ 189,940	\$ (8,580,560)	\$ (1,224,585)	\$ 179,309	\$ (1,045,276)
Shares issued for cash	1,310,501	(150,628)	-	-	1,159,873	-	1,159,873
Shares issued for debt settlement	710,961	-	-	-	710,961	-	710,961
Subscriptions received in advance	-	100,000	-	-	100,000	-	100,000
Share issuance costs	(98,097)	-	19,047	-	(79,050)	-	(79,050)
Flow through liability	(61,095)	-	-	-	(61,095)	-	(61,095)
Net loss	-	-	-	(504,653)	(504,653)	(83,982)	(588,635)
Balance at October 31, 2025	\$ 8,877,677	\$ 100,000	\$ 208,987	\$ (9,085,213)	\$ 101,451	\$ 95,327	\$ 196,778

The accompanying notes form an integral part of these consolidated financial statements.

METALERO MINING CORP
Consolidated Statements of Cash Flows
Expressed in Canadian Dollars

For the years ended	October 31, 2025	October 31, 2024
Cash provided by (used in):		
Operating activities		
Net loss for the year	\$ (588,635)	\$ (609,910)
Items not affecting cash:		
Depreciation	32,782	28,984
Foreign exchange	(3,798)	10,662
Gain on sale of exploration and evaluation assets	(144,539)	-
Interest expense of lease liability	6,354	9,522
Interest accrued on loans	2,196	7,869
Impairment of exploration and evaluation properties	171,392	146,340
Gain on settlement of debt	-	(52,102)
Changes in non-cash working capital:		
Goods and services tax receivable	(28,298)	1,355
Prepayments and deposits	(32,373)	11,900
Unrealized gain on Investments	(200,000)	-
Accounts payable and accrued liabilities	142,542	297,924
Cash used in operating activities	<u>(642,377)</u>	<u>(147,456)</u>
Investing activities		
Net exploration and evaluation property (expenses)/recoveries	<u>(107,398)</u>	62,169
Cash provided by investing activities	<u>(107,398)</u>	62,169
Financing activities		
Lease payments	(43,057)	(40,755)
Subscriptions received in advance	100,000	147,260
Loans received	11,500	103,800
Proceeds from private placements	1,022,380	-
Share issuance costs	(67,418)	(17,341)
Repayment of loans	(13,000)	(38,488)
Cash provided by financing activities	<u>1,010,405</u>	154,476
Net increase in cash	260,630	69,189
Cash, beginning of year	<u>79,080</u>	<u>9,891</u>
Cash, end of year	\$ 339,710	\$ 79,080

Supplemental Disclosure of Cash Flow Information (note 13)

The accompanying notes form an integral part of these consolidated financial statements.

METALERO MINING CORP.

Notes to the Consolidated Financial Statements
For the years ended October 31, 2025 and 2024
Expressed in Canadian Dollars

1. Nature of operations and going concern

Metalero Mining Corp. (“Metalero” or the “Company”) was incorporated under the Business Corporations Act (British Columbia) on June 25, 2018. The Company’s head office is at 250 South Ridge NW, Suite 300, Edmonton, Alberta, T6H 4M9.

On February 13, 2024, the Company changed its name from Cortus Metals Inc. to Metalero Mining Corp. The Company’s shares are listed on the TSX Venture Exchange under the trading symbol “MLO”.

The Company’s principal business activities include exploration and development of mineral resources in Nevada, USA. All of the Company’s projects are considered to be in the exploration stage and the Company has not yet determined whether these properties contain mineral resources that are economically recoverable. The Company utilizes a modified “Project Generator” business model. Through research and early-stage exploration, the Company generates new exploration ideas, acquires mineral rights and performs exploration work to clearly identify drilling targets. Earn-in option agreements with third parties will fund drilling and more advanced exploration to earn an interest in the Company’s properties.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable amount of time. At October 31, 2025, the Company had not generated revenues and had working capital of \$24,473 (2024 – deficit of \$909,290) and an accumulated deficit of \$9,085,213 (2024 - \$8,580,560). The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future, which indicate the existence of a material uncertainty that may cast significant doubts about the Company’s ability to continue as a going concern. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

2. Basis of presentation

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The accounting policies applied in preparation of these consolidated financial statements are consistent with those applied and disclosed in the Company’s consolidated financial statements for the year ended October 31, 2024, unless otherwise stated.

b) Consolidated Financial Statements

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on March 2, 2026.

These consolidated financial statements are presented in Canadian Dollars, unless otherwise noted and have been prepared on a historical cost basis. The Canadian dollar is the functional and reporting currency of the Company

These consolidated financial statements include the accounts of the Company, and its controlled entities as follows:

Name of Subsidiary	Proportion of Ownership Interest	Principal Activity
Cortus US Holdco, Inc.	100%	Holding company
Intermont Resources LLC	100%	Held mineral interest in Nevada
Cortus Properties LLC	51%	Held mineral interest in Nevada

The financial statements of the Company's subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the power, directly or indirectly, to determine the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany balances and transactions have been eliminated.

On July 31, 2023, the Company entered into a debt settlement agreement with an arms-length consultant, whereby the Company transferred its interests in the Cobre, Goldrun and Roberts Creek properties to Cortus Properties and issued a 49% membership interest in Cortus Properties LLC to the consultant. As a result, a non-controlling interest ("NCI") was recognized as being equal to the fair market value of the 49% interest in the properties transferred.

3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

a) Management estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in its consolidated financial statements and related notes. Those include estimates that, by their nature, are uncertain and actual results could differ materially from those estimates. The impacts of such estimates may require accounting adjustments based on future results. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The areas which require management to make significant estimates, judgments and assumptions in determining carrying values include:

Going concern

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

Exploration and evaluation properties

The application of the Company's accounting policy for exploration and evaluation properties requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable reserves exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Right-of-use assets/lease liabilities

The measurement of the lease liability for premises leases includes the 1-year extension option because it is probable that a renewal option will be exercised. In accordance with the IFRS 16, the renewal period must be included into the measurement of the lease liability. The incremental rate of borrowing used was estimated by management to be 10% per annum.

b) Cash

Cash is comprised of cash on hand and cash on deposit with the Company's financial institution on which it earns variable amounts of interest.

c) Financial instruments

Financial instruments are recognized on the date on which the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the rights to receive cash flow from assets have expired or have been transferred and the Company has transferred all the risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expires. All financial instruments are initially recognized at fair value and measurement in subsequent periods is dependent upon the classification of the financial instrument.

i) Financial assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded in profit or loss.

Amortized cost

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not classified or designated as at fair value through profit and loss: 1) the Company's objective for these financial assets is to collect their contractual cash flows and 2) the asset's contractual cash flows represent 'solely payments of principal and interest'. The Company's cash and accounts receivable are recorded at amortized cost as they meet the required criteria.

ii) Financial liabilities

Financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable, accrued liabilities, lease liability and loan.

d) Equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. Cost comprises the fair value of consideration given to acquire an asset and includes the direct expenditures associated with bringing the asset to the location and condition necessary for putting it into use along with the future cost of dismantling and removing the asset. When parts of an item of fixed assets have different useful lives, they are accounted for as separate items (major components) of fixed assets.

Amortization is calculated over the useful life of the asset at rates ranging from 15% to 30% per annum once the asset is available for use. Amortization charges on assets that are directly related to exploration and evaluation properties are allocated to that mineral property.

e) Foreign currencies

The functional and reporting currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the dates of transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized in profit or loss, except for differences on the retranslation of available-for-sale instruments, which are recognized in other comprehensive loss.

f) Exploration and evaluation properties

Exploration and evaluation property acquisition costs and exploration costs directly related to specific properties are deferred, commencing on the date that the Company acquires legal rights to explore a property, until technical and economic feasibility of extracting a mineral resource is demonstrable, or until the properties are sold or abandoned. Exploration costs may include costs such as materials used, surveying costs, drilling costs, payments made to contractors, analysing historical exploration data, geophysical studies, and depreciation on equipment used during the exploration stage. All other costs, including administrative overhead are expensed as incurred. If the properties are put into commercial production, the acquisition and exploration expenditures will be depleted using the units of production basis based upon the proven reserves available. If the properties are sold or abandoned, these expenditures will be written off.

Where the Company's exploration commitments for an area of interest are performed under option agreements with a third party, the proceeds of any option payments under such agreements are applied to the area of interest to the extent of costs incurred. The excess, if any, is credited to operations.

Mineral properties are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed the recoverable amount. Where there is evidence of impairment, the net carrying amount of the asset will be written down to its recoverable amount. Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many resource properties.

g) Share-based payment transactions

The Company's stock option plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and recorded as an expense over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The fair value of the share-based payment is measured using the Black-Scholes option pricing model. The fair value of the share-based payment is recognized as an expense or capitalized to mineral interests with a corresponding increase in share-based payment reserves. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payment reserves amount is transferred to share capital.

h) Flow-through shares

The Company may, from time to time, issue flow-through shares to finance a portion of its Canadian exploration programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share/unit, gross proceeds are allocated between the equity (share) and liability (deferred flow-through liability) components on the issue date to the extent that a premium exists. The equity portion is measured at the estimated fair value and the residual is allocated as a deferred flow-through liability.

When the expenditures are renounced, the Company reduces the deferred flow-through liability and records a recovery on settlement of flow-through liability as other income. Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a maximum two calendar year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense.

Flow-through shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

i) Comprehensive income (loss) and equity

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) ("OCI"). OCI represents changes in shareholders' equity during a period arising from transactions and other events with non-owner sources. When applicable, components of OCI are recorded net of related income taxes. Cumulative changes in OCI are included in accumulated other comprehensive income ("AOCI"), which is presented as a category of equity in the consolidated statements of changes in equity.

j) Income (loss) per share

Income (loss) per share is computed by dividing the net income (loss) by the weighted average number of common shares outstanding during the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments. In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. When diluted earnings per share is calculated, only those share options and other convertible instruments with exercise prices below the average trading price of the Company's common shares for the period will be dilutive.

k) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxation authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

l) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a lease liability and a right-of-use asset at the lease commencement date. The lease liability is initially measured as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the Company expects to exercise an option to terminate the lease.

The lease liability is subsequently measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The right-of-use asset is initially measured at cost, which comprises the following:

- the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company; and
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The right-of-use asset is subsequently measured at cost, less any accumulated depreciation in accordance with the Company's accounting policy and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to net earnings over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

m) New accounting standards and recent pronouncements

New accounting standards effective November 1, 2024

The IASB issued amendments to IAS 1, Presentation of Financial Statements ("IAS 1") - Classification of Liabilities as Current or Non-Current. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the consolidated statements of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

Management has assessed these standards and determined there are no material changes to the consolidated financial statements upon adoption of IAS 1.

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on or after July 1, 2025, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not anticipate any material changes to the consolidated financial statements upon adoption of these new revised accounting pronouncements.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure, were amended by the IASB in May 2024, with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2026.

IFRS 18 Presentation and Disclosure in Financial Statements was issued by the IASB in April 2024, with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2027.

Management is currently assessing the impact of these standards on the consolidated financial statements. No standards have been early adopted in the current period and expected to have a material impact on the Company's consolidated financial statements

There are no other IFRS or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

4. Loans

During the year ended October 31, 2024, the Company obtained loans from related parties to make critical payments in the amount of \$103,800.

During the year ended October 31, 2025, the Company obtained loans in the amount of \$11,500 and repaid loans of \$74,300 from related parties.

These loans are unsecured, non-interest bearing and have no specific terms of repayment (note 8).

The Company assumed loans in the amount of \$18,300 on the acquisition of Intermont Resources LLP. These loans are unsecured, bear interest of 12% per annum and have no specific terms of repayment. As at October 31, 2025, the Company has recorded interest of \$10,065 in relation to these loans.

5. Exploration and evaluation properties

The Metalero portfolio includes projects and prospects vary from grassroots exploration targets to drill-ready-stage targets underpinned by geochemical or geophysical data or a combination of the two.

Nevada Properties

Costs incurred by the Company are summarized as follows:

Year ended October 31, 2024	Goldrun	Grayson	Powerline	Roberts Creek	Other	Total
Balance, October 31, 2023	\$ 74,025	\$ 83,136	\$ 79,979	\$ 62,878	\$ 146,340	\$ 446,358
Claim maintenance fees	30,837	34,624	22,722	36,788	-	124,971
Recoveries	(15,110)	(34,624)	(22,722)	(18,026)	-	(90,482)
Option payments received	-	(53,827)	(53,827)	-	-	(107,654)
Impairment	-	-	-	-	(146,340)	(146,340)
Total E&E assets, October 31, 2024	\$ 89,752	\$ 29,309	\$ 26,152	\$ 81,640	\$ -	\$ 226,853

Year ended October 31, 2025	Goldrun	Grayson	Powerline	Roberts Creek	Benson	Total
Balance, October 31, 2024	\$ 89,752	\$ 29,309	\$ 26,152	\$ 81,640	\$ -	\$ 226,853
Option payments received	-	(29,309)	(26,152)	-	-	(55,461)
Other exploration expense	-	-	-	-	143,321	143,320
Impairment	(89,752)	-	-	(81,640)	-	(171,392)
Total E&E assets, October 31, 2025	\$ -	\$ -	\$ -	\$ -	\$ 143,321	\$ 143,321

On September 1, 2025, the Company allowed its mineral claims covering the Roberts Creek and Goldrun properties, located in Nevada, U.S.A., to lapse. Despite efforts to secure joint venture or option agreements, no such transactions were completed. The decision not to renew the claims for an additional year was made to conserve working capital and focus financial and operational resources on new projects.

BC Property

Benson Project

On January 17, 2025, The Company entered into a binding LOI (the "LOI") to purchase a 100% undivided interest in the Benson Project located in central British Columbia, Canada. The LOI contemplates total cash payments of \$100,000 and the issuance of 2,000,000 Metalero shares in predetermined installments. In the event that Metalero achieves the 100% option, the Vendor will retain a 2% Net Smelter Return ("NSR") upon commercial production with an option for Metalero to purchase half of the NSR (1%) for \$1,000,000.

During the year ended October 31, 2025, the Company completed the required exploration work to keep the Property in good standing.

See note 10.

6. Share capital

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value and an unlimited number of preferred shares.

On February 13, 2024, the Company completed a share consolidation of its capital on the basis of fifteen (15) pre-consolidation existing common shares for one (1) new post-consolidated common share. All common shares, per common share amounts, warrants and options in these consolidated financial statements have been retroactively restated to reflect the share consolidation.

A summary of changes in common share capital in the year is as follows:

	Number of shares	Amount
Balance at October 31, 2023	6,336,355	\$ 6,129,248
Shares issued in private placement	6,023,330	903,500
Share issuance costs, cash	-	(17,341)
Balance at October 31, 2024	12,359,685	\$ 7,015,407
Shares issued from private placement	9,888,222	1,310,501
Shares issued for debt settlement	4,739,739	710,961
Share issuance cost, cash	-	(79,050)
Share issuance cost, finders warrant	-	(19,047)
Flow-through premium liability	-	(61,095)
Balance at October 31, 2025	26,987,646	\$ 8,877,677

During the year ended October 31, 2025

On October 21, 2025, the Company completed a private placement of 952,381 flow-through units at \$0.21 for gross proceeds of \$200,000. Each unit consists of one common share of the Company and one warrant of the Company. Each warrant is exercisable to purchase one additional share at an exercise price of \$0.26 per share for a two-year period. In connection with the private placement, the Company issued 76,189 broker warrants exercisable for a term of two years with an exercise price of \$0.21 per common share.

On August 21, 2025 the Company completed a private placement of 7,662,509 units at \$0.12 for gross proceeds of \$919,500. Each unit consists of one common share of the Company and one warrant of the Company. Each warrant is exercisable to purchase one additional common share of the Company for a period of two years, with an exercise price of \$0.25 per common share in the first year and \$0.35 per common share in the second year.

In connection with private placement, the Company incurred share issue costs of \$25,862 and issued 215,520 broker warrants exercisable for a term of two years with an exercise price of \$0.25 per common share in the first year and \$0.35 per common share in the second year.

On November 5, 2024, the Company completed a private placement of 1,273,332 common shares at a price of \$0.15 per share for gross proceeds of \$191,000, of which \$50,000 was received during the year ended October 31, 2023 and \$100,628 was received during the year ended October 31, 2024.

METALERO MINING CORP.
Notes to the Consolidated Financial Statements
For the years ended October 31, 2025 and 2024
Expressed in Canadian Dollars

The Company entered into debt settlement agreements with arms-length creditors (the "Creditors") to settle an aggregate of \$710,961 in debt (the "Debt"). The Debt related to amounts owing for services provided to the Company and reimbursable expenses incurred on behalf of the Company. In the settlement and satisfaction of the Debt, the Company issued to the Creditors an aggregate of 4,739,739 common shares at an issue price of \$0.15 per share.

During the year ended October 31, 2024

On February 28, 2023, the Company completed a private placement raising aggregate gross proceeds of \$475,000 through the sale of 3,166,667 common shares at a price of \$0.15 per share. In connection with the sale of the shares, the Company paid fees of \$28,500 in cash, and granted 190,000 non-transferable agent warrants to an eligible finder. Each warrant was exercisable at a price of \$0.75 per one common share for a period of 24 months from the date of grant.

On September 24, 2024, the Company completed a private placement by issuing 6,023,330 common shares at a price of \$0.15 per share for gross proceeds of \$903,500, which was received during the year ended October 31, 2023.

b) Stock options

The Company's has a stock option plan (the "Plan") for directors, officers, employees, and consultants. The Plan provides for the issuance of incentive options to acquire up to a total of 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the minimum prescribed amount allowed under the TSX. The options can be granted for a maximum term of 5 years with vesting provisions determined by the Company.

A summary of stock option activity in the year is as follows:

	Number of options	Weighted average exercise price
Outstanding options, October 31, 2024	186,567	\$ 1.78
Options expired	(170,667)	1.73
Outstanding options, October 31, 2025	15,900	\$ 2.25

A summary of stock options outstanding and exercisable is as follows:

Exercise Price	October 31, 2025			Exercise Price	October 31, 2024	
	Number of options	Remaining contractual life (years)			Number of options	Remaining contractual life (years)
\$ -	-	-		\$ 0.75	58,667	0.0
-	-	-		2.25	112,000	0.8
2.25	15,900	0.2		2.25	15,900	1.2
\$ 2.25	15,900	0.2		\$ 1.78	186,567	0.6

c) Warrants

A summary of share purchase warrant activity in the year is as follows:

	Number of warrants	Weighted average exercise price
Outstanding warrants, October 31, 2024	190,000	\$ 0.75
Issued	8,906,599	0.25
Expired	(190,000)	0.75
	<hr/>	
Outstanding warrants, October 31, 2025	8,906,599	\$ 0.25

A summary of warrants outstanding and exercisable is as follows:

Exercise Price	October 31, 2025			October 31, 2024		
	Number of warrants	Remaining contractual life (years)	Exercise Price	Number of warrants	Remaining contractual life (years)	Exercise Price
\$ -	-	-	\$ 0.75	190,000	0.3	
0.25	7,878,029	1.8	-	-	-	i)
0.21	76,189	2.0	-	-	-	
0.26	952,381	2.0	-	-	-	
	<hr/>			<hr/>		
\$ 0.25	8,906,599	1.8	\$ 0.75	190,000	0.3	

i) Exercise price of \$0.25 per common share in the first year and \$0.35 per common share in the second year

7. Financial instruments and risk management

Fair value of financial instruments

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - Quoted prices 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.

As at October 31, 2025, the Company believes that the carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Financial instruments risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is defined as the risk of loss associated with counterparty's inability to fulfill its payment obligations. The maximum exposure to credit risk is the carrying amount of the Company's financial assets.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle its obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds available to meet its short-term business requirements by taking into account the anticipated cash expenditures for its exploration and other operating activities, and its holding of cash and cash equivalents.

The Company will pursue further equity or debt financing as required to meet its commitments. There is no assurance that such financing will be available or that it will be available on favourable terms.

As at October 31, 2025, the Company's financial liabilities consist of its accounts payable and accrued liabilities, loans and lease liability.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign exchange risk is minimal.

Classification of financial instruments

Financial assets included in the consolidated statement of financial position are as follows:

	October 31, 2025	October 31, 2024
Financial assets at amortized cost		
Cash	\$ 339,710	\$ 79,080
	\$ 339,710	\$ 79,080

Financial liabilities included in the consolidated statement of financial position are as follows:

	October 31, 2025	October 31, 2024
Non-derivative financial liabilities		
Accounts payable and accrued liabilities	\$ 609,361	\$ 1,206,418
Lease liability	43,020	79,723
Loans	69,365	129,969
	\$ 721,746	\$ 1,416,110

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve investor's confidence and retain the ability to

seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

8. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company accrued fees to directors and officers for management and professional services as follows:

For the year ended	October 31, 2025	October 31, 2024
Management fees to key management and directors	\$ 168,000	\$ 127,000
Professional fees	51,100	46,400
Rent expense	35,500	40,200
	<u>\$ 254,600</u>	<u>\$ 213,600</u>

Related party balances

At October 31, 2025, \$402,270 included in accounts payable and accrued liabilities (October 31, 2024 - \$783,323) was due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

At October 31, 2025, \$41,000 (October 31, 2024 - \$103,800) included in loans was due to key management and directors. These loans are unsecured, non-interest bearing and have no specific terms of repayment (note 4).

9. Right-of-use asset/lease liability

The Company's subsidiary, Intermont Resources LLC is the lessee to a premise lease. The incremental rate of borrowing for this lease was estimated by management to be 10% per annum.

(a) Right-of-Use Assets

As at October 31, 2025, right-of-use assets are recorded as follows:

	2025
As at October 31, 2024	\$ 57,968
Depreciation	(32,782)
Foreign exchange	3,798
As at October 31, 2025	<u>\$ 28,984</u>

(b) Lease Liabilities

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

	2025
Undiscounted minimum lease payments:	
Less than one year	\$ 45,393
	45,393
Effect of discounting	(2,373)
Present value of minimum lease payments	\$ 43,020

(c) Lease Liabilities Continuity

As at October 31, 2025, lease liabilities are recorded as follows:

	2025	2024
As at October 31, 2024	\$ 79,723	\$ 111,290
Cash flows:		
Leases payments	(43,057)	(40,755)
Interest	6,354	9,188
As at October 31, 2025	\$ 43,020	\$ 79,723

10. Investment

During the year ended October 31, 2025, the Company received 4,000,000 shares of Vulcan Resources Corp. ("Vulcan"), a private company, in connection with the option of the Grayson and Powerline properties (note 5). The fair value of investments in private companies that are not quoted in active markets may be determined by using third-party pricing information and are usually based on valuation methods and techniques generally recognized as standard within the industry.

At October 31, 2025, the Company holds 4,000,000 shares of Vulcan with a fair market value of \$400,000. During the year ended October 31, 2025, the Company recorded an unrealized gain on the shares of \$200,000.

11. Flow-through premium liability

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds, less the qualified expenditures made to date, represent the funds received from flow-through share issuances that have not been spent.

During the year ended October 31, 2025, the Company issued 952,381 flow-through shares for gross proceeds of \$200,000. and recognized a deferred flow-through liability of \$61,095, non-cash, which is the difference between the fair market value of the underlying common shares and the amount the investor paid for the flow-through shares.

METALERO MINING CORP.
Notes to the Consolidated Financial Statements
For the years ended October 31, 2025 and 2024
Expressed in Canadian Dollars

A summary of changes in deferred flow-through liability during the year ended is as follows:

Balance, October 31, 2023 and 2024	\$ -
Liability incurred on flow-through shares issued	61,095
Balance, October 31, 2025	61,095

At October 31, 2025, the Company is required to spend \$200,000 on qualified expenditures, by December 31, 2026, to satisfy its flow-through obligation.

12. Income taxes

The reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is approximately as follows:

	October 31, 2025	October 31, 2024
Loss before income taxes	\$ (589,000)	\$ (610,000)
Total expected income tax recovery at statutory rates	(150,000)	(160,000)
Net effect of deductible and non-deductible amounts	(23,000)	31,000
Unrecognized benefit of income tax losses	173,000	129,000
Actual income tax recovery	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	October 31, 2025	October 31, 2024
Non-capital loss carry-forwards	\$ 3,800,000	\$ 3,046,000
Exploration and Evaluation assets	1,252,000	1,117,000
Fixed assets	22,000	22,000
Share issue costs	82,000	59,000
Investments	(200,000)	-
Valuation allowance	(4,956,000)	(4,244,000)
	\$ -	\$ -

METALERO MINING CORP.
Notes to the Consolidated Financial Statements
For the years ended October 31, 2025 and 2024
Expressed in Canadian Dollars

This potential future tax benefit has been offset entirely by a valuation allowance and has not been recognized in these consolidated financial statements. The non-capital loss carry-forwards expire according to the following schedule:

	Non-capital losses
2038	\$ 1,000
2039	90,000
2040	552,000
2041	782,000
2042	666,000
2043	482,000
2044	473,000
2045	755,000
	\$ 3,801,000

The deferred tax assets have not been recognized because at this stage of the Company's development it is not determinable that future taxable profit will be available against which the Company can't utilize such deferred tax assets.

13. Supplemental disclosure with respect to cash flows

The Company entered into the following transactions which had no impact on cash flow:

	Year ended	
	October 31, 2025	October 31, 2024
Exploration and evaluation expenditures included in accounts payable	\$ 35,923	\$ -

14. Subsequent events

- a) On December 12, 2026, the Company completed a private placement of 517,523 flow-through units (the "FT Units") at a price of \$0.21 per FT Unit, for total gross proceeds of \$108,680. Each FT Unit consists of one flow-through common share (a "FT Share") and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one additional non-flow-through common share at a price of \$0.26 for two years from the date of issuance.
- b) On February 10, 2026, Company issued 2,300,000 stock options to certain directors, officers and consultants, each exercisable at a price of \$0.15 per common shares for term of 5 years, with all options fully vested as at grant date.