# ANDINA COPPER CORPORATION

(formerly Pampa Metals Corporation)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
**(Unaudited - Expressed in Canadian Dollars)**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**NOTICE TO READER**

The accompanying unaudited condensed consolidated interim financial statements of Andina Copper Corporation (formerly Pampa Metals Corporation) (the "Company") for the nine months ended September 30, 2025 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

**ANDINA COPPER CORPORATION**
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

| | September 30 2025 | December 31 2024 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash | $ 3,142,113 | $ 291,871 |
| Receivables | 66,404 | 22,911 |
| Prepaid expenses and deposits | 66,549 | 336,984 |
| **Total current assets** | 3,275,066 | 651,766 |
| **Non-current assets** | | |
| Equipment (Note 4) | 73,446 | 99,649 |
| Mineral property interests (Note 5) | 30,599,885 | 7,821,223 |
| **Total non-current assets** | 30,673,331 | 7,920,872 |
| **TOTAL ASSETS** | **$ 33,948,397** | **$ 8,572,638** |
| **LIABILITIES AND EQUITY** | | |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable and accrued liabilities (Note 6) | $ 417,057 | $ 1,505,957 |
| **TOTAL LIABILITIES** | 417,507 | 1,505,957 |
| **EQUITY** | | |
| Share capital (Note 7) | 48,492,377 | 22,680,650 |
| Warrant reserves | 3,357,893 | 1,590,306 |
| Contributed surplus | 4,542,162 | 1,810,560 |
| Deficit | (22,861,092) | (19,014,835) |
| **TOTAL EQUITY** | 33,531,340 | 7,066,681 |
| **TOTAL LIABILITIES AND EQUITY** | **$ 33,948,397** | **$ 8,572,638** |

**Nature of operations and going concern** (Note 1)
**Events after reporting date** (Note 11)

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on December 1, 2025.

**Approved by the Board of Directors**

*"Joseph van den Elsen"* Director *"Tony Manini"* Director

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

**ANDINA COPPER CORPORATION**
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

| | Three months ended September 30 2025 | Three months ended September 30 2024 | Nine months ended September 30 2025 | Nine months ended September 30 2024 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Consulting fees | $ 63,821 | $ 4,932 | $ 67,820 | $ 13,727 |
| Depreciation | 8,734 | 2,911 | 26,203 | 5,503 |
| Director and management fees (Note 7) | 186,424 | 70,833 | 336,424 | 174,333 |
| General and administration | 43,659 | 18,277 | 104,359 | 113,237 |
| Investor relations | 58,486 | 3,392 | 96,993 | 108,224 |
| Professional fees (Note 7) | 284,473 | 50,671 | 407,310 | 216,534 |
| Share-based compensation (Notes 6 and 7) | 2,492,097 | 28,316 | 2,565,960 | 304,019 |
| Transfer agent and shareholder information | 32,924 | 8,884 | 57,312 | 57,653 |
| | 3,170,618 | 188,216 | 3,662,381 | 993,050 |
| **Loss before other items** | (3,170,618) | (188,216) | (3,662,381) | (993,050) |
| Gain on disposal of equipment | - | 17,346 | - | 17,346 |
| Loss on disposal of former subsidiary | - | (4,089) | - | (4,089) |
| Interest income | 14,114 | 20,175 | 14,217 | 29,906 |
| Foreign exchange and other | (299,883) | 37,640 | (188,093) | 99,370 |
| **LOSS AND COMPREHENSIVE LOSS** | **$ (3,456,387)** | **$ (134,490)** | **$ (3,846,257)** | **$ (850,517)** |
| Basic and diluted loss per share | $ (0.02) | $ (0.00) | $ (0.03) | $ (0.01) |
| Weighted average number of shares outstanding - basic and diluted | 189,031,736 | 82,743,606 | 128,993,727 | 69,880,171 |

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

**ANDINA COPPER CORPORATION**
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

| | Nine months ended September 30 2025 | Nine months ended September 30 2024 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Loss for the period | $ (3,846,257) | $ (850,517) |
| **Items not affecting cash:** | | |
| Depreciation | 26,203 | 5,503 |
| Share-based compensation | 2,565,960 | 304,019 |
| Gain on disposal of equipment | - | (17,346) |
| Loss on disposal of former subsidiary | - | 4,089 |
| Unrealized foreign exchange | - | (70) |
| **Changes in non-cash working capital items:** | | |
| Receivables | 37,456 | 11,747 |
| Prepaid expenses and deposits | (37,037) | 207,661 |
| Accounts payable and accrued liabilities | (483,821) | (144,824) |
| **Net cash used in operating activities** | (1,737,496) | (479,738) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Expenditures on mineral properties | (4,856,841) | (4,172,063) |
| Purchase of equipment | - | (104,813) |
| Cash from acquisition of Rugby | 178,873 | - |
| Exploration expenditures held in deposits | - | 38,376 |
| Cash held by former subsidiary | - | (988) |
| **Net cash used in investing activities** | (4,677,968) | (4,239,293) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from private placements, net | 8,773,748 | 5288,551 |
| Exercise of warrants | 454,458 | 511,390 |
| Exercise of stock options | 37,500 | - |
| **Net cash provided by financing activities** | 9,265,706 | 5,799,941 |
| **Change during the period** | 2,850,242 | 1,080,910 |
| **Cash, beginning of period** | 291,871 | 1,637,510 |
| **Cash, end of period** | $ 3,142,113 | $ 2,718,420 |

**Supplemental disclosure with respect to cash flows** (Note 9)

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

**ANDINA COPPER CORPORATION**
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

| | Number of common shares | Share capital | Reserve | Contributed surplus | Deficit | Total |
|---|---|---|---|---|---|---|
| **Balance, December 31, 2023** | 55,335,388 | $ 16,926,789 | $ 1,379,814 | $ 1,548,091 | $ (17,852,240) | $ 2,002,454 |
| Private placement units | 21,564,353 | 5,554,644 | 14,906 | - | - | 5,569,550 |
| Share issue costs | - | (280,999) | - | - | - | (280,999) |
| Finder's warrants | - | (249,996) | 249,996 | - | - | - |
| Exercise of warrants | 5,297,399 | 521,401 | (10,012) | - | - | 511,389 |
| RSUs vesting | 967,138 | 82,207 | - | (82,207) | - | - |
| Share-based compensation | - | - | - | 304,019 | - | 304,019 |
| Loss for the period | - | - | - | - | (850,517) | (850,517) |
| **Balance, September 30, 2024** | 83,164,278 | $ 22,554,046 | $ 1,634,704 | $ 1,769,903 | $ (18,702,757) | $ 7,255,896 |
| **Balance, December 31, 2024** | 83,164,278 | $ 22,680,650 | $ 1,590,306 | $ 1,810,560 | $ (19,014,835) | $ 7,066,681 |
| Acquisition of Rugby (Note 3) | 65,165,185 | 16,617,122 | 1,666,151 | 195,977 | - | 18,479,250 |
| Private placement units and shares | 57,000,000 | 9,055,125 | 64,875 | - | - | 9,120,000 |
| Share issue costs | - | (346,252) | - | - | - | (346,252) |
| Finder's shares and warrants | 264,062 | (26,273) | 26,273 | - | - | - |
| Exercise of warrants | 6,059,440 | 459,185 | (4,727) | - | - | 454,458 |
| Exercise of stock options | 500,000 | 52,820 | - | (15,320) | - | 37,500 |
| Share-based compensation | - | - | - | 2,565,960 | - | 2,565,960 |
| Loss for the period | - | - | - | - | (3,846,257) | (3,846,257) |
| **Balance, September 30, 2025** | 212,152,965 | $ 48,492,377 | $ 3,342,878 | $ 4,557,177 | $ (22,861,092) | $ 33,531,340 |

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Andina Copper Corporation (formerly Pampa Metals Corporation) (the "Company" or "Andina") is a mining exploration company focused on exploration of base metals and precious metals projects in the Americas, with a primary focus on the Piuquenes Copper-Gold porphyry project in San Juan, Argentina, the Cobrasco porphyry copper-moly project in Chocó, Colombia, and the Mantau copper-gold target in Antofagasta, Chile. The Company was incorporated under the British Columbia Business Corporations Act in 1999. The Company's head office and records office is 501 - 543 Granville Street, Vancouver, British Columbia. The Company's registered office is 1200 - 750 West Pender Street, Vancouver, British Columbia. The Company trades on the TSX Venture Exchange (the "TSX-V"; TSX-V: ANDC); the Frankfurt Stock Exchange (FSE: FIR); and on the OTCQB (OTCQB: PMMCF).

*Going concern*

The Company's financial statements have been prepared on a going concern basis, which presumes 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 Company is in the process of exploring its mineral property interests and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of mineral property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of its mineral properties and upon future profitable production.

Several conditions cast doubt on the validity of the going concern assumption. The Company has incurred losses since inception and an accumulated deficit of $22,861,092 as at the reporting date. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including the acquisition and exploration of mineral property interests, is dependent on the Company's ability to obtain necessary financing. Management is planning to raise additional capital to finance operations and exploration activities. The ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. These circumstances indicate that material uncertainties exist that may cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

### Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), applicable to preparation of interim financial statements including International Accounting Standard 34 Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments, which have been measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2024.

Certain new accounting standards have been amended effective January 1, 2025. The Company has evaluated these standards and determined that they are not expected to have a significant effect on its financial statements

## 3. ACQUISITION OF RUGBY RESOURCES LTD

In February 2025, the Company signed a binding letter agreement to acquire all the issued and outstanding common shares of Rugby Resources Ltd. ("Rugby") in exchange for common shares of the Company by way of a plan of arrangement (the "Plan of Arrangement"), under the Business Corporations Act (British Columbia) on the basis of 1 common share of the Company for every 6.4 common shares of Rugby (the "Transaction"). Prior to the closing, shareholders of Rugby received an interest in a newly-formed company ("Spinco" or "Aegis"), to which Rugby transferred certain assets for the purpose of separating these assets from Rugby.

In July 2025, upon closing of the Plan of Arrangement, the Company issued 65,165,185 common shares, 2,410,926 stock options and 19,399,343 warrants.

At the time of the acquisition, the Company determined that Rugby did not constitute as a business as defined under IFRS 3 Business Combinations and accounted for the transaction as an asset acquisition. The Company has recognized the identifiable assets and liabilities acquired at their estimated acquisition date fair values, where the purchase price allocation is as follows:

| | | Amounts |
|---|---|---|
| Common shares issued | $ | 16,617,122 |
| Stock options granted | | 195,977 |
| Warrants issued | | 1,666,151 |
| | $ | 18,479,250 |
| | | |
| Cash | $ | 178,873 |
| Receivable | | 80,949 |
| Mineral property interest - Cobrasco | | 18,901,274 |
| Accounts payable and accrued liabilities | | (681,846) |
| | $ | 18,479,250 |

## 4. EQUIPMENT

| | | September 30 2025 | | December 31 2024 |
|---|---|---|---|---|
| Opening balance | $ | 99,649 | $ | 23,748 |
| Additions | | - | | 111,295 |
| Disposals | | - | | (21,156) |
| Depreciation | | (26,203) | | (14,238) |
| | $ | 73,446 | $ | 99,649 |
| | | | | |
| Historical costs | $ | 111,295 | $ | 111,295 |
| Accumulated depreciation | | (37,849) | | (11,646) |

## 5. MINERAL PROPERTY INTERESTS

Below is the continuity of mineral property interests capitalized to the statements of financial position for the nine months ended September 30, 2025:

| | Piuquenes | Cobrasco | Mantau | **Total** |
|---|---|---|---|---|
| Acquisition costs, opening | $ 1,040,252 | $ - | $ - | $ 1,040,252 |
| Acquisitions costs, cash | - | - | - | - |
| Acquisitions of Rugby (Note 3) | - | 18,901,274 | - | 18,901,274 |
| **Acquisition costs, ending** | 1,040,252 | 18,901,274 | - | 19,941,526 |
| | | | | |
| Exploration costs, opening | 6,780,971 | - | - | 6,780,971 |
| Geochemistry, geophysics, and other | 491,171 | 56,502 | 19,500 | 567,173 |
| Drilling and field costs | 3,062,225 | 183,722 | - | 3,245,947 |
| Other exploration costs | 20,100 | 24,656 | 19,512 | 64,268 |
| Subtotal, exploration costs | 3,573,496 | 264,880 | 39,012 | 3,877,388 |
| **Exploration costs, ending** | 10,354,467 | 264,880 | 39,012 | 10,658,359 |
| | | | | |
| **Total mineral property interests** | $ 11,394,719 | $ 19,166,154 | $ 39,012 | $ 30,599,885 |

*Piuquenes Project, Argentina*

In November 2023, the Company entered into an option agreement to acquire an 80% interest in the Piuquenes porphyry copper-gold project located in the San Juan province, Argentina (the "Piuquenes Project"). Within the four years following November 30, 2023 (the "Commencement Date"), the Company has agreed to:

a) complete at least 6,000 meters of mineral exploration drilling;
b) spend a minimum of $6,000,000 in exploration of the property, in addition to expenditures made to satisfy (a) above;
c) pay staged option payments totaling US$1,250,000 as outlined below:
   - US$50,000 on the Commencement Date (paid);
   - US$200,000 upon commencement of first drill program on the project (paid);
   - US$250,000 on 183 days following the commencement of the first drill program on the project (paid);
   - US$250,000 on the first anniversary of the Commencement Date (paid);
   - US$250,000 on the second anniversary of the Commencement Date; and
   - US$250,000 on the third anniversary of the Commencement Date.
d) pay and deliver to optionor the following:
   a. payment of $14,750,000, of which a maximum of $2,500,000 can be settled through issuance of common shares of the Company at a price per share equal to the trailing 30-day VWAP as at the date of exercise of the option; and
   b. grant a 1.25% net smelter return ("NSR") royalty on the project.

*Cobrasco Project, Colombia*

As part of the Plan of Arrangement (Note 3), the Company acquired the the Cobrasco Project, located in Choco, Colombia. Aegis retains a 20% interest, which is free carried to completion of a feasibility study.

*Mantau Project, Chile*

As part of the Plan of Arrangement (Note 3), the Company acquired the the Mantau Project, located in Antofagasta, Chile. Aegis retains a 1.5% NSR royalty, subject to right to buy-back a 0.5% NSR at fair market value within 12 months of completing a preliminary feasibility study recommending advancing to a full feasibility study.

## 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | September 30 2025 | December 31 2024 |
|---|---|---|
| Accounts payable | $ 177,551 | $ 401,347 |
| Accrued liabilities | 239,506 | 1,104,610 |
| | $ 417,057 | $ 1,505,957 |

## 7. SHARE CAPITAL

### Authorized

The Company is authorized to issue an unlimited number of common shares.

### Issued and outstanding

*Nine months ended September 30, 2025*

In July 2025, the Company closed an upsized LIFE offering totalling 38,250,000 common shares at a price of $0.16 per share for gross proceeds of $6,120,000. The Company paid $179,950 as finders' fees, issued 264,062 finder's shares with a fair value of $42,250, and issued 1,451,249 finder's warrants with a fair value of $196,361 estimated using the Black-Scholes Option Pricing Model with the following weighted-average assumptions: share price on issuance date of $0.19, risk-free rate of 2.76%, dividend rate of 0%, expected life of 2 years, and volatility of 164%. Each finder's warrant is exercisable into one common share at an exercise price of $0.30 for a period of 24 months from issuance.

In February, March, and April 2025, the Company closed a private placement offering totalling 18,750,000 units at a price of $0.16 per unit for gross proceeds of $3,000,000. Each unit is comprised of one common share and one-half warrant of the Company with an exercise price of $0.30 per share for a period of 36 months from the closing. The residual value of the warrants issued was estimated as $64,875 using the share price on the CSE on the respective closing date of each tranche. For these tranches, the Company paid $30,240 as finders' fees and issued 189,000 finder's warrants with a fair value of $26,273 estimated using the Black-Scholes Option Pricing Model with the following weighted-average assumptions: share price on issuance date of $0.18, risk-free rate of 3%, dividend rate of 0%, expected life of 3 years, and volatility of 152%. Each warrant is exercisable into one common share at an exercise price of $0.30 for a period of 36 months from issuance.

During the nine months ended September 30, 2025, the Company issued 6,059,440 common shares for exercise of warrants at $0.075 per shares for gross proceeds of $454,458 and 500,000 common shares for exercise of stock options at $0.075 per shares for gross proceeds of $37,500.

*Nine months ended September 30, 2024*

In July 2024, the Company closed the final tranche of a private placement offering of 555,556 units at a price of $0.27 per unit for gross proceeds of $150,000. Each unit is comprised of one common share and one-half warrant of the Company with an exercise price of $0.50 per share for a period of 36 months from the closing. The residual value of the warrants issued was estimated as $Nil using the share price on the CSE on the closing date of $0.27.

In July 2024, the Company closed the second tranche of a private placement offering of 2,981,297 units at a price of $0.27 per unit for gross proceeds of $804,950. Each unit is comprised of one common share and one-half warrant of the Company with an exercise price of $0.50 per share for a period of 36 months from the closing. The residual value of the warrants issued was estimated as $14,906 using the share price on the CSE on the closing date of $0.265. For this tranche, the Company paid $21,060 as finders' fees and issued 78,000 finder's warrants with a fair value of $15,816 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.265, risk-free rate of 3.75%, dividend rate of 0%, expected life of 3 years, and volatility of 154%. Each warrant is exercisable into one common share at an exercise price of $0.50 for a period of 36 months from issuance.

In June 2024, the Company closed the first tranche of private placement offering of 9,600,000 units at a price of $0.27 per unit for gross proceeds of $2,592,000. Each unit is comprised of one common share and one-half warrant with an exercise price of $0.50 per share for a period of 36 months from the closing date of the offering. The residual value of the warrants issued was estimated as $Nil using the share price on the CSE on the closing date of $0.28. For this tranche, the Company paid $155,520 as finders' fees and issued 576,000 finder's warrants with a fair value of $124,602 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.28, risk-free rate of 3.83%, dividend rate of 0%, expected life of 3 years, and volatility of 154%. Each warrant is exercisable into one common share at an exercise price of $0.50 for a period of 36 months from issuance.

## 7. SHARE CAPITAL (cont'd…)

**Issued and outstanding** (cont'd…)

In April 2024, the Company closed a private placement offering of 8,427,500 units at a price of $0.24 per unit for gross proceeds of $2,022,600. Each unit is comprised of one common share and one-half warrant with an exercise price of $0.40 per share for a period of 36 months from the closing date of the offering. The residual value of the warrants issued was estimated as $Nil using the share price on the CSE on the closing date of $0.26. For this offering, the Company paid $75,852 as finder's fees and issued 316,050 finder's warrants with a fair value of $109,578 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.26, risk-free rate of 4.07%, dividend rate of 0%, expected life of 3 years, and volatility of 156%. Each warrant is exercisable into one common share at an exercise price of $0.40 for a period of 36 months from issuance.

During the nine months ended September 30, 2024, the Company issued 5,297,399 common shares for exercise of warrants for gross proceeds of $511,389.

**Stock options**

The movements in stock options for the nine months ended September 30, 2025 are summarized as follows:

| | Outstanding | Weighted average exercise price |
|---|---|---|
| As at December 31, 2024 | 3,185,000 | $ 0.24 |
| Granted | 10,950,000 | 0.40 |
| Rugby Acquisition | 2,410,926 | 0.77 |
| Exercised | (500,000) | 0.08 |
| Cancelled | (386,718) | 1.29 |
| As at September 30, 2025 | 15,659,208 | $ 0.41 |

As at September 30, 2025, the weighted average remaining life of the stock options outstanding was 3.68 (December 31, 2024 - 2.05) years and the Company's outstanding stock options are as follows:

| | Outstanding | Exercisable | Exercise price |
|---|---|---|---|
| January 13, 2026 | 721,872 | 721,872 | $ 0.640 |
| January 19, 2026 | 128,904 | 128,904 | 0.640 |
| July 28, 2026 | 435,000 | 435,000 | 0.075 |
| July 28, 2026 | 300,000 | 300,000 | 0.300 |
| July 28, 2026 | 350,000 | 350,000 | 0.400 |
| November 20, 2026 | 300,000 | 300,000 | 0.075 |
| December 28, 2026 | 650,000 | 650,000 | 0.300 |
| February 10, 2027 | 117,187 | 117,187 | 0.832 |
| April 17, 2027 | 450,000 | 450,000 | 0.400 |
| June 14, 2027 | 78,125 | 78,125 | 0.960 |
| September 2, 2027 | 183,593 | 183,593 | 0.832 |
| September 18, 2027 | 200,000 | 200,000 | 0.400 |
| October 24, 2027 | 23,437 | 23,437 | 0.704 |
| December 29, 2027 | 677,340 | 677,340 | 0.640 |
| February 27, 2028 | 450,000 | 450,000 | 0.300 |
| September 24, 2028 | 93,750 | 93,750 | 0.512 |
| July 29, 2030 | 3,500,000 | 3,500,000 | 0.300 |
| July 29, 2030 | 3,500,000 | 3,500,000 | 0.400 |
| July 29, 2030 | 3,500,000 | 3,500,000 | $ 0.500 |

During the nine months ended September 30, 2025, the Company granted stock options to employees, directors, and/or officers of the Company. Using the fair value method, the Company determined the fair value of the stock options granted to be $2,939,537 or $0.23 per option (2024 - $204,330 or $0.19), excluding those granted for the acquisition of Rugby (Note ). The fair value of the stock options granted was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows:

## 7. SHARE CAPITAL (cont'd…)

### Stock options

| For the nine months ended | September 30 2025 | September 30 2024 |
|---|---|---|
| Share price on grant date | $ 0.28 | $ 0.24 |
| Risk-free interest rate | 3% | 4% |
| Dividend rate | 0% | 0% |
| Expected life in years | 5 | 3 |
| Volatility | 132% | 155% |

During the nine months ended September 30, 2025, the Company recorded share-based compensation of $2,539,537 (2024 - $204,330) in accordance with the vesting terms of the stock options granted.

### Warrants and finder warrants

The movements in warrants and finder warrants for the nine months ended September 30, 2025 are summarized as follows:

| | Outstanding | Weighted average exercise price |
|---|---|---|
| As at December 31, 2024 | 30,201,171 | $ 0.29 |
| Issued | 11,015,249 | 0.30 |
| Rugby Acquisition | 19,399,343 | 0.57 |
| Exercised | (6,059,440) | 0.08 |
| Expired | (3,671,353) | 0.96 |
| As at September 30, 2025 | 50,884,970 | $ 0.38 |

As at September 30, 2025, the weighted average remaining life of the warrants and finder warrants outstanding was 1.60 (December 31, 2024 - 2.00) years and the Company's outstanding warrants and finder warrants are as follows:

| | Outstanding | Exercise price |
|---|---|---|
| **Warrants** | | |
| November 10, 2025 | 69,185 | $ 0.475 |
| November 30, 2025 | 1,956,645 | 0.640 |
| February 26, 2026 | 3,077,600 | 0.640 |
| March 2, 2026 | 137,657 | 0.525 |
| March 27, 2026 | 66,667 | 0.525 |
| March 31, 2026 | 960,000 | 0.525 |
| June 6, 2026 | 2,881,249 | 0.640 |
| September 11, 2026 | 2,530,000 | 0.075 |
| September 27, 2026 | 2,480,000 | 0.075 |
| December 20, 2026 | 3,875,000 | 0.300 |
| December 28, 2026 | 1,125,000 | 0.300 |
| April 17, 2027 | 4,213,750 | 0.400 |
| June 28, 2027 | 4,800,000 | 0.500 |
| July 10, 2027 | 1,490,647 | 0.500 |
| July 16, 2027 | 277,778 | 0.500 |
| February 18, 2028 | 1,306,250 | 0.300 |
| February 24, 2028 | 1,428,125 | 0.300 |
| March 5, 2028 | 578,125 | 0.300 |
| March 21, 2028 | 2,818,750 | 0.300 |
| March 27, 2028 | 7,812,496 | 0.320 |
| March 28, 2028 | 1,320,550 | 0.300 |
| April 11, 2028 | 1,923,200 | $ 0.300 |

## 7. SHARE CAPITAL (cont'd…)

**Warrants and finder warrants** (cont'd…)

| | Outstanding | | Exercise price |
|---|---|---|---|
| **Finder's warrants** | | | |
| March 2, 2026 | 390,254 | $ | 0.525 |
| March 31, 2026 | 129,733 | | 0.525 |
| September 11, 2026 | 285,600 | | 0.075 |
| September 27, 2026 | 104,160 | | 0.075 |
| December 20, 2026 | 236,250 | | 0.300 |
| April 17, 2027 | 316,050 | | 0.400 |
| June 28, 2027 | 576,000 | | 0.500 |
| July 10, 2027 | 78,000 | | 0.500 |
| February 18, 2028 | 129,000 | | 0.300 |
| March 5, 2028 | 3,750 | | 0.300 |
| March 21, 2028 | 56,250 | | 0.300 |
| July 7, 2027 | 328,125 | | 0.300 |
| July 14, 2027 | 796,562 | | 0.300 |
| July 15, 2027 | 326,562 | $ | 0.300 |

**Restricted share units**

There were no movements in restricted share units ("RSUs") for the nine months ended September 30, 2025. During the nine months ended September 30, 2025, the Company recorded share-based compensation of $26,423 (2024 - $100,334) in accordance with the vesting terms of the RSUs granted.

## 8. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members, other key management individuals and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's CEO, CFO and members of the Company's Board of Directors. Compensation awarded to key directors and management personnel, included in director and management fees, professional fees and share-based compensation, is as follows:

| **For the nine months ended** | | September 30 2025 | | September 30 2024 |
|---|---|---|---|---|
| Director and management fees | $ | 336,424 | $ | 174,336 |
| Professional fees | | 125,000 | | 112,500 |
| Share-based compensation | | 2,416,088 | | 189,810 |
| | $ | 2,877,512 | $ | 476,646 |

As at September 30, 2025, there was $Nil (December 31, 2024 - $42,729) owed to key management personnel recorded in accounts payable and accrued liabilities.

## 9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

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

a) reallocated $4,727 (2024 - $10,012) from warrant reserves to share capital for exercise of warrants and finder warrants;
b) recorded $125,198 (2024 - $40,010) of additions in mineral property interests in accounts payable and accrued liabilities;
c) recorded $222,664 (2024 - $249,996) of share issue costs for finder's warrants issued; and
d) reallocated $64,875 (2024 - $14,906) from share capital to warrant reserves for units issued in private placements.

## 10. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company classified its financial instruments as follows:

| | September 30 2025 | December 31 2024 |
|---|---|---|
| **Financial assets - amortized costs** | | |
| Cash | $ 3,142,113 | $ 291,871 |
| **Financial liabilities - amortized costs** | | |
| Accounts payable and accrued liabilities | $ 417,057 | $ 1,505,957 |

**Fair value**

The three levels of the fair value hierarchy are:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - inputs that are not based on observable market data.

The Company enters into financial instrument contracts to finance its operations in the normal course of business. The fair values of cash and accounts payable and accrued liabilities approximate their carrying values due to the short-term maturity of these instruments.

**Capital management**

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral property interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The mineral property interests in which the Company currently has an interest in are at the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional mineral properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's capital management objectives, policies and processes have remained unchanged during the nine months ended September 30, 2025. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity price risk). Risk management is carried out by the Company's management team, with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance on overall risk management.

**Credit risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's cash is largely held with Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with a Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

## 10. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (cont'd…)

### Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities that require the use of cash. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at the reporting date, the Company had working capital of $2,858,009 (December 31, 2024 - deficit of $854,191).

### Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar and substantially all expenditures of the parent company are denominated in Canadian dollars and substantially all expenditures in Argentina and Colombia are denominated in the Argentine Peso and Colombian Peso. A 10% appreciation (depreciation) of these currencies against the Canadian dollar, with all other variables held constant, would not result in any significant changes to the Company's loss and comprehensive loss.

## 11. EVENTS AFTER REPORTING DATE

Subsequent to September 30, 2025, the Company:

a) closed a private placement offering totalling 7,750,000 shares at a price of $0.40 per share for gross proceeds of $3,020,000. The Company paid $24,000 as finders' fees; and

b) granted a total 2,000,000 stock options to employees, directors, and/or officers of the Company with exercise prices ranging between $0.40 and $0.55 per share for five years.