

BP SILVER CORP.

(Formerly Farstarcap Investment Corp.)

Consolidated Financial Statements

For the Years Ended September 30, 2025 and 2024

(Expressed in Canadian dollars)

Independent Auditor’s Report

To the Directors of BP Silver Corp. (formerly Farstarcap Investment Corp.)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of BP Silver Corp. (formerly Farstarcap Investment Corp.) (the “Company”), which comprise of the consolidated statements of financial position as at September 30, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended September 30, 2025 and 2024, 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 September 30, 2025 and 2024, and its financial performance and its cash flows for the periods then ended in accordance with IFRS Accounting Standards (“IFRS”).

Basis for Opinion

We conducted our audits 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 audits 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 has a history of recurring losses and has no source of revenue or operating cash flow and its ability to continue as a going concern is contingent on its ability to obtain additional financing. These matters, 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 assets.	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to note 2 – Material accounting policy information: Exploration and evaluation assets; note 3 – Critical accounting estimates and judgements: Mineral right interests and title to mineral right interests; and note 5 – Exploration and evaluation assets</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 applies significant judgement	<ul style="list-style-type: none"> Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit.

in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (ii) 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 assets 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 judgement.

- 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.

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 Company 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.

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
January 23, 2026

BP SILVER CORP. (Formerly Farstarcap Investment Corp.)

Consolidated Statements of Financial Position

As at September 30, 2025 and 2024

(Expressed in Canadian dollars)

	Note	2025	2024
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		2,384,239	8,191
Prepaid expenses		9,384	12,636
Accounts receivable		13,686	276
		2,407,309	21,103
Non-Current Assets			
Exploration and evaluation assets	4, 5	301,943	157,665
		301,943	157,665
Total Assets		2,709,252	178,768
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	8	237,123	17,576
Due to related parties	8	320,422	89,657
Total Liabilities		557,545	107,233
Equity			
Share capital	7	3,916,252	1,044,829
Contributed surplus		490,240	-
Accumulated other comprehensive loss		12,620	(14,781)
Deficit		(2,005,556)	(809,172)
Shareholders' Equity		2,413,556	220,876
Non-controlling interests		(261,849)	(149,341)
Total Equity		2,151,707	71,535
Total Liabilities and Equity		2,709,252	178,768

Nature of operations and continuance of business (Note 1)

Contingencies (Note 12)

Subsequent events (Note 13)

Approved by the Board of Directors on January 23, 2026:

"Tim Shearcroft"

Director

"Rob McMorran"

Director

BP SILVER CORP. (Formerly Farstarcap Investment Corp.)

Consolidated Statements of Loss and Comprehensive Loss

For the Years Ended September 30, 2025 and 2024

(Expressed in Canadian dollars)

	Note	2025	2024
		\$	\$
Expenses			
Exploration and evaluation expenses	5	223,366	220,333
Professional fees and consulting fees	8	174,082	48,499
General and administrative expenses		11,761	6,883
Transfer agent and filing fees		7,056	-
Share-based compensation		5,895	-
Loss before other items		(422,160)	(275,715)
Other items			
Foreign exchange gain/(loss)		51,810	(9,700)
Other income		-	95
Listing expense		(933,357)	-
Gain on settlement of debt		4,197	-
		(877,350)	(9,605)
Net loss		(1,299,510)	(285,320)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		18,019	10,996
Total comprehensive loss for the year		(1,281,491)	(274,324)
Net loss for the year attributable to:			
Shareholders of the Company		(1,196,384)	(195,324)
Non-controlling interests		(103,126)	(89,996)
		(1,299,510)	(285,320)
Total comprehensive loss for the year attributable to:			
Shareholders of the Company		(1,168,983)	(188,905)
Non-controlling interests		(112,508)	(85,419)
		(1,281,491)	(274,324)
Loss per share, basic and diluted		(0.04)	(0.01)
Weighted average number of shares outstanding, basic and diluted		34,241,054	33,464,478

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

BP SILVER CORP. (Formerly Farstarcap Investment Corp.)

Consolidated Statements of Changes in Equity
 For the Years Ended September 30, 2025 and 2024
 (Expressed in Canadian dollars)

	Common Shares	Share Capital	Contributed Surplus	Accumulated other comprehensive loss	Deficit	Non- Controlling Interests	Total
	#	\$	\$	\$	\$	\$	\$
Balance, September 30, 2023	30,972,674	894,829	-	(21,200)	(613,848)	(63,922)	195,859
Shares issued	3,000,000	150,000	-	-	-	-	150,000
Exchange difference on translation of foreign operations	-	-	-	6,419	-	4,577	10,996
Net loss for the year	-	-	-	-	(195,324)	(89,996)	(285,320)
Balance, September 30, 2024	33,972,674	1,044,829	-	(14,781)	(809,172)	(149,341)	71,535
Shares issued pursuant to reverse takeover	5,032,501	754,875	-	-	-	-	754,875
Replacement warrants issued pursuant to reverse takeover	(6,796,046)	(436,804)	436,804	-	-	-	-
Shares issued for cash	16,666,633	2,499,995	-	-	-	-	2,499,995
Finders' warrants issued	-	(47,541)	47,541	-	-	-	-
Share issuance costs	-	(112,602)	-	-	-	-	(112,602)
Shares issued for debt	1,423,333	213,500	-	-	-	-	213,500
Share-based compensation	-	-	5,895	-	-	-	5,895
Exchange difference on translation of foreign operations	-	-	-	27,401	-	(9,382)	18,019
Net loss for the year	-	-	-	-	(1,196,384)	(103,126)	(1,299,510)
Balance, September 30, 2025	50,299,095	3,916,252	490,240	12,620	(2,005,556)	(261,849)	2,151,707

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

BP SILVER CORP. (Formerly Farstarcap Investment Corp.)

Consolidated Statements of Cash Flows

For the Years Ended September 30, 2025 and 2024

(Expressed in Canadian dollars)

	2025	2024
	\$	\$
Cash provided by (used in):		
Operating activities		
Net loss	(1,299,510)	(285,320)
Items not affecting cash:		
Listing expense	933,357	-
Share-based compensation	5,895	-
Interest expense	3,402	-
Gain on settlement of debt	(4,197)	-
Unrealized foreign exchange loss	12,952	11,241
Changes in non-cash working capital items:		
Prepaid expenses	6,158	(10,866)
Accounts receivable	(13,410)	-
Accounts payable and accrued liabilities	169,537	10,926
Due to related parties	(42,737)	87,743
Net cash used in operating activities	(228,553)	(186,276)
Investing activities		
Cash paid on amalgamation, net	(63,682)	-
Exploration and evaluation assets costs	(139,210)	-
Net cash used in investing activities	(202,892)	-
Financing activities		
Proceeds from common shares issued	2,499,995	150,000
Cash share issue costs	(112,602)	-
Proceeds from loans	420,100	-
Net cash provided by financing activities	2,807,493	150,000
Increase (decrease) in cash and cash equivalents for the year	2,376,048	(36,276)
Cash and cash equivalents, beginning of year	8,191	44,467
Cash and cash equivalents, end of year	2,384,239	8,191

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

BP SILVER CORP. (Formerly Farstarcap Investment Corp.)

Notes to the Consolidated Financial Statements

For the Years Ended September 30, 2025 and 2024

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1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

BP Silver Corp. (formerly Farstarcap Investment Corp.) (“BP Silver” or the “Company”) was incorporated under the Business Corporations Act of British Columbia on September 22, 2016. The Company was formed as a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the TSX Venture Exchange (the “Exchange”) for the purpose of acquiring an asset or business that would constitute a qualifying transaction (“Qualifying Transaction”) in accordance with Policy 2.4 of the Exchange.

On September 25, 2025, the Company completed its Qualifying Transaction through a three-cornered amalgamation with BP Exploration Corp. (“BPEX”) and 1299840 B.C. Ltd, a wholly owned subsidiary of the Company, whereby the Company acquired all of the issued and outstanding common shares of BPEX in exchange for 27,176,628 common shares on a post-consolidated basis. The Company’s shares were consolidated on a 4:3 basis upon completion of the Qualifying Transaction. Prior to closing, BPEX cancelled 6,796,046 common shares in exchange for 3,629,380 share purchase warrants. Upon completion of the Qualifying Transaction, Farstarcap Investment Corp. changed its name to BP Silver Corp. (Note 4).

The Qualifying Transaction constitutes a reverse-takeover transaction whereby BPEX became a wholly owned subsidiary of BP Silver for legal purposes. For accounting purposes BPEX is considered the acquirer and BP Silver the acquiree; therefore, the Company and these consolidated financial statements are a continuation of the financial statements of BPEX. The net assets of BP Silver at the date of the Qualifying Transaction are deemed to have been acquired by BPEX and these consolidated financial statements include the results of operations of BP Silver from the date of acquisition, September 25, 2025.

The Company is now involved in the acquisition, exploration and development of silver projects in Bolivia, including a 52% interest in the Cosuño project in addition to its Titiri polymetallic project. BPEX was incorporated under the Business Corporations Act (British Columbia) on February 10, 2020. Its principal office is located at Suite 1100-1199 West Hastings Street, Vancouver, B.C. V6E 3T5, Canada.

At the date of these consolidated financial statements, the Company has not yet determined whether any of its mineral right interests contain mineral reserves that are economically recoverable. Accordingly, the carrying amount of its exploration and evaluation assets represents the cumulative acquisition costs incurred to date which does not necessarily reflect present or future values. The recovery of these costs is dependent on the discovery of economically recoverable mineral reserves and the ability of the Company to obtain the necessary financing to undertake continuing exploration and development, and to resolve any environmental, regulatory or other constraints.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for a reasonable period of time and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Notwithstanding the above, the Company’s business activities are in the development stage, the Company has a history of recurring losses and no source of revenue or operating cash flow. Operations in recent years have been funded from the issuance of share capital, cash on hand and loans from shareholders. Given its current stage of operations, the Company’s ability to continue as a going concern is contingent on its ability to continue to obtain additional financing. In the event the Company is unable to raise adequate financing or meet its current obligations, the carrying value of the Company’s assets could be subject to material adjustments. These consolidated financial statements do not reflect adjustments to the carrying values of assets and liabilities which may be required should the Company be unable to continue as a going concern.

These consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated.

These consolidated financial statements were authorized for issue by the Board of Directors on January 23, 2026 and have been prepared in accordance with the IFRS Accounting Standards (“IFRS”) issued by the

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International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Subsidiaries and the basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries at the end of the reporting period as follows:

	Incorporation	Percentage owned	
		2025	2024
BP Exploration Corp.	Canada	100%	-
Roxwell Silver Minera S.A. (“Roxwell”)	Bolivia	100%	-
Companies owned by Roxwell:			
Emisur Minera S.A. (“Emisur”)	Bolivia	52%	-

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities, generally, but not in all cases, accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Judgement is also exercised in respect of the functional currency of foreign subsidiaries.

Where the Company’s interest is less than 100%, the interest attributable to outside shareholders is reflected in non-controlling interest. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company’s equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests’ share of changes in equity since the date of the combination.

All inter-company transactions and balances have been eliminated on consolidation.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand, and highly liquid investments with an original maturity of three months or less, which are readily convertible into a known amount of cash. As at September 30, 2025, the Company had \$2,384,239 (September 30, 2024 - \$8,191) in cash and cash equivalents.

VAT tax credits

Expenses incurred by the Company in Bolivia are subject to a Bolivian Value Added Tax (“VAT”). The VAT is not refundable to the Company, but can be used in the future to offset amounts due to the Bolivian Revenue Service by the Company resulting from VAT charged to clients on future sales. Due to the uncertainty of its recoverability, VAT tax credits have either been capitalized to mineral property costs relating to the property or expensed if it relates to mineral exploration. If the Company ultimately recovers previously capitalized amounts, the amount received will be applied to reduce mineral property costs or taken as a credit against current expenses depending on the prior treatment.

Exploration and evaluation assets

All acquisition costs are capitalized into intangible assets until the rights to which they relate are placed into production, at which time these acquisition costs will be amortized over the estimated useful life of the rights upon commissioning the property or written-off if the rights are disposed of, impaired or abandoned. All

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exploration costs are expensed as incurred.

Management reviews the carrying amounts of mineral right interests on an annual basis and will recognize impairment based upon current exploration results and upon assessment of the probability of profitable exploitation of the rights.

Costs include the cash consideration and the fair value of shares issued on the acquisition of mineral rights. Rights acquired under option or joint venture agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made. Proceeds from property option payments received by the Company are netted against the deferred costs of the related mineral rights, with any excess being included in operations.

There may be material uncertainties associated with the Company's title and ownership of its mineral interests. Ordinarily the Company does not own the land upon which an interest is located, and title may be subject to unregistered prior agreements or transfers or other undetected defects.

Impairment of non-financial assets

At each date of the consolidated statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of loss and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years.

Management estimates of mineral prices, recoverable reserves, and operating, capital and restoration costs are subject to certain risks and uncertainties that may affect the recoverability of mineral right interests. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

Income taxes

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the consolidated statement of financial position.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the date of the

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consolidated statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the consolidated statement of financial position and reduced to the extent that it is no longer probable that enough taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets for unused tax losses, tax credits and deductible temporary differences are reassessed at each date of the consolidated statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been substantively enacted at the date of the consolidated statement of financial position.

Deferred income tax relating to items recognized directly in equity or other comprehensive income ("OCI") is recognized in equity or OCI and not in the consolidated statement of loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related

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parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount, which is determined on a cost recovery basis.

Share-based compensation

(i) Share options

The Company grants share purchase options to directors, officers, employees and consultants to purchase common shares. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

Share capital

The Company records proceeds from share issuances in share capital, net of issue costs and any tax effects. The fair value of common shares issued as consideration for mineral right interests is based on the trading price of those shares on the TSX-V on the date of agreement to issue shares or other fair value equivalent amount as determined by the Board of Directors. Stock options and other equity instruments issued as purchase consideration in non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model. Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value.

Basic loss per share

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. Under this method, the weighted average number of common shares used to calculate the dilutive effect in the statement of loss and comprehensive loss assumes that the proceeds that could be obtained upon exercise of options, warrants and similar instruments would be used to purchase common shares at the average market price during the period. In periods where a net loss is incurred, and the effect of outstanding stock options and warrants would be anti-dilutive, basic and diluted loss per share is the same.

Financial instruments

The following are the Company's accounting policies under IFRS 9:

a) Financial assets

A financial asset is recognized when the Company has the contractual right to collect future cash flows. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Financial assets are recognized at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortized cost.

Cash and cash equivalents are recognized at their fair value and carried at amortized cost.

Receivables, excluding GST, are initially recognized at their fair value, less transaction costs and subsequently carried at amortized cost using the effective interest method less impairment losses.

Equity investments are initially recognized at their fair value. Changes in the fair value of equity investments

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are recognized in comprehensive income (loss) in the period in which they occur.

Interest income is recognized by applying the effective interest rate except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

Impairment of financial assets

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions and forecasts that affect the expected collectability of future cash flows of the instrument.

In applying this forward-looking approach, the Company separates instruments into the following categories:

1. financial instruments that have not deteriorated significantly since initial recognition or that have low credit risk; or
2. financial instruments that have deteriorated significantly since initial recognition and whose credit loss is not low; or
3. financial instruments that have objective evidence of impairment at the reporting date.

12-month expected credit losses are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Company uses historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assesses impairment of trade receivables on a collective basis when they possess shared credit risk characteristics and days past due.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Financial assets, other than those at FVTPL and amortized cost, are assessed for indicators of impairment at each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

De-recognition of financial assets

A financial asset is derecognized when the contractual right to the asset's cash flows expire or the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

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b) Financial liabilities

A financial liability is recognized when the Company has the contractual obligation to pay future cash flows. Financial liabilities such as accounts payable and other liabilities and due to related parties are recognized at amortized cost using the effective interest rate method.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of the asset until the asset is substantially ready for its intended use. Other borrowing costs are recognized as an expense in the period incurred.

Reclamation provision

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or straight-line method. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. Any increase in a provision due solely to passage of time is recognized as interest expense.

Foreign currency translation

The functional currency of subsidiaries is the currency of the primary economic environment in which the entity operates, which has been determined to be the Bolivian Boliviano. Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rate in existence at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the period end date exchange rates. Non-monetary items which are measured using historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of the parent entity is the Canadian dollar. The presentation currency of the Company is also the Canadian dollar.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's subsidiaries are translated into the Canadian dollar using exchange rates prevailing at the end of the period. Income and expense items are translated at the average rate for the period. Exchange differences are recognized as the current translation adjustment in other comprehensive income and accumulated in equity.

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Use of judgements and estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgements in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgements

a) Mineral right interests

The application of the Company's accounting policies for mineral right interests requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the amount capitalized is impaired with a corresponding charge to profit or loss in the period in which the new information becomes available.

b) Title to mineral right interests

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

c) Going concern

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

4. QUALIFYING TRANSACTION

On September 25, 2025, the Company completed its Qualifying Transaction through a three-cornered amalgamation with BPEX. The Company's shares were consolidated on a 4:3 basis upon completion of the Qualifying Transaction. The Company acquired all of the outstanding shares of BPEX in exchange for 27,176,628 common shares on a post-consolidated basis. Prior to closing, BPEX cancelled 6,796,046 common shares in exchange for 3,629,380 share purchase warrants. Each share purchase warrant is exercisable at \$0.10 per share and for 5 years from the date of issue (Note 7).

The Qualifying Transaction constitutes a reverse-takeover transaction whereby BPEX became a wholly owned subsidiary of BP Silver for legal purposes. For accounting purposes, BPEX is considered the acquirer and BP Silver the acquiree; therefore, the Company and these consolidated financial statements are a continuation of the financial statements of BPEX. The net assets of BP Silver at the date of the Qualifying Transaction are deemed to have been acquired by BPEX and these consolidated financial statements include the results of operations of BP Silver from the date of acquisition, September 25, 2025.

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The following table summarizes the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed at the date of acquisition:

Consideration paid:	
Fair value of 5,032,501 common shares at \$0.15	754,875
Cash, net	63,682
Total consideration paid	818,557
Net assets acquired (liabilities)	
Prepaid expenses	2,907
Accounts payable	(77,707)
Loans (Note 6)	(40,000)
Net liabilities acquired	(114,800)
Listing expense	933,357

5. EXPLORATION AND EVALUATION ASSETS

Cosuño Project

On March 16, 2022, the Company's wholly owned subsidiary Roxwell entered into a sale and purchase agreement to acquire a 100% interest in Emisur, a Bolivian entity whose primary asset is the Cosuño silver project (the "Cosuño Project").

The Company acquired a 52% interest by making a cash payment of US\$100,250. As a result of the transaction, the Company recorded the pro-rata fair value of the non-controlling interest's portion of the net assets of Emisur at the time of acquisition, resulting in a charge of \$460 (US\$345) to non-controlling interest. The non-controlling interest of 48% can be acquired by the Company by making the following payments (as amended on November 14, 2025):

- US\$100,000 by September 30, 2025 (paid on September 18, 2025);
- US\$150,000 by September 30, 2026;
- US\$350,000 by September 30, 2028; and
- US\$2,300,000 by September 29, 2029.

In consideration of the extension, subsequent to the year ended, the Company issued 750,000 common share purchase warrants to the vendor, exercisable at a price of \$0.42 per share for a period of two years from the date of issuance.

If the Company is unable to fulfill the payment obligations to acquire the remaining 48% interest, the 52% interest currently held will be returned to the previous shareholders of Emisur.

The Cosuño project is subject to a 2% Net Smelter Returns royalty ("NSR") which can be repurchased at any time for US\$5,000,000 (Note 8).

Titiri Project

Through its wholly owned subsidiary Roxwell, the Company has staked the Titiri project. The application for the mineral titles remains pending.

The Titiri project is subject to a 2% NSR which can be repurchased at any time for US\$5,000,000. There is a one-time right to purchase 100% of the NSR for US\$2,500,000 exercisable within five years from the commencement of drilling of the project (Note 8).

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The continuity of exploration and evaluation assets for the years ended September 30, 2025 and 2024 are as follows:

	Cosuño	Titiri	Total
Balance, September 30, 2023	135,033	22,878	157,911
Foreign currency translation	(210)	(36)	(246)
Balance, September 30, 2024	134,823	22,842	157,665
Additions	139,210	-	139,210
Foreign currency translation	4,354	714	5,068
Balance, September 30, 2025	278,387	23,556	301,943

The continuity of exploration and evaluation expenses for the year ended September 30, 2025 is as follows:

	Cosuño	Titiri	Total
Geological consulting	56,873	-	56,873
Community relations	14,515	-	14,515
Consulting fees	4,624	-	4,624
Field camp	20,915	-	20,915
Office and miscellaneous	18,408	-	18,408
Permit and license	43,208	18,227	61,435
Salaries	8,745	-	8,745
Sampling and assaying	5,182	-	5,182
Travel	32,669	-	32,669
Total exploration costs	205,139	18,227	223,366

The continuity of exploration and evaluation expenses for the year ended September 30, 2024 is as follows:

	Cosuño	Titiri	Total
Geological consulting	65,159	6,879	72,038
Community relations	9,883	-	9,883
Consulting fees	10,797	-	10,797
Office and miscellaneous	19,278	-	19,278
Permit and license	46,308	12,118	58,426
Salaries	14,873	-	14,873
Sampling and assaying	20,261	287	20,548
Travel	13,623	867	14,490
Total exploration costs	200,182	20,151	220,333

See Note 12.

6. LOAN PAYABLE

On October 15, 2024, the Company entered into a loan agreement with a third-party for \$150,000. The loan is non-interest bearing and can be converted to shares by the lender when the Company completes a listing of its shares on a stock exchange in Canada or otherwise matures two years from the date of the first advance of the loan. On September 15, 2025, the Company entered into a debt settlement agreement for the above loan and settled the balance in exchange for 1,000,000 common shares of the Company (Note 7).

As part of the Qualifying Transaction, the Company assumed loans of \$40,000, which were non-interest bearing and due on demand. Upon closing of the Qualifying Transaction, the Company issued 266,667 common shares to settle the \$40,000 in loans (Note 4 and 7).

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7. EQUITY**a) Authorized**

Unlimited number of common shares without par value.

b) Financings

During the year ended September 30, 2025:

Concurrent with the closing of the Qualifying Transaction, the Company issued 16,666,633 units (a "Unit") at a price of \$0.15 per Unit for gross proceeds of \$2,499,995. Each Unit is comprised of one common share of the Company and one-half of one share purchase warrant (a "Warrant"). Each Warrant entitles the holder to acquire one additional share at a price of \$0.20 per share for a period of two years from the date of issue. The Company issued 687,960 finders' warrants which entitle the holder to acquire one additional share at a price of \$0.20 per share for a period of 1.97 years from the date of issue. The finders' warrants were determined to have a fair value of \$47,541. In connection with the financing, the Company incurred cash share issuance costs of \$112,602.

The Company settled outstanding loans of \$190,000 through the issuance of 1,266,667 common shares. The Company also settled \$27,697 of accounts payable in exchange for 156,666 common shares at a deemed price of \$0.15 per share.

During the year ended September 30, 2024:

On December 1, 2023, the Company issued 3,000,000 common shares at \$0.05 per common share for gross proceeds of \$150,000.

c) Stock options

The balance of stock options outstanding and exercisable as at September 30, 2025 and 2024 and the changes for the years then ended is as follows:

	Number of Options #	Weighted Average Exercise Price \$	Weighted Average Life Remaining (years)
Balance, September 30, 2023 and 2024	-	-	-
Granted	3,590,000	0.15	4.99
Balance, September 30, 2025	3,590,000	0.15	4.99
Unvested	(3,590,000)	0.15	4.99
Vested and exercisable	-	-	-

The Company recorded share-based compensation expense of \$5,895 during the year ended September 30, 2025 (2024: \$nil).

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Stock options outstanding as at September 30, 2025, are as follows:

Outstanding #	Exercisable #	Exercise Price \$	Expiry Date
3,590,000	-	0.15	September 25, 2030

d) Warrants

As at September 30, 2025, the Company has 12,650,657 (2024: nil) warrants outstanding and exercisable. The balance of warrants outstanding and exercisable as at September 30, 2025 and 2024 and the changes for the years then ended are as follows:

	Number of Warrants #	Weighted Average Exercise Price \$
Balance, September 30, 2023 and 2024	-	-
Issued	12,650,657	0.17
Balance, September 30, 2025	12,650,657	0.17

The warrants outstanding as of September 30, 2025, are as follows:

Outstanding #	Exercise Price \$	Expiry Date
687,960*	0.20	September 9, 2027
8,333,317	0.20	September 25, 2027
3,629,380	0.10	September 19, 2030
12,650,657	0.17	

*Finders' warrants

The weighted average assumptions used to estimate the fair value of finders' warrants granted during the years ended September 30, 2025 were as follows:

	2025
Risk-free interest rate	2.74% - 2.77%
Expected Life	1.97 – 5 years
Expected volatility	100%
Expected dividend yield	Nil

8. RELATED PARTY TRANSACTIONS

The Company's related parties consist of companies controlled by Chief Executive Officer ("CEO") of the Company, the Company's Chief Financial Officer ("CFO") and the Company's Chief Operating Officer ("COO").

The Company incurred the following fees and salaries during the period in the normal course of operations with companies controlled by key management, including the CEO, CFO, COO and/or directors. Transactions have been measured at the exchange amount, which is the consideration determined and agreed to by the related parties.

During the year ended September 30, 2025, the Company incurred \$4,050 of professional fees to a company where the CFO is a managing director.

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As at September 30, 2025, the Company had \$28,184 (2024 - \$1,914) due to related parties in accounts payable. Amounts owing are non-interest bearing and due on demand.

During the year ended September 30, 2024, a company controlled by the CEO (“Lender”) provided an unsecured loan to the Company in the principal amount of \$87,743 (US\$65,000). The amount was non-interest bearing and could be called by the lender at any time in part or full or converted to shares.

During the year ended September 30, 2025, a further \$21,607 (US\$15,000) was advanced and \$41,783 (US\$30,000) was repaid. On March 14, 2025, the Company entered into a loan agreement for the remaining loan balance of \$67,567 (US\$50,000). The loan is due 18 months (“Maturity Date”) following the date the Company either (i) completes a listing of its shares on a stock exchange in Canada, or (ii) completes a transaction with an existing public company whereby BPEX shareholders receive shares of the public company which begin trading on a stock exchange in Canada (the “Listing Date”). The loan bears interest at the rate of 10% per annum, calculated and accruing from the Listing Date and payable on, the Maturity Date.

On May 7, 2025, the Company entered into a loan agreement with the CEO for a total of \$21,898 (\$15,000 and US\$5,000). The loan is due on the earlier of (i) closing of the Qualifying Transaction (“QT”), and (ii) nine months following the date of the agreement (“New Maturity Date”) provided (a) the parties may agree to convert the loan and accrued interest to common shares of the Company in the event that the QT fails to close, and (b) the Company may repay the loan, in whole or in part, at any time and from time to time, prior to the Maturity Date. The loan will bear interest at the rate of 10% per annum, calculated and accruing to, and payable on, the New Maturity Date.

On May 15, 2025, the Company entered into two additional loan agreements. One agreement with a director of the Company and another with a company controlled by another director of the Company. Each loan for \$15,000, with the same terms as the loan agreement with the CEO.

On July 25, 2025, the Lender and the Company entered into a second loan agreement for a further \$20,555 (US\$15,000) bearing interest at 10% per annum. The loan is due the earlier of (i) closing of the QT, and (ii) three months following the date of the agreement should the QT fail to close.

On August 25, 2025, the Lender entered into a third loan agreement to extend \$27,000 to the Company. Terms of the loan agreement are the same as the second agreement.

On September 12, 2025, entered into a fourth loan agreement to extend a further \$150,000 to the Company. Terms of the loan agreement are the same as the second agreement.

During the year ended September 30, 2025, the Company accrued interest of \$3,402. As at September 30, 2025, the Company had \$320,422 (2024 - \$87,743) of loans payable to the related parties.

Each of the Cosuño Property and Titiri project are subject to a 2.0% NSR, as granted by the Company to each of Fairfax Mining Corp., a company controlled by the CEO of the Company, and the COO in consideration of their assistance of locating and acquiring the two projects. The Company retains the right at any time to purchase each NSR for US\$5,000,000, and a one-time right to purchase the Titiri NSR within the first five years following commencement of drilling for US\$2,500,000 (Note 5).

9. FINANCIAL AND CAPITAL RISK MANAGEMENT – FINANCIAL INSTRUMENTS

Financial risk management

The Company’s activities expose it to a variety of financial risks, which include liquidity risk, interest rate risk, currency risk and credit risk.

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a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by raising additional capital as required from time to time.

b) Currency risk

The Company faces foreign exchange risk exposures arising from transactions denominated in foreign currencies.

The Company's main foreign exchange risks arise with respect to the Bolivian Boliviano and to a lesser degree, the U.S. dollar. The Company continuously monitors this exposure to determine if any mitigation strategies become necessary and maintains limited balances in foreign currencies to avoid continuous fluctuation.

c) Interest Rate Risk

Included in the results of operations of the Company are interest income on U.S. dollar, and Canadian dollar cash and cash equivalents. The Company receives interest on cash based on market interest rates. As at September 30, 2025, with other variables unchanged, a 1% change in Prime rates would have had no material impact on the Company's net loss and no effect on other comprehensive loss.

d) Credit Risk

Financial instruments that potentially subject the Company to credit risk consists of cash and cash equivalents. Cash is maintained with financial institutions in Canada and Bolivia and is redeemable on demand. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

Capital Risk Management

The Company's capital structure is comprised of working capital (current assets minus current liabilities) and equity. The Company's objectives when managing its capital structure are to maintain financial flexibility to preserve the Company's access to capital markets and its ability to meet its financial obligations. The Company's management is responsible for capital management and to determine the future capital management requirements.

Capital management is undertaken to ensure a secure, cost-effective supply of funds and that the Company's corporate and project requirements are met.

Financial Instruments by Category

The Company's financial instruments consist of cash and cash equivalents, receivables (excluding GST), trade payables and other liabilities and due to related parties. Financial instruments are initially recognized at fair value with subsequent measurement depending on classification as described below. Classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments.

The fair value of cash and cash equivalents, receivables and trade payables and other liabilities approximate their carrying values due to the short-term maturities of these financial instruments.

The Company is required to make disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

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

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10. SEGMENTED INFORMATION

At September 30, 2025, the Company has two reportable segments: mineral exploration and corporate, and has operations in two geographical areas, Canada and Bolivia.

Operating segments

	Year ended September 30,	
	2025	2024
	\$	\$
Net income (loss)		
Mineral exploration	(223,366)	(220,333)
Corporate	(1,076,144)	(64,987)
	(1,299,510)	(285,320)

	September 30, 2025	September 30, 2024
	\$	\$
Assets		
Mineral exploration	301,943	157,665
Corporate	2,407,309	21,103
	2,709,252	178,768

Geographic segments

	Year ended September 30,	
	2025	2024
	\$	\$
Net income (loss)		
Canada	(1,107,406)	(64,236)
Bolivia	(192,104)	(221,084)
	(1,299,510)	(285,320)

	September 30, 2025	September 30, 2024
	\$	\$
Assets		
Canada	2,388,713	5,476
Bolivia	320,539	173,292
	2,709,252	178,768

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11. INCOME TAXES

The Company is subject to Canadian federal and provincial tax at the rate of 27% and its subsidiaries located in Bolivia are subject to Bolivian federal tax at the rate of 37.5%. A reconciliation of income tax provision computed at Canadian statutory rates to the reported taxes is as follows:

	September 30, 2025	September 30, 2024
	\$	\$
Loss for the year before income taxes	(1,299,510)	(285,320)
Canadian statutory income tax rates	27.0%	27.0%
Income tax recovery at statutory rate	(350,868)	(76,559)
Effect on income taxes of:		
Permanent differences and other	36,560	74,027
Tax rate difference for foreign jurisdiction	(20,171)	(23,028)
Overprovided in prior years	(1,117)	-
Change in deferred tax assets not recognized	335,596	25,560
Deferred income tax recovery	-	-

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward periods to utilize all deferred tax assets. The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

	September 30, 2025	September 30, 2024
	\$	\$
Non-capital loss carry forwards	371,000	124,000
Exploration and evaluation assets	11,000	10,000
Share issuance costs	25,000	-
Deferred tax assets not recognized	(407,000)	(134,000)
	-	-

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As at September 30, 2025, the Company has Canadian non-capital losses carried forward of approximately \$965,000 and has Bolivian non-capital losses carried forward of approximately \$292,000, which are available to offset future years' taxable income. The losses expire as follows:

	Canada	Bolivia	Total
	\$	\$	\$
2026	-	146,000	146,000
2027	-	56,000	56,000
2028	-	44,000	44,000
2029	-	25,000	25,000
2030	-	21,000	21,000
2037	13,000	-	13,000
2038	95,000	-	95,000
2039	79,000	-	79,000
2040	77,000	-	77,000
2041	81,000	-	81,000
2042	56,000	-	56,000
2043	82,000	-	82,000
2044	102,000	-	102,000
2045	380,000	-	380,000
	965,000	292,000	1,257,000

The Company also has resource-related amounts available, subject to certain restrictions, of \$39,000.

12. CONTINGENCIES

Subject to the Company obtaining a NI 43-101 resource estimate (inferred or better) totalling at least 70,000,000 oz Silver equivalent first being established at Cosuño or Titiri, certain shareholders of the Company will be eligible to receive 3,500,000 common shares or the cash equivalent, at the Company's election (Note 5).

13. SUBSEQUENT EVENTS

On December 17, 2025, the Company issued 89,285 common shares at a price of \$0.42 per share to settle outstanding debt of \$37,500.

The Company issued 426,300 common shares for gross proceeds of \$85,260 pursuant to the exercise of warrants.

See Note 5.