

BAROYECA GOLD & SILVER INC.

FILING STATEMENT

in respect of the Reverse Takeover involving

TERRA ROSSA GOLD LTD.

Dated as of September 29, 2025

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Reverse Takeover described in this filing statement.

TABLE OF CONTENTS

TABLE OF CONTENTS	I
GLOSSARY OF TERMS	3
NOTICE TO READER	11
SUMMARY OF FILING STATEMENT	13
PART I: INFORMATION CONCERNING BAROYECA	22
ITEM 1: CORPORATE STRUCTURE	22
ITEM 2: GENERAL DEVELOPMENT OF THE BUSINESS	22
ITEM 3: MANAGEMENT’S DISCUSSION AND ANALYSIS	25
ITEM 4: DESCRIPTION OF THE SECURITIES	26
ITEM 5: STOCK OPTION PLAN	27
ITEM 6: PRIOR SALES	27
ITEM 7: STOCK EXCHANGE PRICE	27
ITEM 8: EXECUTIVE COMPENSATION.....	28
ITEM 9: NON-ARM’S LENGTH TRANSACTIONS.....	32
ITEM 10: LEGAL PROCEEDINGS AND REGULATORY ACTIONS	33
ITEM 11: AUDITOR, TRANSFER AGENTS AND REGISTRARS	33
ITEM 12: MATERIAL CONTRACTS	34
PART II: INFORMATION CONCERNING TERRA ROSSA	35
ITEM 13: CORPORATE STRUCTURE	35
ITEM 14: GENERAL DEVELOPMENT/DESCRIPTION OF THE BUSINESS	35
ITEM 15: NARRATIVE DESCRIPTION OF THE BUSINESS – TECHNICAL REPORT SUMMARY	40
ITEM 16: SELECTED FINANCIAL INFORMATION AND MANAGEMENT’S DISCUSSION AND ANALYSIS	54
ITEM 17: CONSOLIDATED CAPITALIZATION.....	55
ITEM 18: DESCRIPTION OF THE SECURITIES	55
ITEM 19: PRIOR SALES	56
ITEM 20: EXECUTIVE COMPENSATION.....	57
ITEM 21: NON-ARM’S LENGTH TRANSACTIONS.....	61
ITEM 22: LEGAL PROCEEDINGS AND REGULATORY ACTIONS	61
ITEM 23: MATERIAL CONTRACTS	61
PART III: INFORMATION CONCERNING THE RESULTING ISSUER	62
ITEM 24: CORPORATE STRUCTURE	62
ITEM 25: NARRATIVE DESCRIPTION OF THE BUSINESS	62
ITEM 26: DESCRIPTION OF THE SECURITIES	62
ITEM 27: PRO FORMA CONSOLIDATED CAPITALIZATION	63

ITEM 28: AVAILABLE FUNDS AND PRINCIPAL PURPOSES	64
ITEM 29: PRINCIPAL SECURITYHOLDERS	65
ITEM 30: DIRECTORS, OFFICERS AND PROMOTERS	66
ITEM 31: AUDIT COMMITTEE	74
ITEM 32: CORPORATE GOVERNANCE	75
ITEM 33: EXECUTIVE COMPENSATION	76
ITEM 34: INDEBTEDNESS OF DIRECTORS AND OFFICERS	78
ITEM 35: INVESTOR RELATIONS ARRANGEMENTS	78
ITEM 36: OPTIONS TO PURCHASE SECURITIES	78
ITEM 37: ESCROWED SECURITIES	80
ITEM 38: AUDITOR(S), TRANSFER AGENT(S) AND REGISTRAR(S)	82
PART IV: RISK FACTORS	83
PART V: GENERAL MATTERS	95
ITEM 39: SPONSORSHIP AND AGENT RELATIONSHIP	95
ITEM 40: EXPERTS	95
ITEM 41: OTHER MATERIAL FACTS	95
ITEM 42: BOARD APPROVAL	95
PART VI: FINANCIAL STATEMENT REQUIREMENTS	96
ITEM 43: FINANCIAL STATEMENTS OF THE ISSUER	96
ITEM 44: FINANCIAL STATEMENTS OF TERRA ROSSA	96
ITEM 45: TERRA ROSSA ACQUISITIONS OR PROPOSED ACQUISITIONS OF OTHER BUSINESSES	96
ITEM 46: FINANCIAL STATEMENTS OF THE RESULTING ISSUER	96
CERTIFICATES	97
APPENDIX "A" FORM 2B PERSONAL INFORMATION COLLECTION POLICY	A-1
APPENDIX "B" FINANCIAL STATEMENTS OF TERRA ROSSA	B-1
APPENDIX "C" MANAGEMENT'S DISCUSSION AND ANALYSIS OF TERRA ROSSA	C-1
APPENDIX "D" FINANCIAL STATEMENTS OF BAROYECA	D-1
APPENDIX "E" MANAGEMENT'S DISCUSSION AND ANALYSIS OF BAROYECA	E-1
APPENDIX "F" PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER (UNAUDITED)	F-1

GLOSSARY OF TERMS

In this Filing Statement, unless there is something in the subject matter inconsistent therewith, the following terms shall have the respective meanings set out below, words importing the singular number shall include the plural and vice versa and words importing any gender shall include all genders. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the policies of the TSX Venture Exchange and applicable securities laws. In the event of a conflict between a term defined in this Glossary and a term defined in the policies of the TSX Venture Exchange, the definition of the TSX Venture Exchange will govern.

- “971”** means 1460971 B.C. Ltd., a corporation existing under the BCBCA, incorporated for the purpose of effecting the Transaction.
- “971 Shares”** means the common shares in the capital of 971.
- “Affiliate”** means a Company that is affiliated with another Company as described below:
- (a) a Company is an “Affiliate” of another Company if:
 - (i) one of them is the subsidiary of the other, or
 - (ii) each of them is controlled by the same Person;
 - (b) a Company is “controlled” by a Person if:
 - (i) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and
 - (ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company; and
 - (c) a Person beneficially owns securities that are beneficially owned by:
 - (i) a Company controlled by that Person, or
 - (ii) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.
- “Amalco”** means the amalgamated corporation formed upon the Amalgamation pursuant to the terms of the Definitive Agreement.
- “Amalco Shares”** means the common shares in the capital of Amalco.
- “Amalgamation”** means the amalgamation of 971 and Terra Rossa under section 277 of the BCBCA to form one corporation pursuant to the terms of the Definitive Agreement.
- “AML”** has the meaning ascribed to it under “*Part IV: Risk Factors – Risks Relating to the Operations of the Resulting Issuer – Anti-Money Laundering and Corrupt Business Practices.*”
- “ANM”** has the meaning ascribed to it under “*Item 14: General Development/Description of the Business – Government Regulation.*”
- “Applicable Canadian Securities Laws”** means, as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Completion Date.

“Applicable Laws”	means, in the context that refers to one or more Persons, any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities.
“Arm’s Length Transaction”	means a transaction which is not a Related Party Transaction.
“Associate”	when used to indicate a relationship with a Person, means: <ul style="list-style-type: none"> (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer, (b) any partner of the Person, (c) any trust or estate in which the Person has a substantially beneficial interest or in respect of which a Person serves as trustee or in a similar capacity, (d) in the case of a Person, who is an individual: <ul style="list-style-type: none"> (i) that Person’s spouse or child, or (ii) any relative of the Person or his spouse who has the same residence as that Person; <p style="margin-left: 40px;">but</p> <ul style="list-style-type: none"> (e) where the TSXV determines two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.
“Audit Committee”	means the audit committee of the Resulting Issuer, as defined by NI 52-110.
“Baroyeca”	means Baroyeca Gold & Silver Inc., a corporation existing under the BCBCA.
“Baroyeca Board”	means the board of directors of Baroyeca as constituted from time to time.
“Baroyeca Board Resolution”	means the written resolutions of the Baroyeca Board to authorize, approve and adopt the Definitive Agreement and the consummation of the Transaction.
“Baroyeca Financial Statements”	means the audited financial statements of Baroyeca for the years ended May 31, 2024 and 2023 and interim financial statements for the interim period ended February 28, 2025.
“Baroyeca Meeting”	means the meeting of Baroyeca Shareholders held at Vancouver, BC on January 17, 2025 at which, among other things, the Baroyeca Resolution was approved.

“Baroyeca Options”	means outstanding stock options issued under the Baroyeca Stock Option Plan exercisable to acquire an aggregate of 1,400,000 Baroyeca Shares at a price of \$0.215 per Baroyeca Share until June 24, 2026.
“Baroyeca Post-Consolidation Options”	means the Baroyeca Options on a post-Baroyeca Share Consolidation basis.
“Baroyeca Post-Consolidation Shares”	means the post-Baroyeca Share Consolidation common shares in the capital of Baroyeca (prior to completion of the Transaction).
“Baroyeca Post-Consolidation Warrants”	means the Baroyeca Warrants on a post-Baroyeca Share Consolidation basis.
“Baroyeca Resolution”	means the resolutions of Baroyeca Shareholders to authorize, approve and adopt the Baroyeca Share Consolidation and related matters.
“Baroyeca Share”	means a fully paid and non-assessable common share in the capital of Baroyeca.
“Baroyeca Share Consolidation”	means the consolidation of the Baroyeca Shares on the basis of one (1) post-consolidation common share for every fourteen (14) pre-consolidation common shares.
“Baroyeca Shareholders”	means the holders of Baroyeca Shares from time to time.
“Baroyeca Stock Option Plan”	mean’s the 10% rolling incentive stock option plan of Baroyeca.
“Baroyeca Warrants”	means outstanding share purchase warrants exercisable to acquire an aggregate of 19,623,720 Baroyeca Shares at a price of \$0.50 until June 10, 2029.
“BCBCA”	means the <i>Business Corporations Act</i> (British Columbia).
“BCSC”	means the British Columbia Securities Commission.
“Business Day”	means a day which is not a Saturday, Sunday or a day observed as a statutory holiday in the Province of British Columbia.
“CARs”	has the meaning ascribed to it under “ <i>Item 14: General Development/Description of the Business – Environmental Regulation.</i> ”
“Cedar Capital”	means Cedar Capital Corporation, a company incorporated pursuant to the laws of the British Virgin Islands.
“CFT”	has the meaning ascribed to it under “ <i>Part IV: Risk Factors – Risks Relating to the Operations of the Resulting Issuer – Anti-Money Laundering and Corrupt Business Practices.</i> ”
“Change of Control”	includes situations where after giving effect to the contemplated transaction and as a result of such transaction: <ul style="list-style-type: none"> (a) any one Person holds a sufficient number of the voting shares of the Company to affect materially the control of the Company, or (b) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding hold in total a sufficient number of the voting shares of the Company to affect materially the control of the Company;

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to affect materially the control of the Company. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding,

	holding more than 20% of the voting shares of the Company is deemed to materially affect the control of the Company.
“Closing”	means the closing of the Transaction.
“Code”	has the meaning ascribed to it in <i>“Item 32: Corporate Governance – Ethical Business Conduct.”</i>
“Colombian Properties”	has the meaning ascribed to it in <i>“Item 2: General Development of the Business – History.”</i>
“Company”	unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
“Completion Date”	means the date of the Final Exchange Bulletin.
“Control Person”	means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.
“Conversion Condition”	means the satisfaction or waiver of all conditions precedent to the Transaction pursuant to the terms and conditions of the Definitive Agreement. For greater certainty, Terra Rossa shall not be permitted to waive the condition precedent requiring conditional approval from the TSXV for the Transaction as required pursuant to the Definitive Agreement.
“DC&P”	has the meaning ascribed to it under <i>“Part IV: Risk Factors – Risks Relating to the Operations of the Resulting Issuer – Internal Controls”</i> .
“Deemed Exercise Date”	has the meaning ascribed to it under <i>“Summary of Filing Statement – The Transaction – Special Warrant Financing”</i> .
“Definitive Agreement”	means the amalgamation agreement entered into among Baroyeca, Terra Rossa and 971 on October 30, 2024, and as amended pursuant to amending agreements dated March 17, 2025, May 29, 2025, and September 19, 2025, respectively.
“Dissent Rights”	means the rights of dissent available under the BCBCA in respect of the Amalgamation.
“Effective Time”	means the effective time of the Amalgamation as set forth in the Certificate of Amalgamation issued to Amalco.
“Escrowed Proceeds”	has the meaning ascribed to it under <i>“Summary of Filing Statement – The Transaction – Special Warrant Financing”</i> .
“Exchange Policy 4.4”	means Policy 4.4 – <i>Security Based Compensation</i> of the TSXV Corporate Finance Manual.
“Exchange Policy 5.4”	means Policy 5.4 – <i>Escrow, Vendor Consideration and Resale Restrictions</i> of the TSXV Corporate Finance Manual.
“Excluded Interests”	means the excluded interests set forth in Schedule “B” to the Vetax Option Agreement.
“Filing Statement”	means this TSXV Form 3D2 – Filing Statement.
“Final Exchange Bulletin”	means the bulletin issued by the Exchange following closing of the Transaction and the submission of all Post-Approval Documents which evidences the final Exchange acceptance of the Transaction.
“Geological Report”	means the geological report dated effective May 12, 2025 and signed September 23, 2025, prepared by Alfonso Rodriguez, P. Geo. of APEX Geoscience Ltd., for

	Terra Rossa and Baroyeca, in accordance with the applicable provisions of NI 43-101.
“Governance and Nominating Committee”	has the meaning ascribed to it under <i>“Item 32: Corporate Governance – Nomination of Directors”</i> .
“Governmental Authority”	means any federal, state, provincial, and municipal government, regulatory authority, governmental department, ministry, agency, commission, bureau, official, minister, crown corporation, court, board, tribunal, stock exchange, dispute settlement panel or body or other law, rule or regulation making entity having jurisdiction.
“ICFR”	has the meaning ascribed to it under <i>“Part IV: Risk Factors – Risks Relating to the Operations of the Resulting Issuer – Internal Controls.”</i>
“IFRS”	means the International Financial Reporting Standards.
“Insider”	if used in relation to an issuer, means: <ul style="list-style-type: none"> (a) a director or senior officer of the issuer; (b) a director or senior officer of the Company that is an insider or subsidiary of the issuer; (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or (d) the issuer itself if it holds any of its own securities.
“IT Systems”	has the meaning ascribed to it under <i>“Part IV: Risk Factors – Risks Relating to the Operations of the Resulting Issuer – Cybersecurity Risks.”</i>
“KYC”	has the meaning ascribed to it under <i>“Part IV: Risk Factors – Risks Relating to the Operations of the Resulting Issuer – Anti-Money Laundering and Corrupt Business Practices.”</i>
“Letter of Intent”	has the meaning ascribed to it under <i>“Summary of Filing Statement – The Transaction – Description of the Transaction.”</i>
“Listing”	means the listing of the Resulting Issuer Common Shares on Tier 2 of the Exchange.
“MADS”	has the meaning ascribed to it under <i>“Item 14: General Development/Description of the Business – Environmental Regulation.”</i>
“Member”	has the meaning ascribed to that term in Rule A.1.00 of the TSXV Rule Book and Policies.
“Minera”	means Minera Vetas Ltd., a British Virgin Islands company that is a wholly owned subsidiary of Terra Rossa.
“Ministry”	has the meaning ascribed to it under <i>“Item 14: General Development/Description of the Business – Temporary Reserve Zones.”</i>
“Mining Code”	has the meaning ascribed to it under <i>“Item 14: General Development/Description of the Business – Government Regulation.”</i>
“Mining Concession”	has the meaning ascribed to it under <i>“Item 14: General Development/Description of the Business – Government Regulation.”</i>
“MME”	has the meaning ascribed to it under <i>“Item 14: General Development/Description of the Business – Government Regulation.”</i>
“Named Executive Officer” or “NEO”	has the meaning ascribed to it under <i>“Item 8: Executive Compensation”</i> and <i>“Item 33: Executive Compensation.”</i>
“NI 43-101”	means National Instrument 43-101 – <i>Standard of Disclosure for Mineral Projects.</i>

“NI 52-109”	means National Instrument 52-109 – <i>Certification of Disclosure in Issuers’ Annual and Interim Filings</i> .
“NI 52-110”	means National Instrument 52-110 – <i>Audit Committees</i> .
“NI 58-101”	means National Instrument 58-101 – <i>Disclosure of Corporate Governance Practices</i> .
“Non-Arm’s Length Party”	means in relation to a Company, a promoter, officer, director, other Insider or Control Person of that company (including an issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person.
“NP 58-201”	means National Policy 58-201 – <i>Corporate Governance Guidelines</i> .
“Outside Date”	means October 15, 2025.
“Permit”	means any and all permits, licences, agreements, concessions, approvals, certificates, consents, certificates of approval, rights, privileges or franchises, registrations (including any required export/import approvals) and exemptions of any nature and other authorizations, conferred or otherwise granted by any Governmental Authority.
“Person”	includes a Company or individual.
“PNN”	has the meaning ascribed to it under “ <i>Item 14: General Development/Description of the Business – Environmental Regulation</i> .”
“Policies”	has the meaning ascribed to it under “ <i>Item 32: Corporate Governance</i> .”
“Post-Approval Documents”	mean the documents prescribed as such in Exchange Policy 5.2 – <i>Changes of Business and Reverse Takeovers</i> .
“Prasad Consulting Agreement”	has the meaning ascribed to it under “ <i>Item 20: Executive Compensation – Management Contracts</i> ”.
“Related Party Transaction”	has the meaning ascribed to that term in Exchange Policy 5.9 – <i>Protection of Minority Security Holders in Special Transactions</i> , and includes a related party transaction that is determined by the Exchange, to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arms Length Parties, or other circumstances exist which may compromise the independence of the issuer with respect to the transaction.
“Release Deadline”	means the date that is 120 days after the Special Warrant Financing Closing Date.
“Resulting Issuer”	means Baroyeca after giving effect to the Transaction, to be renamed “Terra Rossa Gold Ltd.” or such other similar name as may be accepted by the relevant regulatory authorities and approved by the Resulting Issuer Board. Amalco will be the wholly owned subsidiary of the Resulting Issuer after giving effect to the Transaction.
“Resulting Issuer Board”	means the board of directors of the Resulting Issuer as the same is constituted from time to time, following the completion of the Transaction.
“Resulting Issuer Common Shares”	means the common shares in the capital of the Resulting Issuer, post-Transaction.
“Resulting Issuer Escrow Agreement”	means the escrow agreement in the form of the Exchange’s Form 5D to be entered into by and among the Terra Rossa, the Resulting Issuer and certain principals of the Resulting Issuer prior to the completion of the Transaction.
“Resulting Issuer Escrow Shares”	means the Resulting Issuer Common Shares to be held in escrow by Terra Rossa pursuant to the Resulting Issuer Escrow Agreement.

“Resulting Issuer Fully Diluted Shares”	means the Resulting Issuer Common Shares on a fully diluted basis in the amount of 91,730,899 Resulting Issuer Common Shares comprised of: 6,150,605 Baroyeca Post-Consolidation Shares currently issued and outstanding; 11,895,000 Resulting Issuer Common Shares to be issued on conversion of the Special Warrants; 54,696,600 Resulting Issuer Common Shares to be issued to Terra Rossa Shareholders pursuant to the Transaction; 100,000 Baroyeca Post-Consolidation Options; 1,401,694 Baroyeca Post-Consolidation Warrants; 11,895,000 Terra Rossa Unit Warrants; Terra Rossa Stock Options exercisable for 1,500,000 Resulting Issuer Common Shares; Terra Rossa Warrants exercisable for 4,092,000 Resulting Issuer Common Shares
“Resulting Issuer Stock Option Plan”	mean’s the 10% rolling incentive stock option plan of the Resulting Issuer as of the Completion Date.
“Resulting Issuer Stock Options”	means incentive stock options to be issued under the Resulting Issuer Stock Option Plan, exercisable to acquire Resulting Issuer Common Shares.
“Reverse Takeover” or “RTO”	means a transaction or series of transactions, involving an acquisition by the issuer or of the issuer, and a securities issuance by an issuer that results in: <ul style="list-style-type: none"> (a) new shareholders holding more than 50% of the outstanding voting securities of the issuer, and (b) a Change of Control of the issuer. The Exchange may deem a transaction to have resulted in a Change of Control by aggregating the shares of a vendor group and/or incoming management group, <p>but does not include any transaction or series of transactions whereby the newly issued securities are to be issued to shareholders of an issuer listed on the TSX or another senior exchange under a formal takeover bid made pursuant to Applicable Canadian Securities Laws.</p> <p>A transaction or series of transactions may include an acquisition of a business or assets, an amalgamation, arrangement or other reorganization.</p> <p>Any securities issued pursuant to a private placement effected concurrently, contingent upon, or otherwise linked to a transaction or series of transactions, may be used in order to determine whether a transaction or series of transactions satisfies (a) and/or (b), above.</p>
“SEDAR+”	means the System for Electronic Document Analysis and Retrieval accessible at www.sedarplus.ca .
“Seed Shares”	means certain Terra Rossa Shares or other securities of Terra Rossa that were issued to Persons which are subject to the SSRRs.
“Sponsor”	has the meaning specified in Exchange Policy 2.2 – <i>Sponsorship and Sponsorship Requirements</i> .
“SSRRs”	means the seed share resale restrictions pursuant to section 10 of Exchange Policy 5.4.
“Special Warrant Certificates”	means the certificates representing the Special Warrants which will contain the terms and conditions that govern the Special Warrants.
“Special Warrant Financing Closing”	means a completion of an issue and sale by the Terra Rossa and the purchase by the subscriber of the Special Warrants pursuant the terms and conditions of the subscription agreements entered into in connection with the Special Warrant Financing.
“Special Warrant Financing Closing Date”	means the date on which the Special Warrant Financing Closing is completed.

“Special Warrant Financing”	means the non-brokered private placement of Special Warrants at a price of \$0.50 per Special Warrant for gross proceeds of \$5,947,500.
“Special Warrants”	means special warrants of Terra Rossa issued in the Special Warrant Financing. Each Special Warrant will automatically be exercised and convert, without the payment of any additional consideration and without further action on the part of the holder thereof, into a Terra Rossa Unit on the third Business Day following the satisfaction of the Conversion Condition.
“Terra Rossa”	means Terra Rossa Gold Ltd., a corporation existing under the BCBCA.
“Terra Rossa Board”	means the board of directors of Terra Rossa, as constituted from time to time.
“Terra Rossa Convertible Securities”	means, collectively, the Terra Rossa Warrants, the Terra Rossa Stock Options, and the Terra Rossa Unit Warrants.
“Terra Rossa Financial Statements”	means the: (i) audited annual financial statements of Terra Rossa for the years ended December 31, 2024, and 2023 and (ii) interim financial statements of Terra Rossa for the six-month period ended June 30, 2025, including the notes thereto and management discussion and analysis in respect thereof, which are attached to this Filing Statement as Appendix “B”.
“Terra Rossa Meeting”	means the meeting of Terra Rossa Shareholders held on September 29, 2025, at 10:00 a.m. (PST) at which, among other things, the Terra Rossa Resolution was approved.
“Terra Rossa Option Holder”	means a holder from time to time of Terra Rossa Stock Options.
“Terra Rossa Option Plan”	means the 10% rolling incentive stock option plan of Terra Rossa.
“Terra Rossa Property”	means the Vetás Gold Project comprising nine (9) mineral claims covering a combined area of approximately 313.9 hectares, located in the California-Vetas Mining District, town of Vetás, Santander department, Colombia, as set forth in <i>“Item 15: Narrative Description of the Business – Vetás Gold Project”</i> , but excluding the Excluded Interests.
“Terra Rossa Resolution”	means the special resolution of Terra Rossa Shareholders (which may be in writing or obtained during the Terra Rossa Meeting) to authorize, approve and adopt the Definitive Agreement, the Amalgamation and related matters.
“Terra Rossa Shareholder”	means a holder from time to time of Terra Rossa Shares.
“Terra Rossa Shares”	means the fully paid and non-assessable common shares in the capital of Terra Rossa.
“Terra Rossa Stock Options”	means incentive stock options issued by Terra Rossa, exercisable to acquire: (i) an aggregate of 750,000 Terra Rossa Shares at a price of \$0.20 per Terra Rossa Share until July 15, 2026; (ii) an aggregate of 250,000 Terra Rossa Shares at a price of \$0.20 per Terra Rossa Share until March 1, 2026; and (iii) an aggregate of 500,000 Terra Rossa Shares at a price of \$0.20 per Terra Rossa Share until March 24, 2027.
“Terra Rossa Units”	means units comprised of one Terra Rossa Share and one Terra Rossa Unit Warrant, to be issued on conversion of the Special Warrants.
“Terra Rossa Unit Warrant”	means a share purchase warrant in the capital of Terra Rossa, entitling the holder thereof to acquire one Resulting Issuer Common Share at a price of \$0.75 per share for a period of two (2) years from the date of issuance.
“Terra Rossa Warrants”	means share purchase warrants exercisable to acquire an aggregate of 4,092,000 Terra Rossa Shares at a price of \$0.70 per Terra Rossa Share until April 7, 2026.

“ Transaction ”	includes the Listing, the Special Warrant Financing and the Amalgamation on the terms set forth in the Definitive Agreement, resulting in the RTO of Baroyeca pursuant to Policy 5.2 of the Exchange.
“ TRZ ”	has the meaning ascribed to it under “ <i>Item 14: General Development/Description of the Business –Government Regulation.</i> ”
“ TSXV ” or the “ Exchange ”	means the TSX Venture Exchange.
“ Vetas Gold Project ”	means the gold project located in the Northern Andes of Colombia, approximately 70 kilometres northeast of Bucaramanga, Santander, Colombia. The property comprises nine mineral claims covering a combined area of approximately 313.9 hectares, located in the California-Vetas district in the town of Vetas in Santander department, Colombia. The Vetas Gold Project is held by Minera.
“ Vetas Option Agreement ”	means the option agreement entered into between Terra Rossa and Cedar Capital dated November 16, 2020, as amended effective February 16, 2022 and June 9, 2022, with respect to Terra Rossa’s acquisition of Minera.
“ WDM ”	means WDM Chartered Professional Accountants, the auditor of Baroyeca.

NOTICE TO READER

Financial Information

Unless otherwise indicated, all financial information referred to in this Filing Statement was prepared in accordance with IFRS.

Cautionary Note Regarding Forward-Looking Information

This Filing Statement contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management’s expectations regarding the growth, results of operations, performance and business prospects and opportunities of Baroyeca, Terra Rossa and the Resulting Issuer.

All statements other than statements of historical fact are forward-looking statements. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue”, “target” or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Filing Statement may contain forward-looking statements attributed to third party industry sources.

Forward-looking statements include, but are not limited to, statements with respect to: the terms and conditions of the proposed Transaction; future development plans; securities to be issued in connection with the Transaction; the share capitalization of the Resulting Issuer; and the business and operations of each of Baroyeca, Terra Rossa and the Resulting Issuer after the proposed transactions. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: satisfaction or waiver of all applicable conditions to the completion of the Transaction (including receipt of all necessary shareholder, stock exchange and regulatory approvals or consents, and the absence of material changes with respect to the parties and their respective businesses) the synergies expected from the Transaction not being realized; business integration risks; fluctuations in general macroeconomic conditions; fluctuations in securities markets; change in national and local government, legislation, taxation, controls, regulations and political or economic developments; the inability to obtain adequate insurance to cover risks and hazards; risks related to outbreaks or threats of outbreaks of viruses, other infectious diseases or other similar health threats, such as the novel coronavirus outbreak; employee relations; availability of and increasing costs associated with supplies and labour; the speculative nature of the mining industry;

expectations regarding entering into of material contracts; expectations regarding escrow restrictions imposed on the Resulting Issuer's securities; expectations regarding principal security holders of the Resulting Issuer and the identity and shareholdings thereof; expectations regarding compensation of directors, officers and employees of the Resulting Issuer; expectations regarding corporate governance and committees of the board of the Resulting Issuer; and expectations regarding reliance on a waiver from the sponsorship requirements of the TSXV.

In addition, the forward-looking statements herein are based on certain assumptions and involve risks related to the consummation or non-consummation of the Transaction and the respective businesses and operations of Baroyeca, Terra Rossa and the Resulting Issuer. Forward-looking statements contained herein are based on certain assumptions, including that Baroyeca will affect the Baroyeca Share Consolidation and the Baroyeca Board Resolution, that all other conditions to the Transaction will be satisfied or waived and that the Transaction will be completed. Other assumptions include, but are not limited to, interest and exchange rates; competitive conditions in the mining industry; synergies, if any, created by the formation of the Resulting Issuer; financing and funding requirements; general economic, political and market conditions; and changes in laws, rules and regulations applicable to Baroyeca, Terra Rossa or the Resulting Issuer.

These forward-looking statements are based on the beliefs of the management of each of Baroyeca and Terra Rossa as well as on assumptions which management believes to be reasonable, based on information currently available at the time such statements were made. However, there can be no assurance that forward-looking statements will prove to be accurate. Such assumptions and beliefs include, among other things: the ability of each of Baroyeca and Terra Rossa to realize the benefits of the Transaction; the discretion of management of each of Baroyeca and Terra Rossa and the board of the Resulting Issuer to use the total available funds upon listing on the TSXV other than as disclosed herein; the ability of the Resulting Issuer to execute its business plan successfully or as disclosed herein, such that the future growth, results of operations, performance and business prospects and opportunities of the Resulting Issuer will be as anticipated; the ability of the Resulting Issuer to maintain existing strategic partnerships and attract new partners; the ability of the Resulting Issuer to obtain financing on acceptable terms; and the ability of the Resulting Issuer to retain skilled management and employees.

This list is not exhaustive of the factors that may affect any of the forward-looking statements regarding each of Baroyeca, Terra Rossa and the Resulting Issuer. Forward-looking statements are statements about the future and are inherently uncertain. Actual events or results could differ materially from those projected in the forward-looking statements including as a result of the matters set out in this Filing Statement generally and certain economic and business factors, some of which may be beyond the control of each of Baroyeca, Terra Rossa and the Resulting Issuer. Some of the important risks and uncertainties that could affect forward-looking statements are described under the heading "*Part IV: Risk Factors*". Baroyeca, Terra Rossa and the Resulting Issuer do not intend, and do not assume any obligation, to update any of the forward-looking statements after the date of this Filing Statement so as to conform such statements to actual results or to changes in the expectations of the Resulting Issuer, other than as required by applicable securities law.

For all these reasons, readers should not place undue reliance on the forward-looking statements contained herein, as the Resulting Issuer's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect Resulting Issuer's business, or if Resulting Issuer's estimates or assumptions prove inaccurate. The forward-looking statements contained in this Filing Statement are expressly qualified by this cautionary statement.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to the parties and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

Baroyeca

Baroyeca was incorporated on February 17, 2006, under the BCBCA and commenced business at that time. Baroyeca was previously engaged in mineral exploration and evaluation, but is currently inactive with no revenue generating operations. Accordingly, any funds raised for Baroyeca's operations are through the sale of shares of its capital stock or from debt financing.

Baroyeca's fiscal year end is May 31. Baroyeca is listed on Tier 2 of the TSXV under the symbol "BGS". Baroyeca's head office is located at 3702 West 10th Avenue, Vancouver, BC V6R 2G4 and its registered office is located at 25th floor, 700 West Georgia St., Vancouver, British Columbia, V7Y 1B3.

See "*Item 1: Corporate Structure*" and "*Item 2: General Development of the Business*".

Terra Rossa

Terra Rossa was incorporated on April 1, 2010, under the BCBCA. Terra Rossa's head office is located at 615-800 West Pender Street, Vancouver, BC V6C 2V6 and its registered office is located at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, BC V6E 4N7.

Terra Rossa is a private British Columbia natural resource company engaged in the acquisition, exploration and development of natural resource properties. Through its wholly owned subsidiary, Minera, Terra Rossa holds a one hundred (100) percent interest in the Vetas Gold Project, located in Colombia.

See "*Item 14: General Development/Description of the Business*".

The Transaction

The following section contains a summary of the Transaction. This summary of certain provisions of the Definitive Agreement below and in this Filing Statement is not comprehensive and is qualified in its entirety by the terms of the Definitive Agreement which is available under Baroyeca's profile on SEDAR+ at www.sedarplus.ca. This summary may not contain all of the information about the Definitive Agreement that is important to shareholders. All such shareholders are encouraged to read the Definitive Agreement carefully and in its entirety.

Description of the Transaction

On August 26, 2024, Baroyeca and Terra Rossa entered into a letter of intent (the "**Letter of Intent**") to set out the basis upon which the parties would continue discussions in connection with a proposed Reverse Takeover of Baroyeca by Terra Rossa.

On October 30, 2024, Baroyeca and Terra Rossa entered into the Definitive Agreement which superseded and replaced the Letter of Intent and described the principal terms and conditions of the Transaction, and on November 1, 2024, Baroyeca publicly announced the entry into of the Definitive Agreement and the Transaction. Pursuant to the Definitive Agreement, the Transaction will proceed, amongst other steps, by way of a three-cornered amalgamation, whereby, among other things: (i) Baroyeca will complete a consolidation of its issued and outstanding share capital on the basis of one Baroyeca Post-Consolidation Share for every 14 pre-consolidation common shares; (ii) 971, a wholly owned subsidiary of Baroyeca incorporated for the purpose of effecting the Transaction, will amalgamate with Terra Rossa to form Amalco; (iii) holders of Terra Rossa Shares will receive one Baroyeca Post-Consolidation Share in the capital of Baroyeca for each Terra Rossa Share held and the Terra Rossa Shares will be cancelled; (iv) all issued and outstanding Terra Rossa Convertible Securities shall cease to represent a right to acquire Terra Rossa Shares and shall provide the right to acquire Baroyeca Shares; (v) Amalco will become a wholly owned subsidiary of Baroyeca; and (vi) Baroyeca will change its name to "Terra Rossa Gold Ltd." or such other similar name as may be accepted by the relevant regulatory authorities and approved by the Resulting Issuer Board. The Resulting Issuer will carry on the business of Terra Rossa, as described herein, and is expected to be listed on Tier 2 of the TSXV as a "Mining Issuer".

Following completion of the Transaction, the former securityholders of Terra Rossa will hold approximately 65.72% percent of the issued and outstanding Resulting Issuer Common Shares on a fully-diluted basis. Certain Baroyeca Post-Consolidation Shares issued to former Terra Rossa Shareholders shall be subject to escrow conditions and seed share resale conditions as required by applicable securities laws and the policies of the TSXV.

Special Warrant Financing

In connection with the Transaction, on September 22, 2025 and September 24, 2025, Terra Rossa completed its concurrent non-brokered private placement of 11,895,000 Special Warrants at a price of \$0.50 per Special Warrant for aggregate gross proceeds of \$5,947,500. The Special Warrants are governed by the terms and conditions of the Special Warrant Certificates.

Each Special Warrant will automatically be exercised and convert, without the payment of any additional consideration and without further action on the part of the holder thereof, into a Terra Rossa Unit on the third Business Day following the satisfaction of the Conversion Condition (the “**Deemed Exercise Date**”). Each Terra Rossa Unit will be comprised of one Terra Rossa Share and one Terra Rossa Unit Warrant exercisable to acquire one additional Terra Rossa Share at a price equal to \$0.75 per Terra Rossa Share for a period of two years from the date of issuance. Upon completion of the Transaction, each Terra Rossa Unit Warrant will be exercisable for one Resulting Issuer Common Share on similar terms.

The gross proceeds of the Special Warrant Financing (the “**Escrowed Proceeds**”) are being held in escrow on behalf of the subscribers by Terra Rossa, in a segregated interest bearing account. Upon and subject the satisfaction of the Conversion Condition, the Escrowed Proceeds and accrued interest will be released to Terra Rossa, at which time each Special Warrant shall automatically convert into a Terra Rossa Unit.

If the Conversion Condition is not satisfied on or before 5:00 p.m. (Vancouver time) on Release Deadline, the Special Warrants will immediately become null, void and of no further force or effect and, as soon as reasonably possible, and in any event within ten (10) Business Days following the Release Deadline, the Escrowed Proceeds will be returned to the holders of Special Warrants in an amount equal to: (i) the subscriber’s aggregate offering price paid for the Special Warrants; and (ii) a pro rata share of interest, if any, actually earned on the Escrowed Proceeds to the date of the Release Deadline (less any applicable withholding taxes).

In connection with the Special Warrant Financing, Terra Rossa paid eligible arm’s length finders cash finders fees in the amount of \$138,480.

Summary of the Transaction – Definitive Agreement

Pursuant to the terms and conditions set forth in the Definitive Agreement, Baroyeca and Terra Rossa propose to complete the following transaction steps:

- (a) Immediately prior to the Effective Time:
 - i. Baroyeca will complete the Baroyeca Share Consolidation;
 - ii. Baroyeca will cause the current directors and officers of Baroyeca to resign;
 - iii. Baroyeca shall enter into full mutual releases with all former directors and officers of Baroyeca; and
 - iv. the Special Warrants shall be automatically converted into Terra Rossa Units;
- (b) At the Effective Time:
 - i. each Terra Rossa Shareholder will receive one Baroyeca Post-Consolidation Share in exchange for each Terra Rossa Share held by such holder and the Terra Rossa Shares will be cancelled without reimbursement of the capital represented by such shares;
 - ii. each holder of 971 Shares will receive one Amalco Share in exchange for each 971 Share held by such holder and the 971 Shares will be cancelled;

- iii. in consideration for Baroyeca's issuance of Baroyeca Post-Consolidation Shares referenced in (i) above, Amalco shall issue to Baroyeca one Amalco Share for each Baroyeca Post-Consolidation Share issued by Baroyeca under (i) above;
- iv. the Terra Rossa Warrants and the Terra Rossa Stock Options shall cease to represent a right to acquire Terra Rossa Shares and shall provide the right to acquire Baroyeca Shares, all in accordance with the adjustment provisions provided in the certificates representing the Terra Rossa Warrants and the Terra Rossa Stock Options, as applicable;
- v. 971 and Terra Rossa shall be amalgamated and continue as one corporation;
- vi. each of 971 and Terra Rossa shall cease to exist as entities separate from Amalco;
- vii. all of the property of each of 971 and Terra Rossa shall become and continue to be the property of Amalco by virtue of the Amalgamation;
- viii. Amalco shall become and continue to be liable for all of the obligations of each of 971 and Terra Rossa by virtue of the Amalgamation;
- ix. each former holder of 971 Shares and each former Terra Rossa Shareholder is bound by the Definitive Agreement;
- x. any existing cause of action, claim or liability to prosecution with respect to either or both of 971 and Terra Rossa shall be unaffected;
- xi. any civil, criminal or administrative action or proceeding pending by or against either of 971 and Terra Rossa may be continued to be prosecuted by or against Amalco;
- xii. any conviction against, or ruling, order or judgment in favour of or against either of 971 and Terra Rossa may be enforced by or against Amalco; and
- xiii. the articles attached to the Definitive Agreement as Exhibit "A" shall be the articles of Amalco.

The Transaction is intended to be completed immediately prior to the Listing and will result in the Reverse Takeover of Baroyeca by the Terra Rossa Shareholders. Completion of the Transaction is subject to compliance with the terms and conditions set forth in the Definitive Agreement, which are discussed further below under the heading "*Summary of Filing Statement – The Transaction – Conditions to the Transaction*". If the terms and conditions of the Definitive Agreement are satisfied (or waived, as applicable), it is expected that the Transaction will be completed and become effective by the Outside Date or such other date as may be determined by the parties thereto. However, the effective date of the Transaction could be delayed for a number of reasons. See "*Part IV: Risk Factors*".

Amalco will be a wholly owned subsidiary of the Resulting Issuer.

The terms of the Transaction, as set out in the Definitive Agreement and summarized in this Filing Statement, were established through arm's length negotiations between the respective management of Baroyeca and Terra Rossa.

Since the execution of the Definitive Agreement, each of Baroyeca and Terra Rossa have taken all actions as were within its power to control, and used commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to complete the Transaction.

Conditions to the Transaction

Completion of the Transaction is subject to compliance with the terms and conditions set forth in the Definitive Agreement, including, but not limited to:

- (a) the Terra Rossa Resolution shall have been passed by a special majority of all the Terra Rossa Shareholders at the Terra Rossa Meeting;

- (b) if required by the Exchange, the Transaction shall have been approved by a majority of Baroyeca Shareholders;
- (c) Baroyeca shall have completed the Baroyeca Share Consolidation;
- (d) the Amalgamation shall have become effective on or prior to the Outside Date;
- (e) the Exchange shall have conditionally accepted the Transaction under the rules and policies of the Exchange, subject only to customary conditions of closing, provided that if the Amalgamation is rejected by the Exchange as the reverse takeover of Baroyeca, (i) all recourse or rights of appeal to complete the Transaction as contemplated in the Definitive Agreement will have been exhausted, and (ii) the party wishing to terminate the Definitive Agreement on this basis will have first used commercially reasonable efforts to negotiate the terms of the Transaction objectionable to the Exchange on terms acceptable to both Baroyeca and Terra Rossa, acting reasonably;
- (f) the Special Warrant Financing shall have been completed;
- (g) all other consents, orders and approvals, including regulatory approvals and orders, necessary or desirable for the completion of the transactions provided for in the Definitive Agreement and the Amalgamation shall have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances;
- (h) the Definitive Agreement shall not have been terminated in accordance with its terms;
- (i) Dissent Rights shall not have been exercised with respect to the Amalgamation by Terra Rossa Shareholders which will in the aggregate represent 5% or more of the Terra Rossa Shares outstanding on the record date for the Terra Rossa Meeting;
- (j) the availability of prospectus exemptions for the Amalgamation under Applicable Canadian Securities Laws and the availability of registration exemptions for the Amalgamation under applicable securities laws of any foreign jurisdiction in respect of substantially all of the Baroyeca Shares to be issued outside of Canada;
- (k) the issuance of Baroyeca Shares to U.S. Terra Rossa Shareholders shall be exempt from registration under the 1933 Act, and from registration under all applicable U.S. state securities laws, and Terra Rossa shall have obtained and delivered to Baroyeca, on or before the Effective Time, a fully completed and executed U.S. Investment Agreement from each U.S. Terra Rossa Shareholder entitled to receive Baroyeca Shares pursuant to the Amalgamation in order to, among other things, evidence the availability of such exemptions; and
- (l) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Definitive Agreement and the Amalgamation.

Representations, Warranties and Covenants

Baroyeca and Terra Rossa agreed to certain representations and warranties relating to, among other things: the incorporation of each party; the power and authority to enter into and perform the obligations under the Definitive Agreement; required approvals, including third party approvals; no conflict; its status with respect to bankruptcy and insolvency; compliance with law; the binding nature and validity of the Definitive Agreement; the capitalization of each party; the absence of litigation; the financial statements of each party; the conduct of their business, including possession of Permits; title to assets; the payment of taxes; indebtedness and other liabilities; their material contracts; employees of each party; and insurance.

Resulting Issuer

Upon completion of the Transaction, the Resulting Issuer will be Baroyeca, renamed to “Terra Rossa Gold Ltd.” or such other similar name as may be accepted by the relevant regulatory authorities and approved by the Resulting Issuer Board, and subject to the approval of the TSXV, it is expected that the

Resulting Issuer will be listed on the TSXV as a Tier 2 Mining Issuer, operating the business currently conducted by Terra Rossa.

Reasons for the Transaction

The Transaction will provide Terra Rossa with potentially greater access to capital markets in North America and potential for greater trading liquidity and a broader shareholder base consisting of Canadian retail investors as well as global institutions.

Baroyeca Share Consolidation

Prior to the completion of the Transaction, Baroyeca will take all necessary steps to give effect and to implement the Baroyeca Share Consolidation.

Directors and Officers of the Resulting Issuers

Concurrently with the completion of the Transaction, Baroyeca will cause all of the then current directors and officers of Baroyeca to resign without payment by or any liability to Terra Rossa or Baroyeca, and to cause each such director and officer to execute and deliver a mutual release, in form and substance acceptable to Baroyeca and Terra Rossa, acting reasonably. The Resulting Issuer Board will consist of five (5) directors, three (3) of whom will be nominees of Terra Rossa and two (2) of whom will be nominees of Baroyeca. See “*Item 30: Directors, Officers and Promoters*”.

Interests of any Insider, Promoter or Control Person

The following is a summary of the interests of Insiders (as such term is defined in the policies of the TSXV) of the Resulting Issuer, and its respective Associates and Affiliates, before and after giving effect to the Transaction, in each case assuming the completion of the Baroyeca Share Consolidation.

Insider, Promoter or Control Person (including Associates and Affiliates)	Proposed Position with Resulting Issuer	Number and Percentage (%) of Baroyeca Shares or Terra Rossa Shares prior to the Transaction ⁽¹⁾	Number and Percentage (%) of the Resulting Issuer Common Shares upon Closing ⁽²⁾
Patrick Downey	Chief Executive Officer and Director	3,017,600 Terra Rossa Shares (5.52%)	3,017,600 ⁽⁴⁾ (4.15%)
Latika Prasad	Chief Financial Officer, Corporate Secretary	320,000 Terra Rossa Shares (0.59%)	320,000 (0.44%)
Michael Halvorson	Director	1,000,000 Terra Rossa Shares (1.83%)	1,225,000 ⁽⁵⁾ (1.68%)
Richard Wilson	Director	97,732 ⁽³⁾ Baroyeca Shares (1.58%)	297,732 ⁽⁶⁾ (0.41%)
Patrick Robinson	Director	Nil	1,000,000 ⁽⁷⁾ (1.37%)
Tim Moody	Director	240,000 Terra Rossa Shares (0.44%)	240,000 (0.33%)

Notes:

- (1) Terra Rossa Shares that will be exchanged for the Resulting Issuer Common Shares on the closing of the Transaction.
- (2) Calculated based on the Resulting Issuer Non-Fully Diluted Shares.
- (3) Number of securities before giving effect to the Transaction but after giving effect to the Consolidation.
- (4) Mr. Downey’s share total includes 780,000 Terra Rossa Shares registered to and held by his spouse.
- (5) Mr. Halvorson purchased 225,000 Special Warrants pursuant to the Special Warrant Financing.
- (6) Mr. Wilson purchased 200,000 Special Warrants pursuant to the Special Warrant Financing.
- (7) Mr. Robinson purchased 1,000,000 Special Warrants pursuant to the Special Warrant Financing.

See “*Item 29: Principal Securityholders*”.

**Non-Arm’s Length
Party Transaction**

The Transaction, if completed, is an Arm’s Length Transaction.
See “Item 21: Non-Arm’s Length Transactions”.

**Approvals Necessary
for the Transaction**

Board and Shareholder Approval

Baroyeca is required to obtain Baroyeca Board approval for the completion of the Transaction which Baroyeca expects to have approved by its directors, by way of unanimous written consent resolutions.

Baroyeca received Baroyeca Shareholder approval for the Baroyeca Share Consolidation on January 17, 2025, at the Baroyeca Meeting.

Terra Rossa Approval

Terra Rossa is required to obtain Terra Rossa Shareholder approval for the Terra Rossa Resolution, which Terra Rossa expects to have approved at the Terra Rossa Meeting.

TSXV Approval

The TSXV conditionally approved the Listing of the Resulting Issuer Common Shares, including those Resulting Issuer Common Shares to be issued pursuant to the Transaction to the former Terra Rossa Shareholders. The Listing is subject to the fulfillment of all of the requirements of the TSXV on or before December 23, 2025.

**Estimated Available
Funds and Principal
Purposes**

Estimated Available Funds

As at the most recent month end prior to the date hereof, on a *pro forma* basis, the estimated funds available to the Resulting Issuer as a result of the Transaction, after deducting the expenses of the Transaction, and excluding Terra Rossa’s existing cash and cash equivalents, would be as follows:

Estimated Funds Available	Amount (CA\$)
Estimated working capital of Terra Rossa as at August 31, 2025	1,072,955
Estimated working capital of Baroyeca as at August 31, 2025	83,509
Gross Proceeds raised from the Special Warrant Financing	5,947,500
Total Estimated Available Funds	7,103,964

Principal Purposes of Funds

Upon the completion of Transaction, the Resulting Issuer will use the funds available to it to, among other things, continue with its exploration programs and make payments as required to maintain its interest in its properties. The following table summarizes the expenditures anticipated by the Resulting Issuer required to achieve its business objectives during the 12 months following the Completion Date:

Principal Use of Available Funds	Amount (CA\$)
Estimated Phase 1 Exploration Costs of the Terra Rossa Property comprised of:	
(a) Underground Survey	25,000
(b) Geochemical Surveying	50,000
(c) Diamond Drilling	480,000

(d) Miscellaneous Contingency	23,750
Special Warrant Financings Expenses ⁽¹⁾	138,480
Estimated Transaction Fees ⁽²⁾	150,000
Estimated Audit and Review Fees	50,000
Estimated General and Administrative Expenses (British Columbia) ⁽³⁾	582,000
Estimated General and Administrative Expenses (Colombia) ⁽⁴⁾	223,200
Total:	1,922,430
Unallocated Working Capital	5,181,534

Notes:

- (1) Comprised of finders' fees paid pursuant to the Special Warrant Financing.
- (2) Comprised of listing and transfer agent fees of \$50,000 and legal fees of \$100,000 (legal fees incurred by each party as of the date hereof (including those incurred in connection with the Transaction), are accounted for in the respective working capital figures, resulting in a reduction of working capital).
- (3) Comprised of wages and salaries of \$300,000, insurance (director and officer, office, and warehouse) of \$2,500, rent/leases of \$12,000, and miscellaneous office and travel expenses \$240,000.
- (4) Comprised of consulting fees and salaries of \$132,000, insurance of \$12,000, rent of \$43,200, accounting expenses (Colombian & VAT tax filings) of \$18,000, and miscellaneous office and travel expenses \$18,000.

The Resulting Issuer intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives or to pursue other opportunities that management believes are in the interests of the Resulting Issuer. See “*Part IV: Risk Factors – Risks Related to the Operations of the Resulting Issuer – Use of Available Funds*” and “*Item 28: Available Funds and Principal Purposes*”.

Escrowed Securities and Securities Subject to Restrictions on Transfer

Pursuant to the policies of the Exchange, approximately 6,100,332 Resulting Issuer Escrow Shares, 1,475,000 Resulting Issuer Warrants, and 953,571 Resulting Issuer Stock Options are anticipated to be held by principals of the Resulting Issuer and are expected to be held in escrow pursuant to the Resulting Issuer Escrow Agreement after giving effect to the Transaction. See “*Item 37 – Escrowed Securities*”.

Selected Pro Forma Consolidated Financial Information for the Resulting Issuer

Assuming completion of the Transaction, the following table sets out certain unaudited *pro forma* financial information for the Resulting Issuer. The following information should be read in conjunction with the Resulting Issuer Pro Forma Financial Statements set forth in this Filing Statement. See “*Appendix “F” – Pro Forma Financial Statements of the Resulting Issuer (Unaudited)*”.

Item	Baroyeca (as at February 28, 2025) (\$)	Terra Rossa (as at June 30, 2025) (\$)	Resulting Issuer Pro Forma Consolidation (\$)
Current Assets	459,067	1,164,286	4,568,353
Total assets	459,067	8,034,191	11,438,258
Current Liabilities	316,783	41,399	358,182
Total liabilities	316,783	359,588	676,371
Shareholders' Equity (Deficit)	142,284	(6,847,530)	9,596,626

Market for Securities and Market Price

Baroyeca Shares are listed on the TSXV under the symbol “BGS”. The closing market price of the Baroyeca Shares on the last day on which there was a trade prior to the announcement of the Transaction on November 1, 2024, was \$0.02 per Baroyeca Share. The Terra Rossa Shares are not listed on any stock exchange and there is currently no public market for the Terra Rossa Shares.

It is anticipated that the Resulting Issuer Common Shares will trade on the TSXV under the symbol “TRR”. The Listing will be subject to the Resulting Issuer fulfilling all of the minimum listing requirements of the TSXV and obtaining conditional approval of the TSXV. There can be no assurance that the TSXV will list the Resulting Issuer Common Shares. If listing approval is ultimately obtained prior to the Effective Time, trading on the TSXV of the Resulting Issuer Common Shares is expected to commence shortly following the Completion Date.

It is expected that following the Transaction, the Resulting Issuer will be authorized to issue an unlimited number of the Resulting Issuer Common Shares. Assuming the completion of the Transaction, approximately 72,742,205 Resulting Issuer Common Shares will be issued and outstanding following the Effective Time.

See “*Item 26: Description of the Securities*”.

Sponsor

Terra Rossa and Baroyeca have applied to the TSXV for an exemption from the sponsorship requirement in connection with its application to list the Resulting Issuer Common Shares on the TSXV. While Terra Rossa and Baroyeca believe the Resulting Issuer qualifies for an exemption, there can be no assurance that the exemption will be granted by the TSXV.

See “*Item 39: Sponsorship and Agent Relationship*”.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer also serve as directors and/or officers of other companies involved in the natural resource sector and consequently there exists the possibility for such directors and officers to be in a position of conflict.

See “*Part IV: Risk Factors*” and “*Item 30: Directors, Officers and Promoters*”.

Interests of Experts

Except as disclosed herein, no person whose profession or business gives authority to a statement made by the person and who is named as having prepared or certified a part of this Filing Statement or prepared or certified a report or valuation described or included in this Filing Statement currently holds, directly or indirectly, more than 1% of the Baroyeca Shares or Terra Rossa Shares, or holds any property of Baroyeca or Terra Rossa or of an Associate or Affiliate of Baroyeca or Terra Rossa and no such person is expected to be elected, appointed or employed as director, senior officer or employee of Baroyeca or Terra Rossa or of an Associate or Affiliate of the Resulting Issuer and no such person is a promoter of Baroyeca or Terra Rossa or an Associate or Affiliate of Baroyeca or Terra Rossa.

As of the date of this Filing Statement, WDM Chartered Professional Accountants, of Suite 420 1501 West Broadway, Vancouver, BC V6J 4Z6, is the auditor for Baroyeca and is independent with respect to Baroyeca within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

As of the date of this Filing Statement, De Visser Gray LLP, of 401-905 West Pender St., Vancouver, BC V6C 1L6 is the auditor for Terra Rossa and is independent with respect to Terra Rossa within the meaning of the Code of Professional Conduct of the CPA Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

See “*Item 40: Experts*”.

Risk Factors

There are risks associated with the business of the Resulting Issuer, including but not limited to: (i) the need for the Resulting Issuer to raise additional capital through additional financings and the risk that such funds may not be raised; (ii) the speculative nature of exploration and the stages of the properties or assets of the Resulting Issuer; (iii) the effect of changes in commodity prices; (iv) reliance on management; (v) the potential for conflicts of interest; and (vi) other risks associated with the Resulting

Issuer as described in “*Cautionary Note Regarding Forward-Looking Information*” and “*Part IV: Risk Factors*” of this Filing Statement.

Conditional Approval The TSXV has conditionally accepted the Transaction pursuant to a letter dated September 24, 2025 and subject to fulfilling all of the requirements of the TSXV.

PART I: INFORMATION CONCERNING BAROYECA

ITEM 1: CORPORATE STRUCTURE

Name, Address and Incorporation of Baroyeca

Baroyeca Gold & Silver Inc was incorporated on February 17, 2006, under the BCBCA and commenced business at that time. Baroyeca's head office is located at 3702 West 10th Avenue, Vancouver, BC V6R 2G4 and its registered office is located at 25th floor, 700 West Georgia St., Vancouver, British Columbia, V7Y 1B3.

Immediately prior to completion of the Transaction, Baroyeca will adopt the Baroyeca Resolution and complete the Baroyeca Share Consolidation.

Intercorporate Relationships of Baroyeca

971 is a wholly-owned subsidiary of Baroyeca. 971 was incorporated on January 16, 2024, under the BCBCA for the purposes of completing the Transaction.

ITEM 2: GENERAL DEVELOPMENT OF THE BUSINESS

History

Baroyeca was incorporated on February 17, 2006 and commenced business at that time. Baroyeca was previously engaged in mineral exploration and evaluation but is currently inactive with no revenue generating operations. Accordingly, any funds raised for Baroyeca's operations are through the sale of shares of its capital stock or from debt financing. Baroyeca's fiscal year end is May 31. Baroyeca is listed on the TSXV under the symbol "BGS".

During the fiscal year ended May 31, 2021, Baroyeca entered into two agreements, each to acquire a 100% interest in a mineral property located in Colombia, South America and known respectively as the Santa Barbara Property and the Atocha Property (collectively the "**Colombian Properties**") (The Atocha Property was previously referred to as the Falan Property).

On or about January 24, 2022, Baroyeca entered into a property purchase agreement with a third party to acquire a 215-hectare property contiguous to Baroyeca's Santa Barbara Property and situated on strike with the identified veins that Baroyeca had previously been bulk sampling.

During the summer of 2022, the Presidential election in Colombia resulted in a change in political parties running the country. The investment community viewed this change as not favourable to mining operations continuing in Colombia. During the latter half of fiscal 2023, Baroyeca found that this seriously impacted its ability to raise funds for ongoing activities in Colombia and, decided to terminate its operations in Colombia, forfeited its options on the Santa Barbara and Atocha Properties by not making the final cash payments and share issuances required under the option agreements and returned the properties to the optionor.

Additionally, at the end of May, 2024, Baroyeca sold all of its beneficial interest in the shares of Baroyeca Gold & Silver Inc. de Mexico S. A. de C.V., its subsidiary that has been inactive for over ten years.

Description of the Transaction

On August 26, 2024, Baroyeca and Terra Rossa entered into the Letter of Intent to set out the basis upon which the parties would continue discussions in connection with a proposed Reverse Takeover of Baroyeca by Terra Rossa.

On October 30, 2024, Baroyeca and Terra Rossa entered into the Definitive Agreement which superseded and replaced the Letter of Intent and described the principal terms and conditions of the Transaction, and publicly announced their agreement to complete the Transaction. Pursuant to the Definitive Agreement, the Transaction will proceed, amongst other steps, by way of a three-cornered amalgamation, whereby, among other things: (i) Baroyeca will complete a consolidation of its issued and outstanding share capital on the basis of one Baroyeca Post-Consolidation Share for every 14 pre-consolidation common shares; (ii) 971, a wholly owned subsidiary of Baroyeca incorporated for the purpose of effecting the transaction, will amalgamate with Terra Rossa to form Amalco; (iii) holders of Terra Rossa Shares will receive one Baroyeca Post-Consolidation Share in the capital of Baroyeca for each Terra Rossa Share held

and the Terra Rossa Shares will be cancelled; (iv) all issued and outstanding Terra Rossa Convertible Securities shall cease to represent a right to acquire Terra Rossa Shares and shall provide the right to acquire Baroyeca Shares; (vi) Amalco will become a wholly owned subsidiary of Baroyeca; and (vii) Baroyeca will change its name to “Terra Rossa Gold Ltd.” or such other similar name as may be accepted by the relevant regulatory authorities and approved by the Resulting Issuer Board. The Resulting Issuer will carry on the business of Terra Rossa, as described herein, and is expected to be listed on Tier 2 of the TSXV as a “Mining Issuer”.

Following completion of the Transaction, the former securityholders of Terra Rossa will hold approximately 65.74 per cent of the issued and outstanding Resulting Issuer Common Shares on a fully diluted basis. Certain Baroyeca Post-Consolidation Shares issued to former Terra Rossa Shareholders shall be subject to escrow conditions and seed share resale conditions as required by applicable securities laws and the policies of the TSXV.

Summary of the Transaction – Definitive Agreement

Pursuant to the terms and conditions set forth in the Definitive Agreement, Baroyeca and Terra Rossa propose to complete the following transaction steps:

(a) Immediately prior to the Effective Time:

- i. Baroyeca will complete the Baroyeca Share Consolidation;
- ii. Baroyeca will cause the current directors and officers of Baroyeca to resign;
- iii. Baroyeca shall enter into full mutual releases with all former directors and officers of Baroyeca; and
- iv. the Special Warrants shall be automatically converted into Terra Rossa Units;

(b) At the Effective Time:

- i. each Terra Rossa Shareholder will receive one Baroyeca Post-Consolidation Share in exchange for each Terra Rossa Share held by such holder and the Terra Rossa Shares will be cancelled without reimbursement of the capital represented by such shares;
- ii. each holder of 971 Shares will receive one Amalco Share in exchange for each 971 Share held by such holder and the 971 Shares will be cancelled;
- iii. in consideration for Baroyeca’s issuance of Baroyeca Post-Consolidation Shares referenced in (i) above, Amalco shall issue to Baroyeca one Amalco Share for each Baroyeca Post-Consolidation Share issued by Baroyeca under (i) above;
- iv. the Terra Rossa Warrants and the Terra Rossa Stock Options shall cease to represent a right to acquire Terra Rossa Shares and shall provide the right to acquire Baroyeca Shares, all in accordance with the adjustment provisions provided in the certificates representing the Terra Rossa Warrants and the Terra Rossa Stock Options, as applicable;
- v. 971 and Terra Rossa shall be amalgamated and continue as one corporation;
- vi. each of 971 and Terra Rossa shall cease to exist as entities separate from Amalco;
- vii. all of the property of each of 971 and Terra Rossa shall become and continue to be the property of Amalco by virtue of the Amalgamation;
- viii. Amalco shall become and continue to be liable for all of the obligations of each of 971 and Terra Rossa by virtue of the Amalgamation;
- ix. each former holder of 971 Shares and each former Terra Rossa Shareholder is bound by the Definitive Agreement;
- x. any existing cause of action, claim or liability to prosecution with respect to either or both of 971 and Terra Rossa shall be unaffected;
- xi. any civil, criminal or administrative action or proceeding pending by or against either of 971 and Terra Rossa may be continued to be prosecuted by or against Amalco;
- xii. any conviction against, or ruling, order or judgment in favour of or against either of 971 and Terra Rossa may be enforced by or against Amalco; and

xiii. the articles attached to the Definitive Agreement as Exhibit “A” shall be the articles of Amalco.

The Transaction is intended to be completed immediately prior to the Listing and will result in the Reverse Takeover of Baroyeca by the Terra Rossa Shareholders. Completion of the Transaction is subject to compliance with the terms and conditions set forth in the Definitive Agreement, which are discussed further below under the heading “*General Development of the Business – Summary of the Transaction – The Definitive Agreement – Conditions to the Transaction*”. If the terms and conditions of the Definitive Agreement are satisfied (or waived, as applicable), it is expected that the Transaction will be completed and become effective by the Outside Date or such other date as may be determined by the parties thereto. However, the effective date of the Transaction could be delayed for a number of reasons. See “*Part IV: Risk Factors*”.

The terms of the Transaction, as set out in the Definitive Agreement and summarized in this Filing Statement, were established through arm’s length negotiations between the respective management of Baroyeca and Terra Rossa.

Since the execution of the Definitive Agreement, each of Baroyeca and Terra Rossa have taken all actions as were within its power to control, and used commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to complete the Transaction.

Conditions to the Transaction

Completion of the Transaction is subject to compliance with the terms and conditions set forth in the Definitive Agreement, including, but not limited to:

- (a) the Terra Rossa Resolution shall have been passed by a special majority of all the Terra Rossa Shareholders at the Terra Rossa Meeting;
- (b) if required by the Exchange, the Transaction shall have been approved by a majority of Baroyeca Shareholders;
- (c) Baroyeca shall have completed the Baroyeca Share Consolidation;
- (d) the Amalgamation shall have become effective on or prior to the Outside Date;
- (e) the Exchange shall have conditionally accepted the Transaction under the rules and policies of the Exchange, subject only to customary conditions of closing, provided that if the Amalgamation is rejected by the Exchange as the reverse takeover of Baroyeca, (i) all recourse or rights of appeal to complete the Transaction as contemplated in the Definitive Agreement will have been exhausted, and (ii) the party wishing to terminate the Definitive Agreement on this basis will have first used commercially reasonable efforts to negotiate the terms of the Transaction objectionable to the Exchange on terms acceptable to both Baroyeca and Terra Rossa, acting reasonably;
- (f) the Special Warrant Financing shall have been completed;
- (g) all other consents, orders and approvals, including regulatory approvals and orders, necessary or desirable for the completion of the transactions provided for in the Definitive Agreement and the Amalgamation shall have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances;
- (h) the Definitive Agreement shall not have been terminated in accordance with its terms;
- (i) Dissent Rights shall not have been exercised with respect to the Amalgamation by Terra Rossa Shareholders which will in the aggregate represent 5% or more of the Terra Rossa Shares outstanding on the record date for the Terra Rossa Meeting;
- (j) the availability of prospectus exemptions for the Amalgamation under Applicable Canadian Securities Laws and the availability of registration exemptions for the Amalgamation under applicable securities laws of any foreign jurisdiction in respect of substantially all of the Baroyeca Shares to be issued outside of Canada;
- (k) the issuance of Baroyeca Shares to U.S. Terra Rossa Shareholders shall be exempt from registration under the 1933 Act, and from registration under all applicable U.S. state securities laws, and Terra Rossa shall have obtained and delivered to Baroyeca, on or before the Effective Time, a fully completed and executed U.S. Investment Agreement from each U.S. Terra Rossa Shareholder entitled to receive Baroyeca Shares pursuant to the Amalgamation in order to, among other things, evidence the availability of such exemptions; and

- (l) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Definitive Agreement and the Amalgamation.

Representations, Warranties and Covenants

Baroyeca and Terra Rossa agreed to certain representations and warranties relating to, among other things: the incorporation and, if applicable, registration of each party; the power and authority to enter into and perform the obligations under the Definitive Agreement; required approvals, including third party approvals; no conflict; its status with respect to bankruptcy and insolvency; compliance with law; the binding nature and validity of the Definitive Agreement; the capitalization of each party; the absence of litigation; the financial statements of each party; the conduct of their business, including possession of Permits; title to assets; the payment of taxes; indebtedness and other liabilities; their material contracts; employees of each party; insurance; and intellectual property.

Resulting Issuer

Upon completion of the Transaction, the Resulting Issuer will be the parent company of Amalco, and subject to the approval of the TSXV, it is expected that the Resulting Issuer will be listed on the TSXV as a Tier 2 Mining Issuer, operating the business currently conducted by Terra Rossa.

Reasons for the Transaction

The Transaction will provide Terra Rossa with potentially greater access to capital markets in North America and potential for greater trading liquidity and a broader shareholder base consisting of Canadian retail investors as well as global institutions.

ITEM 3: MANAGEMENT’S DISCUSSION AND ANALYSIS

Included as Appendix “E” to this Filing Statement is Baroyeca’s management’s discussion and analysis for the year ended May 31, 2024 and the interim period ended February 28, 2025. It includes financial information from, and should be read in conjunction with, the audited financial statements of Baroyeca for the year ended May 31, 2024 and the notes thereto and the interim financial statements of Baroyeca for the interim period ended February 28, 2025, which are attached as Appendix “D” to this Filing Statement, as well as the disclosure contained throughout this Filing Statement.

Selected Financial Information

The following table presents audited selected financial information for the years indicated and unaudited information for the stub periods indicated.

	Nine Months Ended		Years Ended May 31		
	February 28, 2025 \$	February 29, 2024 \$	2024 \$	2023 \$	2022 \$
OPERATIONS:					
Revenue	Nil	Nil	Nil	Nil	Nil
Net Income (Loss) for the Period	(6,852)	(370,514)	(391,569)	(9,691,005)	(1,840,691)
Comprehensive Income (Loss) for the Period	(6,852)	(370,514)	(391,327)	(9,578,818)	(1,851,396)
Basic and Diluted Income (Loss) for the Period	(0.00)	(0.01)	(0.005)	(0.17)	(0.04)
BALANCE SHEET:					
Total Assets	459,067	244,674	331,824	411,222	9,179,306
Total Exploration and Evaluation Assets	--	--	--	--	7,363,673

The financial information presented in the table above is from Baroyeca’s financial statements prepared in accordance with International Financial Reporting Standards. The reporting currency for all periods is Canadian dollars.

General and Administrative

Discussion of Operating Results – nine months ended February 28, 2025

During the nine months ended February 28, 2025, the Baroyeca incurred net income from operations of \$6,852 as compared with a net loss of \$370,514 for the nine months ended February 29, 2024. The improved results in the 2025 period is primarily due to: a one-time payment of \$245,583 received as a recovery of costs incurred in a litigation matter; a reduction of \$49,456 in professional fees due to a reduction in legal services employed during the period; a savings of \$42,582 on accounts payable as a result of discounts received on settling outstanding accounts; decreases of \$9,250 in consulting fees, \$8,425 in marketing and promotion expenses, \$7,736 in office and miscellaneous expenses, \$2,142 in bank charges and interest expenses and \$1,750 in insurance expense all essentially due to a cut back in operations by Baroyeca; and an increase of \$8,083 in interest income received: as offset by an increase of \$10,782 in transfer agent and filing fees; a minor increase in foreign exchange loss of \$375 and a minor reduction in miscellaneous income of \$188.

Discussion of Operating Results – year ended May 31, 2024

During the year ended May 31, 2024, Baroyeca incurred a net loss from operations of \$391,569 as compared with net loss of \$9,691,005 for the year ended May 31, 2023. The decreased loss in the 2023 period is primarily due to Baroyeca ceasing its exploration activities at the end of the May 31, 2023 fiscal year and giving up its Colombian properties as a result of a decline in investor interest inhibiting the raising of funds to continue exploration activities. The principal part of the loss recognized at May 31, 2023 was the loss on termination of mineral options of \$8,791,042. Additionally, declines in expenses were incurred in the period pretty much across the board with the most significant reductions being in website, marketing and promotion expenses, down \$252,755 and advisor, director and consulting fees, down \$258,561; additional reductions in expenses were experienced in office and miscellaneous, down \$44,408 with the closing of the Colombian office, and transfer agent and filing fees, down \$7,797, along with some minor reductions in insurance costs and bank charges, \$2,337. These reductions were offset in part by an increase in professional fees of \$222,656 and travel of \$11,693.

ITEM 4: DESCRIPTION OF THE SECURITIES

Baroyeca

Baroyeca has an authorized share structure of an unlimited number of common shares without nominal or par value of which 86,108,470 Baroyeca Shares are issued and outstanding. In connection with the Transaction, the Baroyeca Shares, will be consolidated into 6,150,605 Baroyeca Post-Consolidation Shares.

As of the date of this Filing Statement, the Baroyeca Shares are listed on the TSXV under the symbol “BGS”.

Baroyeca Shares

Holders of Baroyeca Shares shall be entitled to receive notice of and to attend all meetings of shareholders of Baroyeca and at all such meetings shall be entitled to one vote in respect of each Baroyeca Share held. The holders of Baroyeca Shares shall be entitled to receive dividends if and when declared by the Baroyeca Board. The Baroyeca Board may at any time declare and authorize the payment of such dividends exclusively on the Baroyeca Shares. Furthermore, holders of Baroyeca Shares are entitled to receive the remaining property and assets of Baroyeca upon the winding up, dissolution or liquidation of Baroyeca.

Baroyeca Warrants

Each Baroyeca Warrant entitles the holder to receive one Baroyeca Share at a price of \$0.05 until June 10, 2029.

As at the date of this Filing Statement, 19,623,720 Baroyeca Warrants to purchase 19,623,720 Baroyeca Shares are issued and outstanding.

Baroyeca Options

Each Baroyeca Option entitles the holder to receive one Baroyeca Share at a price of \$0.215 per Baroyeca Share until June 24, 2026.

As at the date of this Filing Statement, 1,400,000 Baroyeca Options to purchase 1,400,000 Baroyeca Shares are issued and outstanding.

ITEM 5: STOCK OPTION PLAN

Baroyeca has implemented a 10% rolling stock option plan. Under the policies of the Exchange, a rolling stock option plan, such as Baroyeca's, must be approved by Baroyeca Shareholders on a yearly basis. At Baroyeca's last annual general meeting held January 17, 2025, the Baroyeca Stock Option Plan was amended to, among other things, bring the Baroyeca Stock Option Plan in compliance with certain changes to the policies of the Exchange applicable to security-based compensation plans, and the Baroyeca Stock Option Plan was then approved by the Shareholders.

ITEM 6: PRIOR SALES

The following table sets forth the number and price at which securities of Baroyeca have been issued within the 12 months before the date of this Filing Statement.

Baroyeca Shares

Date	Number and Class of Securities	Issue Price per Security	Exercise Price per Security	Aggregate Issue Price
June 11, 2024	19,623,720 Common Shares ⁽¹⁾	\$0.025	N/A	\$490,593
June 11, 2024	19,623,720 Baroyeca Warrants ⁽¹⁾	N/A	\$0.05 ⁽²⁾	N/A

Notes:

- (1) Issued pursuant to the non-brokered private placement dated June 11, 2024.
(2) With an expiry date of June 11, 2029

ITEM 7: STOCK EXCHANGE PRICE

The Baroyeca Shares trade on the Exchange. The following table sets out trading information for the Baroyeca Shares for the periods indicated as reported by the Exchange:

Period Ended	High (\$)	Low (\$)	Trading Volume
August 31, 2025 ⁽¹⁾	0.02	0.02	Nil
July 31, 2025 ⁽¹⁾	0.02	0.02	Nil
June 30, 2025 ⁽¹⁾	0.02	0.02	Nil
May 31, 2025 ⁽¹⁾	0.02	0.02	Nil
April 30, 2025 ⁽¹⁾	0.02	0.02	Nil
March 31, 2025 ⁽¹⁾	0.02	0.02	Nil
February 28, 2025 ⁽¹⁾	0.02	0.02	Nil
January 31, 2025	0.02	0.02	Nil
December 31, 2024 ⁽¹⁾	0.02	0.02	Nil
November 30, 2024 ⁽¹⁾	0.02	0.02	Nil
August 31 – October 31, 2024	0.045	0.02	3,220,678

Period Ended	High (\$)	Low (\$)	Trading Volume
May 1 – July 31, 2024	0.04	0.025	1,210,472
February 1 – April 30, 2024	0.06	0.01	5,765,236
November 1, 2023 – January 31, 2024	0.025	0.015	7,248,495
August 1 – October 31, 2023	0.025	0.015	6,520,654
May 1 – July 31, 2023	0.055	0.02	4,094,308
February 1 – April 30, 2023	0.055	0.035	4,541,092
November 1, 2022 – January 31, 2023	0.95	0.04	7,006,539

Notes:

- (1) At the request of Baroyeca, trading in the Baroyeca Shares was halted on October 31, 2024, pending completion of the Transaction.

ITEM 8: EXECUTIVE COMPENSATION

General

The following information is for Baroyeca’s last completed financial year which ended May 31, 2024. The compensation policies during such financial year continued to apply in the most recently completed financial quarter.

In accordance with the provisions of applicable securities legislation, Baroyeca had two (2) NEO’s during the financial year ended May 31, 2024, being Richard Wilson, as CEO, and Douglas Eacrett, as CFO of Baroyeca. Richard Wilson became President and CEO of Baroyeca on December 13, 2011, and resigned as President (remaining CEO) on March 5, 2021. Douglas Eacrett became CFO of Baroyeca on December 13, 2011. Aside from the CEO, President and CFO, Baroyeca has no other NEO’s as no other executive officer or individual received total compensation amounting to more than \$150,000 in the completed financial years.

For the purposes of this Item 8 and the discussion of executive compensation herein:

“**CEO**” means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**equity incentive plan**” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Chartered Professional Accountants Handbook;

“**incentive plan**” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“**incentive plan award**” means compensation awarded, earned, paid, or payable under an incentive plan;

“**named executive officer**” or “**NEO**” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) in respect of the company and its subsidiaries, each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 – Statement of Executive Compensation, for that financial year; and

- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;

“**non-equity incentive plan**” means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

“**option-based award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

“**replacement grant**” means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

“**repricing**” means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option; and “repricing” means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option; and

“**share-based award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

Director and Named Executive Officer Compensation, excluding compensation securities

Particulars of the compensation paid to Baroyeca’s NEO’s and Directors in each of the two completed financial years that ended May 31, 2024 and 2023 is as follows:

Table of Director and Named Executive Officer Compensation, excluding compensation securities							
Name and position	Year/Period ended	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Richard Wilson <i>Director, CEO and former President</i>	2024	45,000	Nil	Nil	Nil	Nil	45,000
	2023	94,500	Nil	Nil	Nil	Nil	94,500
Douglas Eacrett <i>CFO, Secretary and Director</i>	2024	59,250	Nil	Nil	Nil	Nil	59,250
	2023	103,600	Nil	Nil	Nil	Nil	103,600
William Carr <i>Director</i>	2024	7,200	Nil	Nil	Nil	Nil	7,200
	2023	7,200	Nil	Nil	Nil	Nil	7,200
Patrick Robinson⁽¹⁾ <i>Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil
Sherman Dahl⁽¹⁾ <i>Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil

Table of Director and Named Executive Officer Compensation, excluding compensation securities							
Name and position	Year/Period ended	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Raul Sanabria ⁽²⁾ <i>Former President and Former Director</i>	2023	105,000	Nil	Nil	Nil	Nil	105,000

Notes:

- (1) Patrick Robinson and Sherman Dahl were each appointed as directors of Baroyeca in January, 2024.
- (2) Raul Sanabria resigned as President and director of Baroyeca in July, 2023.

Compensation Discussion and Analysis

Baroyeca’s compensation program for its executive officers, including its NEO’s, and directors is administered by the Baroyeca Board. The Baroyeca Board is responsible for determining the compensation to be paid to its executive officers and for evaluating their performance.

The objective of Baroyeca’s approach to compensation of its NEO’s is to provide competitive salary levels and compensation incentives to attract and retain qualified management for Baroyeca with a compensation framework that is competitive in the industry and with incentives that will encourage the continued development of Baroyeca and thereby increase shareholder value. Baroyeca’s policy is to recognize and reward individual performance as well as to position NEO’s compensation within the range found in industry for the applicable level of responsibility.

The deliberations of the Baroyeca Board in these matters are private. To achieve the compensation objectives described above, compensation to Baroyeca’s NEO’s may consist of: (i) base cash salary or consulting fees; (ii) cash incentive bonus; and (iii) option grants pursuant to the Baroyeca Stock Option Plan.

The Baroyeca Board determines the specific compensation to be paid to NEO’s based on a number of factors, including: the Baroyeca Board’s understanding of compensation paid for positions of similar responsibility in companies of comparable size; the performance of the individual NEO’s in advancing the development and objectives of Baroyeca; the roles and responsibilities of the individual NEO’s; and the relevant experience and skills of each NEO.

The Baroyeca Board reviews the compensation paid to the NEO’s on an annual basis.

Use of Financial Instruments

Baroyeca does not have a policy that would prohibit an NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

Management Services Arrangements

Management functions of Baroyeca are not, to any substantial degree, performed by a person or persons other than the directors or senior officers of Baroyeca. During the years ended May 31, 2024, and 2023, the management services requirements of Baroyeca were provided by the senior officers and directors of Baroyeca.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each director and NEO by Baroyeca or one of its subsidiaries in the most recently completed financial year ended May 31, 2024, for services provided, or to be provided, directly or indirectly, to Baroyeca or any of its subsidiaries. As of the financial year ended May 31, 2024, there were 1,400,000 stock options outstanding.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant (dd/mm/yy)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security at date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date (dd/mm/yy)
Richard Wilson <i>Director, CEO and former President</i>	Stock Option	Nil	-	-	-	-	-
Douglas Eacrett <i>CFO, Secretary and Director</i>	Stock Option	Nil	-	-	-	-	-
William Carr <i>Director</i>	Stock Option	Nil	-	-	-	-	-
Patrick Robinson <i>Director</i>	Stock Option	Nil	-	-	-	-	-
Sherman Dahl <i>Director</i>	Stock Option	Nil	-	-	-	-	-
Raul Sanabria ⁽²⁾ <i>Former President and Director</i>	Stock Option	Nil	-	-	-	-	-

Notes:

- (1) As of the financial year ended May 31, 2024, Richard Wilson held 750,000 stock options and Douglas Eacrett held 350,000 stock options.
- (2) Raul Sanabria resigned as president and director of Baroyeca in July 2023.

Exercise of Compensation Securities

During the fiscal year ended May 31, 2024, there were no exercises of compensation securities by NEO's or directors of Baroyeca.

Equity Compensation Plans

Baroyeca has one equity-based compensation arrangement, the Baroyeca Stock Option Plan, that is approved each year by Baroyeca Shareholders. The Baroyeca Stock Option Plan serves the objective of motivating directors, officers, employees and consultants of Baroyeca and advancing the interests of Baroyeca by affording such persons the opportunity to acquire an equity interest in Baroyeca through rights granted under the Baroyeca Stock Option Plan to purchase shares of Baroyeca. Particulars of the Baroyeca Stock Option Plan are set out in the most recent Annual General Meeting Circular dated January 17, 2025, under "Particulars of Other Matters to be Acted Upon – Stock Option Plan". Stock options are fully vested at the time of grant except options granted to investor relations consultants which under the policies of the TSXV must not vest more than 25% every three months.

Other than the Baroyeca Stock Option Plan, Baroyeca does not have any share-based award plans in place.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets out particulars of the compensation plans under which equity securities of Baroyeca are authorized for issuance as of May 31, 2024:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	1,400,000 ⁽¹⁾	--	7,210,847 ⁽¹⁾
Equity compensation plans not approved by security holders	Nil	N/A	N/A

Notes:

(1) Represents Baroyeca's Stock Option Plan.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by Baroyeca and none are proposed at this time.

Termination and Change of Control Benefits

During the year ended May 31, 2024, Baroyeca did not have any contracts, agreements, plans or arrangements in place with any NEO that provides for payment following or in connection with any termination, resignation, retirement, a change of control of Baroyeca or a change in an NEO's responsibilities.

Indebtedness of Directors and Executive Officers

Other than "routine indebtedness" as defined in applicable securities legislation, since the beginning of the last fiscal year of Baroyeca, none of the executive officers, directors or employees, any former executive officers, directors or employees of Baroyeca, or any proposed nominee for election as a director, or any affiliate or associate of any of the foregoing, is or has been indebted to Baroyeca or any of its subsidiaries or has been indebted to any other entity where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Baroyeca or any of its subsidiaries. "Support agreement" includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

ITEM 9: NON-ARM'S LENGTH TRANSACTIONS

Compensation of Key Management

Key management includes Baroyeca's directors. Key management compensation for the periods ended February 28, 2025 and February 29, 2024, comprised of:

	February 28, 2025	February 29, 2024
Director fees	\$ 5,400	\$ 5,400
Consulting fees	\$ 80,000	\$ 89,250
	<u>\$ 85,400</u>	<u>\$ 94,650</u>

In addition to the compensation set out above, from February 28, 2025, to the date hereof, Baroyeca has incurred the following non-arm's length expenses:

- (a) Baroyeca incurred director's fees of \$1,200 up to May 31, 2025.

Other Non-Arm's Length Transactions

Baroyeca had the following transactions with Non-Arm's Length Parties:

- (a) Baroyeca incurred consulting fees of \$30,000 (May 31, 2024 - \$59,250) to a director of Baroyeca. As at February 28, 2025, Baroyeca had a balance payable of \$86,400 (May 31, 2024 - \$70,650) to this director which was included in due to related parties.
- (b) During the period February 28, 2025, Baroyeca incurred consulting fees of \$50,000 (May 31, 2024 - \$45,000) to a director of Baroyeca. As of February 28, 2025, Baroyeca had a balance payable of \$61,900 (May 31, 2024 - \$36,738) to this director of Baroyeca, which was included in due to related parties.
- (c) As at February 28, 2025, Baroyeca owed \$483 (May 31, 2024 - \$483) to a former director of Baroyeca, who resigned on September 28, 2012, which is included in related parties.
- (d) As at February 28, 2025, Baroyeca owed \$2,400 (May 31, 2024 - \$7,200) to a director of Baroyeca for director fees, which is included in due to related parties.

The amount due to/from related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

The Transaction is an Arm's Length Transaction.

ITEM 10: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the ordinary course of business, Baroyeca may become involved in various legal, administrative, regulatory and other proceedings, actions, claims and inquiries relating to its business.

Baroyeca is not aware of any existing or contemplated legal proceedings or regulatory actions material to Baroyeca to which Baroyeca is a party or to which any of its property is subject since the beginning of its most recently completed financial year.

Since the date of incorporation of Baroyeca, there have not been any penalties or sanctions imposed against Baroyeca by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against Baroyeca, and Baroyeca has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

ITEM 11: AUDITOR, TRANSFER AGENTS AND REGISTRARS

The auditor of Baroyeca is WDM Chartered Professional Accountants ("WDM"), located at Suite 420 1501 West Broadway, Vancouver, BC V6J 4Z6. WDM is independent of Baroyeca within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

The transfer agent and registrar of Baroyeca is Computershare Trust Company of Canada, located at 3rd Floor, 510 Burrard St., Vancouver, BC V6C 3B9.

ITEM 12: MATERIAL CONTRACTS

Except for contracts entered into by Baroyeca in the ordinary course of business, the only current material contract entered into or currently anticipated to be entered into by Baroyeca which can reasonably be regarded as presently material is the Definitive Agreement and all ancillary agreements referred to therein.

After completion of the Transaction, the material agreements listed above will be considered to be the material contracts of the Resulting Issuer.

A copy of all material agreements referred to in this Filing Statement will be available on Baroyeca's SEDAR+ profile at www.sedarplus.ca.

PART II: INFORMATION CONCERNING TERRA ROSSA

ITEM 13: CORPORATE STRUCTURE

Name, Address and Incorporation of Terra Rossa

Terra Rossa Gold Ltd. was incorporated on April 1, 2010, under the BCBCA. Terra Rossa's head office is located at 615-800 West Pender Street, Vancouver, BC V6C 2V6 and its registered office is located at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, BC V6E 4N7.

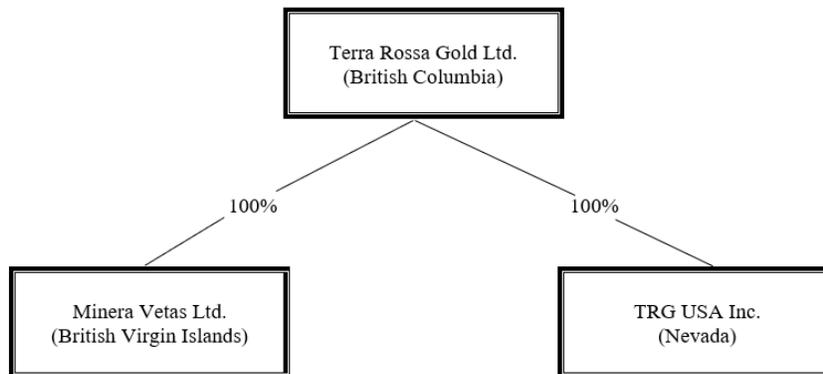
Terra Rossa is a private company and no public market exists for the Terra Rossa Shares.

Terra Rossa's authorized capital consists of an unlimited number of Terra Rossa Shares. Holders of Terra Rossa Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of Terra Rossa and to receive all notices and other documents required to be sent to shareholders in accordance with Terra Rossa's articles, corporate law and the rules of any applicable stock exchange. On a poll, every shareholder has one vote for each Terra Rossa Share. The holders of Terra Rossa Shares are entitled to dividends if, as and when declared by Terra Rossa's board of directors and, upon the liquidation, dissolution or winding-up of its affairs or other distribution of its assets for the purpose of winding-up its affairs, to receive, on a pro rata basis, all of the remaining assets of Terra Rossa. The Terra Rossa Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking fund or purchase fund provision.

Intercorporate Relationships of Terra Rossa

Terra Rossa has two wholly-owned subsidiaries: (a) Minera Vetas Ltd., a corporation formed pursuant to the laws of the British Virgin Islands; and (b) TRG USA Inc., a corporation formed pursuant to the laws of the State of Nevada.

The organizational chart for Terra Rossa is as follows:



ITEM 14: GENERAL DEVELOPMENT/DESCRIPTION OF THE BUSINESS

Overview

Terra Rossa is a private British Columbia natural resource company engaged in the acquisition, exploration and development of natural resource properties. Through its wholly owned subsidiary, Minera, a British Virgin Island company, Terra Rossa holds a 100% interest in the Vetas Gold Project located in Colombia. TRG USA Inc. does not have any material operations or assets.

Three-Year History

June 9, 2022: Terra Rossa exercised its option to purchase the Veta Gold Project pursuant to the Vetas Option Agreement. For further details, see “*Item 14: General Development/Description of the Business – Vetas Option Agreement.*”

Vetas Option Agreement

On November 16, 2020, Terra Rossa and Cedar Capital entered into the Vetas Option Agreement, as amended on March 11, 2022 and June 9, 2022, whereby Cedar Capital granted Terra Rossa the option to acquire a 100% undivided interest in the Minera Vetas Property comprised of nine mineral concessions located in Santander, Columbia. Pursuant to the terms and conditions of the Vetas Option Agreement, on June 9, 2022, Terra Rossa exercised its option to acquire the Minera Vetas Property by paying Cedar Capital a cash payment of US\$2,000,000, issuing to Cedar Capital 10,900,000 Terra Rossa Shares,¹ and incurring a minimum of US\$500,000 of exploration expenditures on the Minera Vetas Property.

The Vetas Option Agreement also contemplates that Terra Rossa may be required to complete certain future payments, as follows: (a) Terra Rossa must pay Cedar Capital a cash payment of US\$1,000,000 upon reporting a feasibility study in a NI 43-101 compliant technical report with respect to the Minera Vetas Property, and (b) Terra Rossa must pay Cedar Capital a cash payment of US\$1,000,000 on the date that is six months from the date of declaring commercial production on the Minera Vetas Property.

Trends

As a junior mining issuer, Terra Rossa is highly subject to the cycles of the mineral resource sector and the financial markets as they relate to junior companies.

Terra Rossa’s financial performance is dependent upon many external factors. Both prices and markets for metals are volatile, difficult to predict and subject to changes in domestic and international, political, social and economic environments. Circumstances and events beyond its control could materially affect the financial performance of Terra Rossa.

Competitive Conditions

Terra Rossa is a grassroots mineral exploration company. The mineral exploration industry is competitive, with many companies competing for the limited number of precious and base metals acquisition and exploration opportunities that are economic under current or foreseeable metals prices, as well as for available investment funds. Competition also exists for the recruitment of qualified personnel and equipment. See “*Part IV – Risk Factors.*”

Government Regulation

Legal Framework Related to Mining

The Colombian Constitution of 1991 provides the general legal framework applicable to mining law. Although as a general rule, the Colombian Government is the owner of minerals located in the country, mining exploration and exploitation are permitted pursuant to a mining concession. A mining concession, its requirements and related regulation are set forth in Law 685 of 2001 (the “**Mining Code**”) and Decree 1073 of 2015 which contains the Unitary Regulatory Decree of the Administrative Sector of Mines and Energy (*Decreto Único del Sector Administrativo de Minas y Energía*). Mining titles granted prior to 2001 continue being governed by the laws and regulations under which they were granted (Decree 2655 of 1988).

¹ All Terra Rossa Shares issued to Cedar Capital were subject to statutory hold period under applicable Canadian securities laws.

Colombia has created the following authorities and entities to regulate mining in Colombia:

- Ministry of Mines and Energy (“MME”) of the Government of Colombia, the main mining authority in Colombia and is in charge of formulating, adopting, directing and coordinating public mining policy, plans and programs of the mine and energy sectors. The MME is divided in two (2) different vice-ministries:(i) the Vice Ministry of Mines which is responsible for assisting the Minister in the definition, evaluation and promotion of policies related to the exploration and exploitation of mining operations in Colombia, and (ii) the Vice Ministry of Energy which is responsible for assisting the Minister in defining policies that relate to electric energy, hydrocarbons and bio-fuels;
- National Mining Agency (“ANM”) is a national governmental agency ascribed to the MME, that has the purpose of strengthening the mining institutional framework and improving its performance. The ANM is in charge of, among others, executing the national mining policy and it is responsible for the processes of granting and managing mining concessions and mining titles, promoting their exploration and exploitation and the optimal and sustainable use of mineral resources in accordance with the relevant regulations and in coordination with the environmental authorities. The ANM is in charge of managing the National Mining Registry and the Mining Cadaster; and
- Mining and Energy Planning Unit, an entity ascribed to the MME, in charge of coordinating with the other entities of the mining and energy sector the development and use of mining and energy resources and maintaining the Colombian Mining Information System (*Sistema de Información Minero Colombiano*) as well as information regarding government royalties.

Mining Concessions

According to Article 332 of the Colombian Constitution, the Colombian State owns the subsoil and all of the non-renewable natural resources located in it, except where they have been acknowledged or granted as private property under prior legislation, which continues to be governed by such laws and regulations. For example, some existing titles are governed by Decree 2655 of 1988 (and other prior regulation), which introduced a variety of mining titles such as: (i) exploration licenses, (ii) exploitation licenses, (iii) mining contributions, and (iv) mining concessions.

Therefore, generally, state authorization is needed in order to undertake mining projects in Colombia, which under the Mining Code is known as an Exploration and Production Mining Concession Agreement (a “**Mining Concession**”). A Mining Concession is executed between ANM and the private party seeking to acquire mining rights. A Mining Concession grants to the holder the exclusive right to (i) explore a limited area of up to 10,000 hectares in order to establish if there are minerals in quantities and qualities that can be considered commercially exploitable by the holder, in which case the holder pays a surface fee to the government during the exploration and construction phases, and (ii) mine and own the minerals that are mined, in exchange for royalty payments during the production phase.

In Colombia, mining titles are subject to the legal regime effective at the time they are granted. Colombia has several mining regimes that currently have application, including: the Mining Code, Decree 2655 of 1988, Law 20 of 1969, and the Civil Code prior to Law 20 of 1969. Notwithstanding the foregoing, the Mining Code (and other related regulation set forth in Law 1753 of 2015 and Law 1955 of 2019, through which the Colombian government enacted the National Development Plans (for years 2014-2018 and 2018-2022, respectively), being the law currently in force for the awarding of mining titles, provides that although concession contracts are the only valid mining titles, the licenses and permits that were issued under prior legislation are grandfathered and remain in effect until the expiration of their term, and allows them to benefit from the provisions contained in the Mining Code.

Lastly, it is relevant to note that the Mining Code and Law 1955 of 2019 also authorizes the exploitation of mines through special mechanisms, mainly: (i) the Temporal Authorization contained in article 118 of Law 1955 of 2019, for the exploitation of construction materials aimed to construction and maintenance of tertiary public roads (*vías terciarias*), and, (ii) the mining formalization contracts contained in article 22 of Law 1955 of 2019, which allows small-scale miners working without authorization in the area belonging to a mining titleholder, may request the mining title holder to sign a “formalization subcontract” for the purpose of continuing to work in the area under the protection of the mining title of the third-party title holder, but with their own environmental permits and authorizations.

Environmental Regulation

In Colombia there are several authorities and entities responsible for environmental policy and enforcement at the national and regional level, including matters related to mining activities and operations as follows:

National level:

- Ministry of Environment and Sustainable Development (*Ministerio de Ambiente y Desarrollo Sostenible – “MADS”*): main environmental authority in Colombia and leading governmental entity for the management of environment and natural renewable resources, in charge of establishing the rules of environmental management of natural resources, and determining the general conditions and defining public policies regarding the recovery, conservation, protection, management, use and exploitation of renewable natural resources. In addition, some of the specific functions of this authority are to define the national environmental regulation and to formulate policies related to the “System of National Natural Parks”.
- MADS’ mining-related responsibilities include issuing rules, policies, and technical standards for the control of pollution, prevention of environmental damage, establishment of standards and limits for the levels of atmospheric emissions and wastewater discharges.
- The National Authority of Environmental Licenses (*Autoridad Nacional de Licencias Ambientales*): is a government entity with administrative and financial autonomy. It is in charge of the granting and monitoring environmental licenses and permits for large-scale projects, such as the exploitation of metallic minerals, precious and semi-precious minerals when the projected total removal of useful and waste material is greater than or equal to 2,000,000 tons per year.
- The Special Administrative Unit of National Natural Parks of Colombia (*Parques Nacionales Naturales de Colombia – “PNN”*): is an operational, technical, and executive unit in charge of conserving Colombia’s protected areas, their fauna, flora, and ecosystems through the administration and management of the “System of National Natural Parks” and the coordination of the “System of National Protected Areas”. PNN has financial and administrative autonomy.

Regional level:

- The Regional Autonomous Corporations and Corporations for the Sustainable Development (*Corporaciones Autónomas Regionales y de Desarrollo Sostenible – “CARs”*): which are regional environmental authorities that operate within the limits of their jurisdiction, being limited areas of the same ecosystem or the same geopolitical, biogeographic or hydro geographic units (ecosystemic criteria). These authorities are also in charge of granting concessions, permits, authorizations, and environmental licenses (according to specific characteristics such as the size of the project or the size of the production), for the use, exploitation, or mobilization of natural resources or activities that affect or may affect the environment. CARs also have powers regarding the evaluation, control, and follow-up of exploration and exploitation of activities regarding natural resources, including wastewater discharges, atmospheric emissions, and/or final disposal of waste or substances into water, air or soil.
- Departments and Municipalities: which are the political-administrative entity of the regional and local level departments and have residual competencies on the administration of the environment. The departments were assigned the following duties related to the environmental management of mining activities:
 - Development and promotion of national and regional programs and policies regarding the environment and natural resources;
 - The issuance of provisions subject to higher level regulation; and
 - Technical, budgetary, administrative, and financial support to the CARs and municipalities for the development of programs and projects related to environmental protection.

Since its formation, Terra Rossa has not had any environmental incidents or non-compliance with any applicable environmental laws or regulations. Terra Rossa estimates that it will not incur material capital expenditures for environmental control facilities during the current fiscal year.

Temporary Reserve Zones

On January 30, 2024, the Colombian Ministry of Environment (the “**Ministry**”) issued Decree 044 which allows the Ministry to declare temporary reserve areas in certain parts of Colombia. To declare a temporary reserve area, a resolution must be issued by the Ministry detailing the area that is to be temporarily reserved. Pursuant to this decree, a subsequent resolution may mandate a 5-year suspension of environmental license awards, extendable for a further 5 years while studies are conducted to determine if an area should be restricted or excluded from mining. However, this decree does not limit the possibility of continuing environmental studies in a mandated area.

Decree 044 is presently being challenged at constitutional and administrative courts, led by the Colombian Disciplinary Office, artisanal and small mining units, the Colombian Mining Association and the National trade association.

The Vetás Gold Project (and the Vetás town) is partially located within the Regional Natural Park of Santurban Paramo, with limited economic activities within its boundaries. The Santurban Regional Park area was declared by the *Corporación Autónoma Regional para la Defensa de la Meseta de Bucaramanga* pursuant to Agreement 1238 from April 2013. The Vetás Gold Project (and the Vetás town) is also located within an area that is currently in review for a definition as part of Santurban Paramo, which was initially delimited by the Resolution 2090 from 2014, which considered the paramo would be located above the 3,200 masl covering an approximate extension of 142,000 ha, which triggers a consultation process with communities in the area. Only parts of two mineral claims of the Vetás Gold Project overlap the Santurban Regional Park area and parts of ten mineral claims overlap the area of concertation of Santurban Paramo. Most recently, however, the Environmental Minister decreed a Temporary Reserve Zone (“**TRZ**”) with the Resolution 0221 of March 3, 2025, extending beyond the previous resolutions and Agreement 1238. This TRZ covers an area of 75,344.65 ha and excludes specific areas for the formalization of small-scale mining, which would overlap with the Vetás Gold Project’s area. The TRZ is valid for two (2) years and extendable for another two (2) years, and during such period, no new mining titles, environmental permits, or concessions for mineral exploration or exploitation are to be granted, except for projects that already have valid mining titles and environmental permits. The community of Vetás is not in agreement with this Resolution and is opposing the TRZ due to the absence of consultation of such Resolution.

With respect to Terra Rossa’s activities relating to the Vetás Gold Project, during the exploration phase of such project, requests for modification of permits, authorizations, concessions, or their extension will be admissible while the TRZ is in effect. See “*Part IV – Risk Factors – Santurban Paramo Decree*”.

Significant Acquisitions and Dispositions

Other than with respect to the Vetás Gold Project as described herein, Terra Rossa has not undertaken any acquisitions or disposals of entities or operations since incorporation.

Special Warrant Financing

In connection with the Transaction, on September 22, 2025 and September 24, 2025, Terra Rossa completed its concurrent non-brokered private placement of 11,895,000 Special Warrants at a price of \$0.50 per Special Warrant for aggregate gross proceeds of \$5,947,500. The Special Warrants are governed by the terms and conditions of the Special Warrant Certificates. The Special Warrants were issued on a prospectus exempt basis to accredited investors, family, friends and business associates or other eligible prospectus exemptions (as defined in National Instrument 45-106 – *Prospectus Exemptions*).

Each Special Warrant will automatically be exercised and convert, without the payment of any additional consideration and without further action on the part of the holder thereof, into a Terra Rossa Unit on the Deemed Exercise Date. Each Terra Rossa Unit will be comprised of one Terra Rossa Share and one Terra Rossa Unit Warrant,

exercisable to acquire one additional Terra Rossa Share at a price equal to \$0.75 per Terra Rossa Share for a period of two years from the date of issuance. Upon completion of the Transaction, each Terra Rossa Unit Warrant will be exercisable for one Resulting Issuer Common Share on similar terms.

The Escrowed Proceeds are being held in escrow on behalf of the subscribers by Terra Rossa, in a segregated interest bearing account. Upon and subject the satisfaction of the Conversion Condition, the Escrowed Proceeds and accrued interest will be released to Terra Rossa, at which time each Special Warrant shall automatically convert into a Terra Rossa Unit.

If the Conversion Condition is not satisfied on or before 5:00 p.m. (Vancouver time) on Release Deadline, the Special Warrants will immediately become null, void and of no further force or effect and, as soon as reasonably possible, and in any event within ten (10) Business Days following the Release Deadline, the Escrowed Proceeds will be returned to the holders of Special Warrants in an amount equal to: (i) the subscriber's aggregate offering price paid for the Special Warrants; and (ii) a pro rata share of interest, if any, actually earned on the Escrowed Proceeds to the date of the Release Deadline (less any applicable withholding taxes).

In connection with the Special Warrant Financing, Terra Rossa paid eligible arm's length finders cash finders fees in the amount of \$138,480.

ITEM 15: NARRATIVE DESCRIPTION OF THE BUSINESS – TECHNICAL REPORT SUMMARY

Unless otherwise stated, the following disclosure relating to the Vetás Gold Project has been summarized, compiled or extracted from the Technical Report prepared by Alfonso Rodríguez, P. Geo. of APEX Geoscience Ltd. (the "**Author**") who is a qualified person within the meaning of NI 43-101. The Technical Report has an effective date of May 12, 2025 and signing date of September 23, 2025. The disclosure in this Filing Statement has been derived from the Technical Report and has been prepared with the consent of Alfonso Rodríguez, P. Geo. The Technical Report has been filed under Baroyeca's profile on SEDAR+ at www.sedarplus.ca.

Location

The Vetás Gold Project is located in the Northern Andes, within the Eastern Cordillera of Colombia, approximately 325 km north/northeast of the national capital of Bogotá, and 45 km northeast of Bucaramanga, department of Santander (Figure 2.1). The Property lies within the National Grid Block 18N03G. It is centered at approximately 7° 19' 30.7" N Latitude; 72° 18' 43.7" W Longitude.

The Vetás Gold Project comprises of nine (9) mineral claims (referred to herein as "**titles**" or "**concessions**"), covering a total area of 313.9 ha, located in the California-Vetas Mining District (the "**CVMD**"). All concessions are registered in the Colombian National Mining Registry with Minera Vetás as the owner according to review within the Agencia Nacional de Minería ("**ANNA**").

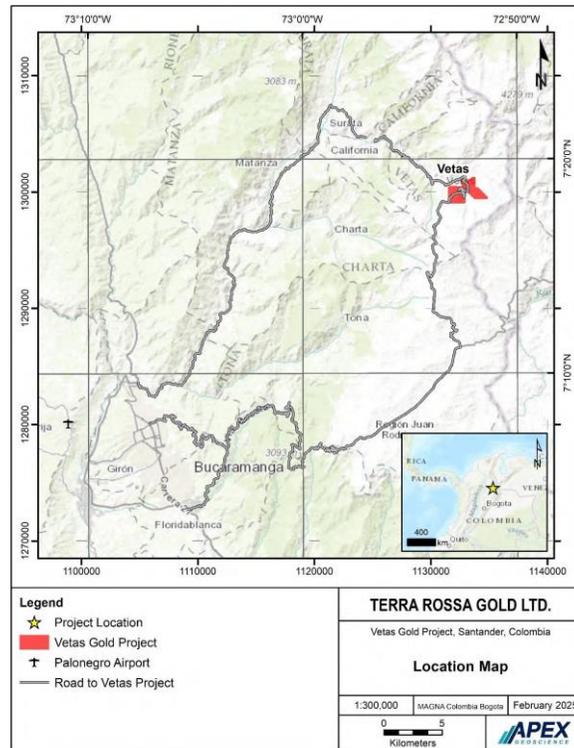


Figure 1: General Location of the Terra Rossa Property

TENURE ID	MINERAL CLAIM NAME	TYPE-STAGE	Owner	AREA (ha)**	TITLE STATE	EXPIRATION DATE	COMMENT
0032-68	San Bartolo	Mining Concession Agreement	(30676) MINERA VETAS	7.8	Active	Active	
13477	San Antonio	Exploitation licenses		80.2	Active	December 4, 2012	Renewal* pending
16725	La Triada	Mining Concession Agreement		159.5	Active	July 29, 2034	
13604	Los Delirios	Mining Concession Agreement		6.2	Active	August 23, 2035	
0135-68	El Dorado	Mining Concession Agreement		10	Active	April 6, 2034	
0161-68	Arias	Exploitation licenses		7.8	Active	August 28, 2012	Renewal* pending
17215	La Peter	Mining Concession Agreement		8.6	Active	July 29, 2034	
0050-68	Real Minera	Mining Concession Contract		24.6	Active	July 23, 2034	

TENURE ID	MINERAL CLAIM NAME	TYPE-STAGE	Owner	AREA (ha)**	TITLE STATE	EXPIRATION DATE	COMMENT
0308-68	Santa Isabel	Mining Concession Agreement		9.2	Active	August 23, 2035	
Total area (ha)				313.9			

Table 1: Vetas Gold Project – Mineral Claims

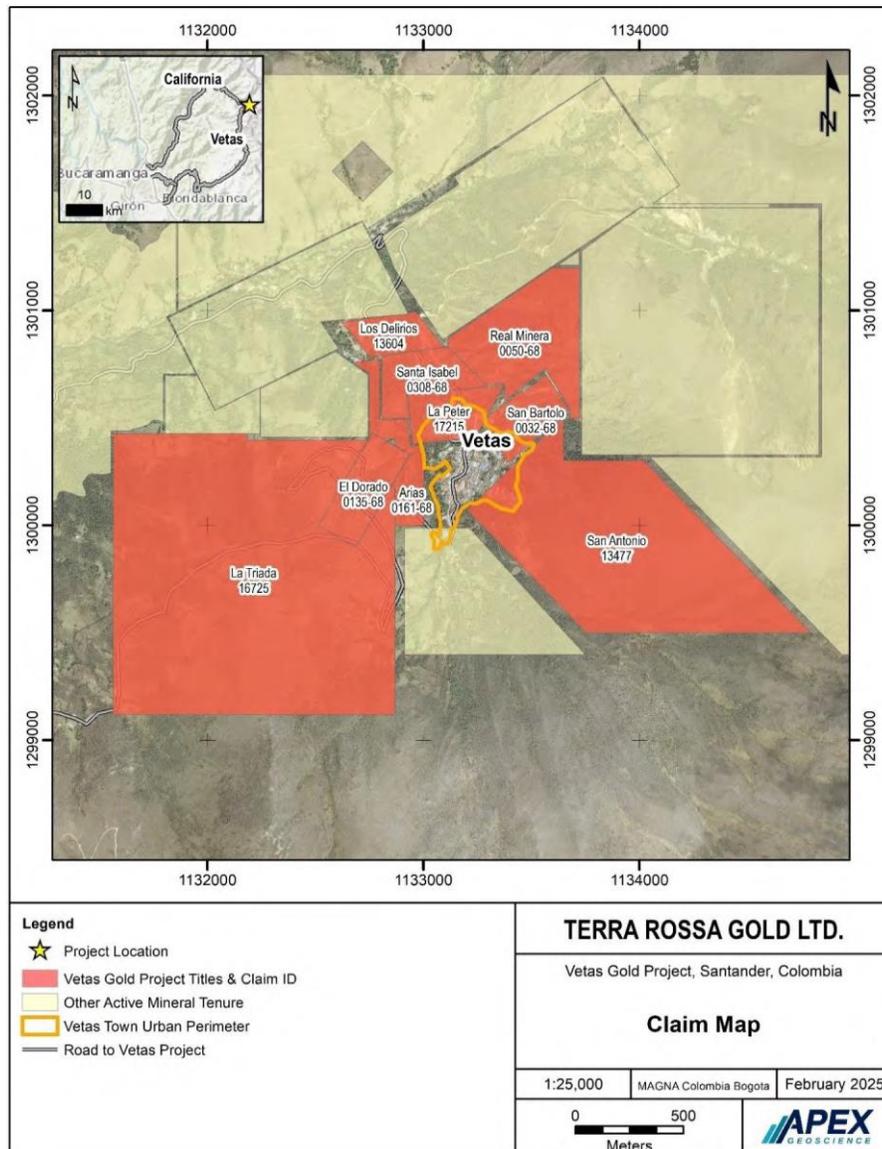


Figure 2: Mineral Claim Map

Permitting

Minera Vetas works with a number of agencies including the National Mining Agency which monitor and control compliance with Colombian mining law. The Corporación Autónoma Regional para la Defensa de la Meseta de Bucaramanga (“CDMB”) is the competent regional environmental authority as it relates to Vetas Gold Project.

Per applicable Colombian mining law, the right to explore and exploit mines may only be proven by means of the mining concession agreement duly granted and registered in the National Mining Registry. However, on February 8, 2016, the Colombian Constitutional Court delivered a ruling that forbids mining activities within the Paramo (moorland), Colombia’s high-altitude ecosystem. Prior to this ruling, Minera Vetas had all the necessary environmental permits or permissions it required to carry out exploration activities including environmental management plans and water concessions among others, and Minera Vetas was obliged to report to the CDMB by providing a description of the exploration activities, including location of drilling platforms, water requirements and any impacting activities before the execution of a new exploration campaign. Since the aforementioned ruling, no mining or exploratory drilling has been conducted by Minera Vetas or previous operators in the affected area located in the Paramo and only limited exploration sampling has been completed. For risk factors associated with such permitting, see, “*Risk Factors – Environmental Risks and Hazards*”.

Land Use Concentrations

Minera Vetas has not acquired surface rights for the Vetas Gold Project. Mining servitude agreements or easements to have access to the areas of exploration have been agreed upon with the local surface property owners.

Environmental

The exploration and exploitation activities carried out on the mineral claim of the Vetas Gold Project have been performed according to the permits granted by the regional environmental corporation CDMB. The CDMB has periodically visited the Vetas Gold Project in the past to monitor compliance with the permits.

For further details on the environmental factors regarding the Terra Rossa Property, refer to section, “*Item 14 General Development/Description of the Business – Temporary Reserve Zones*”.

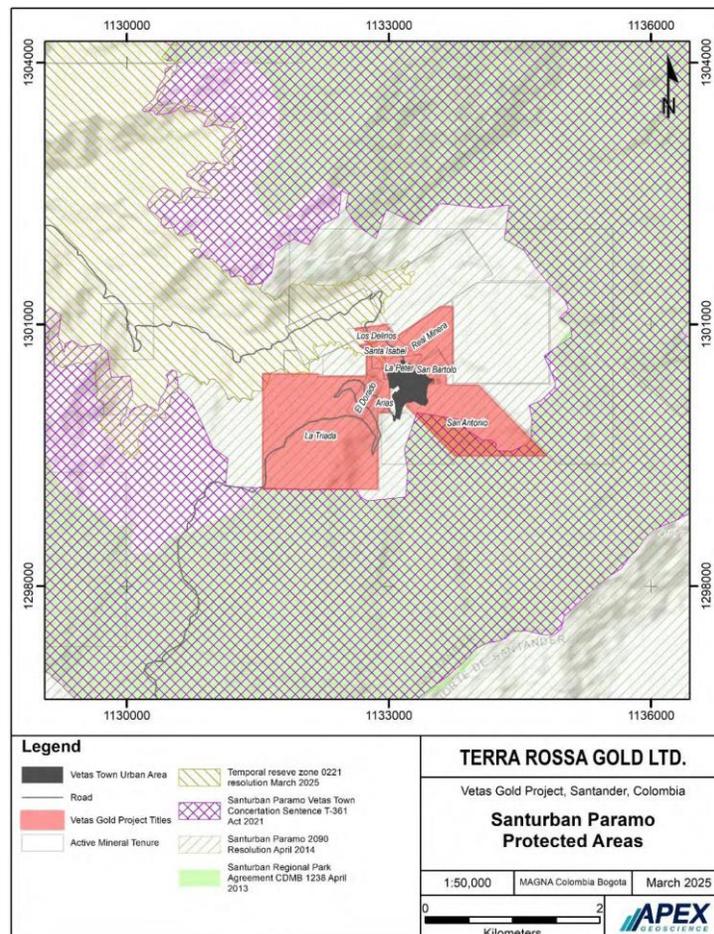


Figure 3: Santurban Paramo and Protected Areas

Accessibility

The Vetas Gold Project is accessible by road from the city of Bucaramanga. The main access is a two to three hour drive from Bucaramanga to Vetas via the Bucaramanga-Cucuta highway, and taking a detour at the town of Berlin located approximately 62 km from Bucaramanga. The Vetas town is located approximately 22 km north of the town of Berlin, by gravel road. Supplies and equipment can be transported the town of Vetas by trucks. Alternatively, Vetas may be accessed by road through the Bucaramanga-Matanza-California-Vetas road. There are several commercial flights per day from Bogota to Bucaramanga.

Site, Topography, Elevation, and Vegetation

The CVMD is characterized by steep terrain and peaks reaching elevations up to approximately 4,200 masl. A variety of high mountain tropical environments are found in the area: in general Andean forest and high Andean forest vegetation is present from 2,400 to 3,200 meters above sea level (masl).

Climate

The mean annual temperatures in the CVMD range between 18°C and 12°C and in the highest zones at greater than 3,200 masl. the mean annual temperatures range between 12°C and 6°C. There are two rainy seasons (March to May and September to November) separated by dry seasons (December to February and June to August) that characterize the climate in the area. Total precipitation is between 900 and 1,600 mm per year.

Rock Sampling at Vetas Gold Project

A total of 2,593 samples were collected during the rock sampling programs at the Veta Gold Project, performed by CB Gold Ltd. (“**CB Gold**”) and Red Eagle Mining Corporation (“**Red Eagle**”) between 2009 and 2017, including surface and underground rock samples (grabs, channel samples and linear chips). The total of rock samples within the current boundaries of the Veta Gold Project is 1,533 rock samples, as summarized in the table below.

Area	Number of Samples	Assay Values (g/t Au)		
		Minimum	Maximum	Average
Underground Samples	1708	<0.005	667	5.48
Surface samples (including stockwork zone and channels)	885	<0.005	47.6	0.61
Total	2593	<0.005	667	

Table 2: Summary of rock samples

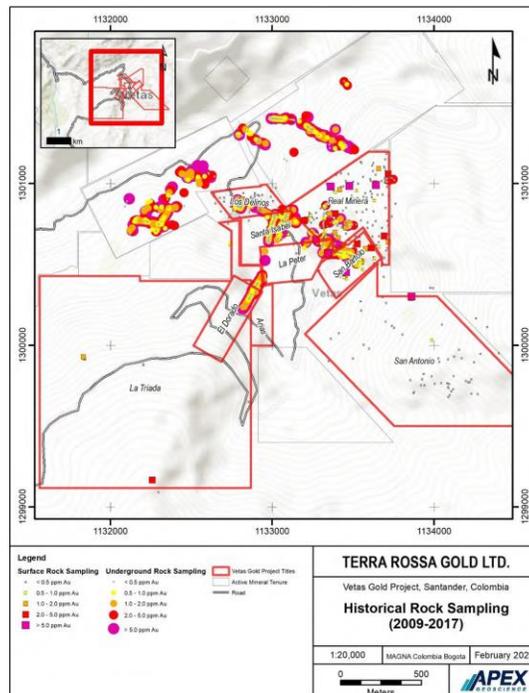


Figure 4: Rock sampling from surface and underground

Historical Geophysics

In 2011, CB Gold field program for the Vetas Gold Project included a ground magnetometry and an induced polarization (IP) geophysical survey. The surveys took place between February 20, 2011 and May 6, 2011 and included:

- 61,250 meters of line staking: topographically controlled with a GPS/WAAS standalone unit.
- 61,250 meters of Total Field Ground Magnetometer profiles: over 34 magnetic NW-SE profiles, separated by 100 meters using two Scintrex ENVI proton magnetometers, one as a base-station.
- 58,750 meters of Induced Polarization profiles: with constant-spacing measurements taken at 50 m intervals, employing the Pole - Pole (2-Array) electrode configuration, with a plotting point at mid-distance between the moving electrodes C1 and P1; seven successive “a” spacings of 50 m, 100 m, 150 m, 200 m, 250 m, 300 m and 350 m were used, with Apparent Chargeability (Ma) and Apparent Resistivity (Ra) readings for each station.

These geophysical surveys identified chargeability anomalies, some coincident with high resistivity anomalies. Northeast trending and northwest trending magnetic anomalies are also evident mainly in the northwest portion of the Veta Gold Project. Northeast trending anomalies are coincident with the El Dorado vein system, while west northwest trending anomalies may be associated with the San Bartolo vein systems. Several geophysical anomalies remain unexplained and further investigation is required.

Historical Drilling

From November 2010 to November 2013, CB Gold completed a total of 162 diamond drillholes, totaling 71,035 m on the Veta Gold Project. Due to the high-relief of the project area, and to increased delineation efficiency, multiple drill holes were completed from individual drill platforms, as summarized in the below table.

Company	Year	Number of drill holes	Total Drilled Length (m)	Total Samples Length (m)
CB Gold Ltd.	2010	2	571	571
	2011	78	30,721	16,444
	2012	63	30,309	14,829
	2013	19	9,434	4,363
Total	2010-2013	162	71,035	36,207

Table 3: Summary of historical drilling on the Terra Rossa Property

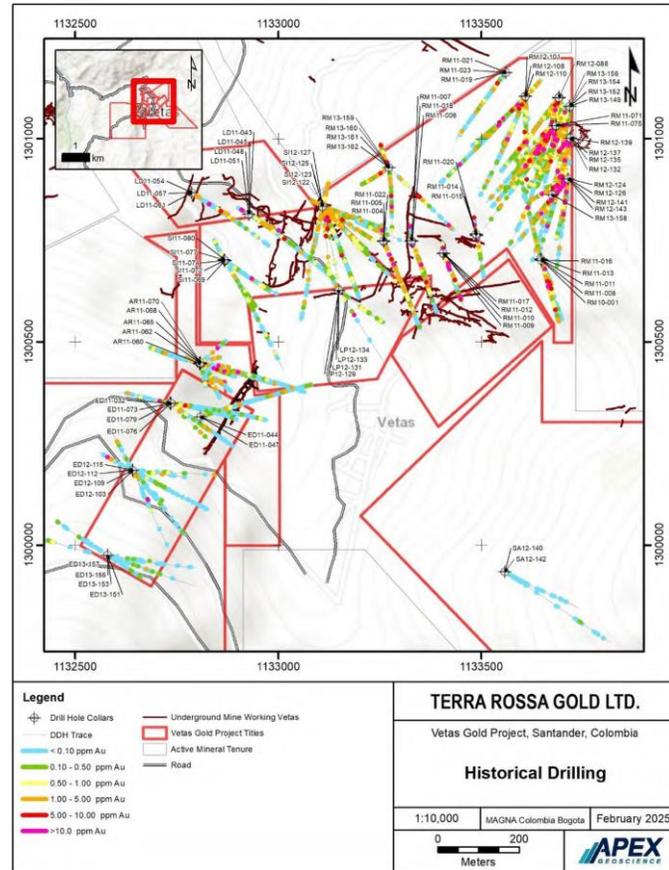


Figure 5: Historical Drilling

Category	Tonnage	Grade		Metal	
		Au	Ag	Au	Ag
		000' t	g/t	000'oz	000'oz
Near Surface, Stockwork Veins**†					
Indicated	1,054	3.2	2.6	108	88
Inferred	941	1.64	1.63	50	49
Narrow, Fault-Fill Veins**					
Indicated	118	3.74	8.58	14	33
Inferred	1,681	4.42	17.01	239	920
Combined Mining					
Indicated	1,172	3.25	3.2	123	121

		Grade		Metal	
		Tonnage			
Category		Au	Ag	Au	Ag
	000' t	g/t		000'oz	000'oz
Inferred	2,622	3.42	11.49	289	969
* Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. Grade outlier restrictions have been used where appropriate. Cut-off grades are based on a price of US\$1,500 per ounce of gold and gold process recoveries of 95 percent for Near Surface, Stockwork vein and Narrow, Fault-Fill vein resources, without considering revenues from other metals.					
**Near Surface, Stockwork vein mineral resources are reported at a cut-off grade of 0.50 g/t Au in relation to a conceptual pit shell. Narrow, Fault-Fill vein mineral resources are reported at a cut-off grade of 1.50 g/t Au.					
‡The pit shell optimization is conceptual in nature and, although estimated resources are constrained by the property boundary, a significant portion of the conceptual shell extends over the property boundary. It is reasonable that additional land acquisition and surface rights or agreements would be obtained to accommodate this conceptual mining infrastructure and associated surface infrastructure to make the project feasible.					

Table 4: Historical Mineral Resource Estimate

Historical Mineral Processing and Metallurgical Testing

Centrifugal gravity tests were carried out to evaluate the samples' response to gravity concentration. For each composite, 4 kg samples were slurred to 20% solids and run through a Knelson concentrator. Optimal recoveries were achieved at a grind size between 100 and 150 microns. The maximum two-pass gold recovery of 82.8%, 73.5% and 84.0% was achieved on composites 1, 2, and 3 respectively. The Knelson concentrator tail was split into two samples for sulphide flotation and cyanide leach testing. Baseline rougher flotation tests were conducted on the 2 kg split. Maximum gold recoveries of 71.4%, 34.8% and 75.6% were achieved after eight minutes of flotation on composites 1, 2 and 3, respectively. Bottle-roll direct cyanide leach tests were conducted on the 2 kg split. Maximum gold recoveries of 66.0%, 78.4% and 76.3% were achieved after 72 hours in 0.5 g/L NaCN solution for composites 1, 2 and 3, respectively.

For the combined gravity/sulphide flotation test, a maximum gold recovery of 94.3%, 82.7% and 96.1% was achieved on composites 1, 2 and 3, respectively. For the combined gravity/cyanide leach test, a maximum gold recovery of 94.0%, 94.1% and 94.5% was achieved on composites 1, 2 and 3, respectively. Results of the testing of these samples indicate that the mineralization of the Real Minera and El Dorado vein types respond well to the recovery procedures used in the testing. These samples may not be representative of the entire Veta Gold Project area and a more elaborate study is required to characterize mineralization types and potential gold recoveries.

Regional Geology

The Veta Gold Project, part of the CVMD, is located within the Santander Massif which is part of triangular block known as the Maracaibo Subplate Realm. The Maracaibo block is bounded to the southwest by the NNW-trending, sinistral Bucaramanga-Santa Marta fault and to the southeast by the NE-trending dextral Boconó fault.

The Santander Massif is composed of two distinct geologic domains: (1) the deformed and metamorphosed rocks including the Mesoproterozoic, Bucaramanga Gneiss Complex related to the Grenvillian orogeny, the Neoproterozoic Silgará Formation and Ordovician Orthogneiss unit; and (2) younger intrusive complexes including Paleozoic syn-orogenic alkaline intrusions and Triassic-Jurassic post-orogenic calc-alkaline granitoids of the Santander Plutonic Group.

Sedimentary rocks of Cretaceous age in the western part of the CVMD unconformably overlie the gneisses and the granitoids. These rocks include reddish silt, sandstones and conglomeratic sandstones of the Valanginian to Hauterivian Tambor Formation, as well as limestones of the Hauterivian-Barremian Rosablanca Formation.

Porphyritic bodies that cross-cut the Santander Plutonic Group as well as the Bucaramanga Complex rocks are found within the CVMD as dykes, sills and small irregular shaped bodies. At the top of Cerro Violetal (Violetal ridge), to the East of California town, a polymictic volcanic breccia (which includes sedimentary rocks clasts) is found as part

of a circular volcanic-like dome of approximately 9-10 km² area, around which several porphyritic dike-like bodies of variable texture and composition are outcropping at drainages in the area. Volcanic sands and ashes are mostly found in certain areas of the Paramo within the district. Porphyritic-phaneritic quartz-monzodiorites and granodiorites are confined to the eastern part of the CVMD while porphyritic-aphanitic granodiorites are confined to the western part. U-Pb LA-MC-ICPMS geochronology on zircons yielded to ages of $9.0-8.4 \pm 0.2$ Ma for the rhyodacite porphyry bodies, 10.1 ± 0.2 for the porphyritic andesite variety and 10.9 ± 0.2 Ma for the granodiorite with porphyritic-phaneritic texture.

Quartz veins, breccias and silicified tabular bodies represent magmatic hydrothermal events associated with alteration and mineralization of Plio-Pleistocene age cross-cutting/hosted by older rocks along the CVMD. These bodies exhibit hydrothermal quartz in which much of the mineralization is hosted. Silicification and quartz cement are related to alunite and advanced argillic alteration.

Property Geology

The most widespread rock units at the Veta Gold Project are the Bucaramanga Gneiss Complex (Precambrian), and the Santander Plutonic Group (Triassic-Jurassic) which is of variable composition but composed of mainly granite/monzo-granite to diorite. These units are cross-cut by a series of stocks and dykes of porphyritic texture and dacitic composition. These stocks and dykes are presumed to be of Miocene age when compared to similar units in the vicinity of the Veta Gold Project. The northeast and eastern section of the Real Minera land parcel is characterized by the granitic rocks of the Santander Plutonic Group, cross-cutting the Bucaramanga Gneiss Complex and dipping to the north-northeast. The intrusive rocks comprise a significant portion of the Veta Gold Project at surface.

Veins and hydrothermal breccias of Pliocene to Pleistocene age cross-cut previous units and are related to mineralization and alteration features within the Veta Gold Project. These features are structurally controlled and also cross-cut and displaced by later faults. Regionally, the main structure in the CVMD is the Cucutilla fault system with associated parallel/subparallel structures of mainly right-lateral dynamic. Northwest trending structures are also common within the CVMD.

The Veta Gold Project is cross-cut by northeast trending structures such as the El Dorado and La Peter structures, east-west trending fault zones such as the San Bartolo structure and mineralized northwest trending sheet vein zones present in the Real Minera intrusive body. Cross-cutting these structures are a system of north-south trending non-mineralized normal faults.

Mineralization

The Vetas Gold Project is part of the CVMD, which is characterized by the occurrence of epithermal, high-, intermediate- and low-sulphidation as well as shallow porphyry-like mineralization occurrences with a long history of gold mining. Gold mineralization in the CVMD occurs mainly within northeast trending zones and the associated faults, including east-west extensive fractures.

Gold-silver mineralization at the Vetas Gold Project occurs in hydrothermal veins and breccias, typically associated with gray quartz and sulphides and hydrothermal breccias with gray quartz cement, hosted by argillic/phyllitic altered host rocks. Zones of stockwork like zones are common at surface, mainly in the Real Minera zone.

Mineralized structures typically strike northeast-southwest (El Dorado Trend), northwest-southeast (San Bartolo Trend) and northwest within the granodiorite intrusive (Real Minera). The El Dorado and San Bartolo trend veins dip moderately to steeply to the northwest while the Real Minera zones dip gently to the north. An increase of sulphide mineral contents, such as galena, sphalerite, and marmatite (iron-rich sphalerite) as well as copper sulphates, and carbonates occur at the lower level of the underground mines at Real Minera, San Bartolo and San Antonio.

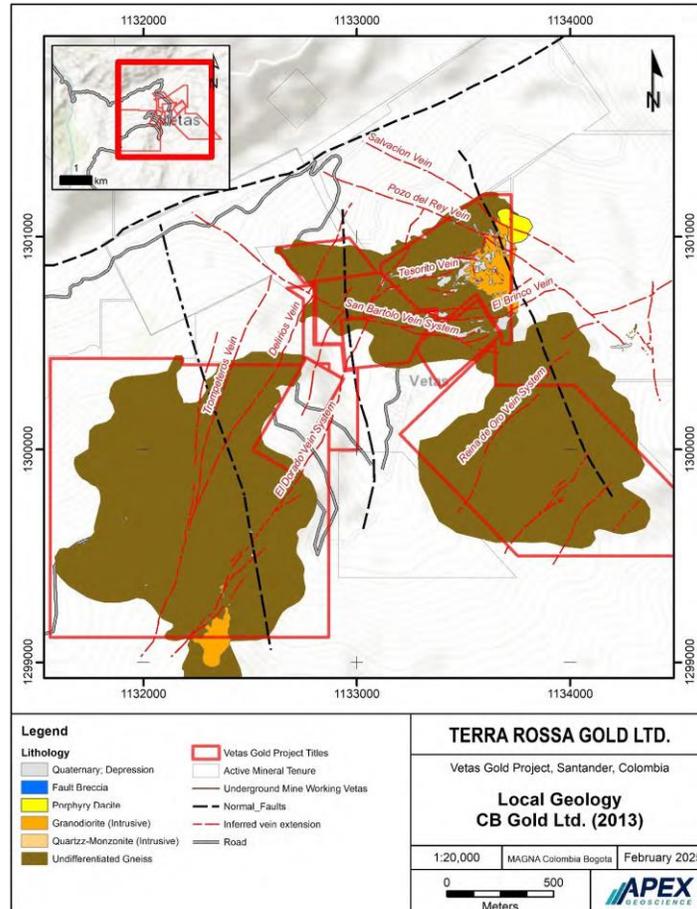


Figure 6: Veta Gold Project's Geology

Mineralized structures typically strike northeast-southwest (El Dorado Trend), northwest-southeast (San Bartolo Trend) and northwest within the granodiorite intrusive (Real Minera). The El Dorado and San Bartolo trend veins dip moderately (Barnett and Dishaw, 2014; Figure 7.5). An increase of sulphide mineral contents, such as galena, sphalerite, as well as copper sulphates, and carbonates occur at the lower level of the underground mines at Real Minera, San Bartolo and San Antonio.

Mineralization in the Vetas Gold Project is consistent with an alkalic low-sulphidation epithermal system hosted in gneissic basement previously affected by skin tectonics, Jurassic and Tertiary intrusions and several episodes of extensional tectonics after mineralization, resulting in block offsets. The main structure controlling mineralization is a north-northeast dextral (transensional) strike-slip fault system that tips off eastwards (release bend) into a dilation jog (pull apart basin) where vein injection occurred favoured by dilation/extensional faults/structures occurring in three stages.

Pulses of gold-silver mineralization associated to Te-Bi-Sb-As-Cu suggest a late high-sulphidation stage, where silver occurs as sulphosalts and bismuth-tellurides. Wallrock alteration ranges from phyllic to argillic, including sericite-light, gray illite and kaolinite. Alunite alteration has been observed associated with silicification in veins and replacing some minerals in the host rocks. There is also evidence of a pulse of high-grade coarse gold, very late in the evolution of the system, not associated to any pathfinder but tungsten, and hosted in light gray drusy chalcedony in open spaces in the veins, suggesting a very epi-zonal character to the mineralization. This mineralization appears to be controlled by an earlier white quartz vein (Co-pyrite), replacing and reactivating it.

Deposit Types

Gold mineralization within the Vetás Gold Project is hosted by shear zones exhibiting multiple phases of quartz vein emplacement and reactivation associated with intense argillic alteration and sulphide mineralization. These fault-fill veins are moderately to steeply-dipping and predominantly found in the gneissic country rocks. A distinct, but likely related, package of stockwork and shallow-dipping sheeted veins, associated with quartz–sericite–pyrite alteration, is found exclusively within a granodiorite intrusive stock. The two styles of mineralization overlap and are interpreted to be cogenetic.

The CDMV is characterized by the existence of high to intermediate sulfidation epithermal gold in the California town area and low to intermediate sulfidation features mainly observed on the Vetás town area. Alunite and gold mineralization associated with silica and hübnerite (Manganese, tungsten oxide, MnWO₄) are common within the CVMD. Alteration assemblages and sulphide associations in the Veta Gold Project, are indicative of multiple hydrothermal episodes in the CVMD including early porphyry-stage phases and late epithermal-style phases.

Past Exploration Work at the Veta Gold Project

Minera Vetás, a subsidiary of Terra Rossa, executed an initial sampling program in its mining tenures near the town of Vetás, Santander, focused on La Triada mine workings in 2023, and between December 2024 and February 2025, a more extensive sampling program, within underground artisanal mine labors developed by informal artisanal mine workers. Total costs of exploration programs carried out between February 2023 to March 2025 were CAD\$104,079. The table below describes the nature of such exploration costs. Terra Rossa has not carried out any mining exploration work of its own within the Veta Gold Project.

Item	Date Range	Total CAD
Sampling, mapping at La Triada 3 (underground)	February 2023- March 2023	\$7,009.21
Program Planning, Oversight	November 2024-March 2025	\$17,244.15
Surface survey Maxar Satellite Imagery; Standard Image Processing; AW3D Enhanced digital terrain model	January 2025	\$7,972.25
Underground sampling program, analysis, logistics, review, verification	December 2024 - February 2025	\$64,187.93
Underground surveys sampling labors	December 2024 - February 2025	\$7,666.67
	Total	\$104,079.70

Table 5: 2023 -2025 Vetás Gold Project Exploration Program Costs

2023 Underground Channel Sampling

In 2023, a rock chip channel sampling program was carried out, mainly focused on the mining title number 16725 (La Triada). A total of 19 rock samples were collected at the La Triada 3 tunnel by Minera Vetás in February 2023. The Triada Mine is characterized by gold and silver mineralization in parallel veins/breccias ranging from 10 to 30 cm thick with a longitudinal continuity for more than 300 m trending NEE dipping 45° to -55° to the NNW. These structures are mineralized with pyrite, marcasite, hübnerite and alunite in the silica cement and exhibit moderate argillic and silica alteration along with local advanced argillic alteration. These vein/breccias are hosted by felsic intrusives and altered quartz feldspar gneisses and chlorite altered amphibolites.

Sample results yielded assays from 0.027 g/t Au to 6.079 g/t Au from a 1.0 m channel sample. Other noticeable results from these samples included: 1.0 m at 5.471 g/t Au and 44.30 g/t Ag, 0.40 m at 4.153 g/t Au and 25.6 g/t Ag. The sample results are reproduced below.

Sample ID	Sample type	Length (m)	Lithology	Au_ppm	Ag_ppm
A3101	Channel	0.30	Gneiss (Qz-Fd)	0.086	0.7

Sample ID	Sample type	Length (m)	Lithology	Au_ppm	Ag_ppm
A3102	Channel	0.50	Vein	0.029	<0.3
A3103	Channel	0.60	Gneiss (Qz-Fd)	0.075	<0.3
A3105	Channel	0.40	Gneiss (Qz-Fd)	0.715	1.3
A3106	Channel	0.30	Gneiss (Amph)	0.096	<0.3
A3107	Channel	0.30	Gneiss (Qz-Fd)	0.329	8.8
A3108	Channel	0.30	Gneiss (Qz-Fd)	0.362	2.2
A3109	Channel	0.30	Gneiss (Qz-Fd)	0.575	1.2
A3110	Channel	0.30	Gneiss (Qz-Fd)	0.027	<0.3
A3112	Channel	0.50	Gneiss (Qz-Fd)	0.201	0.9
A3113	Channel	0.50	Hydrothermal breccia	0.114	<0.3
A3115	Channel	0.80	Hydrothermal breccia	1.604	2.7
A3116	Channel	0.40	Hydrothermal breccia	4.153	25.6
A3117	Channel	0.40	Gneiss (Qz-Fd)	0.15	2.1
A3118	Channel	1.00	Hydrothermal breccia	6.079	3.8
A3119	Channel	0.50	Gneiss (Qz-Fd)	0.773	0.8
A3120	Channel	0.40	Gneiss (Qz-Fd)	2.414	6.00
A3122	Channel	1.00	Hydrothermal breccia	5.471	44.30
A3124	Channel	0.50	Hydrothermal breccia	0.27	0.5

Table 6: 2023 Sampling Results at La Triada

2025 Underground Channel Sampling

Minera Vetas performed a two-phase underground channel sampling program of the artisanal tunnels between December 18 to 26, 2024 and January 14 to 19, 2025 and additional sampling on February 13, 2025. This sampling work was done in the mineral tenures of San Bartolo, Santa Isabel, La Peter (1, 2, 3), Los Delirios, Arias, El Dorado and La Triada. Sample intervals considered previous sampling done by CB Gold from 2009 to 2013 and Red Eagle in 2017. A total of 161 channel samples were collected with additional QA/QC samples that were inserted in the sequence including: with 10 field duplicates 10 prep duplicates and 10 standards and 9 blanks were. Samples were sent to ALS Global Medellín for preparation and analysis at ALS Peru S.A. Analysis included for fire assay (Au-AA25, ME-ICP61) and hyperspectral analysis with the INTERP-11 method for alteration mineral identification.

Sampling was mainly carried out from hydrothermal breccias, and veins being mined in the underground artisanal mine labors. Altered host rock samples adjacent to veins were also collected. Samples yielded values ranging from 0.01 g/t Au to 65.60 g/t Au. Noticeable sample results include 0.4 m at 18.8 g/t Au and 21.5 g/t Ag and 0.7 m at 15.8 g/t Au and 64.3 g/t Ag from Delirios 2; 0.6 m at 14.8 g/t Au and >100 g/t Ag from Delirios 5; 0.6 m at 65.6 g/t Au and >100 g/t Ag from Peter 3 and 0.5 m at 16.15 g/t Au and >100 g/t Ag from Peter 3. Details on sampling can be seen in Tables 9.3 and Figures 9.2 to 9.8 of the Technical Report.

Hyperspectral interpretation from coarse reject short-wave infrared spectroscopy analysis was done via aiSIRIS, an artificial intelligence tool to interpret the hyperspectral data and provide a mineral assemblage and spectral parameters. From these data, the main alteration assemblages include white mica alteration (typical of shallow porphyry environment), alunite, typically associated with hydrothermal breccias (mainly representative of high-sulfidation epithermal environments). Samples with high white mica alteration are associated with jarosite and exhibit less alunite alteration. Both jarosite and alunite are likely to be associated with each other if either one is highly concentrated (>20%) in the alteration assemblage. 5% of total samples did not detect any alteration.

In agreement with historical work on the Veta Gold Project, the 2024 to 2025 underground channel sampling program identified gold and silver mineralization within the artisanal underground mine working mainly in the form of veins

and hydrothermal breccias hosted by silicified and quartz-alunite and quartz-sericite altered intrusive and gneisses. These mineralized structures are typically 10 to 30 cm wide trending: 1. WNW dipping south (45-60°) (i.e. San Bartolo, Los Delirios, Santa Isabel), 2. NE dipping SE (50-65°) (i.e. Dorado and La Peter). 3. NEE dipping NNW (45-55°) (i.e. La Triada). Mineralization in multiple phase breccias indicate multiple events of breaking and healing and emplacement of mineralized hydrothermal fluids. Temporality between mineralized structures was not clear at this point. However, evidence of subparallel faulting was clear from sampling locations.

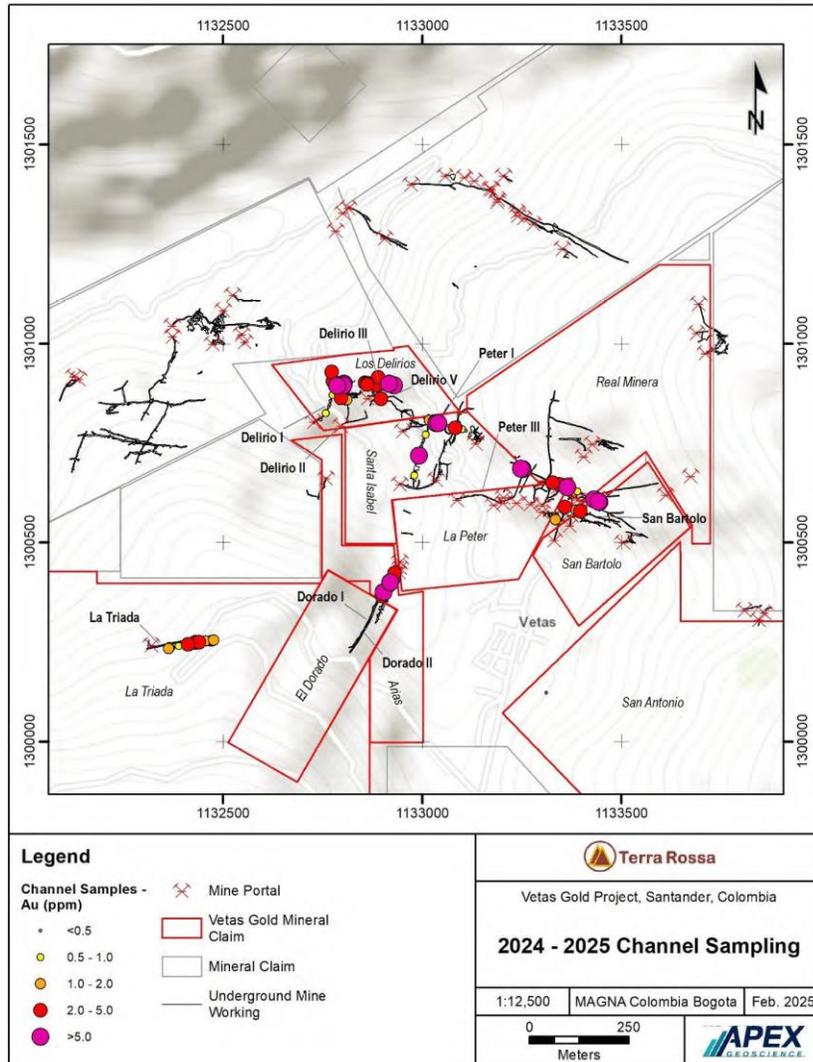


Figure 7: 2024-2025 Underground Channel Sampling at Vetas Gold Project

Drilling

No drilling has been carried out by Terra Rossa at the Vetas Gold Project. The last drilling was carried out in 2013.

Surface Channel Samples

All samples were analyzed for a 34-element suite, including Au and Ag, by ICP-MS methodology. All samples with Au results in excess of 0.075 ppm were sent for full metallic screen fire assay. If the sample was identified by the logging geologist to contain visible gold, or high-grade mineralization, then the sample was automatically sent for full metallic screen fire assay. If the metallic screen minus fraction was in excess of 10 ppm Au, then a gravimetric finish was also completed.

In summary, a total of 2,593 rock samples including rock grabs, channels, and linear rock chips in the Vetás Gold Project and its vicinity have been collected. Gold assays range from below detection up to 667 g/t Au. Between 2009 and 2014, CB Gold collected 1980 samples while between 2016 and 2017 and Red Eagle collected 613 samples. A total of 1533 rock samples were collected within the current boundaries of the Vetás Gold Project.

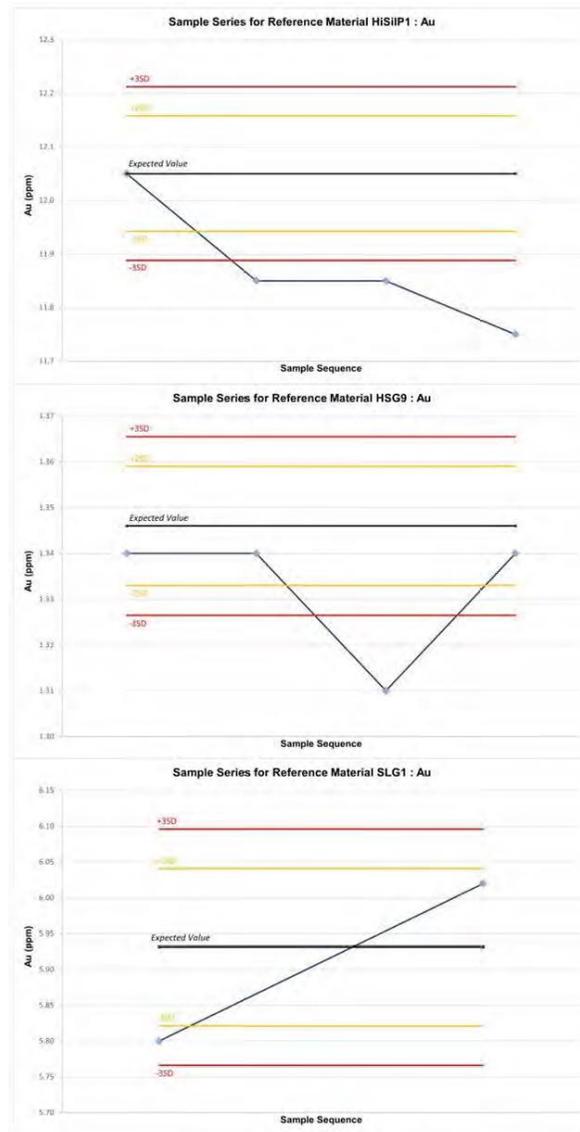


Figure 8: Sample series from the 2024-2025 Exploration Program

Specific Gravity Measurements

A total of 7,586 SG determinations were collected by Red Eagle staff using water immersion methods from drill core samples. Specific gravity determinations were collected at a rate of one sample per approximately every 10 m of drilling. The weight of unbroken pieces of core less than 15 cm long was determined both in air (dry) and in water (wet) by the technical staff. Samples were not wax-coated. Results were written on data ry sheets and were entered into the drill hole database by the logging geologist.

Recommendations by the Author

The Author recommends a staged exploration for Veta Gold Project to include:

- Surveying and Mapping: to continue a thorough survey and mapping of current underground mine developments within the Veta Gold Project.
- Geochemical sampling: Follow-up on La Triada gold soil anomaly consistent with north-east trending veins, by conducting surface mapping and extending soil grid to the southwest of the Veta Gold Project and follow-up on San Antonio regarding considering a soil sampling program of 100 m spaced lines with samples separated up to 50 m covering entire claim.
- Drilling: Follow-up regarding
 - La Triada, to confirm the southwest extension of El Dorado mineralization and related structures as well as extension downdip.
 - San Bartolo, for underground surveys and mapping, drilling to define extension and depth of mineralized veins.
 - La Peter, to define extension of veins down dip for La Peter.
 - Infill drilling to reduce spacing between vein pierce points and to characterize mineralization better from Real Minera veins and adjacent structures.
 - A collection of geotechnical information during drilling or considering geotechnical drill holes for development evaluation.
- Metallurgical Studies: Complete representative metallurgical testing on each vein/mineralized structure and trend.

As part of Phase 1 for the exploration program of the Veta Gold Project, the underground surveys, geochemical prospecting and initial follow up infill drilling of 1,500 m are recommended with an estimated cost of this Phase 1 program to be approximately CDN\$580,000.

The Phase 2 exploration is dependent on the results of Phase 1 and includes additional follow up diamond drilling (approximately 3000 m) and metallurgical studies. The recommended Phase 2 drilling at the Vetas Gold Project will test targets generated in Phase 1. The estimated cost of the Phase 2 program is CDN\$720,000.

For further details on the Resulting Issuer’s anticipated exploration costs to be incurred within twelve months of completion of the Transaction, refer to section, “*Item 28 - Available Funds and Principal Purpose - Principal Purposes of Funds*”.

ITEM 16: SELECTED FINANCIAL INFORMATION AND MANAGEMENT’S DISCUSSION AND ANALYSIS

Selected Interim and Annual Financial Information

The following information has been derived from and should be read in conjunction with the financial statements and management’s discussion and analysis attached to this Filing Statement as Appendix “B” – *Financial Statements of Terra Rossa*, and Appendix “C” – *Management’s Discussion and Analysis of Terra Rossa*. The following table sets forth selected historical financial information for Terra Rossa for the years ended December 31, 2024, 2023, and 2022 and for the six-month interim period ended June 30, 2025.

	Six-month period ended June 30, 2025 (Unaudited) (\$)	Year ended December 31, 2024 (Audited) (\$)	Year ended December 31, 2023 (Audited) (\$)	Year ended December 31, 2022 (Audited) (\$)
Total revenue	Nil	Nil	Nil	Nil
Exploration expenses	184,944	168,616	168,616	317,273
Office and miscellaneous	25,910	64,545	25,348	(21,420)
Professional fees	284,124	243,513	155,227	69,651

	Six-month period ended June 30, 2025 (Unaudited) (\$)	Year ended December 31, 2024 (Audited) (\$)	Year ended December 31, 2023 (Audited) (\$)	Year ended December 31, 2022 (Audited) (\$)
Property consulting fees	48,469	4,852	31,306	185,188
Travel	(4,017)	11,027	11,762	14,223
Other income	Nil	Nil	Nil	Nil
Loss for the period	568,570	678,051	(578,025)	(830,288)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.02)
Weighted average number of common shares outstanding	54,696,600	54,696,600	54,696,600	47,743,592
Statement of Financial Position				
Total assets	8,034,191	8,490,156	9,164,668	9,563,937
Total liabilities	359,588	400,460	469,318	344,700
Share capital	13,737,176	13,737,176	13,737,176	13,737,176

Management's Discussion and Analysis

Included as Appendix "C" to this Filing Statement is Terra Rossa's management's discussion and analysis for the (a) year ended December 31, 2024 and (b) the six-month period ended June 30, 2025. The management's discussion and analysis includes financial information from, and should be read in conjunction with, the audited annual financial statements of Terra Rossa and the notes thereto, which are attached as Appendix "B" to this Filing Statement, the interim financial statements of Terra Rossa and the note thereto, which are attached as Appendix "B", as well as the disclosure contained throughout this Filing Statement.

ITEM 17: CONSOLIDATED CAPITALIZATION

Consolidated Capitalization

The following table should be read in conjunction with the audited annual financial statements of Terra Rossa and the notes thereto, which are attached as Appendix "B" to this Filing Statement, as well as the disclosure contained throughout this Filing Statement.

Designation of Security	Amount authorized or to be authorized	Amount outstanding as of December 31, 2024	Amount outstanding prior to giving effect to the Transaction
Terra Rossa Shares	Unlimited	54,696,600	54,696,600
Terra Rossa Warrants	4,092,000	4,092,000	4,092,000
Terra Rossa Stock Options	1,500,000	1,500,000	1,500,000
Special Warrants	11,895,000	Nil	11,895,000

ITEM 18: DESCRIPTION OF THE SECURITIES

Common Shares

The authorized capital of Terra Rossa consists of an unlimited number of Terra Rossa Shares without par value. As at the date of this Filing Statement, 54,696,600 Terra Rossa Shares are issued and outstanding.

The holders of Terra Rossa Shares are entitled to receive notice of and attend all meetings of Terra Rossa Shareholders, with one vote per Terra Rossa Share. Each Terra Rossa Share is entitled to one vote per Terra Rossa Share. Each Terra Rossa Share is entitled to receive an equal share of any dividends and distributions (whether payable in cash or otherwise) as may be declared on the Terra Rossa Shares from time to time. Each Terra Rossa Share is entitled, in the event of any liquidation, dissolution or winding-up of Terra Rossa (whether voluntary or involuntary), to receive in equal amounts per Terra Rossa Share, the assets of Terra Rossa available for liquidation.

Warrants

Each Terra Rossa Warrant entitles the holder to receive one Terra Rossa Share for an exercise price of \$0.70 per Terra Rossa Share for a period of forty-eight months from the date of issuance.

As at the date of this Filing Statement, 4,092,000 Terra Rossa Warrants to purchase 4,092,000 Terra Rossa Shares are issued and outstanding.

Options

Each Terra Rossa Stock Option entitles the holder to receive one Terra Rossa Share for the applicable exercise price per Terra Rossa Share until expiry.

As at the date of this Filing Statement, 1,500,000 Terra Rossa Stock Options to purchase 1,500,000 Terra Rossa Shares are issued and outstanding.

Summary of Terra Rossa Stock Option Plan

Terra Rossa adopted an incentive stock option plan which provides that the board of directors may from time to time, in its discretion, grant to directors, officers, key employees and consultants of Terra Rossa, non-transferable options to purchase Terra Rossa Common Shares, provided that the number of Terra Rossa Stock Options Common Shares reserved for issuance may not exceed ten (10%) percent of the total issued and outstanding Terra Rossa Common Shares from time to time. The price at which an optionee may purchase a Terra Rossa Common Share upon the exercise of an option shall be determined from time to time by the board of directors and shall not be less than the market value of the Terra Rossa Shares.

The Terra Rossa Option Plan provides that the number of Terra Rossa Common Shares reserved for issuance under the Terra Rossa Options:

- (a) to any one consultant, in any 12-month period, will not exceed two (2%) percent of the issued and outstanding Terra Rossa Common Shares at the time of grant;
- (b) to any one employee or consultant engaged in investor relation activities, in any 12-month period, will not exceed two (2%) percent of the issued and outstanding Terra Rossa Common Shares at the time of grant with no more than one quarter (¹/₄) of such options vesting in any three (3) month period; and
- (c) to any one individual, in any 12-month period, will not exceed five (5%) percent of the issued and outstanding Terra Rossa Common Shares at the time of grant, unless Terra Rossa has obtained disinterested shareholder approval.

ITEM 19: PRIOR SALES

The following table set forth the number and price at which securities of Terra Rossa have been issued within the 12 months before the date of this Filing Statement.

Date	Number and Class of Securities	Issue Price per Security	Aggregate Issue Price
September 22, 2025	9,295,000 Special Warrants	\$0.50	\$4,647,500
September 24, 2025	2,600,000 Special Warrants	\$0.50	\$1,300,000

ITEM 20: EXECUTIVE COMPENSATION

“Named Executive Officer” (an “**NEO**”) means the CEO, the CFO and each of the each of Terra Rossa’s three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000.

Patrick Downey is the only NEO of Terra Rossa for the purposes of the following disclosure.²

Compensation Discussion and Analysis

Executive compensation is based upon the need to provide a compensation package that will allows Terra Rossa to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Compensation currently is based on a base salary, with options and bonuses potentially being issued and paid as an incentive for performance.

The Terra Rossa Board assesses Terra Rossa’s compensation plans for its executive officers to ensure alignment with Terra Rossa’s business plan and to evaluate the potential risks associated with those plans and programs. The Terra Rossa Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

Elements of Compensation

There is no policy or target regarding allocation between cash and non-cash elements of Terra Rossa’s compensation program.

Annual Salary

In Terra Rossa Board’s view, paying base salaries, which are reasonable in relation to the level of service expected while remaining competitive in the markets in which Terra Rossa operates, is a first step to attracting and retaining qualified and effective executives.

Terra Rossa’s objective is to achieve certain strategic objectives and milestones. The Terra Rossa Board will consider executive bonus compensation dependent upon Terra Rossa meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Terra Rossa Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the Terra Rossa Board. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company’s operations.

Equity Participation

Terra Rossa believes that encouraging its executives to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through Terra Rossa’s Option Plan, in which

² Terra Rossa does not currently employ a Chief Financial Officer.

certain securities are granted to executives taking into account a number of factors, including the amount and term of Terra Rossa Stock Options previously granted, base salary and bonuses and competitive factors. The amounts and terms of Terra Rossa Stock Options granted are determined by the Terra Rossa Board based on recommendations put forward by the Chief Executive Officer. Terra Rossa will emphasize the provision of Terra Rossa Stock Options to maintain executive motivation.

Compensation Governance

The Terra Rossa Board is responsible for determining compensation for the officers, employees and non-executive directors of Terra Rossa. The Terra Rossa Board annually reviews all forms of compensation paid to officers, employees and non-executive directors, both with regard to the expertise and experience of each individual and in relation to industry peers. See “*Executive Compensation*” below.

Use of Financial Instruments

Terra Rossa has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors.

Executive Compensation

The following table sets out the compensation provided to each of Terra Rossa’s NEO’s for each of Terra Rossa’s three (3) most recently completed financial years and the current year-to-date:

Name and position	Year	Salary	Share-based awards	Option-based awards	Non-equity incentive plan compensation		Pension value	All other compensation	Total compensation
					Annual incentive plans	Long-term incentive plans			
Patrick Downey President and Chief Executive Officer	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	\$8,000	Nil	Nil	Nil	Nil	Nil	Nil	\$8,000
	2022	\$10,500	Nil	Nil	Nil	Nil	Nil	Nil	\$10,500
Ryan Cheung ⁽¹⁾ Former Chief Financial Officer	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	\$11,000	Nil	Nil	Nil	Nil	Nil	Nil	\$11,000
	2022	\$29,000	Nil	Nil	Nil	Nil	Nil	Nil	\$29,000

Notes:

- (1) Ryan Cheung resigned from Terra Rossa in October 2023. All payments to Ryan Cheung for services provided as Chief Financial Officer were paid to his company, Midland Management Ltd.

Incentive Plan Awards

The following table sets out the awards outstanding for each NEO of Terra Rossa as at December 31, 2024:

Name and position	Option-based Awards			Share-based Awards		
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
Patrick Downey President and Chief Executive Officer	250,000	\$0.20	July 15, 2026	N/A	N/A	N/A
	200,000	\$0.20	March 24, 2027	N/A	N/A	N/A

The following table sets out the incentive plan awards of the NEO's for which value has vested or been earned during the year ended December 31, 2024:

Name and position	Option-based awards – Value vested during the year	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
Patrick Downey President and Chief Executive Officer	Nil	Nil	Nil

Pension Plan Benefits

Terra Rossa does not have a pension plan and does not pay pension benefits to any of its NEOs.

Termination and Change of Control Benefits

Refer to the discussion under “*Item 20: Executive Compensation – Management Contracts*”.

Director Compensation

The following table sets out the compensation provided to the directors of Terra Rossa for the year ended December 31, 2024:

Name	Fees Earned	Share-based award	Option-based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total compensation
Patrick Downey	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Anthony George	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michael Halvorson	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michele Jones	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Margot Naudie	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Incentive Plan Awards - Directors

The following table sets out the awards outstanding for each director of Terra Rossa as at December 31, 2024:

Name	Option-based Awards			Share-based Awards		
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
Patrick Downey	250,000	\$0.20	July 15, 2026	N/A	N/A	N/A
	200,000	\$0.20	March 24, 2027			
Anthony George	100,000	\$0.20	July 15, 2026	N/A	N/A	N/A
	50,000	\$0.20	March 1, 2026			
Michael Halvorson	100,000	\$0.20	July 15, 2026	N/A	N/A	N/A
	50,000	\$0.20	March 1, 2026			
	150,000	\$0.20	March 24, 2027			
Michele Jones	200,000	\$0.20	July 15, 2026	N/A	N/A	N/A
Margot Naudie	150,000	\$0.20	March 1, 2026	N/A	N/A	N/A

The following table sets out the incentive plan awards of the directors of Terra Rossa for which value has vested or been earned during December 31, 2024:

Name	Option-based awards – Value vested during the year	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
Patrick Downey	Nil	Nil	Nil
Anthony George	Nil	Nil	Nil
Michael Halvorson	Nil	Nil	Nil
Michele Jones	Nil	Nil	Nil
Margot Naudie	Nil	Nil	Nil

Management Contracts

Consulting Agreement with Latika Prasad

On October 1, 2021, Latika Prasad and Terra Rossa entered into a consulting agreement (the “**Prasad Consulting Agreement**”) whereby Latika Prasad would provide services to Terra Rossa as Corporate Secretary, including duties such as corporate finance services; financial management services; administrative services; liaise and work with counsel on corporate and regulatory components and filings; liaise and work with accountants and auditors.

Pursuant to the Prasad Consulting Agreement, Latika Prasad will be paid a monthly fee of CAD\$5,000 for services and granted 250,000 Terra Rossa Stock Options. Either party may terminate the Prasad Consulting Agreement by providing at least 30 days prior written notice.

ITEM 21: NON-ARM'S LENGTH TRANSACTIONS

Except as disclosed below, since incorporation, Terra Rossa has not entered into any transactions that could be considered to be non-arm's length within the meaning of applicable laws.

During the year ended December 31, 2024, \$45,000 was paid to Latika Prasad in relation to services provided pursuant to the Prasad Consulting Agreement. In addition, share-based payments attributable to directors and officers of Terra Rossa for stock options granted, vested or modified for the year ended December 31, 2024, was valued at approximately \$65,240. Payments to related parties were made in the normal course of operations of Terra Rossa and were measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

ITEM 22: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings material to Terra Rossa to which Terra Rossa is a party or of which any of its property is the subject matter, and there are no such proceedings known to Terra Rossa to be contemplated.

ITEM 23: MATERIAL CONTRACTS

The following are the material contracts of Terra Rossa as of the date of this Filing Statement:

1. Definitive Agreement; and
2. Vetas Option Agreement.

After completion of the Transaction, the material agreements listed above will be considered to be the material agreements of the Resulting Issuer.

A copy of all material agreements referred to in this Filing Statement will be available on the Resulting Issuer's SEDAR+ profile at www.sedarplus.ca.

PART III: INFORMATION CONCERNING THE RESULTING ISSUER

ITEM 24: CORPORATE STRUCTURE

Name, Address and Incorporation of the Resulting Issuer

Upon completion of the Transaction, the Resulting Issuer will exist under the BCBCA. It is expected that, upon completion of the Transaction, the Resulting Issuer will be renamed to “Terra Rossa Gold Ltd.” or such other similar name as may be accepted by the relevant regulatory authorities and approved by the Resulting Issuer Board. The head office of the Resulting Issuer will be located at 615-800 West Pender Street, Vancouver, BC V6C 2V6 and its registered office will be located at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, BC V6E 4N7.

Intercorporate Relationships

Upon completion of the Transaction, Amalco will be the wholly owned subsidiary of the Resulting Issuer and Minera will be the wholly owned subsidiary of Amalco.

ITEM 25: NARRATIVE DESCRIPTION OF THE BUSINESS

Upon completion of the Transaction, the Resulting Issuer will carry on the business of Terra Rossa, that of a mineral resource company engaged in the identification, acquisition, evaluation, exploration, development and operation of mineral properties, with its focus on the Terra Rossa Properties. See section entitled “*Part II: Information Concerning Terra Rossa*”.

The Resulting Issuer will be an exploration stage company with no producing properties and consequently no current operating income cash flow or revenues and will not provide any products or services to third parties. There is no assurance that a commercially viable mineral deposit exists on the Terra Rossa Property.

Stated Business Objectives

In addition to having the same stated business objectives as Terra Rossa, the Resulting Issuer intends to utilize the funds over the next twelve (12) months after the Completion Date as described in the below table. Please also refer to the “*Item 28: Available Funds and Principal Purposes – Principal Purpose of Funds*” regarding the estimated costs of each respective milestone for the Terra Rossa Property, listed below.

Milestone for Terra Rossa Property	Estimated Time Frame	Estimated Cost (CAD\$)
Underground Survey	6 months from Completion Date	25,000
Geochemical Surveying	6 months from Completion Date	50,000
Diamond Drilling	12 months from Completion Date	480,000

See “*Item 15: General Development/Description of the Business – Summary of Technical Report*”.

ITEM 26: DESCRIPTION OF THE SECURITIES

This Filing Statement is made to list the Resulting Issuer Common Shares on the TSXV under the symbol “TRR”. The Listing will be subject to the Resulting Issuer fulfilling all of the minimum listing requirements of the TSXV and obtaining conditional approval of the TSXV. There can be no assurance that the TSXV will list the Resulting Issuer Common Shares. If listing approval is ultimately obtained prior to the Effective Time, trading on the TSXV of the Resulting Issuer Common Shares is expected to commence shortly following the Completion Date.

It is expected that following the Transaction, the Resulting Issuer will be authorized to issue an unlimited number of the Resulting Issuer Common Shares.

Assuming the completion of the Transaction, the following securities of the Resulting Issuer are expected to be outstanding immediately following the completion of the Transaction:

- 72,742,205 Resulting Issuer Common Shares;
- 1,600,000 Stock Options;
- 5,497,266 Resulting Issuer Warrants (comprised of 4,092,000 Resulting Issuer Warrants issued in exchange for Terra Rossa Warrants and 1,401,694 to former Baroyeca Post-Consolidation shareholders); and
- 11,895,000 Terra Rossa Unit Warrants.³

Resulting Issuer Common Shares

Holders of the Resulting Issuer Common Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Resulting Issuer and at all such meetings shall be entitled to one vote in respect of each Resulting Issuer Common Share held. The holders of the Resulting Issuer Common Shares shall be entitled to receive dividends if and when declared by the Resulting Issuer Board. The Resulting Issuer Board may at any time declare and authorize the payment of such dividends exclusively on the Resulting Issuer Common Shares. Furthermore, holders of the Resulting Issuer Common Shares are entitled to receive the remaining property and assets of the Resulting Issuer upon the winding up, dissolution or liquidation of the Resulting Issuer.

Resulting Issuer Stock Options

Holders of the Resulting Issuer Options shall be entitled to receive Resulting Issuer Common Shares upon the due exercise thereof. Holders of Resulting Issuer Stock Options will have no claim to dividend rights, voting rights, rights upon dissolution or winding-up of the Resulting Issuer, pre-emptive rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or provisions requiring a holder to contribute additional capital (except upon exercise).

Resulting Issuer Warrants

Each Resulting Issuer Warrant entitles the holder to receive one Resulting Issuer Common Share for the applicable exercise price per Resulting Issuer Common Share for a period of twenty-four months from the date of issuance.

ITEM 27: PRO FORMA CONSOLIDATED CAPITALIZATION

Pro Forma Consolidated Capitalization

The following table summarizes the Resulting Issuer’s anticipated consolidated capitalization upon completion of the Listing (assuming completion of the Baroyeca Share Consolidation). The table should be read in conjunction with Terra Rossa’s Financial Statements, which are attached as Appendix “B” to this Filing Statement, as well as the Baroyeca Financial Statements which are attached as Appendix “D”, and the pro forma financial statements of the Resulting Issuer (Unaudited) which are attached as Appendix “F”.

Designation of Security	Amount Authorized	Amount Outstanding After Giving Effect to the Transaction
Resulting Issuer Common Shares	Unlimited	72,742,205

³ Upon completion of the Transaction, each Terra Rossa Unit Warrant is exercisable for one Resulting Issuer Common Share at a price of \$0.75 per share.

Fully Diluted Share Capital

The following table sets forth the expected fully-diluted share capital of the Resulting Issuer on a *pro forma* basis upon completion of the Listing (assuming completion of the Baroyeca Share Consolidation).

Designation of Security	Amount Outstanding Prior to the Completion of the Transaction	Amount Outstanding after the Completion of the Transaction	Percentage of Total Number of the Resulting Issuer Common Shares to be Issued and Outstanding following Completion of the Transaction on a Fully-Diluted Basis
Terra Rossa Shares	54,696,600	54,696,600	59.63%
Terra Rossa Warrants	4,092,000	4,092,000	4.46%
Terra Rossa Shares issued on conversion of Special Warrants	Nil	11,895,000	12.97%
Terra Rossa Unit Warrants issued on conversion of Special Warrants	Nil	11,895,000	12.974%
Baroyeca Post-Consolidation Shares	6,150,605	6,150,605	6.71%
Resulting Issuer Warrants issuable to former Baroyeca Post-Consolidation shareholders under the Amalgamation	1,401,694	1,401,694	1.64%
Baroyeca Stock Options	1,400,000	100,000	0.11%
Terra Rossa Stock Options	1,500,000	1,500,000	1.64%
Total (fully-diluted)⁽¹⁾	27,224,325	91,730,899	100%

Notes:

(1) Calculated based on the Resulting Issuer Fully Diluted Shares.

See “*Item 26: Description of the Securities*” and “*Item 29: Principal Securityholders*” for additional details.

ITEM 28: AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Available Funds

Following completion of the Transaction and Listing on the TSXV, the Resulting Issuer expects to have the following total available funds:

Estimated Funds Available	Amount (CA\$)
Estimated working capital of Terra Rossa as at August 31, 2025	1,072,955
Estimated working capital of Baroyeca as at August 31, 2025	83,509
Gross Proceeds raised from the Special Warrant Financing	5,947,500
Total Estimated Available Funds	7,103,964

Principal Purposes of Funds

Upon the completion of Transaction, the Resulting Issuer will use the funds available to it to, among other things, continue with its exploration programs and make payments as required to maintain its interest in its properties. The

following table summarizes the expenditures anticipated by the Resulting Issuer required to achieve its business objectives during the 12 months following the Completion Date:

Principal Use of Available Funds	Amount (CA\$)
Estimated Phase 1 Exploration Costs of the Terra Rossa Property comprised of:	
(a) Underground Survey	25,000
(b) Geochemical Surveying	50,000
(c) Diamond Drilling	480,000
Miscellaneous Contingency	23,750
Estimated Special Warrant Financings Expenses ⁽¹⁾	138,480
Estimated Transaction Fees ⁽²⁾	150,000
Estimated Audit and Review Fees	50,000
Estimated General and Administrative Expenses (British Columbia) ⁽³⁾	582,000
Estimated General and Administrative Expenses (Colombia) ⁽⁴⁾	223,200
Total:	1,922,430
Unallocated Working Capital	5,181,534

Notes:

- (1) Comprised of finders' fees paid pursuant to the Special Warrant Financing.
- (2) Comprised of listing and transfer agent fees of \$50,000 and legal fees of \$100,000 (legal fees incurred by each party as of the date hereof (including those incurred in connection with the Transaction), are accounted for in the respective working capital figures, resulting in a reduction of working capital).
- (3) Comprised of wages and salaries of \$300,000, insurance (director and officer, office, and warehouse) of \$2,500, rent/leases of \$12,000, and miscellaneous office and travel expenses \$240,000.
- (4) Comprised of consulting fees and salaries of \$132,000, insurance of \$12,000, rent of \$43,200, accounting expenses (Colombian & VAT tax filings) of \$18,000, and miscellaneous office and travel expenses \$18,000.

The Resulting Issuer intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives or to pursue other opportunities that management believes are in the interests of the Resulting Issuer. See "Part IV: Risk Factors – Risks Related to the Operations of the Resulting Issuer – Use of Available Funds".

Dividends

The Resulting Issuer does not currently intend to pay any cash dividends or distributions on the Resulting Issuer Common Shares in the foreseeable future and, therefore, holders of Resulting Issuer Common Shares may not be able to receive a return on their Resulting Issuer Common Shares unless they sell such Resulting Issuer Common Shares. The Resulting Issuer's policy will be to retain earnings to reinvest in the Resulting Issuer.

The Resulting Issuer's dividend policy will be reviewed from time to time by the Board in the context of its earnings, financial condition and other relevant factors. Until the Resulting Issuer pays dividends on the Resulting Issuer Common Shares, which it may never do, its shareholders will not be able to receive a return on the Resulting Issuer Common Shares unless they sell them.

See "Part IV: Risk Factors – Risks Relating to the Operations of the Resulting Issuer – Dividend Policy".

ITEM 29: PRINCIPAL SECURITYHOLDERS

Except as set out below, no Person or company beneficially owns, controls or directs, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of Terra Rossa, or will, to Baroyeca's and Terra Rossa's knowledge, beneficially own, directly or indirectly, or exercise control or direction over 10% or more of the outstanding Resulting Issuer Common Shares following the Transaction:

Name and Municipality of Residence	Number of Terra Rossa Shares	Percentage of Outstanding Terra Rossa Shares	Number of the Resulting Issuer Common Shares	Percentage of Outstanding Resulting Issuer Common Shares
Cedar Capital Corporation ⁽¹⁾ <i>British Columbia</i>	10,900,000	19.93% ⁽²⁾ (18.08%) ⁽³⁾	10,900,000	14.98% ⁽⁴⁾ (11.88%) ⁽⁵⁾

Notes:

- (1) A corporation wholly-owned by Ian Slater.
- (2) Calculated based on 54,696,600 Terra Rossa Shares issued and outstanding on non-fully diluted basis.
- (3) Calculated based on 60,288,600 Terra Rossa Shares issued and outstanding on a fully diluted basis.
- (4) Calculated based on 72,742,205 Resulting Issuer Common Shares issued and outstanding on non-fully diluted basis.
- (5) Calculated based on 91,730,899 Resulting Issuer Common Shares issued and outstanding on a fully diluted basis.

ITEM 30: DIRECTORS, OFFICERS AND PROMOTERS

Name, Occupation and Security Holding

The following table provides the names, province or state and country of residence, position, and principal occupations of each individual expected to be an executive officer and/or director of the Resulting Issuer, as well as the number and percentage of the Resulting Issuer Common Shares that are expected to be beneficially owned, directly or indirectly, or which control or direction is expected to be exercised, by each such person. It is expected that the term of each director listed below will conclude at the end of the Resulting Issuer's next annual meeting of shareholders subject to reappointment by the shareholders of the Resulting Issuer at such meeting.

Name and Province of Residence	Positions to be Held with Resulting Issuer	Start Date	Principal Occupation During Last Five Years	Number of the Resulting Issuer Common Shares Beneficially Owned, or Controlled	Percentage of the Resulting Issuer Common Shares Beneficially Owned, or Controlled ⁽²⁾⁽⁴⁾
Patrick Downey <i>British Columbia, Canada</i>	Chief Executive Officer and Director ⁽³⁾	As of Completion Date	President and Chief Executive Officer of Orezone Gold Corporation from May 2017 to present Director of Fireweed Metals Corp. from September 2023 to present Director of GFG Resources Inc. from October 2016 to present	3,017,600 ⁽⁵⁾	4.15%

Name and Province of Residence	Positions to be Held with Resulting Issuer	Start Date	Principal Occupation During Last Five Years	Number of the Resulting Issuer Common Shares Beneficially Owned, or Controlled	Percentage of the Resulting Issuer Common Shares Beneficially Owned, or Controlled ⁽²⁾⁽⁴⁾
<p>Latika Prasad</p> <p><i>British Columbia, Canada</i></p>	<p>Chief Financial Officer and Corporate Secretary</p>	<p>As of Completion Date</p>	<p>Corporate Secretary of Terra Rossa Gold Corp. from March 2022 to present</p> <p>Corporate Secretary of Realgold Resources Corp. from December 2016</p> <p>VP Corporate Finance of Military Metals Corp. from February 20, 2025 to present</p> <p>Director of Military Metals Corp. from January 9, 2020 to February 20, 2025</p> <p>Chief Executive Officer of Military Metals Corp. from December 1, 2023 to September 16, 2024</p> <p>President and Corporate Secretary of Military Metals Corp. from January 2020 to August 8, 2021</p> <p>Chief Financial Officer of Greyridge Exploration Corp. from March 20, 2024 to present</p> <p>Director of King Copper Discovery Corp. (formerly, Turmalina Metals Corp.) from July 28, 2021 to October 15, 2024</p> <p>Director and Chief Executive Officer of Carmanah Minerals Corp. from June 11, 2021 to February 27, 2023</p> <p>Business Consultant (Self-Employed) from 2016 to present</p>	<p>320,000</p>	<p>0.44%</p>

Name and Province of Residence	Positions to be Held with Resulting Issuer	Start Date	Principal Occupation During Last Five Years	Number of the Resulting Issuer Common Shares Beneficially Owned, or Controlled	Percentage of the Resulting Issuer Common Shares Beneficially Owned, or Controlled ⁽²⁾⁽⁴⁾
Michael Halvorson⁽¹⁾ <i>Alberta, Canada</i>	Director	As of Completion Date	Director (Chair) of Orezone Gold Corporation from February 24, 2009 to June 7, 2024 Advisory Board Member of SKRR Exploration Inc. from May 21, 2020 to present	1,225,000	1.68%
Richard Wilson⁽¹⁾ <i>British Columbia, Canada</i>	Director	March 27, 2006	President and Chief Executive Officer of Baroyeca Gold & Silver Inc. from December 13, 2011 to present Director of Baroyeca Gold & Silver Inc. from March 27, 2006 to present Director and Chief Executive Officer of Surge Battery Metals Inc. from May 1, 2020 to April 13, 2021 Director, President and Chief Executive Officer of Grid Battery Metals from December 9, 2015 to April 9, 2020	297,732	0.41%
Patrick Robinson <i>British Columbia, Canada</i>	Director	January 5, 2024	President of Robinson Sauder Family Office Inc. from April, 2014 to present Director of Baroyeca Gold & Silver Inc. from January 5, 2024 to present	1,000,000	1.37%

Name and Province of Residence	Positions to be Held with Resulting Issuer	Start Date	Principal Occupation During Last Five Years	Number of the Resulting Issuer Common Shares Beneficially Owned, or Controlled	Percentage of the Resulting Issuer Common Shares Beneficially Owned, or Controlled ⁽²⁾⁽⁴⁾
Tim Moody⁽¹⁾ <i>Bristol, United Kingdom</i>	Director	As of Completion Date	Director, President and CEO of Pan Global Resources Inc. from April 18, 2017 to present Director of Indico Resources Ltd. from July 29, 2016 to present Director (Chair) of Mirasol Resources Ltd. from September 14, 2021 to present Director of Prism Resources Inc. from January 14, 2016 to present Director of Xiana Mining Inc. from January 29, 2018 to present	240,000	0.33%

Notes:

- (1) Proposed member of the audit committee.
- (2) The executive officers and directors of the Resulting Issuer are expected to own, directly or indirectly, or exercise control or direction over 6,100,332 Resulting Issuer Common Shares, representing approximately 8.39% of the Resulting Issuer Common Shares expected to be issued and outstanding following the Transaction.
- (3) Mr. Downey is also the sole director and officer of Minera and will continue to be the sole director and officer of Minera upon completion of the Transaction.
- (4) Calculated based on 72,742,205 Resulting Issuer Common Shares issued and outstanding on a non-fully diluted basis.
- (5) Mr. Downey's Resulting Issuer Common Share total includes 780,000 Resulting Issuer Common Shares registered to and held by his spouse.

Biographies

In addition to the information set out in the table above, the following is a brief description of each of the proposed members of management and directors for the Resulting Issuer (including details with regard to their principal occupations for the last five years):

Patrick Downey (age: 65) – Chief Executive Officer and Director

Mr. Downey has over 30 years of international experience in the resource industry. Mr. Downey is the President, CEO and Director of Orezone Gold Corporation. Mr. Downey is also a Director of Fireweed Metals Corp. and GFG Resources Inc. He previously held the position of President, CEO and Director for Elgin Mining Inc. prior to its acquisition by Mandalay Resources Inc., Aura Minerals Inc. and previously Viceroy Exploration Ltd. before its acquisition by Yamana Gold Inc. in 2006 for \$600 million. Mr. Downey also served as President of Consolidated Trillion Resources Ltd. and Oliver Gold Corporation, where he negotiated their successful merger to form Canico Resource Corp., which was purchased by CVRD in 2006 for over \$800 million. He has held numerous senior engineering positions at several large-scale gold mining operations and has also held operating positions at several

mining projects for Anglo American Corporation in South Africa. Mr. Downey holds a Bachelor of Science (Honours) degree in Engineering from Queen's University in Belfast, Ireland.

Mr. Downey had a working fluency in Spanish, the local language of Colombia.

Mr. Downey intends to devote approximately 50% of his time to the affairs of the Resulting Issuer and will be an employee of the Resulting Issuer.

Latika Prasad (age: 57) – Chief Financial Officer and Corporate Secretary

Ms. Latika Prasad has been an officer and/or a director of private and publicly traded companies for 30 years. She is currently the Corporate Secretary of Realgold Resources Corp. since December 2016 and the Vice President, Corporate Finance of Military Metals Corp. since February 20, 2025. She was a Director of King Copper Discovery Corp. (formerly, Turmalina Metals Corp.). (TSXV: TBX) from July 2021 to October 2024, and previously, Director at Southern Empire Resources Corp. from March 2020 to June 2021 (TSXV: SMP) and Director and Assistant Corporate Secretary at Wabi Exploration Inc. (CNSX: WAB) from September 2015 to July 2017. Ms. Prasad was Director and Chief Executive Officer of Carmanah Resources (CSE: CARM) from June 11, 2021 to February 27, 2023. She served as the Chief Financial Officer of Azincourt Resources Inc. (TSXV: AAZ) from October 2011 until June 2013 and as a Director from May 2011 to April 2013. Ms. Prasad also has 30 years of audit experience from starting with VSE companies in 1988, preparing quarterly reports for reporting issuers and filing with VSE and BCSC, and serving as CFO of several companies. In addition to King Copper Discovery Corp., Ms. Prasad was also on the audit committee of Carmanah Minerals Corp. and was on the audit committee of Southern Empire Resources Corp. (TSXV: SMP) from March 2020 to June 2021.

Ms. Prasad intends to devote approximately 50% of her time to the affairs of the Resulting Issuer and will be a consultant of the Resulting Issuer.

Michael Halvorson (age: 80) – Director

Mr. Halvorson has extensive experience as a board member for natural resource companies. Notable past directorships in the mineral exploration and mining sector include Viceroy Exploration Ltd., Western Silver Inc., Novagold Resources Inc., Pediment Gold Corporation, Esperanza Resources Corp., Fission Energy Corp. and Strathmore Minerals Corporation. In addition, in the oil and gas business, he served on the boards of Gentry Resources Ltd. and Novus Energy Inc.

Mr. Halvorson intends to devote approximately 25% of his time to the affairs of the Resulting Issuer and will be a consultant of the Resulting Issuer.

Richard Wilson (age: 67) – Director

Mr. Wilson brings over 20 years experience working with public junior mining issuers and has been instrumental in raising millions of dollars for exploration work. Mr. Wilson has served as a director of Baroyeca Gold and Silver Inc. since March 2006, and has served as the Company's Chief Executive Officer December 2011. In addition, Mr. Wilson previously served as a director and President and CEO of Grid Battery Metals Inc. (TSXV: CELL) from December 2015 to April 2020, and a director and President and CEO of Surge Battery Metals Inc. (TSXV: NILI) from May 2020 to April 2021.

Mr. Wilson intends to devote approximately 25% of his time to the affairs of the Resulting Issuer and will be a consultant of the Resulting Issuer.

Patrick Robinson (age: 66) – Director

Mr. Robinson has acted as an investment advisor to individuals and institutions for over 30 years. Since April 2014, Mr. Robinson has served as the President of the Robinson Sauder Family Office Inc., a private institutional investment firm. In addition, since June 2018, Mr. Robinson has served as Chairman of the Board of UIT Growth Equity General

Partnership Ltd., a private venture investment fund and, since October 2013, as the Chairman and Co-Founder of Arius Technology Inc., a leader in laser-based optical scanning systems. Previously, from January 2016 to September 2020, Mr. Robinson served as Director and Co-Founder of Vitaeris Inc., a company focused on the development of the multi-use drug, “Claza”. From July 1987 to April 2014, Mr. Robinson worked as an investment advisor, initially at Pemberton Securities, then as Senior Vice President and Investment Advisor at BMO Nesbitt Burns from February 1991 to 1997, and subsequently as Branch Manager, Divisional Manager and finally as a Senior Vice President and Managing Director of BMO British Columbia from March 2003 to April 2014. Mr. Robinson earned his Chartered Accountant designation from the Institute of Chartered Accountants of British Columbia in 1984, and his Bachelor of Commerce Degree from the University of British Columbia in 1982.

Mr. Robinson intends to devote approximately 15% of his time to the affairs of the Resulting Issuer and will be a consultant of the Resulting Issuer.

Tim Moody (age: 62) – Director

Mr. Moody has more than 30 years of experience in the mining industry including mineral exploration, resource assessment, business development, strategy and government relations. He spent 24 years with Rio Tinto, where he held the posts of Exploration Director (2005-2010) and Vice President and Director of Business Development (2010-2015). He currently holds directorships on the boards of Mirasol Resources, Prism Resources, and Indico Resources. Mr. Moody has a Bachelor of Science in Geology and Geophysics (Honours) from the University of New England. He is a graduate of the Senior Leadership Program from the London Business School, a graduate of the Business Leadership Development Program from the Australian Graduate School of Management and a Fellow of the Society of Economic Geologists.

Mr. Moody intends to devote approximately 15% of his time to the affairs of the Resulting Issuer and will be a consultant of the Resulting Issuer.

Promoter Consideration

The following table provides the names, province or state and country of residence, and the number and percentage of the Resulting Issuer Common Shares that are expected to be beneficially owned, directly or indirectly, or which control or direction is expected to be exercised, by any promoter of the Resulting Issuer, or any promoter of Terra Rossa in the two (2) years immediately preceding the date of the Filing Statement.

Name and Province of Residence	Nature and Amount of consideration to be received by the promoter from the Resulting Issuer	Number of the Resulting Issuer Common Shares Beneficially Owned, or Controlled	Percentage of the Resulting Issuer Common Shares Beneficially Owned, or Controlled ⁽¹⁾
Patrick Downey <i>British Columbia, Canada</i>	3,017,600 Resulting Issuer Common Shares in exchange for 3,017,600 Terra Rossa Shares	3,017,600 Resulting Issuer Common Shares	4.15%

Notes:

(1) Calculated based on 72,742,205 Resulting Issuer Common Shares issued and outstanding on a non-fully diluted basis.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed herein, to the knowledge of the Resulting Issuer, no person expected to be a director, executive officer or promoter of the Resulting Issuer, is, as of the date of this Filing Statement, or has been, within the 10 years preceding the date of this Filing Statement, a director, chief executive officer or chief financial officer of any company, that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30

consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

A cease trade order (the “**Indico CTO**”) was issued by the BCSC on October 4, 2019, against the Indico Resources Company (“**Indico**”) for failure to file its annual audited financial statements for the year ended May 31, 2019, its annual management’s discussion and analysis for the year ended May 31, 2019 and its certification of annual filings for the year ended May 31, 2019. Tim Moody was a director of Indico while the Indico CTO was in effect. The Company filed its May 31, 2019 annual financial documents on July 15, 2021. This Indico CTO was revoked by the BCSC on March 31, 2022.

A cease trade order (the “**Indico CTO II**”) was issued by the BCSC on October 5, 2022 against the Indico for failure to file its annual audited financial statements for the year ended May 31, 2022, its annual management’s discussion and analysis for the year ended May 31, 2022 and its certification of annual filings for the year ended May 31, 2022. Indico filed its May 31, 2022 annual financial documents on December 22, 2022. Tim Moody was a director of Indico while the Indico CTO II was in effect. The Indico CTO II was revoked by the BCSC on July 13, 2023.

A cease trade order (the “**Indico CTO III**”) was issued by the BCSC on October 5, 2023 against Indico for failure to file its annual audited financial statements for the year ended May 31, 2023, its annual management’s discussion and analysis for the year ended May 31, 2023 and its certification of annual filings for the year ended May 31, 2023. Indico filed its May 31, 2023 annual financial documents on October 6, 2023. Tim Moody was a director of Indico while the Indico CTO III was in effect. The Indico CTO III was revoked by the BCSC on October 10, 2023.

To the knowledge of the Resulting Issuer, no person expected to be a director or executive officer of the Resulting Issuer, or to the best of Terra Rossa’s knowledge, a shareholder holding a sufficient number of shares to materially affect control of the Resulting Issuer:

- (a) is, as of the date of this Filing Statement, or has been within 10 years preceding the date of this Filing Statement, a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of the Resulting Issuer, no person expected to be a director or executive officer of the Resulting Issuer, or to the best of the Resulting Issuer’s knowledge, a shareholder holding a sufficient number of shares to materially affect control of the Resulting Issuer, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

No person expected to be a director or executive officer of the Resulting Issuer, or a personal holding company of any of them, has, within the ten years prior to the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements, or compromise with creditors or had a receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

There are potential conflicts of interest to which the proposed directors and officers of the Resulting Issuer will be subject to in connection with the operations of the Resulting Issuer. In particular, certain of the proposed directors and officers of the Resulting Issuer are involved in managerial or director positions with other natural resource companies whose operations may, from time to time, be in direct competition with those of the Resulting Issuer or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Resulting Issuer. Any decision made by any of such directors and officers involving the Resulting Issuer should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Resulting Issuer and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the BCBCA and other Applicable Laws. As at the date of this Filing Statement, the Resulting Issuer is not aware of any existing or potential material conflicts of interest between the Resulting Issuer and any proposed director or officer of the Resulting Issuer.

Other than as set out in this Filing Statement or below, within three years prior to the date of this Filing Statement, no director, executive officer, or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of outstanding voting securities of each of Terra Rossa or Baroyeca, or any known Associates or Affiliates of such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect each of Terra Rossa or Baroyeca.

In addition, other than as set out in this Filing Statement or below, within three years prior to the date of this Filing Statement, no director, executive officer, or person expected to be a director, executive officer, or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of outstanding voting securities of the Resulting Issuer, or any known Associates or Affiliates of such persons, has any material interest, direct or indirect, in any transaction or in any proposed transaction that is reasonably expected to materially affect the Resulting Issuer.

Reporting Issuer Experience

The following table describes each director and officer's personal experience as a director or officer of another reporting issuer (or the equivalent in another jurisdiction) in the last five-year period:

Name	Name and Jurisdiction	Name of Trading Market(s)	Position Held	From	To
Patrick Downey	Orezone Gold Corporation British Columbia, Canada	TSXV	President and CEO	May 2017	Present
	Fireweed Metals Corp. British Columbia, Canada	TSXV	Director	September 12, 2023	Present
	GFG Resources Inc. British Columbia, Canada	TSXV	Director	October 21, 2016	Present
Latika Prasad	King Copper Discovery Corp. British Columbia, Canada	TSXV	Director	July 28, 2021	October 15, 2024
	Carmanah Minerals Corp. British Columbia, Canada	CSE	Director and CEO	June 11, 2021	February 27, 2023

Name	Name and Jurisdiction	Name of Trading Market(s)	Position Held	From	To
	Military Metals Corp. British Columbia, Canada	CSE	VP Corporate Finance, CEO, President, Corporate Secretary and Director	January 9, 2020 (Director, President and Corporate Secretary) December 1, 2023 (CEO) February 20, 2025 (VP Corporate Finance)	August 8, 2021 (President and Corporate Secretary) September 16, 2024 (CEO) February 20, 2025 (Director) Present (VP Corporate Finance)
	Southern Empire Resources Corp. British Columbia, Canada	TSXV	Director	March 18, 2020	June 10, 2021
Michael Halvorson	Orezone Gold Corporation British Columbia, Canada	TSXV	Director (Chair)	February 24, 2009	June 7, 2024
Richard Wilson	Surge Battery Metals Inc. British Columbia, Canada	TSXV	Director and CEO	May 1, 2020	April 13, 2021
	Grid Battery Metals Inc. British Columbia, Canada	TSXV	Director, President and CEO	December 9, 2015	April 9, 2020
Tim Moody	Pan Global Resources Inc. British Columbia, Canada	TSXV	Director, President and CEO	April 18, 2017	Present
	Indico Resources Ltd. British Columbia, Canada	TSXV	Director	July 29, 2016	Present
	Prism Resources Inc. British Columbia, Canada	TSXV	Director	January 14, 2016	Present
	Mirasol Resources Ltd. British Columbia, Canada	TSXV	Director (Chair)	September 14, 2021	Present
	Xiana Mining Inc. British Columbia, Canada	TSXV	Director	January 29, 2018	Present

ITEM 31: AUDIT COMMITTEE

Composition of the Audit Committee

The following individuals will be the members of the Resulting Issuer's Audit Committee: Michael Halvorson, Richard Wilson, Tim Moody. All audit committee members will be financially literate, and a majority of the Audit Committee shall be independent.

For additional details regarding the relevant experience of each member of the Resulting Issuer's Audit Committee, see the relevant biographical experiences for each of the Resulting Issuer's directors and officers under the heading "*Item 30: Directors, Officers and Promoters – Biographies*".

Audit Committee Oversight

The primary function of the Audit Committee will be to assist the Resulting Issuer Board in fulfilling its financial oversight responsibilities by reviewing the Resulting Issuer's (i) financial statements and other financial information

provided by the Resulting Issuer to regulatory authorities and shareholders, and (ii) auditing, accounting and financial reporting processes.

The Resulting Issuer Board will adopt a written charter for the Audit Committee which sets out the Audit Committee's responsibility in reviewing the financial statements of the Resulting Issuer and public disclosure documents containing financial information and reporting on such review to the Resulting Issuer Board, ensuring that adequate procedures are in place for the review of the Resulting Issuer's public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors, setting policies and procedures for the engagement of non-audit services and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management.

Reliance on Certain Exemptions

As the Resulting Issuer will be listed on the TSXV, it will be a "venture issuer" and may avail itself of exemptions from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110, which require the independence of each member of an audit committee, subject to limited exceptions and the disclosure of audit committee information in an annual information form, respectively.

ITEM 32: CORPORATE GOVERNANCE

Canadian securities regulatory policy as reflected in NI 58-101 requires that venture issuers like the Resulting Issuer must disclose on an annual basis their approach to corporate governance. NP 58-201 provides regulatory staff guidance on preferred governance practices, although the guidelines are not prescriptive, other than for audit committees. The Resulting Issuer's approach to corporate governance in the context of NI 58-101 and NP 58-201 (together the "**Policies**") as well as its compliance with the mandatory rules relating to audit committees is set out below.

Board of Directors

The Policies require that the board of directors of a venture issuer determine and disclose the status of each director as independent or not, based on each director's interest in or other relationship with the issuer. Under the Policies, the applicable definition of independence is that contained in NI 52-110, under which a director is "independent" where he or she "has no direct or indirect material relationship" with the issuer. A "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement. NI 52-110 also deems certain individuals as having a material relationship with the issuer, and who are therefore not independent.

The Resulting Issuer will have five (5) directors. Three (3) members of the Resulting Issuer Board will be nominees from Terra Rossa and two (2) will be nominees from Baroyeca. Four (4) members of the Resulting Issuer Board will be independent.

The Resulting Issuer Board will have responsibility for the stewardship of the Resulting Issuer including responsibility for strategic planning, identification of the principal risks of the Resulting Issuer's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Resulting Issuer's internal control and management information systems.

The Resulting Issuer Board will set long-term goals and objectives for the Resulting Issuer and will formulate the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Resulting Issuer Board may delegate the responsibility for managing the day-to-day affairs of the Resulting Issuer to senior management but will retain a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Resulting Issuer and its business. The Resulting Issuer Board is responsible for protecting shareholders' interests and ensuring that the incentives of the shareholders and of management are aligned.

Orientation and Continuing Education

It is anticipated that the Resulting Issuer Board will have formal orientation and training programs. Each new director will receive an orientation, minutes of meetings, written mandates, guidelines and other relevant corporate documents needed to understand the Resulting Issuer's business and processes. The commitment needed from directors, particularly the commitment of time and energy, will be emphasized to directors prior to their appointment nomination.

Directors will be encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to keep themselves up to date with best director and corporate governance practices. The Resulting Issuer intends to provide continuing education for its directors as the need arises. Directors of the Resulting Issuer will have full access to the Resulting Issuer's records.

Ethical Business Conduct

The Resulting Issuer Board intends to adopt a written code of business conduct and ethics for its directors, officers, employees, and contractors (the "Code"). The Resulting Issuer Board will be responsible for monitoring compliance with the Code.

The Resulting Issuer Board will take appropriate measures to exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer may have a material interest. Where appropriate, directors will abstain from portions of board or committee meetings to allow independent discussion of points in issue.

Other Board Committees

The Resulting Issuer Board will review its corporate governance practices and consider, among other matters, whether it would be desirable to establish additional committees of the Resulting Issuer Board.

Assessments

The Resulting Issuer Board will monitor the adequacy of information given to directors, communication between the Resulting Issuer Board and management and the strategic direction and processes of the Resulting Issuer Board and its committees.

ITEM 33: EXECUTIVE COMPENSATION

Upon listing on the TSXV, it is anticipated the Resulting Issuer will adopt a compensation program that reflects its stage of development, the main elements of which are expected to be comprised of base salary and annual cash incentives. This section sets out, to the extent currently known and determined, all significant elements of the compensation to be awarded to, earned by, paid to, or payable to directors and officers of the Resulting Issuer. Such details regarding compensation of directors and officers are based on Terra Rossa's current expectations and upon listing on the TSXV, may be different than as disclosed herein.

In this section "Named Executive Officer" or "NEO" means the, CEO, the CFO, and the three most highly-compensated other executive officers who are anticipated to serve as executive officers of the Resulting Issuer following completion of the Transaction.

It is anticipated that the NEO's of the Resulting Issuer will be: Patrick Downey and Latika Prasad.

Objective, Oversight, and Description of Director and Named Executive Officer Compensation

The Resulting Issuer is expected to adopt and maintain Terra Rossa's executive compensation policies following the completion of the Transaction. Upon listing on the TSXV, it is anticipated that the Resulting Issuer will establish a Compensation Committee which will recommend how directors and executive officers will be compensated for their

services as directors and executive officers. See “*Item 32: Corporate Governance – Compensation Committee*” for further details.

Executive officer compensation will be determined by the Resulting Issuer Board, based in part on recommendations from the CEO. The Resulting Issuer Board recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive’s level of responsibility.

The Resulting Issuer Board believes that Terra Rossa’s compensation plan is consistent with the companies it competes with for talent. The objectives of the Resulting Issuer’s compensation policies and practices will include the following:

- attracting and retaining highly-qualified individuals;
- creating among directors, officers, consultants and employees, a corporate environment which will align their interests with those of the shareholders; and
- ensuring competitive compensation that is also affordable for Terra Rossa.

The compensation program is designed to provide competitive levels of compensation. The Resulting Issuer recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive’s level of responsibility. In general, the Resulting Issuer’s directors and officers may receive compensation that comprises two components:

- base salary, wages or contractor payments; and
- incentive bonuses.

The objectives and reasons for this system of compensation are to allow the Resulting Issuer to remain competitive compared to its peers in attracting experienced personnel. The salaries are set on the basis of a review and comparison of salaries paid to executives at similar companies.

Any bonuses paid are allocated on an individual basis and are based on review by the Resulting Issuer Board of the work planned during the year and the work achieved during the year, administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

As an early-stage mining company, the Resulting Issuer remains at risk of losing qualified personnel to companies with greater financial resources and it attempts to mitigate this risk wherever possible through appropriately written contracts.

Base Salary

The objectives of the base salary are to provide compensation in accordance with market value, and to acknowledge the competencies and skills of individuals. The base salary paid to NEO’s will be reviewed by the Resulting Issuer Board as part of the annual review of executive officers. The decision whether to grant an increase to the executive’s base salary and the amount of any such increase will be in the sole discretion of the Resulting Issuer Board.

Incentive Bonuses

Incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees and are also subject to approval by the Resulting Issuer Board.

Anticipated Compensation Table, excluding Compensation Securities

The following table is a summary of compensation anticipated to be paid to NEO's and directors of the Resulting Issuer for the 12-month period after giving effect to the Transaction.

Name	Fees Earned	Share-based awards	Option-based awards ⁽¹⁾	Non-equity incentive plan compensation	Pension value	All other compensation	Total compensation
Patrick Downey Chief Executive Officer and Director	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Latika Prasad Chief Financial Officer and Corporate Secretary	\$60,000	Nil	Nil	Nil	Nil	Nil	\$60,000
Michael Halvorson Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Richard Wilson Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Patrick Robinson Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Tim Moody Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Variable compensation is unknown at the date of this Filing Statement. Option based awards and other variable compensation, such as performance bonuses, will be determined in due course.

ITEM 34: INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director, executive officer or senior officer of Terra Rossa, Baroyeca, or expected director, executive officer or senior officer of the Resulting Issuer, or any associates of such persons, is indebted to Terra Rossa, Baroyeca or is expected to be indebted to the Resulting Issuer immediately following the completion of the Transaction and no indebtedness of such persons in the Filing Statement subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by Terra Rossa, Baroyeca or the Resulting Issuer.

ITEM 35: INVESTOR RELATIONS ARRANGEMENTS

Terra Rossa has not entered into or presently intends to enter into, any written or oral agreement or understanding with any Person to provide promotional or investor relations services, or to engage in activities for the purposes of stabilizing the market, either now or in the future.

Baroyeca has not entered into or presently intends to enter into, any written or oral agreement or understanding with any Person to provide promotional or investor relations services, or to engage in activities for the purposes of stabilizing the market, either now or in the future.

ITEM 36: OPTIONS TO PURCHASE SECURITIES

In connection with closing of the Transaction, each Terra Rossa Stock Option will be exercisable into one Resulting Issuer Common Share at the noted exercise price below per Resulting Issuer Common Share for stated period of years from the date of issuance of the Terra Rossa Stock Options.

Upon completion of the Transaction, the following stock options will be exercisable for Resulting Issuer Common Shares:

Optionee	Number of Options	Exercise Price	Expiry Date (Applicable Number of Resulting Issuer Stock Options)
Proposed officers of the Resulting Issuer, as a group (two individuals)	600,000	\$0.20	July 15, 2026 (250,000); March 24, 2027 (350,000)
Proposed directors of the Resulting Issuer, as a group (five individuals)	803,751	\$0.20	July 15, 2026 (403,571); March 1, 2026 (50,000); March 24, 2027 (350,000); June 24, 2026 (53,571)
Other proposed employees of the Resulting Issuer, as a group	646,249	\$0.20	July 15, 2026 and March 24, 2027 (600,000); June 24, 2026 (46,429)
All consultants of the Resulting Issuer, as a group	Nil	N/A	N/A
Total:	2,050,000⁽¹⁾		

Notes:

(1) A total of 450,000 Resulting Issuer Stock Options are held by individuals who are both a proposed director of the Resulting Issuer and a proposed officer of the Resulting Issuer, resulting in 450,000 Resulting Issuer Stock Options being accounted for twice in the above table.

Resulting Issuer Equity Incentive Plan

The Resulting Issuer Stock Option Plan was the Baroyeca Stock Option Plan prior to the Completion Date. In accordance with the requirements of the Exchange, the Resulting Issuer Stock Option Plan was approved by the Baroyeca Board.

The purpose of the Resulting Issuer Stock Option Plan is to assist the Resulting Issuer in attracting, retaining and motivating directors, officers, employees and consultants (together “**eligible persons**”) of the Resulting Issuer and of its affiliates and to closely align the personal interests of such eligible persons with the interests of the Resulting Issuer and its shareholders. The Resulting Issuer Stock Option Plan provides that the aggregate number of shares reserved for issuance will be 10% of the number of the Resulting Issuer Common Shares issued and outstanding from time to time.

The Resulting Issuer Stock Option Plan is administered by the Resulting Issuer Board, who have full and final authority with respect to the granting of all options thereunder. Resulting Issuer Stock Options may be granted under the Resulting Issuer Stock Option Plan to such eligible persons of the Resulting Issuer and its affiliates, if any, as the Resulting Issuer Board may from time to time designate and the vesting of such options will be determined by the Resulting Issuer Board. The exercise prices shall be determined by the Resulting Issuer Board, but shall, in no event, be lower than fair market value of the Resulting Issuer Common Shares on the date of the grant. While the Resulting Issuer Common Shares are listed on the exchange, fair market value shall not be lower than the last closing market price of the Resulting Issuer Common Shares on the date of grant of the stock options less the maximum discount permitted under the policies of the Exchange.

The Resulting Issuer Stock Option Plan provides that after the listing date, the number of the Resulting Issuer Common Shares issuable on the exercise of options granted to all persons together with all of the Resulting Issuer’s other previously granted options may not exceed 10% of the Resulting Issuer’s issued and outstanding common shares on a non-diluted basis, from time to time. In addition, the number of the Resulting Issuer Common Shares, which may be reserved for issuance to any one individual upon the exercise of all stock options held by such individual within a one-year period, may not exceed 5% of the Resulting Issuer Common Shares issued and outstanding on the grant date, on a non-diluted basis, unless otherwise approved by disinterested shareholders of the Resulting Issuer. Subject to earlier termination in the event of dismissal for cause, early retirement, voluntary resignation or termination other than for cause, or in the event of death or disability, all options granted under the Resulting Issuer Stock Option Plan will expire on the date set by the Resulting Issuer Board as the expiry date of the option, which expiry date shall not be more than ten years from the date that such options are granted.

The Resulting Issuer Stock Option Plan contains a “cashless exercise” provision and a “net exercise” provision. The “cashless exercise” provision provides a mechanism for a brokerage firm to facilitate the exercise of a stock option by loaning funds to the option holder. The “net exercise” provision allows for a method of stock option exercise under which the option holder does not make any payment to the issuer for the exercise of their stock options and receives, on exercise, a number of shares equal to the value (current market price less the exercise price) of the stock option valued at the current market price. Pursuant to Exchange Policy 4.4, the current market price must be the 5-day volume weighted average trading price prior to stock option exercise. The “net exercise” provision is not available for use by Investor Relations Service Providers (as defined in Exchange Policy 4.4).

Resulting Issuer Stock Options granted under the Resulting Issuer Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession. The terms of an option may not be amended once issued. In addition to the thresholds set out in the Resulting Issuer Stock Option Plan, the Resulting Issuer is bound by the limits contained in s. 2.25(2) of National Instrument 45-106 – *Prospectus Exemptions*, until such time that it obtains shareholder approval for the Resulting Issuer Stock Option Plan.

ITEM 37: ESCROWED SECURITIES

Terms of the Escrow for Common Shares held by Principals

The following table sets out, as of the date hereof and to the knowledge of Baroyeca and Terra Rossa, the name and municipality of residence of the security holders whose Resulting Issuer Common Shares, Resulting Issuer Stock Options, Terra Rossa Stock Options, Resulting Issuer Warrants, Terra Rossa Warrants or Terra Rossa Unit Warrants, as at the Completion Date will be placed in escrow pursuant to the terms of the Escrow Agreement. Securities subject to the Escrow Agreement may not be transferred unless approval from the TSXV and Resulting Issuer Board is received and such securities may be cancelled if the asset, property, business or interest therein in consideration of which the securities were issued, is lost, or abandoned, or the operations or development of such asset, property or business is discontinued.

Name and Residence of Securityholder	Designation of Class	Before Giving Effect to the Transaction		After Giving Effect to the Transaction		
		Number of Securities to be held in Escrow	Percentage of Class (%)	Number of Securities to be held in Escrow	Percentage of Class (%) ⁽¹⁾	Percentage of Class (%) ⁽²⁾
Patrick Downey <i>British Columbia, Canada</i>	Resulting Issuer Common Shares	Nil	N/A	3,017,600	4.15	3.76
	Terra Rossa Stock Options	Nil	N/A	450,000	28.13	
Latika Prasad <i>British Columbia, Canada</i>	Resulting Issuer Common Shares	Nil	N/A	320,000	0.44	0.51
	Terra Rossa Stock Options	Nil	N/A	150,000	9.38	
Tim Moody <i>Bristol, United Kingdom</i>	Resulting Issuer Common Shares	Nil	N/A	240,000	0.33	0.28
	Terra Rossa Warrants	Nil	N/A	20,000	0.12	
Michael Halvorson <i>Alberta, Canada</i>	Resulting Issuer Common Shares	Nil	N/A	1,225,000 ⁽⁴⁾	1.68	1.91
	Resulting Issuer Stock Options	Nil	N/A	300,000	18.75	

Name and Residence of Securityholder	Designation of Class	Before Giving Effect to the Transaction		After Giving Effect to the Transaction		
		Number of Securities to be held in Escrow	Percentage of Class (%)	Number of Securities to be held in Escrow	Percentage of Class (%) ⁽¹⁾	Percentage of Class (%) ⁽²⁾
	Terra Rossa Unit Warrants	Nil	N/A	225,000 ⁽⁴⁾	1.29	
Richard Wilson <i>British Columbia, Canada</i>	Resulting Issuer Common Shares	97,732 ⁽³⁾	1.59	297,732 ⁽⁵⁾	0.41	0.63
	Resulting Issuer Warrants and Terra Rossa Unit Warrants	30,000	2.13	230,000 ⁽⁵⁾	1.32	
	Resulting Issuer Stock Options	53,571	53.57	53,571	3.35	
Patrick Robinson <i>British Columbia, Canada</i>	Resulting Issuer Common Shares	Nil	N/A	1,000,000 ⁽⁶⁾	1.37	2.18
	Terra Rossa Unit Warrants	Nil	N/A	1,000,000 ⁽⁶⁾	5.75	
TOTAL	Resulting Issuer Common Shares	97,732	-	6,100,332	8.39	9.30
	Resulting Issuer Stock Options and Terra Rossa Stock Options	30,000	-	953,571	59.60	
	Resulting Issuer Warrants, Terra Rossa Warrants, and Terra Rossa Unit Warrants	53,571	-	1,475,000	8.48	

Note:

- (1) Percentage calculated on a non fully-diluted basis of 72,742,205 Resulting Issuer Common Shares.
- (2) Percentage calculated on a fully-diluted basis of 91,730,899 Resulting Issuer Common Shares.
- (3) Number of Securities before giving effect to the Transaction but after giving effect to the Consolidation.
- (4) Mr. Halvorson purchased 225,000 Special Warrants pursuant to the Special Warrant Financing.
- (5) Mr. Wilson purchased 200,000 Special Warrants pursuant to the Special Warrant Financing.
- (6) Mr. Robinson purchased 1,000,000 Special Warrants pursuant to the Special Warrant Financing.

The value securities will be subject to a Resulting Issuer Escrow Agreement upon closing of the Transaction among the certain shareholders of the Resulting Issuer and Terra Rossa, pursuant to the policies of the Exchange. Under the Resulting Issuer Escrow Agreement, the Resulting Issuer Escrow Shares will be released as follows: (a) 10% on the date of the Final Exchange Bulletin; (b) 15% on the date that is six months following the date of the Final Exchange Bulletin; (c) 15% on the date that is 12 months following the date of the Final Exchange Bulletin; (d) 15% on the date

that is 18 months following the date of the Final Exchange Bulletin; (e) 15% on the date that is 24 months following the date of the Final Exchange Bulletin; (f) 15% on the date that is 30 months following the date of the Final Exchange Bulletin; and (g) 15% on the date that is 36 months following the date of the Final Exchange Bulletin.

The Resulting Issuer Escrow Shares held pursuant to the Resulting Issuer Escrow Agreement may not be sold, assigned, transferred, redeemed, surrendered or otherwise dealt with in any manner except as provided by the Resulting Issuer Escrow Agreement. The Resulting Issuer Escrow Shares may be transferred within escrow to an individual who is a director or senior officer of the Resulting Issuer or a material operating subsidiary of the Resulting Issuer, provided that certain requirements of the Exchange are met, including that the new proposed transferee agrees to be bound by the terms of the Resulting Issuer Escrow Agreement. In the event of the bankruptcy of a holder of the Resulting Issuer Escrow Shares, the Resulting Issuer Escrow Shares held by such holder may be transferred within escrow to the trustee in bankruptcy or other Person legally entitled to such Resulting Issuer Escrow Shares provided that certain prescribed Exchange requirements are met.

Seed Share Resale Restrictions

Pursuant to Exchange Policy 5.4 , no Resulting Issuer Common Shares held by non-principal shareholders of Terra Rossa will be subject to SSRRs.

ITEM 38: AUDITOR(S), TRANSFER AGENT(S) AND REGISTRAR(S)

After completion of the Transaction, the registrar and transfer agent for the Resulting Issuer will be Computershare Trust Company of Canada, located at 3rd Floor, 510 Burrard St., Vancouver, BC V6C 3B9.

The auditor of Terra Rossa is De Visser Gray LLP and the auditor of Baroyeca is WDM Chartered Professional Accountants. De Visser Gray LLP is independent of Terra Rossa within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia, and WDM Chartered Professional Accountants is independent of Baroyeca within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of British Columbia. After completion of the Transaction, it is proposed that the auditors of the Resulting Issuer be the current auditor of Terra Rossa, being De Visser Gray LLP.

PART IV: RISK FACTORS

An investment in the securities of Terra Rossa, Baroyeca or the Resulting Issuer is highly speculative, involves a high degree of risk and should be undertaken only by Persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prior to investing in such securities, you should carefully consider the risks described below, together with other information included in or incorporated by reference into this Filing Statement and filed on SEDAR+ at www.sedarplus.ca. If any of the following risks materialize, the business, financial condition, results of operation and future prospects of Terra Rossa, Baroyeca and the Resulting Issuer will likely be materially and adversely affected. This could cause actual future events to differ materially from those described in forward-looking statements and may cause the trading price of the Resulting Issuer's securities to decline.

The risks presented below should not be considered exhaustive and may not be all the risks the Resulting Issuer may face. Management of Terra Rossa believes that factors set out below could cause actual results to be different from expected and historical results. Other sections of this Filing Statement include additional factors that could have an effect on the business and financial performance of the Resulting Issuer's business following the completion of the Transaction. New risks may emerge from time to time and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results. Additional risks and uncertainties not presently known to Terra Rossa, Baroyeca or which Terra Rossa and Baroyeca currently deem immaterial may also impair the Resulting Issuer's business operations. If any of the possibilities described in such risks actually occurs, the Resulting Issuer's business, financial condition and operating results could be materially adversely harmed. The following risk factors may not be a definitive list of all risk factors associated with the Transaction, an investment in the Resulting Issuer or in connection with the Resulting Issuer's business or operations.

References below to "Terra Rossa" will, as the context permits or requires, be read to include the "Resulting Issuer" upon the completion of the Transaction. Furthermore, references below to the "Resulting Issuer" refer to the Resulting Issuer and all of its subsidiaries, as applicable.

Risks Relating to the Transaction

The Definitive Agreement may be terminated by Baroyeca or Terra Rossa in certain circumstances

Each of Terra Rossa and Baroyeca has the right to terminate the Definitive Agreement in certain circumstances, and they may mutually agree to terminate for any or no reason. Accordingly, there is no certainty that the Definitive Agreement will not be terminated by Terra Rossa and Baroyeca before the completion of the Transaction. For example, each of Terra Rossa and Baroyeca has the right to terminate the Definitive Agreement if any party is in material breach of the Definitive Agreement. There is no assurance that such a breach will not occur before the Completion Date, in which case Terra Rossa or Baroyeca could elect to terminate the Definitive Agreement and the Transaction would not proceed.

There can be no certainty that all conditions precedent to the Transaction will be satisfied

The completion of the Transaction is subject to several conditions precedent certain of which are outside the control of Baroyeca or Terra Rossa. There can be no assurance that any of the conditions will be met or that the Transaction will be completed on the terms set out in the Definitive Agreement. In the event that any of the conditions precedent are not satisfied or waived by the relevant party, the Transaction may not be completed. The Transaction may not be completed due to failure to obtain consents or approvals, failure to timely satisfy conditions to closing, termination of the Definitive Agreement by either party or both parties, or for other reasons. There is no guarantee that (i) the conditions to closing will be timely satisfied, or (ii) the circumstances under which Baroyeca or Terra Rossa may terminate the Definitive Agreement will not occur or that they will not mutually agree to terminate. As such, the Transaction may not occur.

There is no assurance that the Transaction will receive necessary regulatory, Exchange or Court approval or approval of any third parties, as applicable.

The TSXV may not approve the Resulting Issuer's Filing Statement

The Resulting Issuer Common Shares are currently not listed. Although an application has been submitted to have the Resulting Issuer Common Shares listed on the TSXV, any such listing is subject to the approval of the TSXV in accordance with its original listing requirements and there is no assurance that the TSXV or another stock exchange will approve the Filing Statement. The lack of a listing may make it difficult to sell the Resulting Issuer Common Shares and could lead to the price of the Resulting Issuer Common Shares being depressed.

Terra Rossa and Baroyeca may incur costs even if the Transaction is not completed

Certain costs related to the Transaction, such as legal, accounting and certain financial advisor fees, must be paid by Terra Rossa and Baroyeca even if the Transaction is not completed. There are also opportunity costs associated with the diversion of management attention away from the conduct of Terra Rossa's and Baroyeca's business in the ordinary course.

Risks Relating to the Operations of the Resulting Issuer

Santurban Paramo Decree

Terra Rossa has been operating with exploration activities that are not implicated by the TRZ, and anticipate future drill programs to commence after the expiry of the TRZ. Further, Terra Rossa believes it has a reasonable basis for the argument that the TRZ would not presently affect the Vetas Gold Project and that regular mineral exploration related activities may continue regardless. The Resulting Issuer anticipates that operations will be unaffected by the TRZ as a result. If the TRZ is extended and Terra Rossa needs new permits, it is likely that those permits will be granted if they do not imply the expansion of new mining fronts or increase the volumes of exploitation with respect to those initially authorized. If the Santurban Paramo's final delimitation covers all the Vetas Gold Project, further exploration activity at part of (or all of) the Vetas Gold Project would become prohibited, and operations as the property would cease. Any such action could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations. As such, an investment in the Resulting Issuer Share's should be considered highly speculative. While management of the Resulting Issuer believe they will continue to successfully operate under the TRZ, there can be no assurance that it will continue in this regard. For further details, see "*Business of Terra Rossa - Temporary Reserve Zones.*"

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. The Resulting Issuer's operations will be subject to all the hazards and risks normally encountered in the exploration, development and production of gold and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. The financing, exploration, development and mining of any of the Resulting Issuer's properties is furthermore subject to a number of macroeconomic, legal and social factors, including commodity prices, laws and regulations, political conditions, currency fluctuations, the ability to hire and retain qualified people, the inability to obtain suitable adequate machinery, equipment or labour and obtaining necessary services in jurisdictions in which the Resulting Issuer operates. Unfavorable changes to these and other factors have the potential to negatively affect the Resulting Issuer's operations and business.

Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Resulting Issuer's operations, financial condition and results of operations. It is impossible to ensure that the exploration or development programs planned by the Resulting Issuer will result in a profitable commercial mining operation. Whether a gold or other precious or base metal or mineral deposit will be commercially

viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Resulting Issuer not receiving an adequate return on invested capital.

There is no certainty that the expenditures to be made by the Resulting Issuer towards the exploration and evaluation of gold or other minerals will result in discoveries or production of commercial quantities of gold or other minerals. In addition, once in production, mineral reserves are finite and there can be no assurance.

Commodity Prices

The Resulting Issuer's business is strongly affected by the world market price of gold. Global metal prices fluctuate widely and are affected by numerous factors beyond the Resulting Issuer's control, including global demand and production levels; political and economic conditions; producer hedging activities; speculative activities; inflation; interest rates; central bank lending, sales and purchases of gold; the strength of, and confidence in, the U.S. dollar, the currency in which the price of gold is generally quoted; and currency exchange rates.

The price of gold has fluctuated widely in recent years, and future sustained gold price declines could cause continued development of, and commercial production from, Resulting Issuer's projects to be uneconomic. Depending on the price of gold, Resulting Issuer's cash flow from any mining operations may be insufficient to meet its operating needs and capital expenditures, and as a result Resulting Issuer could experience losses and/or may curtail or suspend some or all of its exploration, development, construction and mining activities or otherwise revise its mine plans, and exploration, development and construction plans, and could lose its interest in, or be forced to sell, some or all of its properties.

In addition to adversely affecting the Resulting Issuer's Mineral Reserve estimates and the Resulting Issuer's financial condition, declining commodity prices could impact operations by requiring a reassessment of the feasibility of the Resulting Issuer's projects. Such a reassessment may be the result of a management decision or may be required under financing mergers related to a particular project. Even if such project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

The Resulting Issuer's operating results are expected to be substantially dependent upon the market price of gold. These prices fluctuate widely. The volatility of precious metal prices represents a substantial risk, which no amount of planning or technical expertise can fully eliminate. In the event gold prices decline or remain low for prolonged periods of time, we might be unable to develop our properties, which may adversely affect our results of operations, financial performance and cash flows.

Title to Mineral Property Interests may be Challenged

There may be challenges to title to the mineral properties in which the Resulting Issuer holds a material interest. If there are title defects with respect to any properties, the Resulting Issuer might be required to compensate other persons or perhaps reduce its interest in the affected property. Furthermore, in any such case, the investigation and resolution of these issues would divert the Resulting Issuer management's time from ongoing exploration and development programs. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Resulting Issuer cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Resulting Issuer will have or acquire valid title to these mineral properties. If title to the Resulting Issuer's mineral properties is challenged or impugned, this could have a material adverse impact on the Resulting Issuer's business, results of operations, financial results and prospects.

Uncertainty in the Estimation of Mineral Resource

Mineral resource estimates will be based upon estimates made by the Resulting Issuer's personnel and independent geologists. These estimates are inherently subject to uncertainty and are based on geological interpretations and inferences drawn from drilling results and sampling analyses and may require revisions based on further exploration or development work. The estimation of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. Inferred resources are resources for which there has been insufficient exploration to define as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

The grade of mineralization which may ultimately be mined may differ from that indicated by drilling results and such differences could be material. The quantity and resulting valuation of mineral reserves and mineral resources may also vary depending on, among other things, mineral prices (which may render mineral reserves and mineral resources uneconomic), cut-off grades applied and estimates of future operating costs (which may be inaccurate). Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Any material change in quantity of mineral resources, mineral reserves, grade, or stripping ratio may also affect the economic viability of any project undertaken by the Resulting Issuer. In addition, there can be no assurance that mineral recoveries in small scale, and/or pilot laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.

There is no certainty that any of the mineral resources identified on any of the Resulting Issuer's properties will be realized, that any mineral resources will ever be upgraded to mineral reserves, that any anticipated level of recovery of minerals will in fact be realized, or that an identified mineral reserve or mineral resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. Until a deposit is actually mined and processed, the quantity of mineral resources and mineral reserves and grades must be considered as estimates only.

Community and Stakeholder Relations

The Resulting Issuer's relationships with the community in which it operates are critical to ensure the future success of its existing operations. The future success of the Resulting Issuer is reliant on a healthy relationship with local communities in which it operates. While the Resulting Issuer is committed to operating in a socially responsible manner, there is no guarantee that its efforts will be successful, in which case interventions by third parties could have a material adverse effect on the Resulting Issuer's business, financial position and operations.

Risk of Foreign Operations

The Resulting Issuer's material property is located in Colombia. Operations in Colombia are subject to risk due to the potential for social, political, economic, legal and fiscal instability. The government in Colombia faces ongoing problems including but not limited to inflation, unemployment and inequitable income distribution. In addition, Colombia experiences narcotics-related violence, a prevalence of kidnapping and extortionist activities and civil unrest in certain areas of the country. Such instability may require the Company to suspend operations. As such, the Resulting Issuer is subject to political, economic and other uncertainties, including, without limitation, expropriation of property without fair compensation, changes in mining policies or the personnel administering them, nationalization, currency fluctuations and devaluations, exchange controls and royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which the Resulting Issuer's operations will be conducted, as well as risks of loss due to civil strife, acts of war and insurrections.

The Resulting Issuer's operations may also be adversely affected by the laws and policies of Colombia affecting foreign trade, taxation and investment. Although the Company is not presently aware of any circumstances or facts which may cause the following to occur, other risks may involve matters arising out of -the evolving laws and policies in Colombia, any future imposition of special taxes or similar charges, as well as foreign exchange fluctuations and currency convertibility and controls, the unenforceability of contractual rights or the taking or nationalization of property without fair compensation, restrictions on the use of expatriates in the Company's operations, or other matters.

In the event of a dispute arising in connection with the Resulting Issuer's operations in Colombia, the Resulting Issuer may be subject to the exclusive jurisdiction of Colombian courts and may not be successful in subjecting foreign persons to the jurisdiction of the courts of Canada or enforcing Canadian judgments in other jurisdictions. The Resulting Issuer may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Resulting Issuer's planned business activities in Colombia could be substantially affected by factors beyond the Resulting Issuer's control, any of which could have a material adverse effect on the Resulting Issuer.

Operations in Spanish

As a result of the Resulting Issuer conducting its operations in Colombia, the books and records of the Resulting Issuer, including key documents such as material contracts and financial documentation will be principally negotiated and entered into in the Spanish language and English translations may not exist or be readily available.

Political and Economic Risks

The Resulting Issuer's exploration, development and production activities are conducted in Colombia and, as such, the Resulting Issuer's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, economic uncertainties; the existence or possibility of terrorism; hostage taking; military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; uncertainty as to the outcome of any litigation in foreign jurisdictions; uncertainty as to enforcement of local laws; environmental controls and permitting; restrictions on the use of land and natural resources; renegotiation or nullification of existing concessions; licenses; permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; corruption; unstable legal systems; changing political conditions; changes in mining and social policies; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or require equity participation by local citizens; and other risks arising out of foreign sovereignty issues, which could have a significant effect on the Resulting Issuer.

Colombia is a developing country and the Resulting Issuer's mineral exploration and mining activities may be affected in varying degrees by political instability and governmental legislation and regulations relating to foreign investment and the mining industry. Changes, if any, in mining or investment policies or shifts in political attitude in Colombia, may adversely affect the Resulting Issuer's operations or profitability. Operations may be affected in varying degrees by: government regulations with respect to, but not limited to, restrictions on production, price controls, exchange controls, export controls, currency remittance, income or other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, local content and ownership, water use and mine safety; and the lack of certainty with respect to foreign legal systems, which may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Resulting Issuer's business, financial condition and results of operations. Furthermore, in the event of a dispute arising from the Resulting Issuer's activities, we may be subject to the exclusive jurisdiction of courts or arbitral proceedings outside of North America which could unexpectedly and adversely affect the outcome of a dispute.

Security and Guerrilla Activity in Colombia

Colombia is home to South America's largest and longest running insurgency and subject to sustained civil unrest due to the activities of guerrilla groups such as nondemobilized groups within the Revolutionary Armed Forces of Colombia (*Fuerzas Armadas Revolucionarias de Colombia*), the National Liberation Army (*Ejército de Liberación Nacional*), paramilitary groups, drug cartels and criminal gangs (*Bacrim*). In remote regions of the country with minimal governmental presence, these groups have exerted influence over the local population and funded their

activities by protecting and rendering services to drug traffickers and participating in drug trafficking activities. Armed conflict between government forces and anti-government insurgent groups and illegal paramilitary groups have been funded by the drug trade, and consequently, Colombia has experienced significant social upheaval and criminal activity. Insurgents have attacked and kidnapped civilians and violent guerrilla activity exists in many parts of the country. Any terrorist activity in Colombia generally may disrupt supply chains and discourage qualified individuals from being involved with the Resulting Issuer's operations.

While the situation has improved in recent years, there can be no guarantee that it will not deteriorate in the future. Any increase in kidnapping, gang warfare, homicide and/or terrorist activity in Colombia generally may disrupt supply chains and discourage qualified individuals from being involved with the Company's operations. There is a risk that the security situation deteriorates, which would impede the Resulting Issuer's ability to advance the Vetas Gold Project and could pose a threat to the employees and contractors of the Resulting Issuer. Should the security situation deteriorate, this could have a material adverse impact on the Resulting Issuer's business, results of operations, financial results and prospects.

Enforcement of Civil Liabilities

The Resulting Issuer's primary assets will be located outside of North America. As a result, it may be difficult for an investor to enforce a judgment obtained in a Canadian court or a court of another jurisdiction of residence predicated upon the civil liability provisions of provincial securities laws or other laws of Canada or the equivalent laws of other jurisdictions outside Canada against those persons. In the event of a dispute arising in respect of the Resulting Issuer's foreign operations, the Resulting Issuer may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or elsewhere. The Resulting Issuer's inability to enforce its contractual rights could have a material adverse effect on its future cash flows, earnings, results of operations and financial condition, as well as its business, assets and prospects.

Environmental Risks and Hazards

The Resulting Issuer's operations are subject to extensive environmental regulations in the jurisdictions in which it operates, including federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Resulting Issuer to comply fully with all Applicable Laws and regulations could have significant adverse effects on the Resulting Issuer, including the suspension or cessation of operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Resulting Issuer at present and social risks may be significant in Colombia.

Climate Conditions and Climate Change

The potential physical impacts of climate change on the Resulting Issuer's exploration projects are highly uncertain and are particular to the geographic circumstances. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. Exploration programs in Colombia require water and a lack of necessary water could disrupt exploration programs and adversely impact future development and mining activities. Climate change is an international concern and as a result poses the risk of changes in government policy including introducing climate change legislation and treaties at all levels of government that could result in increased costs. The trend towards more stringent regulations and carbon-pricing mechanisms aimed at reducing the effects of climate change could impact the Resulting Issuer's decision to pursue future opportunities, or maintain the Resulting Issuer's existing exploration programs, which could have an adverse effect on the Resulting Issuer's business.

Implementation of the Resulting Issuer's Business Plan

The Resulting Issuer's future growth, profitability and cash flows depend upon its ability to successfully implement its business plan, which in turn is dependent upon a number of factors including the Resulting Issuer's ability to derive value based on its current and planned business lines.

There can be no assurance that the Resulting Issuer can successfully derive value on any or all of these business lines in the manner or time period that it expects. Further, achieving these objectives will require investments which may result in short-term costs exceeding short-term revenues and therefore may be dilutive to the Resulting Issuer's earnings. The Resulting Issuer cannot provide any assurance that it will realize, in full or in part, the anticipated benefits that the Resulting Issuer expects its strategies will achieve. The failure to realize those benefits could have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

Moreover, the Resulting Issuer's future success will also depend on its ability to effectively control and/or reduce costs. There is no guarantee that the Resulting Issuer will be able to successfully implement effective cost control systems or otherwise reduce its operating costs, as necessary. If the Resulting Issuer is unable to successfully control its operating costs, it may be forced to discontinue operations.

Competitive Conditions

Competition in the mining industry is strong. As a result of this competition, some of which is with large, well-established companies with substantial capabilities and significant financial and technical resources, Terra Rossa may be unable to compete successfully in the future. There can be no assurance that Terra Rossa will be able to grow or sustain its business in the presence of these competitive conditions.

Additional Capital

The Resulting Issuer plans to focus on further developing and commercializing its operations and will use its working capital to carry out such initiatives. However, this may require substantial additional financing. Further expansion of Terra Rossa's business may be dependent upon its ability to obtain financing through equity or debt, and there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further development of the Resulting Issuer's planned initiatives.

Anti-Money Laundering and Corrupt Business Practices

Terra Rossa may conduct business in regions which have experienced high levels of business corruption and other criminal activity. Terra Rossa and its personnel are required to comply with applicable anti-bribery laws, including the Canadian *Corruption of Foreign Public Officials Act*, as well as local laws in all areas in which Terra Rossa does business. These, among other things, include laws in respect of the monitoring of financial transactions and provide a framework for the prevention and prosecution of corruption offences, including various restrictions and safeguards. However, there can be no guarantee that these laws will be effective in identifying and preventing money laundering terrorism financing and sanctions circumvention and corruption. The failure of some of the governments where Terra Rossa does business to fight corruption or the perceived risk of corruption could have a material adverse effect on the local economies. Any allegations of corruption or evidence of money laundering in those countries could adversely affect ability of those countries to attract foreign investment and thus have a material adverse effect on its economy which in turn could have a material adverse effect on Terra Rossa's business, results of operations and financial condition. Moreover, findings against Terra Rossa, the directors, the officers or the employees of Terra Rossa, or their involvement in corruption or other illegal activity could result in criminal or civil penalties, including substantial monetary fines, against Terra Rossa, the directors, the officers or the employees of Terra Rossa. Any government investigations or other allegations against Terra Rossa, the directors, the officers or the employees of Terra Rossa, or finding of involvement in corruption or other illegal activity by such persons, could significantly damage Terra Rossa's reputation and its ability to do business and could have a material adverse effect on Terra Rossa's business, results of operations and financial condition.

Terra Rossa seeks to implement anti-money laundering (“**AML**”) measures, counter terrorism financing (“**CFT**”), ‘know your client’ (“**KYC**”), sanctions policies, and other policies and procedures that are consistent with Canadian, United States, and applicable foreign laws and regulations surrounding AML matters, foreign corrupt practices and terrorist financing. Nonetheless, Terra Rossa may not be able to prevent illegal or corrupt activity from occurring on or through its services.

Terra Rossa currently does and will in the future rely on third-party service providers to assist it in complying with AML, CFT and sanctions matters, and other corrupt practices legislation, and there can be no assurances that such service provides will detect or prevent all real or potential illegal activity or comply with all aspects of applicable law and regulation. Any failure of Terra Rossa or its service providers to comply with AML, CFT, sanctions, KYC or other foreign corrupt practices legislations or regulations could have a material adverse effect on Terra Rossa’s business, results of operations and financial condition.

International Conflict

Although the Resulting Issuer’s operations and properties are located in Colombia, the Company’s operations and financial performance may be affected by international conflicts including but not limited to, the war between Russia and Ukraine and the conflict between Israel and Hamas in the Middle East. Any further escalation of these conflicts or other conflicts, imposition of sanctions, outbreak of war into other countries or regions or other escalation may have a material adverse effect on the Resulting Issuer’s operations due to, among other factors, the effect on the supply chain, diversion of resources to the conflict, and an increase in the Resulting Issuer’s costs for fuel and other supplies used to carry out its exploration activities. Metal prices continue being impacted by economic and geopolitical concern. Recent hostilities in the Middle East and Europe, and the accompanying international response, has been disruptive to the world economy, with increased volatility in commodity markets, including higher oil and gasoline prices, international trade and financial markets, all of which have a trickle-down effect on supply chains, equipment and construction. There is material uncertainty about the extent to which this conflict will continue to impact economic and financial affairs, as the numerous issues arising from the conflict are in flux and there is the potential for escalation of the conflict both within Europe, the Middle East and globally. The Resulting Issuer continues to monitor the situation, although there is no assurance the Resulting Issuer’s operations will not be adversely affected by geopolitical tensions.

Cybersecurity Risks

Terra Rossa depends on information technology infrastructure and systems (“**IT Systems**”), hosted internally and outsourced, to process, transmit and store electronic data and financial information (including proprietary or confidential information), and manage business operations. Its business requires the appropriate and secure utilization of sensitive, confidential or personal data or information belonging to its employees, customers and partners. In addition, proprietary or confidential information may be stored on IT Systems of Terra Rossa’s suppliers, customers and partners. Increased global cybersecurity vulnerabilities, threats and more sophisticated and targets cyber-related attacks pose a risk to the security of Terra Rossa’s and its customers’, partners’, suppliers’ and third-party service providers’ IT Systems and the confidentiality, availability and integrity of Terra Rossa’s and its customers’ and partners’ data or information. While Terra Rossa has made investments seeking to address these threats, including monitoring of networks and systems, hiring of experts, employee training and security policies for employees, it may face difficulties in anticipating and implementing adequate preventative measures and remain potentially vulnerable. Terra Rossa must rely on its own safeguards as well as the safeguards put in place by its suppliers, customers and partners to mitigate the threats. Its internal systems are audited for cybersecurity vulnerabilities by third party security firms to ensure Terra Rossa is prepared for new and emerging threats. Its suppliers, customers and partners have varying levels of cybersecurity expertise and safeguards, most have yearly compliance audits that are available upon request.

An IT System failure or non-availability, cyber-attack or breach of systems security could disrupt its operations, cause the loss of, corruption of, or unauthorized access to sensitive, confidential or personal data or information or expose it to regulatory investigation, litigation or contractual penalties. Terra Rossa’s customers, partners or governmental authorities may question the adequacy of cybersecurity processes and procedures and this could have a negative impact on existing business or future opportunities. Furthermore, given the highly evolving nature of cybersecurity threats or

disruptions and their increased frequency, the impact of any future incident cannot be easily predicted or mitigated, and the costs related to such threats or disruptions may not be fully insured or indemnified by other means.

Financing Risks

The Resulting Issuer may require financing in the future to continue to develop its business. As at the Effective Time, it is expected that the Resulting Issuer will have sufficient cash and cash equivalents, although the Resulting Issuer has no source of operating cash flow and no assurance that additional funding will be available to it for exploration and development of its property. If financing is obtained by issuing Resulting Issuer Common Shares, control of the Resulting Issuer may change, and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments, and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Resulting Issuer.

Currency Risks and Inflation in Colombia

The Resulting Issuer's equity financings will be sourced in Canadian dollars and the Resulting Issuer will incur expenditures in Canadian dollars and Colombian pesos. At this time there are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the Colombian peso could have an adverse effect on the Resulting Issuer's operations. Additionally, Colombia has in the past experienced double digit rates of inflation. If Colombia experiences substantial inflation in the future, the Resulting Issuer's costs in Colombian peso terms will increase significantly, subject to movements in applicable exchange rates. Inflationary pressures may also curtail the Resulting Issuer's ability to access global financial markets in the longer term and its ability to fund planned capital expenditures, and could materially adversely affect the Resulting Issuer's business, financial condition and results of operations. The Colombian government's response to inflation or other significant macro-economic pressures may include the introduction of policies or other measures that could increase the Resulting Issuer's costs, reduce operating margins and materially adversely affect its business, financial condition and results of operations.

Global Financial Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing. These conditions may affect the Resulting Issuer's ability to obtain equity or debt financing in the future on terms favourable to the Resulting Issuer or at all. If such conditions continue, the Resulting Issuer's operations could be negatively impacted. Financial and securities markets in Colombia are influenced by the economic and market conditions in other countries, including other South American emerging market countries. Although economic conditions in these countries may differ significantly from economic conditions in Colombia, international investors' reactions to developments in these other countries, may substantially affect capital inflows into the Colombian economy, and the market value of securities of issuers with operations in Colombia.

Pandemics or Other Health Crisis

The Resulting Issuer's business, operations and financial condition could be materially adversely affected by the outbreak of pandemics or other health crises, such as the outbreak of COVID-19 that was designated as a pandemic by the World Health Organization on March 11, 2020. Such public health crises can result in operating, supply chain and project development delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and supply shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit risk and inflation. In addition, any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions which may adversely impact the Resulting Issuer's operations, and the operations of suppliers, contractors and service providers.

The Resulting Issuer may experience business interruptions, including suspended (whether government mandated or otherwise) or reduced operations relating to a public health crisis and other such events outside of its control, which could have a material adverse impact on its business, operations and operating results, financial condition and liquidity.

Insurance and Uninsured Risks

The Resulting Issuer's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, disputes, and changes in the regulatory environment. Such occurrences could result in damage to production facilities, personal injury or death, monetary losses and possible legal liability.

Although the Resulting Issuer may maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a Resulting Issuer's operations. The Resulting Issuer may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Audit of Tax Filings

The Resulting Issuer's taxes may be affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Resulting Issuer's filing position, application of tax incentives or similar 'holidays' or benefits were to be challenged for whatever reason, this could have a material adverse effect on its business, results of operations and financial condition. The Resulting Issuer may be subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Resulting Issuer's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Resulting Issuer's business. There is no assurance that the Resulting Issuer's current financial condition will not be materially and adversely affected in the future due to such changes. In addition, the Resulting Issuer may be subject to different taxes imposed by the Colombia government, and changes within such tax legal and regulatory framework may have an adverse effect on the Resulting Issuer's financial results.

Market for the Resulting Issuer Common Shares

There can be no assurance that an active market for the Resulting Issuer Common Shares will develop or be sustained. If an active public market for the Resulting Issuer Common Shares does not develop, the liquidity of a purchaser's investment may be limited, and the share price may decline.

Market Price of the Resulting Issuer Common Shares

The Resulting Issuer Common Shares do not currently trade on any exchange or market. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The price of the Resulting Issuer Common Shares is also likely to be significantly affected by short-term changes the market's appetite for mining companies or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Resulting Issuer's performance that may have an effect on the price of the Resulting Issuer Common Shares include the following: (i) the extent of analytical coverage available to investors concerning the Resulting Issuer's business may be limited if investment banks with research capabilities do not follow the Resulting Issuer's securities; (ii) lessening in trading volume and general market interest in the Resulting Issuer's securities may affect an investor's ability to trade significant numbers of the Resulting Issuer Common Shares; (iii) the size of the Resulting Issuer's public float may limit the ability of some institutions to invest in the Resulting Issuer's securities; and (iv) a substantial decline in the price of the Resulting Issuer Common Shares that persists for a significant period of time could cause the Resulting Issuer's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Resulting Issuer Common Shares at any given point in time may not accurately reflect the Resulting Issuer's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Resulting Issuer

may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The fact that no market currently exists for the Resulting Issuer Common Shares may affect the pricing of the Resulting Issuer Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Resulting Issuer Common Shares and the extent of the regulations to which the Resulting Issuer is subject.

Dividend Policy

No dividends on the Resulting Issuer Common Shares have been paid by the Resulting Issuer to date. Investors in the Resulting Issuer's securities cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is unlikely that investors will receive any return on their investment in the Resulting Issuer's securities other than through possible share price appreciation.

Acquisitions and Integration

From time to time, it can be expected that the Resulting Issuer will examine opportunities to acquire additional related assets and businesses. Any acquisition that the Resulting Issuer may choose to complete may be of a significant size, may change the scale of the Resulting Issuer's business and operations, and may expose the Resulting Issuer to new operating and financial risks. The Resulting Issuer's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Resulting Issuer. Any acquisitions would be accompanied by risks. In the event that the Resulting Issuer chooses to raise debt capital to finance any such acquisitions, the Resulting Issuer's leverage will be increased. If the Resulting Issuer chooses to use equity as consideration for such acquisitions, existing shareholders may suffer dilution. Alternatively, the Resulting Issuer may choose to finance any such acquisitions with its existing resources. There can be no assurance that the Resulting Issuer would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Dilution

While the Resulting Issuer believes that it is well financed to carry out its proposed business plans in the near term, the Resulting Issuer may require additional monies to fund research and development programs and potential acquisitions. The Resulting Issuer cannot predict the size of future issuances of the Resulting Issuer Common Shares or the issuance of debt instruments or other securities convertible into Resulting Issuer Common Shares. Likewise, the Resulting Issuer cannot predict the effect, if any, that future issuances and sales of the Resulting Issuer's securities will have on the market price of the Resulting Issuer Common Shares. If the Resulting Issuer raises additional funds by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. Sales of substantial numbers of the Resulting Issuer Common Shares, or the availability of such Resulting Issuer Common Shares for sale, could adversely affect prevailing market prices for the Resulting Issuer's securities.

Risk of Litigation

The Resulting Issuer may become involved in disputes with other parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty. If the Resulting Issuer is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Resulting Issuer to carry out its business plan.

Reliance on Key Personnel

The Resulting Issuer's development will depend on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Resulting Issuer's business. Further, with respect to future development of the Resulting Issuer's projects, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Resulting Issuer's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Resulting Issuer's ability to employ the specific

personnel required. Due to the relatively small size of the Resulting Issuer, the failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Resulting Issuer's business, results of future operations and financial condition. The Resulting Issuer does not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Resulting Issuer has a very limited history of operations and has not made any assessment as to the effectiveness of its internal controls. Though the Resulting Issuer intends to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, there are limited internal controls currently in place.

In contrast to the certificate required for non-venture issuers under NI 52-109, the Resulting Issuer's certifying officers, as a venture issuer, are not required to make representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers of the Resulting Issuer will not be required to make any representations that they have:

- (a) designed, or caused to be designed, DC&P to provide reasonable assurance that information required to be disclosed by the Resulting Issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (b) designed, or caused to be designed, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer also serve as directors and/or officers of other companies involved in the natural resources sector and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Resulting Issuer should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Resulting Issuer and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the BCBCA and other Applicable Laws.

Use of Available Funds

The Resulting Issuer's management will have broad discretion in using the available funds following the Transaction in ways that it deems most efficient. The application of the funds to various items may not benefit the business or increase its value. If funds are not applied effectively, this misapplication could adversely affect its business, results of operations and financial condition.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Resulting Issuer's objective in managing liquidity risk will be to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of

acquisitions and/or other development or construction projects is not currently determinable and it is not currently known precisely when the Resulting Issuer will require external financing in future periods.

Share Price Fluctuations

In recent years, securities markets have experienced a high level of price and volume volatility. The securities of many companies have experienced wide fluctuations in market prices which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Assuming the Resulting Issuer Common Shares are listed on the TSXV, there can be no assurance that the price of the Resulting Issuer Common Shares will be unaffected by any such volatility.

PART V: GENERAL MATTERS

ITEM 39: SPONSORSHIP AND AGENT RELATIONSHIP

Terra Rossa and Baroyeca have applied to the TSXV for an exemption from the sponsorship requirement in connection with its application to list the Resulting Issuer Common Shares on the TSXV. While Terra Rossa and Baroyeca believe the Resulting Issuer qualifies for an exemption, there can be no assurance that the exemption will be granted by the TSXV.

ITEM 40: EXPERTS

De Visser Gray LLP is the auditor for Terra Rossa and is independent with respect to Terra Rossa within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia. WDM Chartered Professional Accountants, is the auditor for Baroyeca and is independent with respect to Baroyeca within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Alfonso Rodriguez, M. Sc. P. Geo. (BC) prepared the Geological Report referred to in this Filing Statement. Mr. Rodriguez a “qualified person” for the purposes of NI 43-101 and is independent of Terra Rossa, and has reviewed, verified and approved the technical and scientific disclosure contained in this Filing Statement.

Certain legal matters relating to the Transaction will be passed upon Terra Rossa’s behalf by McMillan LLP. Based on security holdings as of the date hereof, the partners and associates of McMillan LLP will not hold any of the Terra Rossa Shares, Baroyeca Shares or the Resulting Issuer Common Shares on the Completion Date. Certain legal matters relating to the Transaction will be passed upon Baroyeca’s behalf by Farris LLP. Based on security holdings as of the date hereof, the partners and associates of Farris LLP will not hold any of the Terra Rossa Shares, Baroyeca Shares or the Resulting Issuer Common Shares on the Completion Date.

ITEM 41: OTHER MATERIAL FACTS

There are no other material facts in respect of the securities to be listed that are not disclosed in this Filing Statement, or the documents incorporated herein by reference and that are necessary in order for this Filing Statement to contain full, true and plain disclosure of all material facts relating to the securities to be listed.

ITEM 42: BOARD APPROVAL

The Baroyeca Board and the Terra Rossa Board have approved this Filing Statement.

PART VI: FINANCIAL STATEMENT REQUIREMENTS

ITEM 43: FINANCIAL STATEMENTS OF THE ISSUER

Included as Appendix “D” to this Filing Statement are the following financial statements of Baroyeca:

- (a) audited annual financial statements for the years-ended May 31, 2024 and 2023; and
- (b) unaudited interim financial statements for the nine-month period ended February 28, 2025.

ITEM 44: FINANCIAL STATEMENTS OF TERRA ROSSA

Included as Appendix “B” to this Filing Statement are the following financial statements of Terra Rossa:

- (a) audited annual financial statements for the years ended December 31, 2024, 2023, and 2022; and
- (b) unaudited interim financial statements for the six-month period ended June 30, 2025.

ITEM 45: TERRA ROSSA ACQUISITIONS OR PROPOSED ACQUISITIONS OF OTHER BUSINESSES

Terra Rossa has not completed any significant acquisitions requiring disclosure under this Item.

ITEM 46: FINANCIAL STATEMENTS OF THE RESULTING ISSUER

Included as Appendix “F” to this Filing Statement are the Pro Forma Financial Statements of the Resulting Issuer (Unaudited) and the notes thereto.

Assuming completion of the Transaction, the following table sets out certain unaudited *pro forma* financial information for the Resulting Issuer. The following information should be read in conjunction with the Resulting Issuer Pro Forma Financial Statements set forth in this Filing Statement. See “Appendix “F” – Pro Forma Financial Statements of the Resulting Issuer (Unaudited)”.

Item	Baroyeca (as at February 28, 2025) (\$)	Terra Rossa (as at June 30, 2025) (\$)	Resulting Issuer Pro Forma Consolidation (\$)
Current Assets	459,067	1,164,286	4,568,353
Total assets	459,067	8,034,191	11,438,258
Current Liabilities	316,783	41,399	358,182
Total liabilities	316,783	359,588	676,371
Shareholders’ Equity (Deficit)	142,284	(6,847,530)	9,596,626

CERTIFICATES

Certificate of Terra Rossa

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Filing Statement and of any material fact not otherwise required to be disclosed under an item of this Filing Statement.

Dated: September 29, 2025.

/s/ "Patrick Downey"

/s/ "Latika Prasad"

Chief Executive Officer

Corporate Secretary

On Behalf of the Board of Directors of Terra Rossa

/s/ "Michael Halvorson"

/s/ "Michele Jones"

Director

Director

Certificate of Baroyeca

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Filing Statement and of any material fact not otherwise required to be disclosed under an item of this Filing Statement.

Dated: September 29, 2025.

/s/ "Richard Wilson"

/s/ "Douglas Eacrett"

Chief Executive Officer

Chief Financial Officer

On Behalf of the Board of Directors of Baroyeca

/s/ "Sherman Dahl"

/s/ "William T. Carr"

Director

Director

Acknowledgement – Personal Information

“Personal Information” means any information about an identifiable individual.

Terra Rossa represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the TSXV of the Personal Information contained in or submitted pursuant to this Filing Statement for the purposes described in Appendix “A” to this Filing Statement.

Dated: September 29, 2025.

/s/ “Patrick Downey”

Chief Executive Officer and Director

Baroyeca represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the TSXV of the Personal Information contained in or submitted pursuant to this Filing Statement for the purposes described in Appendix “A” to this Filing Statement.

Dated: September 29, 2025.

/s/ “Richard Wilson”

Chief Executive Officer and Director

APPENDIX "A"
FORM 2B PERSONAL INFORMATION COLLECTION POLICY

Collection, Use and Disclosure

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including the TSXV and Toronto Stock Exchange, (collectively referred to as the "Exchange") collect the information contained in or submitted pursuant to Form 2B (which may include personal, confidential, non-public or other information) and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Applicant,
- to consider the eligibility of the Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Applicant, or its associates or affiliates, including information as to such individuals' involvement with any other reporting issuers
- to detect and prevent fraud, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the capital markets in Canada.

Personal Information the Exchange collects may also be disclosed:

- (a) to securities regulators and regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, and each of their subsidiaries, affiliates, regulators and authorized agents, for the purposes described above, and these agencies and organizations may use the information in their own investigations;
- (b) on the Exchange's website or through printed materials published by or pursuant to the directions of the Exchange for the purposes described above; and
- (c) as otherwise permitted or required by law.

The Exchange may from time to time use third parties to process information or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers for the purposes described above.

Questions

If you have any questions or enquiries regarding the policy outlined above or about our privacy practices, please send a written request to: Chief Privacy Officer, TMX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2.

APPENDIX "B"
FINANCIAL STATEMENTS OF TERRA ROSSA

See attached.

TERRA ROSSA GOLD LTD.

Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)
(Unaudited)

TERRA ROSSA GOLD LTD.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)
AS AT

	June 30, 2025	December 31, 2024
	\$	\$
Assets		
Current Assets		
Cash	1,027,849	1,401,759
Amounts receivable	70,868	69,977
Prepays	15,569	85,725
Investment (Note 5)	50,000	50,000
	1,164,286	1,607,461
Right-of-use assets (Note 6)	30,822	43,831
Exploration and evaluation assets (Note 4)	6,839,083	6,838,864
Total Assets	8,034,191	8,490,156
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	13,709	50,454
Lease liabilities (Note 6)	27,690	25,128
	41,399	75,582
Lease liabilities (Note 6)	6,473	20,744
Remediation liabilities (Note 7)	311,716	304,134
	359,588	400,460
Equity		
Share capital (Note 9)	13,737,176	13,737,176
Reserves (Note 10)	649,957	631,480
Obligation to issue shares (Note 3)	135,000	-
Deficit	(6,847,530)	(6,278,960)
	7,674,603	8,089,696
Total Liabilities & Equity	8,034,191	8,490,156

Nature and continuance of operations (Note 1)

Approved by the Board of Directors and authorized for issue on September 26, 2025:

"Michele Jones"
Michele Jones, Director

"Patrick Downey"
Patrick Downey, Director

See accompanying notes to the condensed consolidated interim financial statements

TERRA ROSSA GOLD LTD.

Condensed Consolidated Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
EXPENSES				
Consulting	\$ 15,000	\$ -	\$ 30,000	\$ 15,000
Depreciation	6,338	6,198	13,009	13,068
Exploration expenditures	106,772	28,959	184,944	43,799
Filing fees	5,000	-	5,000	-
Finance expense (Note 6)	3,914	556	5,248	1,381
Foreign exchange	(60,785)	14,626	(42,594)	16,255
Office and miscellaneous	19,894	13,691	25,910	29,398
Professional fees	158,235	29,803	284,124	84,244
Property consulting fees	5,416	-	48,469	-
Share-based payments (Note 10)	-	-	18,477	18,717
Travel	(4,757)	-	(4,017)	-
Net and comprehensive loss for the period	\$ (255,027)	\$ (93,833)	\$ (568,570)	\$ (221,862)
Basic and diluted loss per common	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding	54,696,600	54,696,600	54,696,600	54,696,600

See accompanying notes to the condensed consolidated interim financial statements

TERRA ROSSA GOLD LTD.

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited - Expressed in Canadian dollars)

	Number of shares	Share capital \$	Reserves \$	Obligation to issue shares \$	Deficit	Total Equity \$
December 31, 2023	54,696,600	13,737,176	559,083	-	(5,600,909)	8,695,350
Share-based payments	-	-	18,717	-	-	18,717
Net loss for the period	-	-	-	-	(221,862)	(221,862)
June 30, 2024	54,696,600	13,737,176	577,800	-	(5,822,771)	8,492,205
Share-based payments	-	-	53,680	-	-	53,680
Net loss for the period	-	-	-	-	(456,189)	(456,189)
December 31, 2024	54,696,600	13,737,176	631,480	-	(6,278,960)	8,089,696
Share-based payments	-	-	18,477	-	-	18,477
Obligation to issue shares	-	-	-	135,000	-	135,000
Net loss for the period	-	-	-	-	(568,570)	(568,570)
June 30, 2025	54,696,600	13,737,176	649,957	135,000	(6,847,530)	7,674,603

See accompanying notes to the condensed consolidated interim financial statements

TERRA ROSSA GOLD LTD.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)
FOR THE SIX MONTHS ENDED JUNE 30,

	2025	2024
	\$	\$
Cash provided by (used in):		
Operating activities		
Net loss for the period	(568,570)	(221,862)
Items not involving the use of cash:		
Depreciation	13,009	13,068
Finance expense	3,201	1,381
Share-based payments	18,477	18,717
Foreign exchange	8,795	(6,820)
Changes in non-cash operating capital:		
Amounts receivable	(891)	23,104
Prepays	70,156	(3,828)
Accounts payable and accrued liabilities	(36,745)	(84,893)
Cash used in operating activities	(492,568)	(261,133)
Financing activities		
Obligation to issue shares	135,000	-
Lease payments	(16,342)	(15,733)
Cash provided by (used in) financing activities	118,658	(15,733)
Net change in cash	(373,910)	(276,866)
Cash, beginning of the period	1,401,759	2,126,473
Cash, end of the period	1,027,849	1,849,607

There were no supplementary disclosures for the periods ended June 30, 2025 and 2024.

See accompanying notes to the condensed consolidated interim financial statements

TERRA ROSSA GOLD LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2025 and 2024

1) NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the *Business Corporations Act* (British Columbia) on April 1, 2010 and its principal activity is the acquisition and exploration of mineral properties. The address of the Company's corporate office is 3381 Fairmont Road, North Vancouver, BC, V7R 2W7.

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has no source of operating income and is dependent upon financing from related parties and/or subscribers for common shares. At present the common shares of the Company do not trade on any public market and hence their value and liquidity cannot be readily determined. The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise additional financing to maintain its working capital.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral property interests. The recoverability of amounts incurred on exploration and evaluation properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these exploration and evaluation properties, and establish future profitable production, or realize proceeds from the disposition of exploration and evaluation properties. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the condensed consolidated interim statements of financial position.

2) MATERIAL ACCOUNTING POLICY INFORMATION

a) Statement of Compliance

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

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared under the historical cost convention using the accrual basis of accounting, except for cash flow information, and modified as required for the revaluation of derivative financial liabilities at fair value through profit or loss.

The accounting policies set out below have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

TERRA ROSSA GOLD LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2025 and 2024

2) MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

c) Use of judgements and estimates

The preparation of these condensed consolidated interim financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are regularly evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following are the most significant accounting judgments and estimates that the Company has made in the preparation of these condensed consolidated interim financial statements.

Critical judgements in applying accounting policies:

- The determination that there are no pervasive indicators which would require an impairment provision in connection with the carrying value of the company's exploration and evaluation assets.
- The determination that the Company will continue as a going concern for the next year.
- The functional currency of the Company and its subsidiary entities.
- Whether the acquisition of an entity constitutes a business under the definition of IFRS 3 *Business combinations*.
- Recoverability of taxes and other receivables.

Critical estimates in applying accounting policies:

- Fair value of share-based payments.
- Valuation of marketable securities (Note 5).
- Valuation of equity instruments issued with transferability restrictions.
- Deferred income tax asset valuation allowances.
- Variables with respect to the measurement of remediation liabilities (Note 7).

d) Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally 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 group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions are eliminated. Profits and losses resulting from intercompany transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Company.

The condensed consolidated interim financial statements include financial statements of Terra Rossa Gold Ltd., the parent company, TRG USA Inc., its wholly owned US subsidiary incorporated under the laws of the State of Nevada, USA and Minera Vetás Limited ("Minera Vetás"), its wholly owned subsidiary incorporated in the British Virgin Islands. The principal activity of both parent and its subsidiaries is mineral exploration.

TERRA ROSSA GOLD LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2025 and 2024

3) AMALGAMATION AGREEMENT

On October 30, 2024, the Company entered into an amalgamation agreement (the “Transaction”) with Baroyeca Gold & Silver Inc. (“Baroyeca Gold”) in which shareholders of the Company will receive shares of Baroyeca Gold in exchange for all of the issued and outstanding shares of the Company. The transaction will result in a reverse takeover of Baroyeca Gold whereby the Company, substantively and for accounting purposes, is considered to be the acquiring and continuing entity. The Company will complete a concurrent financing in connection with the Transaction. The Company received \$135,000 related to the concurrent financing during the six months ended June 30, 2025, which has been recorded as an obligation to issue shares.

As at June 30, 2025, the Transaction has not been completed.

4) EXPLORATION AND EVALUATION ASSETS

Minera Vetas, Colombia

On November 16, 2020 (the “Effective Date”), and subsequently amended on March 11, 2022 and June 9, 2022, the Company entered into an option agreement to purchase 100% shares in Minera Vetas, a private company which holds a 100% undivided interest in the Minera Vetas Property, comprised of nine core concessions, in Santander, Colombia.

The Minera Vetas Property is subject to the following royalties:

- a) \$5 per ounce of Measured and Indicated resources reported in 43-101 compliant technical reports payable to the original Colombian vendors.
- b) 4% NSR royalty payable to the Colombian state calculated at 80% of the gold price for an effective royalty of 3.2%.

As per the June 9, 2022 amendment, the Company has completed the following commitments:

- a) Pay \$250,000 USD (\$324,010 CDN) in cash to the optionor (paid during the year ended December 31, 2020);
- b) incur \$500,000 USD of exploration expenditures on the property on or before 18 months from the Effective Date (completed);
- c) pay \$500,000 USD in cash to the optionor on or before March 11, 2022 (paid during the year ended December 31, 2022);
- d) pay \$1,250,000 USD (\$1,250,000 USD paid June 9, 2022); and
- e) issue 10,900,000 common shares of the Company (issued June 9, 2022) subject to certain transfer restrictions.

On June 9, 2022, the Company executed its option on Minera Vetas by completing its cash payments and issuance of common shares whereupon it acquired 100% of the outstanding shares of Minera Vetas.

At the time of acquisition, Minera Vetas was subject to two property negotiations with respect to legacy option agreements:

- 1) Mataperro Claim: Minera Vetas, prior to June 9, 2022, had terminated an option agreement over which the vendors disputed the requirement to make additional payments. During the six months ended June 30, 2025, the Company entered into a transaction agreement to settle and resolve the lawsuit.
- 2) San Marcos Option: On January 24, 2025, the court’s ruling was in favour of Minera Vetas. The plaintiff paid Minera Vetas procedural expenses of approximately \$3,142 USD.

TERRA ROSSA GOLD LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2025 and 2024

5) INVESTMENT

The Company has invested \$75,000 through the purchase of common shares in a private company. At every reporting period, these investments are valued at fair value based on upon quoted prices in active markets and when that information is not available, estimates are made by management using inputs from observable market data, the underlying company's recently completed equity financing, equity issuance and/or equity investments made by a third party. Changes in these assumptions and inputs could affect the reported fair value of these financial instruments. The investment requires Level 3 measurement techniques to estimate fair value at reporting periods. At June 30, 2025, the common shares had a fair value of \$50,000.

6) RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets	
	\$
Balance, December 31, 2023	18,775
Additions	50,021
Depreciation	(24,965)
Balance, December 31, 2024	43,831
Depreciation	(13,009)
Balance, June 30, 2025	30,822
Lease liabilities	
	\$
Balance, December 31, 2023	24,011
Additions	50,021
Finance expense	3,738
Payments	(32,017)
Foreign exchange	119
Balance, December 31, 2024	45,872
Finance expense	3,201
Payments	(16,342)
Foreign exchange	1,432
Balance, June 30, 2025	34,163
Current (less than one year)	27,690
Long-term	6,473

The Company's right-of-use assets include the use of a warehouse in Bogota, house in the municipality of Vetas and a warehouse in Giron.

The Company has applied an incremental borrowing rate of 16.2%. The undiscounted lease payments are as follows:

Lease commitments	
	\$
2025	15,082
2026	22,623

TERRA ROSSA GOLD LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2025 and 2024

7) REMEDIATION LIABILITIES

The Company has recognized remediation of environmental liabilities of the Minera Vetas Property. The estimate is reviewed periodically based on the environmental management plans in force which have been evaluated by local Colombian regulatory authorities and based on the current status of the project.

The total amount of estimated undiscounted cash flows required to settle the Company's estimated obligation is \$357,565 which has been discounted using a pre-tax risk-free rate of 9.50% and inflation rate of 3%. The present value of the decommissioning liabilities may be subject to change based on management's current estimates, changes in remediation requirements or changes to the applicable laws and regulations. Such changes will be recorded in the accounts of the Company as they occur.

8) RELATED PARTY TRANSACTIONS

The key management personnel of the Company include the directors and officers of the Company including the Chief Executive Officer, Chief Financial Officer and Corporate Secretary.

During the six months ended June 30, 2025, \$30,000 was paid or accrued to the Corporate Secretary (2024 - \$15,000).

Share-based payments attributable to directors and officers for stock options granted, vested or modified in the period ended June 30, 2025 was \$18,477 (2024 - \$18,717).

As at June 30, 2025, there was amounts due to related parties included in accounts payable and accrued liabilities of \$nil (December 31, 2024 - \$5,000).

Payments to related parties were made in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

9) SHARE CAPITAL

The authorized share capital of the Company consists of an unlimited number of common shares.

The company did not issue any shares during the period ended June 30, 2025 and the year ended December 31, 2024.

TERRA ROSSA GOLD LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2025 and 2024

10) RESERVES**Share purchase warrants**

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2023 and 2024 and June 30, 2025	4,092,000	0.70

At June 30, 2025, the Company had the following outstanding share purchase warrants:

Number of Warrants	Exercise price	Expiry Date
4,092,000	\$0.70	April 7, 2026 ⁽¹⁾

(1) The expiry of these warrants was extended from April 7, 2025 to April 7, 2026.

The weighted average remaining life of the outstanding share purchase warrants, as at June 30, 2025 was 0.77 years (December 31, 2024 – 0.27 years).

Stock option plan

The Company has a share-based compensation plan under which stock options are issued as determined by the Board of Directors and subject to the provisions of the Plan. The Company recognizes the compensation expense under the Plan, which requires the recognition of expense for share-based compensation on their fair value on the measurement date. The maximum number of shares that may be reserved for issuance under the Plan is a rolling number not to exceed 10% of the issued and outstanding shares of the Company at the time of the stock option grant.

Stock options

	Number of stock options	Weighted average exercise price \$
Balance, December 31, 2023	1,650,000	0.20
Forfeited	<u>(150,000)</u>	0.20
Balance, December 31, 2024 and June 30, 2025	1,500,000	0.20

At June 30, 2025, the Company had the following outstanding stock options:

Number of Options	Exercise price	Expiry Date
250,000	\$0.20	March 1, 2026 ⁽¹⁾
750,000	\$0.20	July 15, 2026 ⁽²⁾
500,000	\$0.20	March 24, 2027
<u>1,500,000</u>		

(1) The expiry of these options was extended from March 1, 2025 to March 1, 2026.

(2) The expiry of these options was extended from July 15, 2025 to July 15, 2026.

TERRA ROSSA GOLD LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2025 and 2024

10) RESERVES *(continued)***Stock options** *(continued)*

The weighted average remaining life of the outstanding stock options granted, as at June 30, 2025 was 1.21 years (December 31, 2024 – 1.04 years).

Share-based payments

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options granted:

	June 30, 2025	December 31, 2024
Risk-free interest rate	2.57%	3.89%
Expected life of option	1 year	1 year
Expected annualized volatility	95%	95%
Dividend	0%	0%

During the year ended December 31, 2024, the Company extended the maturity of 750,000 stock options for a period of one year. This resulted in additional stock-based compensation expense of \$53,680. The weighted average assumptions used for the Black-Scholes valuation of amended options were annualized volatility of 95%, risk-free interest rate of 3.82%, expected life of 1 year and a dividend rate of Nil%.

During the year ended December 31, 2024, the Company extended the maturity of 250,000 stock options for a period of one year. This resulted in additional stock-based compensation expense of \$18,717. The weighted average assumptions used for the Black-Scholes valuation of amended options were annualized volatility of 95%, risk-free interest rate of 4.10%, expected life of 1 year and a dividend rate of Nil%.

During the six months ended June 30, 2025, the Company extended the maturity of 250,000 stock options for a period of one year. This resulted in additional stock-based compensation expense of \$18,477. The weighted average assumptions used for the Black-Scholes valuation of amended options were annualized volatility of 95%, risk-free interest rate of 2.57%, expected life of 1 year and a dividend rate of Nil%.

11) CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash balances to cover operating costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements.

TERRA ROSSA GOLD LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 2025 and 2024

12) FINANCIAL INSTRUMENT RISKS

The Company's financial instruments are exposed to the following risks:

Credit Risk

The Company's primary exposure to credit risk is the risk of illiquidity of cash amounting to \$1,027,849 at June 30, 2025 (December 31, 2024 - \$1,401,759). The Company's policy is to keep cash holdings with major Canadian banks and to use reputable foreign banks and keeping balances in foreign jurisdictions to a manageable amount. As at June 30, 2025, the credit risk is considered by management to be low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet operating requirements. As at June 30, 2025, the Company had working capital of \$1,122,887 (December 31, 2024 - \$1,531,879). The Company does not generate revenues and is reliant on capital investments to finance operations once current resources have been depleted.

Foreign Exchange Risk

The Company incurs expenses in Colombia in Colombian Peso ("COP") which requires the use of the United States dollar ("USD") and COP. The carrying amounts of the Company's foreign currency denominated financial instruments are as follows:

Canadian dollar equivalent of COP financial instruments	
	\$
Cash	6,139
Receivables	9,178
Accounts payable and accrued liabilities	(4,260)

Based on the balances held as at June 30, 2025, a 10% increase (decrease) in the COP to the Canadian dollar exchange rates on this date would have resulted in a decrease (increase) in the net loss for the year of approximately \$1,105.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash. Interest income is not significant to the Company's operating plan and is not a significant risk to the Company.

Fair Value of Financial Instruments

The Company's financial instruments comprise cash, receivables, investment, and accounts payable and accrued liabilities.

Cash and receivables are classified as amortized cost. Amortized cost approximates fair market value due to the short-term nature of the balances. Balances that relate to income or indirect taxes payable or receivable are not considered financial instruments.

Investments are classified as fair value through profit and loss and are recorded in the condensed consolidated interim financial statements at estimated fair value. As at June 30, 2025, the Company's investments consist of common shares in a private company which the Company values using Level 3 inputs (Note 5).

Accounts payable and accrued liabilities are recorded in the condensed consolidated interim financial statements at amortized cost. The fair value of these instruments approximates the carrying value due to the short-term nature of these instruments.

TERRA ROSSA GOLD LTD.

Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Terra Rossa Gold Ltd,

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Terra Rossa Gold Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards ("IFRS").

Basis for Opinion

We conducted our 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 continued operations of the Company and further exploration is dependent upon its ability to obtain additional financing. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

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

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

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

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

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

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

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

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.

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

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

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC, Canada
June 9, 2025

TERRA ROSSA GOLD LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
AS AT DECEMBER 31,

	2024	2023
	\$	\$
Assets		
Current Assets		
Cash	1,401,759	2,126,473
Amounts receivable	69,977	93,270
Prepays	85,725	12,286
Investments (Note 4)	50,000	75,000
	1,607,461	2,307,029
Right-of-use assets (Note 5)	43,831	18,775
Exploration and evaluation assets (Note 3)	6,838,864	6,838,864
Total Assets	8,490,156	9,164,668
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 7)	50,454	116,501
Lease liabilities (Note 5)	25,128	24,011
	75,582	140,512
Lease liabilities (Note 5)	20,744	-
Remediation liabilities (Note 6)	304,134	328,806
	400,460	469,318
Equity		
Share capital (Note 8)	13,737,176	13,737,176
Reserves (Note 9)	631,480	559,083
Deficit	(6,278,960)	(5,600,909)
	8,089,696	8,695,350
Total Liabilities & Equity	8,490,156	9,164,668

Nature and continuance of operations (Note 1)
Subsequent events (Note 13)

Approved by the Board of Directors and authorized for issue on June 9, 2025:

"Michele Jones"
Michele Jones, Director

"Patrick Downey"
Patrick Downey, Director

See accompanying notes to the consolidated financial statements

TERRA ROSSA GOLD LTD.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31,

	2024	2023
	\$	\$
Operating costs and expenses		
Accretion (Note 6)	(10,251)	245
Consulting	47,583	69,953
Depreciation	24,965	22,234
Exploration expenditures	168,616	139,492
Finance expense (Note 5)	3,738	4,017
Foreign exchange	22,066	64,303
Loss on investment (Note 4)	25,000	-
Office and miscellaneous	64,545	25,348
Professional fees	243,513	155,227
Property consulting costs	4,852	31,306
Share-based payments (Note 9)	72,397	54,138
Travel	11,027	11,762
Net and comprehensive loss for the year	(678,051)	(578,025)
Weighted average number of common shares outstanding	54,696,600	54,696,600
Basic and diluted loss per share	(0.01)	(0.01)

See accompanying notes to the consolidated financial statements

TERRA ROSSA GOLD LTD.Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Number of shares	Share capital \$	Reserves \$	Deficit \$	Total Equity \$
December 31, 2022	54,696,600	13,737,176	504,945	(5,022,884)	9,219,237
Share-based payments	-	-	54,138	-	54,138
Net loss for the year	-	-	-	(578,025)	(578,025)
December 31, 2023	54,696,600	13,737,176	559,083	(5,600,909)	8,695,350
Share-based payments	-	-	72,397	-	72,397
Net loss for the year	-	-	-	(678,051)	(678,051)
December 31, 2024	54,696,600	13,737,176	631,480	(6,278,960)	8,089,696

See accompanying notes to the consolidated financial statements

TERRA ROSSA GOLD LTD.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31,

	2024	2023
	\$	\$
Cash provided by (used in):		
Operating activities		
Net loss for the year	(678,051)	(578,025)
Items not involving the use of cash:		
Accretion	(10,251)	245
Depreciation	24,965	22,234
Finance expense	3,738	4,017
Share-based payments	72,397	54,138
Foreign exchange	(14,302)	65,762
Unrealized loss on investment	25,000	-
Changes in non-cash operating capital:		
Amounts receivable	23,293	(15,288)
Prepays	(73,439)	51,246
Accounts payable and accrued liabilities	(66,047)	69,484
Cash used in operating activities	(692,697)	(326,187)
Financing activity		
Lease payments	(32,017)	(26,092)
Cash used in financing activity	(32,017)	(26,092)
Net change in cash	(724,714)	(352,279)
Cash, beginning of the year	2,126,473	2,478,752
Cash, end of the year	1,401,759	2,126,473
Supplemental information with respect to cash flows:		
Recognition of right-of use asset	50,021	11,202

See accompanying notes to the consolidated financial statements

TERRA ROSSA GOLD LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

1) NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the *Business Corporations Act* (British Columbia) on April 1, 2010 and its principal activity is the acquisition and exploration of mineral properties. The address of the Company's corporate office is 3381 Fairmont Road, North Vancouver, BC, V7R 2W7.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has no source of operating income and is dependent upon financing from related parties and/or subscribers for common shares. At present the common shares of the Company do not trade on any public market and hence their value and liquidity cannot be readily determined. The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise additional financing to maintain its working capital.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral property interests. The recoverability of amounts incurred on exploration and evaluation properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these exploration and evaluation properties, and establish future profitable production, or realize proceeds from the disposition of exploration and evaluation properties. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated statements of financial position.

2) SUMMARY OF MATERIAL ACCOUNTING POLICIES**a) Statement of Compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis as issued by the International Accounting Standards Board ("IASB"), which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

b) Basis of presentation

These consolidated financial statements have been prepared under the historical cost convention using the accrual basis of accounting, except for cash flow information, and modified as required for the revaluation of derivative financial liabilities at fair value through profit or loss.

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

c) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, deposits in banks and highly liquid guaranteed investment certificates.

TERRA ROSSA GOLD LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

2) SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)***d) Use of judgements and estimates**

The preparation of these consolidated financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are regularly evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following are the most significant accounting judgments and estimates that the Company has made in the preparation of these consolidated financial statements.

Critical judgements in applying accounting policies:

- The determination that there are no pervasive indicators which would require an impairment provision in connection with the carrying value of the company's exploration and evaluation assets.
- The determination that the Company will continue as a going concern for the next year.
- The functional currency of the Company and its subsidiary entities.
- Whether the acquisition of an entity constitutes a business under the definition of IFRS 3 *Business combinations* (Note 3).
- Recoverability of taxes and other receivables.

Critical estimates in applying accounting policies:

- Fair value of share-based payments.
- Valuation of marketable securities (Note 4).
- Valuation of equity instruments issued with transferability restrictions (Note 3).
- Deferred income tax asset valuation allowances.
- Variables with respect to the measurement of remediation liabilities (Note 6).

e) Consolidation***Subsidiaries***

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally 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 group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions are eliminated. Profits and losses resulting from intercompany transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Company.

The consolidated financial statements include financial statements of Terra Rossa Gold Ltd., the parent company, TRG USA Inc., its wholly owned US subsidiary incorporated under the laws of the State of Nevada, USA and Minera Vetás Limited ("Minera Vetás"), its wholly owned subsidiary incorporated in the British Virgin Islands. The principal activity of both parent and its subsidiaries is mineral exploration.

TERRA ROSSA GOLD LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

2) SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)***f) Foreign currency translation**

The Company and its subsidiaries have the functional and reporting currency of the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized in profit or loss.

g) Exploration and Evaluation Assets

The acquisition costs of mineral property interests are capitalized until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Exploration and evaluation costs are expensed as incurred until it has been established that a mineral property is commercially viable. Mineral property interests that have close proximity and have the possibility of being developed as a single mine are grouped as projects and are considered separate cash generating units ("CGU") for the purpose of determining future mineral reserves and impairments.

The acquisition costs include the cash consideration paid and the fair value of any shares issued for mineral property interests being acquired or optioned pursuant to the terms of relevant agreements.

Management reviews its mineral property interests at each reporting period for signs of impairment and annually after each exploration season to consider if there is impairment in value taking into consideration current year exploration results and management's assessment of the future probability of profitable operations from the property, or likely gains from the disposition or option of the property. If a property is abandoned or inactive for a prolonged period, or considered to have no future economic potential, the acquisition costs are written-off to profit or loss.

Once an economically viable resource has been determined for an area and the decision to proceed with development has been approved, mineral property interests attributable to that area are first tested for impairment and then reclassified to property and equipment. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. Should a project be put into production, the costs of acquisition will be amortized over the life of the project based on estimated economic reserves. If the carrying value of a project exceeds its estimated net realizable value or value in use, an impairment provision is recorded.

h) Impairment

At each reporting period, management reviews all assets for indicators of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

TERRA ROSSA GOLD LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

2) SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)***i) Remediation liabilities**

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the decommissioning and remediation of mine properties, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. A liability is recognized at the time environmental disturbance occurs and the resulting costs are capitalized to the corresponding asset. The provision for remediation and rehabilitation obligations is estimated using expected cash flows and is discounted at a pre-tax rate specific to the liability. The capitalized amount is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows.

In subsequent periods, the liability is adjusted for any changes in the amount or timing of the estimated future cash costs and for the accretion of discounted underlying future cash flows. The unwinding of the effect of discounting the provision is recorded as an expense in the statement of loss and comprehensive loss.

j) Income taxes

The Company uses the balance sheet method of accounting for income taxes. Under the balance sheet method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

k) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded. The fair value of common shares issued as consideration for mineral properties is based on the trading price of those shares on the date of the share issuance, typically with reference to the most recent issuance of its common shares. Proceeds from unit placements are allocated between shares and warrants issued according to the residual value method. Under this method, the Company first allocates the proceeds to the shares issued, up to the assessed fair value, the remainder is allocated to the attached warrant.

l) Share-based payments

The Company's Stock Option Plan (the "Plan") allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of share-based payments comprised of stock options is measured using the Black-Scholes option pricing model. The fair value of such a share-based payment is recognized as an expense with a corresponding increase in reserves. Consideration received on the exercise of stock options is recorded as share capital and the related reserves amount is transferred to share capital from reserves.

TERRA ROSSA GOLD LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

2) SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**m) Financial instruments**

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

(i) Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss, or amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss (“FVTPL”) are initially recognized at fair value with changes in fair value recorded in profit or loss. The Company’s investment is carried at FVTPL.

Amortized cost

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

(ii) Financial liabilities

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

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

(iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

TERRA ROSSA GOLD LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

2) SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**n) Related parties**

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. Related 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.

o) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if the Company have the right to direct the use of the asset.

As a lessee, the Company recognize a right-of-use asset, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

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

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

p) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

TERRA ROSSA GOLD LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

2) SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**q) Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

r) Accounting standards issued but not yet effective

The Company adopted no material new accounting standards during the current fiscal year, and is unaware of any applicable, but not-yet-adopted standards that are expected to materially affect the consolidated financial statements of future periods.

3) EXPLORATION AND EVALUATION ASSETS***Minera Vetás, Colombia***

On November 16, 2020 (the “Effective Date”), and subsequently amended on March 11, 2022 and June 9, 2023, the Company entered into an option agreement to purchase 100% shares in Minera Vetás, a private company which holds a 100% undivided interest in the Minera Vetás Property, comprised of nine core concessions, in Santander, Colombia.

The Minera Vetás Property is subject to the following royalties:

- a) \$5 per ounce of Measured and Indicated resources reported in 43-101 compliant technical reports payable to the original Colombian vendors.
- b) 4% NSR royalty payable to the Colombian state calculated at 80% of the gold price for an effective royalty of 3.2%.

As per the June 9, 2022 amendment, the Company has completed the following commitments:

- a) Pay \$250,000 USD (\$324,010 CDN) in cash to the optionor (paid during the year ended December 31, 2020);
- b) incur \$500,000 USD of exploration expenditures on the property on or before 18 months from the Effective Date (completed);
- c) pay \$500,000 USD in cash to the optionor on or before March 11, 2022 (paid during the year ended December 31, 2022);
- d) pay \$1,250,000 USD (\$1,250,000 USD paid June 9, 2022); and
- e) issue 10,900,000 common shares of the Company (issued June 9, 2022) subject to certain transfer restrictions.

On June 9, 2022, the Company executed its option on Minera Vetás by completing its cash payments and issuance of common shares whereupon it acquired 100% of the outstanding shares of Minera Vetás.

At the time of acquisition, Minera Vetás was subject to two property negotiations with respect to legacy option agreements:

- 1) Mataperro Claim: Minera Vetás, prior to June 9, 2022, had terminated an option agreement over which the vendors are disputing the requirement to make additional payments. The Company has added transfer restrictions to 545,000 common shares issued under the acquisition which will be tradeable upon settlement of the Mataperro Claim with the vendors. At acquisition, the estimated potential settlement value was \$272,500. The vendors have not been active in pursuing settlement.
- 2) San Marcos Option: On January 24, 2025, the court’s ruling was in favour of Minera Vetás. The plaintiff paid Minera Vetás procedural expenses of approximately \$3,142 USD.

TERRA ROSSA GOLD LTD.

Notes to the Consolidated Financial Statements
 (Expressed in Canadian dollars)
 For the years ended December 31, 2024 and 2023

4) INVESTMENT

The Company has invested \$75,000 through the purchase of common shares in a private company. At every reporting period, these investments are valued at fair value based on upon quoted prices in active markets and when that information is not available, estimates are made by management using inputs from observable market data, the underlying company's recently completed equity financing, equity issuance and/or equity investments made by a third party. Changes in these assumptions and inputs could affect the reported fair value of these financial instruments. The investment requires Level 3 measurement techniques to estimate fair value at reporting periods. At December 31, 2024, the common shares had a fair value of \$50,000, resulting in a change in fair value of \$25,000 for the year ended December 31, 2024 recognized through net loss.

5) RIGHT-OF-USE ASSETS AND LIABILITIES

Right-of-use assets	
	\$
Balance, December 31, 2022	29,807
Additions	11,202
Depreciation	(22,234)
Balance, December 31, 2023	18,775
Additions	50,021
Depreciation	(24,965)
Balance, December 31, 2024	43,831
Lease liabilities	
	\$
Balance, December 31, 2022	29,138
Additions	11,202
Finance expense	4,017
Payments	(26,092)
Foreign exchange	5,746
Balance, December 31, 2023	24,011
Additions	50,021
Finance expense	3,738
Payments	(32,017)
Foreign exchange	119
Balance, December 31, 2024	45,872
Current (less than one year)	25,128
Long-term	20,744

The Company's right-of-use assets include the use of a warehouse in Bogota, house in the municipality of Vetas and a warehouse in Giron.

The Company has applied an incremental borrowing rate of 16.2%. The undiscounted lease payments are as follows:

Lease commitments	
	\$
2025	30,310
2026	22,073

TERRA ROSSA GOLD LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

6) REMEDIATION LIABILITIES

The Company has recognized remediation of environmental liabilities of the Minera Vetas Property. The estimate is reviewed periodically based on the environmental management plans in force which have been evaluated by local Colombian regulatory authorities and based on the current status of the project.

The total amount of estimated undiscounted cash flows required to settle the Company's estimated obligation is \$348,867 which has been discounted using a pre-tax risk-free rate of 9.50% and inflation rate of 3%. The present value of the decommissioning liabilities may be subject to change based on management's current estimates, changes in remediation requirements or changes to the applicable laws and regulations. Such changes will be recorded in the accounts of the Company as they occur.

7) RELATED PARTY TRANSACTIONS

The key management personnel of the Company include the directors and officers of the Company including the Chief Executive Officer, Chief Financial Officer and Corporate Secretary.

During the year ended December 31, 2024, \$nil was paid or accrued to a private company owned by the Chief Executive Officer (2023 - \$8,000).

During the year ended December 31, 2024, \$nil was paid or accrued to a private company owned by the former Chief Financial Officer (2023 - \$11,000).

During the year ended December, 2024, \$45,000 was paid or accrued the Corporate Secretary (2023 - \$60,000).

Share-based payments attributable to directors and officers for stock options granted, vested or modified in the year ended December 31, 2024 was \$65,240 (2023 - \$46,919).

As at December 31, 2024, there was amounts due to related parties included in accounts payable and accrued liabilities of \$5,000 (2023 - \$nil).

Payments to related parties were made in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

8) SHARE CAPITAL

The authorized share capital of the Company consists of an unlimited number of common shares.

The company did not issue any shares during the years ended December 31, 2024 and 2023.

TERRA ROSSA GOLD LTD.

Notes to the Consolidated Financial Statements
 (Expressed in Canadian dollars)
 For the years ended December 31, 2024 and 2023

9) RESERVES (continued)**Share purchase warrants**

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2022, 2023 and 2024	4,092,000	0.70

At December 31, 2024, the Company had the following outstanding share purchase warrants:

Number of Warrants	Exercise price	Expiry Date
4,092,000	\$0.70	April 7, 2025

The weighted average remaining life of the outstanding share purchase warrants, as at December 31, 2024 was 0.27 years (2023 – 1.27 years).

Stock option plan

The Company has a share-based compensation plan under which stock options are issued as determined by the Board of Directors and subject to the provisions of the Plan. The Company recognizes the compensation expense under the Plan, which requires the recognition of expense for share-based compensation on their fair value on the measurement date. The maximum number of shares that may be reserved for issuance under the Plan is a rolling number not to exceed 10% of the issued and outstanding shares of the Company at the time of the stock option grant.

Stock options

	Number of stock options	Weighted average exercise price \$
Balance, December 31, 2022 and 2023	1,650,000	0.20
Forfeited	<u>(150,000)</u>	0.20
Balance, December 31, 2024	1,500,000	0.20

At December 31, 2024, the Company had the following outstanding stock options:

Number of Options	Exercise price	Expiry Date
750,000	\$0.20	July 15, 2025 ⁽¹⁾
250,000	\$0.20	March 1, 2025 ⁽²⁾⁽³⁾
500,000	\$0.20	March 24, 2027
<u>1,500,000</u>		

(1) The expiry of these options was extended from July 15, 2024 to July 15, 2025.

(2) The expiry of these options was extended from March 1, 2024 to March 1, 2025.

(3) Subsequent to December 31, 2024, the expiry of these options was extended to March 1, 2026.

TERRA ROSSA GOLD LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

9) RESERVES (continued)**Stock options (continued)**

The weighted average remaining life of the outstanding stock options granted, as at December 31, 2024 was 1.04 years (2023 – 1.69 years).

Share-based payments

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options granted:

	December 31, 2024	December 31, 2023
Risk-free interest rate	3.89%	4.64%
Expected life of option	1 year	1 year
Expected annualized volatility	95%	95%
Dividend	0%	0%

During the year ended December 31, 2023, the Company extended the maturity of 750,000 stock options for a period of one year. This resulted in additional stock-based compensation expense of \$54,138. The weighted average assumptions used for the Black-Scholes valuation of amended options were annualized volatility of 95%, risk-free interest rate of 4.64%, expected life of 1 year and a dividend rate of Nil%.

During the year ended December 31, 2024, the Company extended the maturity of 750,000 stock options for a period of one year. This resulted in additional stock-based compensation expense of \$53,680. The weighted average assumptions used for the Black-Scholes valuation of amended options were annualized volatility of 95%, risk-free interest rate of 3.82%, expected life of 1 year and a dividend rate of Nil%. Subsequent to year end, these options were extended for an additional 12 months.

During the year ended December 31, 2024, the Company extended the maturity of 250,000 stock options for a period of one year. This resulted in additional stock-based compensation expense of \$18,717. The weighted average assumptions used for the Black-Scholes valuation of amended options were annualized volatility of 95%, risk-free interest rate of 4.10%, expected life of 1 year and a dividend rate of Nil%. Subsequent to year end, these options were extended for an additional 12 months.

10) CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash balances to cover operating costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements.

TERRA ROSSA GOLD LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

11) FINANCIAL INSTRUMENT RISKS

The Company's financial instruments are exposed to the following risks:

Credit Risk

The Company's primary exposure to credit risk is the risk of illiquidity of cash amounting to \$1,401,759 at December 31, 2024 (2023 - \$2,126,473). The Company's policy is to keep cash holdings with major Canadian banks and to use reputable foreign banks and keeping balances in foreign jurisdictions to a manageable amount. As at December 31, 2024, the credit risk is considered by management to be low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet operating requirements. As at December 31, 2024, the Company had working capital of \$1,531,879 (2023 - \$2,166,517). The Company does not generate revenues and is reliant on capital investments to finance operations once current resources have been depleted.

Foreign Exchange Risk

The Company incurs expenses in Colombia in Colombian Peso ("COP") which requires the use of the United States dollar ("USD") and COP. The carrying amounts of the Company's foreign currency denominated financial instruments are as follows:

Canadian dollar equivalent of COP financial instruments	
	\$
Cash	44,485
Receivables	13,789
Accounts payable and accrued liabilities	(9,238)

Based on the balances held as at December 31, 2024, a 10% increase (decrease) in the COP to the Canadian dollar exchange rates on this date would have resulted in a decrease (increase) in the net loss for the year of approximately \$4,904.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash. Interest income is not significant to the Company's operating plan and is not a significant risk to the Company.

Fair Value of Financial Instruments

The Company's financial instruments comprise cash, receivables, investment, and accounts payable and accrued liabilities.

Cash and receivables are classified as amortized cost. Amortized cost approximates fair market value due to the short-term nature of the balances. Balances that relate to income or indirect taxes payable or receivable are not considered financial instruments.

Investments are classified as fair value through profit and loss and are recorded in the consolidated financial statements at estimated fair value. As at December 31, 2024, the Company's investments consist of common shares in a private company which the Company values using Level 3 inputs (Note 4).

Accounts payable and accrued liabilities are recorded in the consolidated financial statements at amortized cost. The fair value of these instruments approximates the carrying value due to the short-term nature of these instruments.

TERRA ROSSA GOLD LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

12) INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2024	2023
	\$	\$
Net loss	(678,051)	(578,025)
Statutory tax rate	27%	27%
Expected income tax recovery	(212,603)	(156,067)
Deductible and non-deductible amounts	22,519	32,558
True-up of prior year opening balances	64,200	74,436
Change in deferred tax assets not recognized	125,884	49,073
Total income tax recovery	-	-

Subject to confirmation with regulatory authorities, deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

	2024	2023
	\$	\$
Mineral property tax pools	2,527,000	2,527,000
Equipment	3,000	3,000
Share issue costs	80,000	133,000
Marketable securities	25,000	-
Non-capital loss carryforwards and share issue costs	2,833,000	2,396,000
	5,468,000	5,059,000

The Company has Canadian non-capital losses of approximately \$2,248,000 (2023 - \$2,173,000) for use in the years 2031 – 2043 and US non-capital losses of \$169,000 USD (2023 - \$169,000 USD), which may be carried forward and applied against future taxable in Canada and the US, respectively. Future tax benefits which may arise as a result of these losses have not been recognized in these consolidated financial statements and have been offset by a valuation allowance.

13) SUBSEQUENT EVENTS

On October 30, 2024, the Company entered into an amalgamation agreement (the “Transaction”) with Baroyeca Gold & Silver Inc. (“Baroyeca Gold”) in which shareholders of the Company will receive shares of Baroyeca Gold in exchange for all of the issued and outstanding shares of the Company. The transaction will result in a reverse takeover of Baroyeca Gold whereby the Company, substantively and for accounting purposes, is considered to be the acquiring and continuing entity.

APPENDIX "C"

MANAGEMENT'S DISCUSSION AND ANALYSIS OF TERRA ROSSA

See attached.

TERRA ROSSA GOLD LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
AND
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**3381 Fairmont Road
NORTH VANCOUVER, B.C.
V7R 2W7**

Management's Discussion and Analysis

For the six months ended June 30, 2025 and 2024 and years ended December 31, 2024 and 2023

The following discussion and analysis, prepared as of September 26, 2025, has been prepared by management. The following discussion of performance, financial condition and future prospects should be read in conjunction with the unaudited condensed consolidated interim financial statements for the six months ended June 30, 2025 and 2024 and consolidated financial statements for the years ended December 31, 2024 and 2023 of TERRA ROSSA GOLD LTD. (with its subsidiaries, collectively, the "Company" or "Terra Rosa"). The consolidated financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included in the following Management's Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the availability of financing for the Company's objectives on reasonable terms;
- the ability to attract and retain skilled staff and consultants;
- foreign currency and exchange rates;
- market competition; and
- tax benefits and tax rates.

These forward-looking statements involve risks and uncertainties relating to, among other things, risks related to international operations, conclusions of economic evaluations, and changes in project parameters as plans continue to be refined. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.

DESCRIPTION OF BUSINESS

The Company is a mineral exploration company that is primarily engaged in the acquisition and exploration of mineral properties in Colombia. Terra Rossa was incorporated under the *Business Corporations Act* (British Columbia) on April 1, 2010. The Company's principal place of business is 3381 Fairmont Road, North Vancouver, British Columbia, Canada V7R 2W7.

Minera Vetas Project

The Minera Vetas Project is located in the Northern Andes of Colombia, approximately 70 kilometres (km) northeast of Bucaramanga, Santander, Colombia. The Minera Vetas Property comprises 9 mineral claims covering a combined area of approximately 313.9 hectares (ha), located in the California-Vetas Mining District, town of Vetas, Santander department, Colombia. The Property is located in a favourable geological setting, within the Santander Massif which is part of a triangular block known as the Maracaibo Subplate Realm.

On November 16, 2020 (the "Effective Date"), and subsequently amended on March 11, 2022 and June 9, 2023, the Company entered into an option agreement to purchase 100% shares in Minera Vetas, a private company which holds a 100% undivided interest in the Minera Vetas Property, comprised of nine core concessions, in Santander, Colombia.

The Minera Vetas Property is subject to the following royalties:

- a) \$5 per ounce of Measured and Indicated resources reported in 43-101 compliant technical reports payable to the original Colombian vendors.
- b) 4% NSR royalty payable to the Colombian state calculated at 80% of the gold price for an effective royalty of 3.2%.

Management's Discussion and Analysis
For the six months ended June 30, 2025 and 2024 and years ended December 31, 2024 and 2023

As per the June 9, 2022 amendment, the Company has completed the following commitments:

- a) Pay \$250,000 USD (\$324,010 CDN) in cash to the optionor (paid during the year ended December 31, 2020);
- b) incur \$500,000 USD of exploration expenditures on the property on or before 18 months from the Effective Date (completed);
- c) pay \$500,000 USD in cash to the optionor on or before March 11, 2022 (paid during the year ended December 31, 2022);
- d) pay \$1,250,000 USD (\$1,250,000 USD paid June 9, 2022); and
- e) issue 10,900,000 common shares of the Company (issued June 9, 2022) subject to certain transfer restrictions.

On June 9, 2022, the Company executed its option on Minera Vetás by completing its cash payments and issuance of common shares whereupon it acquired 100% of the outstanding shares of Minera Vetás.

At the time of acquisition, Minera Vetás was subject to two property negotiations with respect to legacy option agreements:

- 1) Mataperro Claim: Minera Vetás, prior to June 9, 2022, had terminated an option agreement over which the vendors disputed the requirement to make additional payments. During the six months ended June 30, 2025, the Company entered into a transaction agreement to settle and resolve the lawsuit.
- 2) San Marcos Option: On January 24, 2025, the court's ruling was in favour of Minera Vetás. The plaintiff paid Minera Vetás procedural expenses of approximately \$3,142 USD.

OVERALL PERFORMANCE AND HIGHLIGHTS

To date, the Company has not yet realized profitable operations and has relied on equity financing and loans to fund the losses. The Company recognized a comprehensive loss of \$568,570 (2024 - \$221,862) during the six months ended June 30, 2025 (Unaudited). The Company recognized a comprehensive loss of \$678,051 (2023 - \$578,025) during the year ended December 31, 2024.

Amalgamation Agreement

On October 30, 2024 the Company has entered an amalgamation agreement (the "Transaction") with Baroyeca Gold & Silver Inc. ("Baroyeca Gold") in which shareholders of the Company will receive shares of Baroyeca Gold in exchange for all of the issued and outstanding shares of the Company. The transaction will result in a reserve takeover of Baroyeca Gold whereby the Company, substantively and for accounting purposes, is considered to be the acquiring and continuing entity. The Company will complete a concurrent financing in connection with the Transaction. The Company received \$135,000 related to the concurrent financing during the six months ended June 30, 2025, which has been recorded as an obligation to issue shares. As at June 30, 2025, the Transaction has not been completed.

OUTLOOK

To date, the Company's has had no revenue. The Company is working to enhance financial resources and identify new opportunities through the acquisition, exploration and development of mineral properties.

OUTSTANDING SHARE DATA

At the date of this report, the Company has:

- 54,696,600 issued and outstanding common shares;
- 1,500,000 outstanding stock options with a weighted average exercise price of \$1.20; and
- 4,092,000 warrants with a weighted average exercise price of \$0.77.

Management's Discussion and Analysis

For the six months ended June 30, 2025 and 2024 and years ended December 31, 2024 and 2023

SELECTED ANNUAL INFORMATION

The following table sets forth selected audited financial information of the Company for the last three completed financial years:

	December 31, 2024	December 31, 2023	December 31, 2022
Total revenue	\$ -	\$ -	\$ -
Total assets	8,490,156	9,164,668	9,563,937
Total liabilities	400,460	469,318	344,700
Net and comprehensive loss for the year	(678,051)	(578,025)	(830,288)
Loss per share	(0.01)	(0.01)	(0.02)

During the year ended December 31, 2024, total assets decreased compared to December 31, 2023 and December 31, 2022 as the Company settled outstanding payables and did not do a financing. Total liabilities remained consistent throughout the periods as it was primarily driven by changes in remediation liabilities. The net and comprehensive loss for the year decreased from December 31, 2022 to December 31, 2024 primarily due to the Company incurring fewer exploration expenditures.

SUMMARY OF QUARTERLY RESULTS

As the Company is not a reporting issuer, it does need to provide the eight most recently completed quarters. Once the Company becomes a reporting issuer, it will provide the quarterly results in the subsequent reports.

RESULTS OF OPERATIONS

For the three months ended June 30, 2025 (Unaudited)

- Consulting fees of \$15,000 (2024 - \$nil) are associated with payments to the Corporate Secretary.
- Depreciation of \$6,338 (2024 - \$6,198) and finance expense of \$3,914 (2024 - \$556) reflect the leases commitments.
- Exploration expenditures of \$106,772 (2024 - \$28,959) done on the Minera Vetas Project.
- Office and miscellaneous of \$19,894 (2024 - \$13,691) consists of administrative costs including telephone, office supplies and general administrative costs.
- Professional fees of \$158,235 (2024 - \$29,803) is primarily from legal fees due to corporate matters.

For the six months ended June 30, 2025 (Unaudited)

- Consulting fees of \$30,000 (2024 - \$15,000) are associated with payments to the Corporate Secretary.
- Depreciation of \$13,009 (2024 - \$13,068) and finance expense of \$5,248 (2024 - \$1,381) reflect the leases commitments.
- Exploration expenditures of \$184,944 (2024 - \$43,799) done on the Minera Vetas Project.
- Office and miscellaneous of \$25,910 (2024 - \$29,398) consists of administrative costs including telephone, office supplies and general administrative costs.
- Professional fees of \$284,124 (2024 - \$84,244) is primarily from legal fees due to corporate matters.
- Property consulting costs of \$48,469 (2024 - \$nil) can be attributed to feed paid to consultants for property management, development and analysis.
- Share-based compensation expense of \$18,477 (2024 - \$18,717) is recorded relative to the vesting of stock options.

For the year ended December 31, 2024

For the year ended December 31, 2024, the Company recognized a comprehensive loss of \$678,051 (2023 - \$578,025). Significant expenses included in comprehensive loss are as follows:

- Consulting fees of \$47,583 (2023 - \$69,953) are associated with payments to the Corporate Secretary.
- Depreciation of \$24,965 (2023 - \$22,234) and finance expense of \$3,738 (2023 - \$4,017) reflect the leases commitments.
- Exploration expenditures of \$168,616 (2023 - \$139,492) done on the Minera Vetas Project.
- Loss on investment of \$25,000 (2023 - \$nil) is related to the fair value adjustment of the common shares owned in a private company.
- Office and miscellaneous of \$64,545 (2023 - \$25,348) consists of administrative costs including telephone, office supplies and general administrative costs.

Management's Discussion and Analysis

For the six months ended June 30, 2025 and 2024 and years ended December 31, 2024 and 2023

- Professional fees of \$243,513 (2023 - \$155,227) is primarily from legal fees due to corporate matters.
- Property consulting costs of \$4,852 (2023 - \$31,306) decrease can be attributed to a combination of factors, including more efficient resource allocation and a reduction in project scope.
- Share-based compensation expense of \$72,397 (2023 – \$54,138) is recorded relative to the vesting of stock options.

LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has not yet realized profitable operations and has relied on equity financings to fund the losses. The Company's growth and success is dependent on additional external sources of financing until such time that profitable operations are achieved.

Although the Company has been able in the past to obtain financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

For the six months ended June 30, 2025 (Unaudited)

As at June 30, 2025, the Company had cash of \$1,027,849 and working capital of \$1,122,887, compared with cash of \$1,401,759 and working capital of \$1,531,879 as of December 31, 2024. Additionally, the Company has an accumulated deficit of \$6,847,530 as at June 30, 2025, compared with an accumulated deficit of \$6,278,960 as at December 31, 2024.

The Company reported a net loss for the six months ended June 30, 2025 of \$568,570 (2024 - \$221,862).

Cash Used in Operating Activities

Cash used in operating activities during the six months ended June 30, 2025 was \$492,568 (2024 - \$261,133) resulting from a net loss of \$568,570 (2024 - \$221,862) from operations and net of non-cash and working capital adjustments.

Cash Provided (Used) by Financing Activities

For the six months ended June 30, 2025, cash provided by financing activities was \$118,658 (2024 – used \$15,733) from obligation to issue shares of \$135,000 (2024 - \$nil), less \$16,342 (2024 - \$15,733) from lease payments.

For the year ended December 31, 2024

As at December 31, 2024, the Company had cash of \$1,401,759 and working capital of \$1,531,879, compared with cash of \$2,126,473 and working capital of \$2,166,517 as of December 31, 2023.

The Company reported a net loss for the year ended December 31, 2024 of \$678,051 (2023 - \$578,025) and as of that date had an accumulated deficit of \$6,278,960 (2023 - \$5,600,909).

Cash Used in Operating Activities

Cash used in operating activities during the year ended December 31, 2024 was \$692,697 (2023 - \$326,187) resulting from a net loss of \$678,051 (2023 - \$578,025) from operations and net of non-cash and working capital adjustments.

Cash Used in Financing Activity

For the year ended December 31, 2024, cash used from financing activity was \$32,017 (2023 – \$26,092) from lease payments.

Requirement of Additional Equity Financing

The Company has relied primarily on equity financings to date for its operations. The Company needs additional funds to finance its ongoing operating costs. The Company intends to continue relying upon the issuance of securities to finance its operations and acquisitions until such time that the Company becomes self-sustaining.

The Company will need to raise additional funds in the short term to continue to be able to operate, meet its commitments and execute on its acquisitions as it moves towards profitable operations.

RELATED PARTY TRANSACTIONS

Management Compensation

The key management personnel of the Company include the directors and officers of the Company including the Chief Executive Officer, Chief Financial Officer and Corporate Secretary.

For the six months ended June 30, 2025 (Unaudited)

During the six months ended June 30, 2025, \$30,000 was paid or accrued to the Corporate Secretary (2024 - \$15,000). Share-based payments attributable to directors and officers for stock options granted, vested or modified in the six months ended June 30, 2025 was \$18,477 (2024 - \$18,717).

As at June 30, 2025, there was amounts due to related parties included in accounts payable and accrued liabilities of \$nil (December 31, 2024 - \$5,000).

For the year ended December 31, 2024

During the year ended December 31, 2024, \$nil was paid or accrued to a private company owned by the Chief Executive Officer (2023 - \$8,000).

During the year ended December 31, 2024, \$nil was paid or accrued to a private company owned by the former Chief Financial Officer (2023 - \$11,000).

During the year ended December 31, 2024, \$45,000 was paid or accrued to the Corporate Secretary (2023 - \$60,000).

Share-based payments attributable to directors and officers for stock options granted, vested or modified in the year ended December 31, 2024 was \$65,240 (2023 - \$46,919).

As at December 31, 2024, there was amounts due to related parties included in accounts payable and accrued liabilities of \$5,000 (2023 - \$nil).

Payments to related parties were made in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

Off Balance Sheet Arrangements and Proposed Transactions

The Company has no off-balance sheet arrangements. There are no proposed transactions other than as disclosed elsewhere in this document.

Accounting Policies and Estimates

The Company's material accounting policies are disclosed in note 2 of the Company's consolidated financial statements for the year ended December 31, 2024.

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates. The Company's significant use of judgments and estimates are disclosed in note 2 of the Company's consolidated financial statements for the year ended December 31, 2024.

In preparing this MD&A, management has made significant assumptions regarding the circumstances and timing of the transactions contemplated therein, which could result in a material adjustment to the carrying amount of certain assets and liabilities if changes to the assumptions are made.

Financial Risk Management

The Company's financial instruments are exposed to the following risks:

Credit Risk

The Company's primary exposure to credit risk is the risk of illiquidity of cash amounting to \$1,027,849 at June 30, 2025 (Unaudited) (December 31, 2024 - \$1,401,759). The Company's policy is to keep cash holdings with major Canadian banks and

Management's Discussion and Analysis

For the six months ended June 30, 2025 and 2024 and years ended December 31, 2024 and 2023

to use reputable foreign banks and keeping balances in foreign jurisdictions to a manageable amount. As at June 30, 2025 and December 31, 2024, the credit risk is considered by management to be low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet operating requirements. As at June 30, 2025, the Company had working capital of \$1,122,887 (Unaudited) (December 31, 2024 - \$1,531,879). The Company does not generate revenues and is reliant on capital investments to finance operations once current resources have been depleted.

Foreign Exchange Risk

The Company incurs expenses in Colombia in Colombian Peso ("COP") which requires the use of the United States dollar ("USD") and COP.

As at June 30, 2025 (Unaudited), the carrying amounts of the Company's foreign currency denominated financial instruments are as follows:

Canadian dollar equivalent of COP financial instruments	
	\$
Cash	6,139
Receivables	9,178
Accounts payable and accrued liabilities	(4,260)

Based on the balances held as at June 30, 2025, a 10% increase (decrease) in the COP to the Canadian dollar exchange rates on this date would have resulted in a decrease (increase) in the net loss for the year of approximately \$1,105.

As at December 31, 2024, the carrying amounts of the Company's foreign currency denominated financial instruments are as follows:

Canadian dollar equivalent of COP financial instruments	
	\$
Cash	44,485
Receivables	13,789
Accounts payable and accrued liabilities	(9,238)

Based on the balances held as at December 31, 2024, a 10% increase (decrease) in the COP to the Canadian dollar exchange rates on this date would have resulted in a decrease (increase) in the net loss for the year of approximately \$4,904.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash. Interest income is not significant to the Company's operating plan and is not a significant risk to the Company.

Fair Value of Financial Instruments

The Company's financial instruments comprise cash, receivables, investment, and accounts payable and accrued liabilities.

Cash and receivables are classified as amortized cost. Amortized cost approximates fair market value due to the short-term nature of the balances. Balances that relate to income or indirect taxes payable or receivable are not considered financial instruments.

Investments are classified as fair value through profit and loss and are recorded in the consolidated financial statements at estimated fair value. As at June 30, 2025 and December 31, 2024, the Company's investments consist of common shares in a private company which the Company values using Level 3 inputs.

Accounts payable and accrued liabilities are recorded in the consolidated financial statements at amortized cost. The fair value of these instruments approximates the carrying value due to the short-term nature of these instruments.

Management's Discussion and Analysis

For the six months ended June 30, 2025 and 2024 and years ended December 31, 2024 and 2023

RISK FACTORS

Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. The risks described herein are not the only risks that affect the Company. Other risks and uncertainties that the Company does not presently consider to be material, or of which the Company is not presently aware, may become important factors that affect the Company's future business, financial condition and result of operations. Select risks significant to the Company are included here:

Santurban Paramo Decree

The Company has been operating with exploration activities that are not implicated by the Temporary Reserve Zones ("TRZ"), and anticipate future drill programs to commence after the expiry of the TRZ. Further, the Company believes it has a reasonable basis for the argument that the TRZ would not presently affect the Vetás Gold Project and that regular mineral exploration related activities may continue regardless. The Company anticipates that operations will be unaffected by the TRZ as a result. If the TRZ is extended and the Company needs new permits, it is likely that those permits will be granted if they do not imply the expansion of new mining fronts or increase the volumes of exploitation with respect to those initially authorized. If the Santurban Paramo's final delimitation covers all the Vetás Gold Project, further exploration activity at part of (or all of) the Vetás Gold Project would become prohibited, and operations as the property would cease. Any such action could have a material adverse effect on the Company's business, financial condition and results of operations. As such, an investment in the Company's should be considered highly speculative. While management of the Company believe they will continue to successfully operate under the TRZ, there can be no assurance that it will continue in this regard.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. The Company's operations will be subject to all the hazards and risks normally encountered in the exploration, development and production of gold and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. The financing, exploration, development and mining of any of the Company's properties is furthermore subject to a number of macroeconomic, legal and social factors, including commodity prices, laws and regulations, political conditions, currency fluctuations, the ability to hire and retain qualified people, the inability to obtain suitable adequate machinery, equipment or labour and obtaining necessary services in jurisdictions in which the Company operates. Unfavorable changes to these and other factors have the potential to negatively affect the Company's operations and business.

Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a gold or other precious or base metal or mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures to be made by the Company towards the exploration and evaluation of gold or other minerals will result in discoveries or production of commercial quantities of gold or other minerals. In addition, once in production, mineral reserves are finite and there can be no assurance.

Commodity Prices

The Company's business is strongly affected by the world market price of gold. Global metal prices fluctuate widely and are affected by numerous factors beyond the Company's control, including global demand and production levels; political and economic conditions; producer hedging activities; speculative activities; inflation; interest rates; central bank lending, sales and purchases of gold; the strength of, and confidence in, the U.S. dollar, the currency in which the price of gold is generally quoted; and currency exchange rates.

Management's Discussion and Analysis

For the six months ended June 30, 2025 and 2024 and years ended December 31, 2024 and 2023

The price of gold has fluctuated widely in recent years, and future sustained gold price declines could cause continued development of, and commercial production from, Company's projects to be uneconomic. Depending on the price of gold, Company's cash flow from any mining operations may be insufficient to meet its operating needs and capital expenditures, and as a result Company could experience losses and/or may curtail or suspend some or all of its exploration, development, construction and mining activities or otherwise revise its mine plans, and exploration, development and construction plans, and could lose its interest in, or be forced to sell, some or all of its properties.

In addition to adversely affecting the Company's Mineral Reserve estimates and the Company's financial condition, declining commodity prices could impact operations by requiring a reassessment of the feasibility of the Company's projects. Such a reassessment may be the result of a management decision or may be required under financing mergers related to a particular project. Even if such project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

The Company's operating results are expected to be substantially dependent upon the market price of gold. These prices fluctuate widely. The volatility of precious metal prices represents a substantial risk, which no amount of planning or technical expertise can fully eliminate. In the event gold prices decline or remain low for prolonged periods of time, we might be unable to develop our properties, which may adversely affect our results of operations, financial performance and cash flows.

Title to Mineral Property Interests may be Challenged

There may be challenges to title to the mineral properties in which the Company holds a material interest. If there are title defects with respect to any properties, the Company might be required to compensate other persons or perhaps reduce its interest in the affected property. Furthermore, in any such case, the investigation and resolution of these issues would divert the Company management's time from ongoing exploration and development programs. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties. If title to the Company's mineral properties is challenged or impugned, this could have a material adverse impact on the Company's business, results of operations, financial results and prospects.

Uncertainty in the Estimation of Mineral Resource

Mineral resource estimates will be based upon estimates made by the Company's personnel and independent geologists. These estimates are inherently subject to uncertainty and are based on geological interpretations and inferences drawn from drilling results and sampling analyses and may require revisions based on further exploration or development work. The estimation of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. Inferred resources are resources for which there has been insufficient exploration to define as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

The grade of mineralization which may ultimately be mined may differ from that indicated by drilling results and such differences could be material. The quantity and resulting valuation of mineral reserves and mineral resources may also vary depending on, among other things, mineral prices (which may render mineral reserves and mineral resources uneconomic), cut-off grades applied and estimates of future operating costs (which may be inaccurate). Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Any material change in quantity of mineral resources, mineral reserves, grade, or stripping ratio may also affect the economic viability of any project undertaken by the Company. In addition, there can be no assurance that mineral recoveries in small scale, and/or pilot laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.

There is no certainty that any of the mineral resources identified on any of the Company's properties will be realized, that any mineral resources will ever be upgraded to mineral reserves, that any anticipated level of recovery of minerals will in fact be realized, or that an identified mineral reserve or mineral resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. Until a deposit is actually mined and processed, the quantity of mineral resources and mineral reserves and grades must be considered as estimates only.

Management's Discussion and Analysis

For the six months ended June 30, 2025 and 2024 and years ended December 31, 2024 and 2023

Community and Stakeholder Relations

The Company's relationships with the community in which it operates are critical to ensure the future success of its existing operations. The future success of the Company is reliant on a healthy relationship with local communities in which it operates. While the Company is committed to operating in a socially responsible manner, there is no guarantee that its efforts will be successful, in which case interventions by third parties could have a material adverse effect on the Company's business, financial position and operations.

Risk of Foreign Operations

The Company's material property is located in Colombia. Operations in Colombia are subject to risk due to the potential for social, political, economic, legal and fiscal instability. The government in Colombia faces ongoing problems including but not limited to inflation, unemployment and inequitable income distribution. In addition, Colombia experiences narcotics-related violence, a prevalence of kidnapping and extortionist activities and civil unrest in certain areas of the country. Such instability may require the Company to suspend operations. As such, the Company is subject to political, economic and other uncertainties, including, without limitation, expropriation of property without fair compensation, changes in mining policies or the personnel administering them, nationalization, currency fluctuations and devaluations, exchange controls and royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations will be conducted, as well as risks of loss due to civil strife, acts of war and insurrections.

The Company's operations may also be adversely affected by the laws and policies of Colombia affecting foreign trade, taxation and investment. Although the Company is not presently aware of any circumstances or facts which may cause the following to occur, other risks may involve matters arising out of -the evolving laws and policies in Colombia, any future imposition of special taxes or similar charges, as well as foreign exchange fluctuations and currency convertibility and controls, the unenforceability of contractual rights or the taking or nationalization of property without fair compensation, restrictions on the use of expatriates in the Company's operations, or other matters.

In the event of a dispute arising in connection with the Company's operations in Colombia, the Company may be subject to the exclusive jurisdiction of Colombian courts and may not be successful in subjecting foreign persons to the jurisdiction of the courts of Canada or enforcing Canadian judgments in other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's planned business activities in Colombia could be substantially affected by factors beyond the Company's control, any of which could have a material adverse effect on the Company.

Political and Economic Risks

The Company's exploration, development and production activities are conducted in Colombia and, as such, the Company's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, economic uncertainties; the existence or possibility of terrorism; hostage taking; military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; uncertainty as to the outcome of any litigation in foreign jurisdictions; uncertainty as to enforcement of local laws; environmental controls and permitting; restrictions on the use of land and natural resources; renegotiation or nullification of existing concessions; licenses; permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; corruption; unstable legal systems; changing political conditions; changes in mining and social policies; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or require equity participation by local citizens; and other risks arising out of foreign sovereignty issues, which could have a significant effect on the Company.

Colombia is a developing country and the Company's mineral exploration and mining activities may be affected in varying degrees by political instability and governmental legislation and regulations relating to foreign investment and the mining industry. Changes, if any, in mining or investment policies or shifts in political attitude in Colombia, may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by: government regulations with respect to, but not limited to, restrictions on production, price controls, exchange controls, export controls, currency remittance, income or other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, local content and ownership, water use and mine safety; and the lack of certainty with respect to foreign legal systems, which may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law.

Management's Discussion and Analysis

For the six months ended June 30, 2025 and 2024 and years ended December 31, 2024 and 2023

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's business, financial condition and results of operations. Furthermore, in the event of a dispute arising from the Company's activities, we may be subject to the exclusive jurisdiction of courts or arbitral proceedings outside of North America which could unexpectedly and adversely affect the outcome of a dispute.

Environmental Risks and Hazards

The Company's operations are subject to extensive environmental regulations in the jurisdictions in which it operates, including federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all Applicable Laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present and social risks may be significant in Colombia.

Limited Operating History

The Company has no history of earnings. The Company will carry out exploration and development with the objective of establishing economic quantities of mineral reserves. There can be no assurance that the Company will achieve profitability in the future.

Negative Operating Cash Flow

The Company has negative operating cash flow and has incurred losses since its founding. The losses and negative operating cash flow are expected to continue for the foreseeable future as funds are expended on the exploration program on the projects and on administrative costs. The Company cannot predict when it will reach positive operating cash flow.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company as a Going Concern

The continued operation of the Company as a going concern is dependent upon the Company's ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities and acquisitions. While the Company continues to review its operations in order to identify strategies and tactics to increase revenue streams and financing opportunities, there is no assurance that the Company will be successful in such efforts; if the Company is not successful, it may be required to significantly reduce or limit operations, or no longer operate as a going concern. It is also possible that operating expenses could increase in order to grow the business. If the Company does not significantly increase its revenue to meet these increased operating expenses and/or obtain financing until its revenue meets these operating expenses, its business, financial condition and operating results could be materially adversely affected. The Company cannot be sure when or if it will ever achieve profitability and, if it does, it may not be able to sustain or increase that profitability.

Conflicts of Interest

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's

Management's Discussion and Analysis

For the six months ended June 30, 2025 and 2024 and years ended December 31, 2024 and 2023

operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may become involved in other transactions which conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Internal Controls

One or more material weaknesses in the Company's internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, the Company's internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the Company's policies or procedures may deteriorate. If the Company fails to maintain the adequacy of its internal controls, including any failure or difficulty in implementing required new or improved controls, its business and results of operations could be harmed, the Company may not be able to provide reasonable assurance as to its financial results or meet its reporting obligations and there could be a material adverse effect on the price of its securities.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks may occur, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased production costs, damage to, or destruction of, mineral properties or production facilities and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on Company property, and punitive awards in connection with those claims and other liabilities. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage the Company's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to the Company. These could include loss or forfeiture of mineral interests or other assets for nonpayment of fees or taxes, and legal claims for errors or mistakes by our personnel. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the common shares.

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire additional suitable properties or prospects in the future.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for common shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

Management's Discussion and Analysis

For the six months ended June 30, 2025 and 2024 and years ended December 31, 2024 and 2023

Liability for Actions of Employees, Contractors and Consultants

The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Company.

The Company is exposed to the risk that its employees, contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; (ii) manufacturing standards; (iii) fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and the Company is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, the curtailment of the Company's operations or asset seizures, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Reliance on Key Personnel

The success of the Company is highly dependent upon the ability, expertise, judgment, discretion and good faith of its limited number of senior management personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Growth Will Require New Personnel

Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff on the operations side. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

International Conflicts

International conflicts and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Volatility in commodity prices and supply chain disruptions may adversely affect the Company's business, financial condition and results of operations.

Dividends

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company intends to retain earnings, if any, to finance the growth and development of the Company's business. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

Dilution

Future sales or issuances of equity securities could decrease the value of the common shares, dilute shareholders' voting power and reduce future potential earnings per common share. The Company intends to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into common shares) and may issue additional equity securities to finance our operations, development, exploration, acquisitions or other projects. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the common shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the common shares. With any additional sale or issuance

Management's Discussion and Analysis

For the six months ended June 30, 2025 and 2024 and years ended December 31, 2024 and 2023

of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per common share.

Additional Financing

The Company will require equity and/or debt financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to fund ongoing operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Company's business, results of operations, financial condition or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Tariff and Trade Risks

The Company is subject to requiring goods and services in the ordinary course of operations, and such goods and services may become limited or altogether unavailable, alongside higher prices, in the event of any tariff regime and/or trade war, such as the recent implementation of tariffs and counter-tariffs with respect to trade matters. The extent and duration of any trade war and/or tariff matters are not determinable by the Company, and while the Company may attempt mitigation it is unlikely to have material control over trade and/or tariff consequences. Tariff policies may also impact capital market conditions which in turn may augment risks around the Company's ability to locate future capital required to remain a going-concern.

APPENDIX "D"
FINANCIAL STATEMENTS OF BAROYECA

See attached.

BAROYECA GOLD & SILVER INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**Nine Months Ended
February 28, 2025**

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

BAROYECA GOLD & SILVER INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at February 28, 2025 and May 31, 2024
(Unaudited - Expressed in Canadian dollars)

	February 28, 2025 \$	May 31, 2024 \$
ASSETS		
CURRENT		
Cash	378,947	262,880
Term deposit	56,544	54,178
Accounts receivable and sales taxes receivable	23,576	7,416
Prepaid expenses	-	7,350
	459,067	331,824
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities – Note 5	165,600	387,067
Due to related parties – Note 7	151,183	119,871
	316,783	506,938
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital – Note 6	18,963,219	18,489,501
Subscriptions received in advance	-	149,468
Share-based payment reserves	332,115	332,115
Deficit	(19,255,428)	(19,248,576)
Accumulated other comprehensive income	102,378	102,378
	142,284	(175,114)
	459,067	331,824

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)
PROPOSED AMALGAMATION (Note 11)

Approved on behalf of the Board:

“Richard Wilson”

Richard Wilson – Director

“Douglas Eacrett”

Douglas Eacrett – Director

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

BAROYECA GOLD & SILVER INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (LOSS)
For the nine months ended February 28, 2025 and February 29, 2024
(Unaudited - Expressed in Canadian dollars)

	Three Months Ended February 28, 2025 \$	Three Months Ended February 29, 2024 \$	Nine Months Ended February 28, 2025 \$	Nine Months Ended February 29, 2024 \$
EXPENSES				
Bank charges and interest	162	2,404	673	2,815
Consulting fees – Note 7	55,000	30,000	80,000	89,250
Insurance	1,050	3,100	7,350	9,100
Management and director fees – Note 7	1,800	1,800	5,400	5,400
Office and miscellaneous	819	1,964	3,877	11,613
Professional fees – Note 8	62,591	87,424	185,254	234,710
Transfer agent and filing fees	10,305	7,967	23,546	12,764
Website, marketing and promotions	1,072	3,216	1,969	10,394
LOSS BEFORE OTHER ITEMS	(132,799)	(137,875)	(308,069)	(376,046)
Interest income	3,078	978	13,998	5,915
Gain on accounts payable write off	-	-	42,582	-
Foreign exchange loss	-	-	(1,201)	(826)
Miscellaneous income	-	443	255	443
Legal settlement – Note 8	245,583	-	245,583	-
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	115,862	(136,454)	(6,852)	(370,514)
LOSS PER SHARE				
<i>Basic and diluted</i>	(0.00)	(0.00)	(0.00)	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	85,457,318	66,484,780	85,457,318	66,484,780

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

BAROYECA GOLD & SILVER INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended February 28, 2025 and February 29, 2024
(Unaudited - Expressed in Canadian dollars)

	February 28, 2025 \$	February 29, 2024 \$
CASH FLOWS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net loss for the period	(6,852)	(370,514)
Items not involving cash:		
Gain on accounts payable write off	(42,582)	-
Legal settlement	(129,664)	-
Net changes in non-cash working capital items:		
Increase in accounts receivable and sales tax receivable	(16,160)	(8,651)
Decrease in prepaid expenses	7,350	5,704
Increase (decrease) in accounts payable and accrued liabilities	(49,219)	121,250
Increase in due to related parties	31,311	82,715
	(205,816)	(169,496)
INVESTING ACTIVITY		
Term Deposit	(2,367)	-
FINANCING ACTIVITIES		
Shares issued for cash	341,125	-
Advisor and finder fees	(16,875)	-
	324,250	-
INCREASE (DECREASE) IN CASH	116,067	(169,496)
CASH, BEGINNING OF PERIOD	262,880	282,648
CASH, END OF PERIOD	378,947	113,152

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

BAROYECA GOLD & SILVER INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)****For the nine months ended February 28, 2025 and February 29, 2024**

(Unaudited - Expressed in Canadian dollars)

	Common Shares #	Share Capital \$	Subscription received in advance \$	Share-based Payment Reserves \$	Deficit \$	Accumulated Other Comprehensive Income \$	Total Shareholders' Equity (Deficiency) \$
Balance, May 31, 2024	66,484,750	18,489,501	149,468	332,115	(19,248,576)	102,378	(175,114)
Shares issued for cash	19,623,720	490,593	(149,468)	-	-	-	341,125
Share issuance costs	-	(16,875)	-	-	-	-	(16,875)
Net loss for the period	-	-	-	-	(6,852)	-	(6,852)
Balance, February 28, 2025	86,108,470	18,963,219	-	332,115	(19,255,428)	102,138	142,284
Balance, May 31, 2023	66,484,750	18,489,501	-	630,210	(19,155,102)	102,136	66,745
Net loss for the period	-	-	-	-	(370,514)	-	(370,514)
Balance, February 29, 2024	66,484,750	18,489,501	-	630,210	(19,525,616)	102,136	(303,769)

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

BAROYECA GOLD & SILVER INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended February 28, 2025 and February 29, 2024
(Unaudited - Expressed in Canadian dollars)

NOTE 1 - NATURE AND CONTINUANCE OF OPERATIONS

General business description

Baroyeca Gold & Silver Inc. (the "Company") was incorporated under the laws of British Columbia on February 17, 2006. The Company's registered office is located at Suite 2500 - 700 West Georgia Street, Vancouver, British Columbia. The Company's principal business activities include the acquisition and exploration of its exploration and evaluation assets. During the year ended May 31, 2008, the Company incorporated a wholly-owned subsidiary, Baroyeca Gold & Silver de Mexico, S.A. de C.V. under the laws of Mexico, which ceased to be a subsidiary effective May 28, 2024 (See note 3(b) herein).

The Company is in the process of searching for a mineral property interest to acquire. Upon acquisition of an interest, the Company will commence exploration and evaluation activities to determine whether the property contains mineral deposits that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and 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. Management is actively targeting sources of additional financing which would assure continuation of the Company's operations and exploration and development programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is primarily dependent upon its ability to generate such financing.

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

	February 28, 2025	May 31, 2024
	\$	\$
Working capital (deficiency)	142,284	(175,114)
Net loss for the period	(6,852)	(391,569)
Deficit	(19,255,428)	(19,248,576)

NOTE 2 – BASIS OF PREPARATION

Statement of Compliance and Conversion to IFRS

These condensed interim consolidated financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on June 25, 2025.

NOTE 3 – MATERIAL ACCOUNTING POLICIES

a) Basis of Presentation

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information.

BAROYECA GOLD & SILVER INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended February 28, 2025 and February 29, 2024
(Unaudited - Expressed in Canadian dollars)

NOTE 3 – MATERIAL ACCOUNTING POLICIES (Continued)

b) Basis of Consolidation

These condensed interim consolidated financial statements include only the accounts of the Company for the period ended February 28, 2025 and the accounts of the Company and its subsidiary for the period ended February 29, 2024. Intercompany balances and transactions are eliminated in preparing the consolidated financial statements.

For the period ended February 28, 2025, the following companies have been consolidated within these consolidated financial statements:

<u>Entity</u>	<u>Country of Incorporation</u>	<u>Voting Control</u>	<u>Functional Currency</u>
Baroyeca Gold & Silver Inc.	Canada	Parent Company	Canadian Dollar
Baroyeca Gold & Silver de Mexico, SA de CV	Mexico	*0%/100%	Mexican Peso

* On May 28, 2024, the Company sold its beneficial interest in 49,999 shares of Boroyeca Gold & Silver de Mexico, SA de CV for \$10.

c) Foreign currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company. Each subsidiary determines its own functional currency (Note 3(b)) and items included in the financial statements of each subsidiary are measured using that functional currency.

i) Transactions and Balances in Foreign Currencies

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rate at the date when fair value was determined.

ii) Foreign Operations

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the exchange rate prevailing at the reporting date and their revenues and expenses are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognized in other comprehensive income and accumulated in the currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in earnings and recognized as part of the gain or loss on disposal.

d) Cash and cash equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. As at February 28, 2025 and February 29, 2024 the Company had no cash equivalents on hand.

BAROYECA GOLD & SILVER INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended February 28, 2025 and February 29, 2024
(Unaudited - Expressed in Canadian dollars)

NOTE 3 – MATERIAL ACCOUNTING POLICIES (Continued)

e) Exploration and Evaluation Assets and Expenditures

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. All costs related to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as resource assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a resource property is impaired, that property is written down to its estimated net realizable value. A resource property is reviewed for impairment at each financial statement date or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Interest on borrowings incurred to finance resource assets is capitalized until the asset is capable of carrying out its intended use.

From time to time the Company may acquire or dispose of a resource property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received. The amounts shown for resource properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing and permitting to complete the development and future profitable production or proceeds from the disposition thereof. Revenues from saleable material produced during the exploration phase are applied as a reduction to capitalized exploration and evaluation assets.

f) Share Capital

The Company records proceeds from share issuances, net of commissions and issuance costs. Shares issued for other than cash consideration are valued at either: (i) the fair value of the asset acquired or the fair value of the liability extinguished at the measurement date under current market conditions, or (ii) the quoted price on the TSX Venture Exchange based on the earliest of: the date the shares are issued, or the date the agreement to issue the shares is reached.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. Proceeds from the issue of units, consisting of common shares and share purchase warrants, are first allocated to common shares based on the quoted market value of the common shares at the time the units are priced, and the balance, if any, is allocated to the attached warrants. Share issue costs are netted against share proceeds prorated to common shares and share purchase warrants.

g) Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option-pricing model at the grant date and charged to profit over the vesting period. The amount recognized as an expense is adjusted to reflect the number of equity instruments expected to vest. Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to deficit.

BAROYECA GOLD & SILVER INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended February 28, 2025 and February 29, 2024
(Unaudited - Expressed in Canadian dollars)

NOTE 3 – MATERIAL ACCOUNTING POLICIES (Continued)

h) Impairment

The Company reviews and evaluates its property, including exploration and evaluation assets, and equipment for indications of impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable or at least at the end of each reporting period. The asset's recoverable amount is estimated if an indication of impairment exists.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs.

The recoverable amount is the greater of the asset's 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 the current market assessment of the time value of money and the risks specific to the asset.

Impairment losses reducing the carrying value to the recoverable amount are recognized in profit and loss. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

i) Financial Instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

i) Classification

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as fair value through profit or loss (FVTPL). For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as fair value through other comprehensive income (FVTOCI). Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets	Classification under IFRS 9
Cash and term deposit	Amortized cost
Trade and other receivables	Amortized cost
Financial liabilities	Classification under IFRS 9
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Other financial liabilities	Amortized cost

BAROYECA GOLD & SILVER INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended February 28, 2025 and February 29, 2024
(Unaudited - Expressed in Canadian dollars)

NOTE 3 – MATERIAL ACCOUNTING POLICIES (Continued)

ii) **Measurement**

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the Consolidated Statements of Comprehensive Income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the Consolidated Statements of Comprehensive Income in the period in which they arise.

iii) **Impairment of financial assets**

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the Consolidated Statements of Comprehensive Income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

j) **Comprehensive income (loss)**

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. The Company's translation of its operations incurred in foreign currencies into Canadian dollars is the only item currently affecting comprehensive income (loss) for the years presented.

k) **Income taxes**

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) **Current Income Tax**

Current income tax assets and liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii) **Deferred Income Tax**

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

BAROYECA GOLD & SILVER INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended February 28, 2025 and February 29, 2024
(Unaudited - Expressed in Canadian dollars)

NOTE 3 – MATERIAL ACCOUNTING POLICIES (Continued)

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

l) Earnings (loss) per share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive.

m) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's statement of financial position include 'Share Subscriptions Received', 'Share-based Payment Reserve', and 'Deficit'.

- 'Subscriptions Received' is used to recognize the value of cash received towards share subscriptions that have not been issued by period-end.
- 'Share-based Payment Reserve' is used to recognize the fair value of stock option grants and warrants prior to exercise, expiry or cancellation and the fair value of other share-based consideration paid at the date of payment.
- 'Deficit' is used to record the Company's change in deficit from earnings from period to period.

n) Comparative Figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current period. These reclassifications have no effect on the net loss for the period ended February 28, 2025.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 3, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

BAROYECA GOLD & SILVER INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended February 28, 2025 and February 29, 2024
(Unaudited - Expressed in Canadian dollars)

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Significant judgments, estimates, and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

a) Exploration and Evaluation Assets

The carrying amount of Company’s exploration and evaluation assets does not necessarily represent present or future values, and the Company’s exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management’s assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company’s mineral properties.

To the extent that any of management’s assumptions change, there could be a significant impact on the Company’s future financial position, operating results and cash flows.

b) Deferred Tax Assets

Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management’s estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

c) Share-based Compensation

The fair value of share-based compensation is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	February 28, 2025	May 31, 2024
	\$	\$
Trade accounts payable	153,100	302,832
Accrued liabilities	12,500	84,235
	165,600	387,067

BAROYECA GOLD & SILVER INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended February 28, 2025 and February 29, 2024
(Unaudited - Expressed in Canadian dollars)

NOTE 6 – SHARE CAPITAL

a) Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value

b) Issued Common Shares

During the period ended February 28, 2025, the Company issued 19,623,720 Units of its securities at a price of \$0.025 per Unit for total proceeds of \$490,593. Each Unit is comprised of one Common Share and one share purchase warrant (a “Warrant”) with each Warrant entitling the holder to acquire one additional Common Share at a price of \$0.05 for a period of 60 months from the date of issue.

c) Stock Options

The Board of Directors is authorized, pursuant to the Company’s Stock Option Plan, to grant options to directors, officers, consultants or employees to acquire up to 10% of issued and outstanding common shares. The exercise price of options granted shall not be less than the price permitted by any stock exchange on which the common shares are then listed or other regulatory body having jurisdiction. The options can be granted for a maximum term of 5 years and are subject to such vesting terms and conditions as may be specified by the Board of Directors.

The award of stock options is at the discretion of the Board of Directors. The Company has no formal objectives or criteria and relies on the recommendations of the Board of Directors.

No stock options were awarded during the nine months ended February 28, 2025.

As at February 28, 2025, share purchase options outstanding were as follows:

	Options outstanding Numbers	Weighted average exercise price \$
Balance, May 31, 2023	2,800,000	0.218
Expired	(1,400,000)	0.265
Balance, May 31, 2024 and February 28, 2025	1,400,000	0.215

The following table displays outstanding and exercisable options at February 28, 2025:

Expiry date	Number outstanding #	Number exercisable #	Weighted average exercise price \$	Weighted average remaining contractual life Years
June 24, 2026	1,400,000	1,400,000	0.215	1.76

BAROYECA GOLD & SILVER INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended February 28, 2025 and February 29, 2024
(Unaudited - Expressed in Canadian dollars)

NOTE 6 – SHARE CAPITAL (Continued)

d) Warrants

As at February 28, 2025, warrants outstanding were as follows:

- i) 19,623,720 share purchase warrants at an exercise price of \$0.05 per share until June 10, 2029.

A summary of the Company's issued and outstanding warrants as at February 28, 2025 is presented below:

	Warrants Outstanding Numbers	Weighted average exercise price \$
Balance, May 31, 2023	12,490,000	0.10
Warrants expired on February 14, 2024	(12,440,000)	0.10
Balance, May 31, 2024	50,000	0.10
Warrants issued under private placement	19,623,720	0.05
Warrants expired on February 14, 2025	(50,000)	0.10
Balance, February 28, 2025	19,623,720	0.05

NOTE 7– RELATED PARTY TRANSACTIONS

Compensation of key management

Key management includes the Company's directors. Key management compensation for the periods ended February 28, 2025 and February 29, 2024, comprised:

	February 28, 2025 \$	February 29, 2024 \$
Director fees	5,400	5,400
Consulting and Legal fees	80,000	89,250
	85,400	94,650

Other related party transactions

In addition to the compensation paid to directors, the Company had the following transactions with related parties:

- a) The Company incurred consulting fees of \$30,000 (May 31, 2024 - \$59,250) to a director of the Company. As at February 28, 2025, the Company had a balance payable of \$86,400 (May 31, 2024 - \$70,650) to this director which was included in due to related parties.
- b) During the period February 28, 2025, the Company incurred consulting fees of \$50,000 (May 31, 2024 – \$45,000) to a director of the Company. As of February 28, 2025 the Company had a balance payable of \$61,900 (May 31, 2024 - \$36,738) to this director of the Company, which was included in due to related parties.
- c) As at February 28, 2025, the Company owed \$2,400 (May 31, 2024 - \$7,200) to a director of the Company for director fees, which is included in due to related parties.
- d) As at February 28, 2025, the Company owed \$483 (May 31, 2024 - \$483) to a former director of the Company, who resigned on September 28, 2012, which is included in related parties.

The amount due to/from related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

BAROYECA GOLD & SILVER INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended February 28, 2025 and February 29, 2024
(Unaudited - Expressed in Canadian dollars)

NOTE 8 – LEGAL SETTLEMENT

During the period ended February 28, 2025, the Company received a payment of \$115,919 (US\$82,119) as part of a settlement of costs awarded in favor of a director of the Company who had been sued personally while acting as a representative of the Company and whom the Company was reimbursing pursuant to its articles. The total settlement amounted to \$245,583 (US\$174,619), of which \$129,664 (US\$92,500) was applied against outstanding legal fees. As the Company covered the legal costs in the matter, the net settlement amount was forwarded to the Company.

NOTE 9 – FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Fair Value

The fair value of the Company's amounts receivable, due from related parties, accounts payable and accrued liabilities, advance payable and line of credit approximate carrying value due to their short terms to maturity, which is the amount recorded on the consolidated statement of financial position. The Company's loan payable is recorded at amortized cost, and the Company's cash and marketable securities are recorded at fair value using Level 1 quoted prices in active markets for identical assets or liabilities.

b) Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. As the Company's cash is held in major financial institutions, and the major component of amounts receivable is GST receivable from the government of Canada, the Company believes it has no significant credit risk.

c) Liquidity and funding risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2025, the Company had a cash balance of \$378,947 to settle current liabilities of \$316,783. All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand.

The Company has historically relied on equity and debt financings to satisfy its capital requirements and will continue to depend heavily upon equity capital and debt to finance its activities. There can be no assurance the Company will be able to obtain the required financing in the future on acceptable terms. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing market conditions.

d) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. As at February 28, 2025, the carrying value of the financial instruments approximates their fair values.

BAROYECA GOLD & SILVER INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended February 28, 2025 and February 29, 2024
(Unaudited - Expressed in Canadian dollars)

NOTE 9 – FINANCIAL RISK FACTORS (Continued)

e) Interest rate risk

The Company has short-term deposit balance of \$56,544 as at February 28, 2025 and no financial liabilities whose future settlements will vary with changes in interest rates. The effect of fluctuations in interest rates, are considered to be insignificant.

f) Foreign currency risk

The functional and reporting currency is the Canadian dollar transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the consolidated statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the consolidated statement of operations. The Company is not exposed to material currency risk.

g) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the prices of commodities, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

NOTE 10 – CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the exploration and evaluation of its mineral property interests. Capital is comprised of the Company's shareholders' equity. As at February 28, 2025, the shareholders' equity was \$142,284. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended February 28, 2025.

NOTE 11 – PROPOSED AMALGAMATION

The Company has entered into an Amalgamation Agreement with a private company, Terra Rossa Gold Ltd., which contemplates the combination of the businesses of the two companies to form a resulting entity to be listed on Tier 2 of the TSX Venture Exchange (the "TSXV") all subject, amongst other things, to the review and approval of the TSXV (the "Transaction"). The Transaction has been filed with and, at the date of these Financial Statements, is still under review by the TSX Venture Exchange. For particulars of the Transaction, please see the Company's news release of November 1, 2024 and the Amalgamation Agreement, both available under the Company's disclosure on SEDAR+ found at www.sedarplus.com.

Further to the Proposed Amalgamation, on January 15, 2025 at the Company's Annual General Meeting of its shareholders, the shareholders approved the Amalgamation Agreement and the related consolidation of the Company's issued share capital on a 1 new for 14 old basis. Approval of these matters by the Company's shareholders was one of the further conditions set out in the Amalgamation Agreement to be satisfied in order for the amalgamation to complete.

BAROYECA GOLD & SILVER INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended May 31, 2024 and 2023

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of:
BAROYECA GOLD & SILVER INC.

Opinion

We have audited the consolidated financial statements of Baroyeca Gold & Silver Inc. ("the Company"), which comprise the consolidated statements of financial position as at May 31, 2024 and 2023 and the consolidated statements of changes in shareholders' equity, loss and comprehensive loss, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other 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 incurred a net loss of \$391,569 during the year ended May 31, 2024, and as of that date, had accumulated losses since inception of \$19,248,576. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

SERVICE

INTEGRITY

TRUST



SUITE 420

1501 WEST BROADWAY

VANCOUVER, BRITISH COLUMBIA

CANADA V6J 4Z6

TEL: (604) 428-1866

FAX: (604) 428-0513

WWW.WDMCA.COM

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.



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

WDM

Chartered Professional Accountants Professional Accountants

Vancouver, B.C.
September 30, 2024



Baroyeca Gold & Silver Inc.
Consolidated Statements of Financial Position
As at May 31, 2024 and 2023
(Expressed in Canadian dollars)

	Note	2024 \$	2023 \$
ASSETS			
CURRENT			
Cash		262,880	282,648
Term deposit		54,178	50,000
Account receivable and sales taxes receivable		7,416	30,126
Prepaid expenses		7,350	48,448
		331,824	411,222
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	6	387,067	279,862
Due to related parties	8	119,871	64,615
		506,938	344,477
SHAREHOLDERS' (DEFICIENCY) EQUITY			
Share capital	7	18,489,501	18,489,501
Subscription received in advance		149,468	-
Share-based payment reserve		332,115	630,210
Deficit		(19,248,576)	(19,155,102)
Accumulated other comprehensive loss		102,378	102,136
		(175,114)	66,745
		331,824	411,222

Nature and continuance of operations (Note 1)

Approved on behalf of the Board on September 30, 2024:

Richard Wilson
Richard Wilson – Director

Douglas Eacrett
Douglas Eacrett – Director

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

Baroyeca Gold & Silver Inc.

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

For the Years Ended May 31, 2024 and 2023

(Expressed in Canadian dollars)

	Note	Common Shares number	Share Capital \$	Subscriptions Received in Advance \$	Share-Based Payment Reserve \$	Deficit \$	Accumulated Other Comprehensive Income (Loss) \$	Total Shareholders' Equity (Deficiency) \$
Balance, May 31, 2022		53,179,939	17,802,909	-	1,478,596	(10,312,483)	(10,051)	8,958,971
Shares issued for cash	7(b)(i)	12,440,000	622,000	-	-	-	-	622,000
Shares issued for exploration and evaluation assets	7(b)(ii)(iii)	864,811	67,092	-	-	-	-	67,092
Share issuance costs	7(b)(i)	-	(2,500)	-	-	-	-	(2,500)
Fair value of options/warrant expired	7(c)(d)	-	-	-	(848,386)	848,386	-	-
Net loss for the year		-	-	-	-	(9,691,005)	-	(9,691,005)
Translation adjustment		-	-	-	-	-	112,187	112,187
Balance, May 31, 2023		66,484,750	18,489,501	-	630,210	(19,155,102)	102,136	66,745
Subscriptions received in advance		-	-	149,468	-	-	-	149,468
Fair value of options/warrant expired	7(c)(d)	-	-	-	(298,095)	298,095	-	-
Net loss for the year		-	-	-	-	(391,569)	-	(391,569)
Translation adjustment		-	-	-	-	-	242	242
Balance, May 31, 2024		66,484,750	18,489,501	149,468	332,115	(19,248,576)	102,378	(175,114)

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

Baroyeca Gold & Silver Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended May 31, 2024 and 2023
(Expressed in Canadian dollars)

	Note	2024 \$	2023 \$
EXPENSES			
Advertising, promotion and marketing		6,600	259,355
Advisors and directors fees	8	7,200	16,761
Insurance		12,250	14,027
Interest and bank charges		737	1,297
Management and consulting fees	8	104,250	353,250
Meals and entertainment		5,906	22,693
Office		1,105	45,513
Professional fees	8	390,053	167,397
Travel		11,693	-
Transfer agent and filing fees		24,106	31,903
Loss before other items		(563,900)	(912,196)
Foreign exchange loss		(1,156)	-
Gain on write off of accounts payable		161,868	-
Loss on write off of advance receivable		(241)	-
Gain on sale of Mexico subsidiary	3b	10	-
Interest and miscellaneous income		11,850	12,233
Loss on termination of mineral options	5	-	(8,791,042)
NET LOSS FOR THE YEAR		(391,569)	(9,691,005)
Translation adjustment		242	112,187
COMPREHENSIVE LOSS FOR THE YEAR		(391,327)	(9,578,818)
Basic and diluted loss per share for the year		(0.005)	(0.17)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		66,484,750	57,904,096

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

Baroyeca Gold & Silver Inc.
Consolidated Statements of Cash Flows
For the Years Ended May 31, 2024 and 2023
(Expressed in Canadian dollars)

	2024	2023
	\$	\$
CASH FLOWS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net loss for the year	(391,569)	(9,691,005)
Items not involving cash:		
Gain on write off account payable	(161,868)	-
Loss on termination of mineral options	-	8,791,042
Shares issued for mineral property	-	67,092
Net changes in non-cash working capital items:		
Account receivable and sales taxes receivable	22,701	37,004
Prepaid expenses	41,098	55,192
Accounts payable and accrued liabilities	269,075	113,062
Due to related parties	55,255	(6,918)
NET CASH USED IN OPERATIONS	(165,308)	(634,531)
FINANCING ACTIVITIES		
Shares issued for advisor and finder fees	-	(2,500)
Subscription received in advance	149,468	-
Shares issued for cash, net of cost	-	622,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	149,468	619,500
INVESTING ACTIVITIES		
Exploration costs	-	(1,438,314)
Proceeds from mineral property settlement	-	160,000
Exploration advances	-	55,044
Term deposit	(4,178)	-
Proceeds from sale of Mexico Subsidiary (Note 6)	10	-
NET CASH USED FOR INVESTING ACTIVITIES	(4,168)	(1,223,270)
NET EFFECT OF FOREIGN EXCHANGE RATE	4,418	112,187
DECREASE IN CASH FOR THE YEAR	(15,590)	(1,126,114)
CASH AND TERM DEPOSIT, BEGINNING OF YEAR	332,648	1,458,762
CASH AND TERM DEPOSIT, END OF YEAR	317,058	332,648

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

Baroyeca Gold & Silver Inc.
Notes to the Consolidated Financial Statements
For the Years Ended May 31, 2024 and 2023
(Expressed in Canadian dollars)

NOTE 1 - NATURE AND CONTINUANCE OF OPERATIONS

Baroyeca Gold & Silver Inc. (the "Company") was incorporated under the laws of British Columbia on February 17, 2006. The Company's registered office is located at Suite 2500 – 700 West Georgia Street, Vancouver, British Columbia. The Company's principal business activities include the acquisition and exploration of its exploration and evaluation assets. During the year ended May 31, 2008, the Company incorporated a wholly-owned subsidiary, Baroyeca Gold & Silver de Mexico, S.A. de C.V. under the laws of Mexico and it ceased to be a subsidiary effective as of May 28, 2024.

The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and 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. Management is actively targeting sources of additional financing which would assure continuation of the Company's operations and exploration and evaluation programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is primarily dependent upon its ability to generate such financing. These uncertainties may cast significant doubt on the entity's ability to continue as a going concern.

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

	2024	2023
	\$	\$
Working capital (deficiency)	(175,114)	66,745
Net loss	(391,569)	(9,691,005)
Deficit	(19,248,576)	(19,155,102)

NOTE 2 – STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

The consolidated financial statements were authorized for issue by the Board of Directors on September 30, 2024.

NOTE 3 – MATERIAL ACCOUNTING POLICIES

a) Basis of Presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information.

b) Basis of Consolidation

For the years ended May 31, 2024 and 2023, the consolidated financial statements include the accounts of the Company and its subsidiaries (collectively, the "Company"). Intercompany balances and transactions are eliminated in preparing the consolidated financial statements.

Baroyeca Gold & Silver Inc.
Notes to the Consolidated Financial Statements
For the Years Ended May 31, 2024 and 2023
(Expressed in Canadian dollars)

NOTE 3 – MATERIAL ACCOUNTING POLICIES (continued)

The following companies have been consolidated within these consolidated financial statements at year ended May 31, 2024 and 2023:

Entity	Country of Incorporation	Voting Control	Functional Currency
Baroyeca Gold & Silver Inc.	Canada	Parent Company	Canadian Dollar
Baroyeca Gold & Silver de Mexico, SA de CV*	Mexico	*0%/100%	Mexican Peso

* On May 28, 2024, the company had sold 49,999 common share in the capital of Baroyeca Gold & Silver de Mexico, S.A de C.V for \$10.

c) Foreign currency

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company. Each subsidiary determines its own functional currency (Note 3(b)) and items included in the financial statements of each subsidiary are measured using that functional currency.

i) Transactions and Balances in Foreign Currencies

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rate at the date when fair value was determined.

ii) Foreign Operations

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the exchange rate prevailing at the reporting date and their revenues and expenses are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognized in other comprehensive income and accumulated in the currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in earnings and recognized as part of the gain or loss on disposal.

d) Cash and cash equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

e) Exploration and Evaluation Assets and Expenditures

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. All costs related to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as resource assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a resource property is impaired, that property is written down to its estimated net realizable value. A resource property is reviewed for impairment at each financial statement date or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Interest on borrowings incurred to finance resource assets is capitalized until the asset is capable of carrying out its intended use.

Baroyeca Gold & Silver Inc.

Notes to the Consolidated Financial Statements

For the Years Ended May 31, 2024 and 2023

(Expressed in Canadian dollars)

NOTE 3 – MATERIAL ACCOUNTING POLICIES (continued)

From time to time the Company may acquire or dispose of a resource property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received. The amounts shown for resource properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing and permitting to complete the development and future profitable production or proceeds from the disposition thereof. Revenues from saleable material produced during the exploration phase are applied as a reduction to capitalized exploration and evaluation assets.

f) Share Capital

The Company records proceeds from share issuances, net of commissions and issuance costs. Shares issued for other than cash consideration are valued at either: (i) the fair value of the asset acquired or the fair value of the liability extinguished at the measurement date under current market conditions, or (ii) the quoted market price for the Company's shares based on the earlier of: the date the shares are issued, or the date the agreement to issue the shares is reached.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. Proceeds from the issue of units, consisting of common shares and share purchase warrants, are first allocated to common shares based on the quoted market value of the common shares at the time the units are priced, and the balance, if any, is allocated to the attached warrants. Share issue costs are netted against share proceeds prorated to common shares and share purchase warrants.

g) Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option pricing model at the grant date and charged to profit over the vesting period. The amount recognized as an expense is adjusted to reflect the number of equity instruments expected to vest. Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital. Upon the expiry or cancellation of stock options and other share-based payments, their fair value previously recorded in reserve is transferred to deficit.

h) Impairment

The Company reviews and evaluates its property, including exploration and evaluation assets, and equipment for indications of impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable or at least at the end of each reporting period. The asset's recoverable amount is estimated if an indication of impairment exists.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs.

Baroyeca Gold & Silver Inc.
Notes to the Consolidated Financial Statements
For the Years Ended May 31, 2024 and 2023
(Expressed in Canadian dollars)

NOTE 3 – MATERIAL ACCOUNTING POLICIES (continued)

The recoverable amount is the greater of the asset's 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 the current market assessment of the time value of money and the risks specific to the asset.

Impairment losses reducing the carrying value to the recoverable amount are recognized in profit and loss. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

i) Financial Instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

i) Classification

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets	Classification under IFRS 9
Cash and term deposit	Amortized cost
Trade and other receivables	Amortized cost
Financial liabilities	Classification under IFRS 9
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Other financial liabilities	Amortized cost

ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the Consolidated Statements of Comprehensive Income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the Consolidated Statements of Comprehensive Income in the period in which they arise.

iii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

Baroyeca Gold & Silver Inc.

Notes to the Consolidated Financial Statements

For the Years Ended May 31, 2024 and 2023

(Expressed in Canadian dollars)

NOTE 3 – MATERIAL ACCOUNTING POLICIES (continued)

The Company shall recognize in the Consolidated Statements of Comprehensive Income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

j) Comprehensive loss

Comprehensive loss consists of net loss and other comprehensive loss and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. The Company's translation of its foreign subsidiaries into Canadian dollars is the only item currently affecting comprehensive loss for the years presented.

k) Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current Income Tax

Current income tax assets and liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

l) Loss per share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive.

m) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's consolidated statements of financial position include 'Share Subscriptions Received', 'Share-based Payment Reserve', and 'Deficit'.

- 'Share Subscriptions Received' is used to recognize the value of cash received towards share subscriptions that have not been issued by year-end.

Baroyeca Gold & Silver Inc.

Notes to the Consolidated Financial Statements

For the Years Ended May 31, 2024 and 2023

(Expressed in Canadian dollars)

NOTE 3 – MATERIAL ACCOUNTING POLICIES (continued)

- ‘Share-based Payment Reserve’ is used to recognize the fair value of stock option grants and warrants prior to exercise, expiry or cancellation and the fair value of other share-based consideration paid at the date of payment.
- ‘Deficit’ is used to record the Company’s change in deficit from earnings from period to period.

n) New accounting standards and interpretations

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2023:

IAS 1, Presentation of Financial Statements (“IAS 1”) and IFRS Practice Statement 2, Making Materiality Judgements - Disclosure of Accounting Policies(the "Practice Statement"): In February 2021, the IASB issued amendments to IAS 1 and the Practice Statement to provide guidance on the application of materiality judgements to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose ‘significant’ accounting policies with a requirement to disclose ‘material’ accounting policies. Guidance and illustrative examples are added in the Practice Statement to assist in the application of materiality concept when making judgments about accounting policy disclosures. The adoption of these amendments did not have a material impact on the Financial Statements.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company’s accounting policies which are described in Note 3, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgments, estimates, and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

a) Exploration and Evaluation Assets

The carrying amount of the Company’s exploration and evaluation assets does not necessarily represent present or future values, and the Company’s exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management’s assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company’s mineral properties.

To the extent that any of management’s assumptions change, there could be a significant impact on the Company’s future financial position, operating results and cash flows.

b) Deferred Tax Assets

Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management’s estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Baroyeca Gold & Silver Inc.

Notes to the Consolidated Financial Statements

For the Years Ended May 31, 2024 and 2023

(Expressed in Canadian dollars)

NOTE 5 – EXPLORATION AND EVALUATION ASSETS

Total expenditures on the Company’s mineral property in Colombia are as follows:

	Santa Barbara Colombia, SA \$	Atocha (Falan) Colombia, SA \$	Total \$
Balance, May 31, 2022	3,918,161	3,445,512	7,363,673
Additions			
Acquisition cost	328,722	-	328,722
Automobile	33,678	17,240	50,918
Consulting and Geologists	-	24,349	24,349
Exploration, drilling, lab and survey	45,000	524,756	569,756
Equipment, tools and materials	22,168	5,684	27,852
License and Dues	4,327	27,563	31,890
Rent	-	5,809	5,809
Repairs and maintenance	18,554	754	19,308
Travel and accommodations	20,283	16,851	37,134
Taxes	3,442	13,974	17,416
Wages, benefits and contractors	380,517	271,761	652,278
Total acquisition and exploration costs during 2022	856,691	908,741	1,765,432
Effect of foreign currency translation	(50,751)	(127,312)	(178,063)
Write off of exploration cost	(4,724,101)	(4,226,941)	(8,951,042)
Balance, May 31, 2023 and May 31, 2024	-	-	-

During the year ended May 31, 2023, due to a decline in investor interest in its Colombia Properties, the Company was unable to raise the necessary funds to exercise the options it held on the Santa Barbara and Atocha Properties, decided to abandon the options, dispose of the Santa Barbara Extension Property, and withdraw from its operations in Colombia. In doing so, the Company wrote off all costs incurred to date on its Colombia Properties resulting in a loss of \$8,951,042 after offsetting \$160,000 in cash received as part consideration for the Santa Barbara Extension Property.

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024 \$	2023 \$
Trade accounts payable	302,832	230,662
Accrued liabilities	84,235	49,200
	387,067	279,862

NOTE 7 – SHARE CAPITAL

a) Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued Common Shares

No common share was issued during the year ended May 31, 2024.

During the year ended May 31, 2023, the Company issued a total of 13,304,811 shares of its capital stock, as follows:

- i) 12,440,000 units of its securities at \$0.05 per unit, each unit consisting of one common share and one non-transferable share purchase warrant, each warrant (a “Warrant”) entitling the holder to acquire one additional common share of the Company at a price of \$0.10 per share for a period of one year. The Company incurred \$2,500 in share issuance costs related to this financing and issued 50,000 finder’s warrants.

Baroyeca Gold & Silver Inc.
Notes to the Consolidated Financial Statements
For the Years Ended May 31, 2024 and 2023
(Expressed in Canadian dollars)

NOTE 7 – SHARE CAPITAL (continued)

- ii) 361,111 common shares at \$0.13 per share pursuant to the Purchase of Santa Barbara Property (Extension).
- iii) 503,700 common shares at \$0.04 per share pursuant to the Purchase of Santa Barbara Property (Extension).

c) Stock options

The Board of Directors is authorized, pursuant to the Company’s Stock Option Plan, to grant options to directors, officers, consultants or employees to acquire up to 10% of issued and outstanding common shares. The exercise price of options granted shall not be less than the price permitted by any stock exchange on which the common shares are then listed or other regulatory body having jurisdiction. The options can be granted for a maximum term of 5 years and are subject to such vesting terms and conditions as may be specified by the Board of Directors.

The award of stock options is at the discretion of the Board of Directors. The Company has no formal objectives or criteria and relies on the recommendations of the Board of Directors.

The Company’s options outstanding as at May 31, 2024 and the changes for the years then ended are as follows.

	Options outstanding Numbers	Weighted average exercise price \$
Balance, June 1, 2022	3,250,000	0.228
Expired	(450,000)	0.20
Balance, May 31, 2023	2,800,000	0.218
Expired	(1,400,000)	0.265
Balance, May 31, 2024	1,400,000	0.215

The following table displays outstanding and exercisable options at May 31, 2024:

Expiry date	Number outstanding #	Number exercisable #	Weighted average exercise price \$	Weighted average remaining contractual life Years
June 24, 2026	1,400,000	1,400,000	0.210	1.90

d) Warrants

As at May 31, 2024, warrants outstanding were as follows:

- i) 50,000 finder’s warrants at an exercise price of \$0.100 per share until February 14, 2025.

Baroyeca Gold & Silver Inc.
Notes to the Consolidated Financial Statements
For the Years Ended May 31, 2024 and 2023
(Expressed in Canadian dollars)

NOTE 7 – SHARE CAPITAL (continued)

A summary of the Company's issued and outstanding warrants as at May 31, 2024 is presented below:

	Warrants Outstanding Numbers	Weighted average exercise price \$
Balance, June 1, 2022	14,573,463	0.349
Warrants issued under finder's fee	50,000	0.100
Warrants issued under private placement	12,440,000	0.100
Warrants expired	(14,573,463)	0.349
Balance, May 31, 2023	12,490,000	0.100
Warrants expired on February 14, 2024	(12,440,000)	0.100
Balance, May 31, 2024	50,000	0.100

NOTE 8 – RELATED PARTY TRANSACTIONS

a) Compensation of key management

Key management includes the Company's directors. Key management compensation for the years ended May 31, 2024 and 2023, comprised the following:

	2024 \$	2023 \$
Director fees	7,200	7,200
Consulting fees	104,250	303,100
	111,450	310,300

b) Other related party transactions

In addition to the compensation paid to directors, the Company had the following transactions with related parties:

- i) As at May 31, 2024, the Company incurred consulting fees of \$59,250 to a director of the Company. As of May 31, 2024, the Company had a balance payable of \$70,650 (2023 - \$31,500) to a Company director, which was included in due to related parties.
- ii) During the year ended May 31, 2024, the Company incurred consulting fees of \$45,000 (2023 - \$94,500) to a director of the Company. The director had decided to write off \$35,000 plus GST from his accrued consulting fees included in the payable. As at May 31, 2024 the Company had a balance payable of \$36,738 (2023 - \$27,832) to this director which was included in due to related parties.
- iii) During the year ended May 31, 2024, the Company incurred director's fees of \$7,200 (2023 - \$7,200) to a director of the Company. As at May 31, 2024 the Company had a balance payable of \$12,000 (2023 - \$4,800) to this director which was included in due to related parties.
- iv) As at May 31, 2024, the Company owed \$483 (2023 - \$483) to a former director of the Company, who resigned on September 28, 2012, which is included in due to related parties.

The amounts due to/from related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

Baroyeca Gold & Silver Inc.
Notes to the Consolidated Financial Statements
For the Years Ended May 31, 2024 and 2023
(Expressed in Canadian dollars)

NOTE 9 – INCOME TAXES

a) Provision for current tax

No provision has been made for current income taxes, as the Company has no taxable income.

A reconciliation of income taxes at statutory rates is as follows:

	2024	2023
	\$	\$
Net loss for the year	(391,569)	(9,691,005)
Income tax expense	-	-
Loss excluding income tax	(391,569)	(9,691,005)
Income tax recovery using the Company's domestic tax rate	(139,000)	(1,737,000)
Adjustment to prior year's tax provision	106,000	(23,000)
Permanent differences	(1,787,000)	1,528,000
Other	57,000	(39,000)
Change in unrecognized temporary differences	1,763,000	271,000
	-	-

b) Provision for deferred tax

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized.

As at May 31, 2024, the Company has unused non-capital loss carry forward balance of approximately \$9,097,719 (2023 - \$8,533,386) in Canada and \$Nil (2023 - \$1,786,598) in Mexico.

In addition, the Company has approximately \$6,627,306 (2023 - \$13,959,883) of resource tax pools available, which may be used to shelter certain resource income in Canada.

As at May 31, 2024, the Company had the following deductible temporary differences in respect of which no deferred tax asset was recognized:

Expiry	Tax Losses	Resource Pools	Equipment and Other
	\$	\$	\$
Within one year	-	-	-
One to five years	362,721	-	81,980
After five years	8,734,458	-	-
No expiry date	-	6,627,306	-
Net deferred income tax assets	9,097,719	6,627,306	81,980

Baroyeca Gold & Silver Inc.
Notes to the Consolidated Financial Statements
For the Years Ended May 31, 2024 and 2023
(Expressed in Canadian dollars)

NOTE 10 – SEGMENTED INFORMATION

The Company has one reportable segment, which is exploration and evaluation activities in Mexico. During the year ended May 31, 2024, the Company ceased its operations in Mexico, resulting in only one operating segment as of May 31, 2024.

Geographic information of identifiable assets is as follows:

	Canada		Total
	\$		\$
Cash	262,880		262,880
Term Deposits	54,178		54,178
Account receivable and GST receivable	7,416		7,416
Prepaid Expense	7,350		7,350
Total Identifiable Assets as at May 31, 2024	331,824		331,824
	Canada	Mexico	Total
	\$	(Inactive) \$	\$
Cash	282,648	-	282,648
Term Deposits	50,000	-	50,000
GST receivable	30,126	-	30,126
Prepaid Expense	48,448	-	48,448
Exploration Advances	-	-	-
Total Identifiable Assets as at May 31, 2023	411,222	-	411,222

NOTE 11 – FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Fair Value

The fair value of the Company's accounts receivable, accounts payable and accrued liabilities, due to related parties approximate carrying value due to their short terms to maturity, which is the amount recorded on the consolidated statement of financial position. The Company's cash and term deposit are recorded at fair value using Level 1 quoted prices in active markets for identical assets or liabilities.

b) Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. As the Company's cash is held in major financial institutions, and the major component of amounts receivable is GST receivable from the government of Canada, the Company believes it has no significant credit risk.

c) Liquidity and funding risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2024, the Company had a cash balance of \$262,880 (2023 - \$282,648) to settle current liabilities of \$506,938 (2023 - \$344,477). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand.

The Company has historically relied on equity and debt financing to satisfy its capital requirements and will continue to depend heavily upon equity capital and debt to finance its activities. There can be no assurance the Company will be able to obtain the required financing in the future on acceptable terms. The ability of the Company to arrange additional financing in the future will depend, in part, on prevailing market conditions.

Baroyeca Gold & Silver Inc.

Notes to the Consolidated Financial Statements

For the Years Ended May 31, 2024 and 2023

(Expressed in Canadian dollars)

NOTE 11 – FINANCIAL RISK FACTORS (continued)

d) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. As at May 31, 2024, the carrying value of the financial instruments approximates their fair values.

e) Interest rate risk

The Company has short-term deposit balance of \$54,178 as at May 31, 2024 and no financial liabilities whose future settlements will vary with changes in interest rates. The effect of fluctuations in interest rates, are considered to be insignificant.

f) Foreign currency risk

The functional and reporting currency is the Canadian dollar transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the consolidated statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the consolidated statement of operations. The Company is not exposed to material currency risk.

g) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the prices of commodities, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

NOTE 12 – CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the exploration and evaluation of its mineral property interests. Capital is comprised of the Company's shareholders' equity. As at May 31, 2024, a negative shareholders' equity of \$175,114. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended May 31, 2024.

Note 13 – SUBSEQUENT EVENT

Subsequent to the year ending May 31, 2024, on August 20, 2024, the Company closed a private placement. The Company issued an aggregate of 19,623,720 units (the "Units") for gross proceeds of \$490,593. The Units were offered at a price of \$0.025 per Unit with each Unit consisting of one common share and one full common share purchase warrant (a "Warrant") with each Warrant entitling the holder to acquire an additional common share at an exercise price of \$0.05 for a period of 60 months from the date of issuance.

APPENDIX "E"

MANAGEMENT'S DISCUSSION AND ANALYSIS OF BAROYECA

See attached.

BAROYECA GOLD & SILVER INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the Nine Months Ended February 28, 2025

Background

The following discussion and analysis, prepared as of April 28, 2025, should be read together with the unaudited condensed interim consolidated financial statements for the nine months ended February 28, 2025 (the “Financial Statements”) and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated.

These unaudited condensed interim consolidated financial statements include the accounts of the Company for the nine months ended February 28, 2025 and for the Company and its then wholly owned subsidiary, Boroyeca Gold & Silver de Mexico S.A. de C.V. for the nine months ended February 29, 2024. All inter-company transactions and balances have been eliminated.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedarplus.com.

Overview

Baroyeca Gold & Silver Inc. (the “Company”) was incorporated on February 17, 2006 and commenced business at that time. The Company is a mineral exploration and evaluation company with no revenue generating operations. Accordingly, any funds raised for the Company’s operations are through the sale of shares of its capital stock or from debt financing. The Company’s fiscal year end is May 31. The Company is listed on the TSX Venture Exchange under the symbol **BGS**.

Proposed Amalgamation

As announced in its news release dated November 1, 2024 (the “News Release”), the Company has entered into an Amalgamation Agreement with a private company, Terra Rossa Gold Ltd. (“Terra Rossa”), pursuant to which the businesses of the two companies will be combined (the “Transaction”), subject to the review and approval of the TSX Venture Exchange (the “TSXV”), (with this Transaction expected to be considered a “Reverse Takeover” under their Policies,) and subject to certain conditions set out in the Amalgamation Agreement including: (i) the approval of the shareholders of the Company to the Transaction and the resultant consolidation of the Company’s outstanding shares on a 1 new for 14 old basis (the “Consolidation”); (ii) the approval of the shareholders of Terra Rossa with respect to the Amalgamation; (iii) the completion of a concurrent financing as set out in the Amalgamation Agreement (a copy of the Amalgamation Agreement is available on the Company’s profile at www.sedarplus.com); and (iv) obtaining approval of the TSXV to the listing of the shares of the resulting company (the objective being that the resulting company be listed on Tier 2 of the TSXV as a “Mining Issuer”).

The shareholders of the Company, at their Annual General Meeting held January 15, 2025, approved the Transaction and the resulting Consolidation. The Transaction is still in the process of review by the TSXV and trading in the Company’s shares remains halted until the review is completed.

For further particulars of this proposed transaction please see the Company's news release of November 1, 2024 and the Amalgamation Agreement both available under the Company's disclosure at www.sedarplus.com.

SELECTED FINANCIAL DATA

The following table presents audited selected financial information for the years indicated and unaudited information for the stub periods indicated.

	Nine Months Ended		Years Ended May 31		
	February 28	February 29	2024	2023	2022
	2025	2024	2024	2023	2022
	\$	\$	\$	\$	\$
OPERATIONS:					
Revenue	Nil	Nil	Nil	Nil	Nil
Net Income (Loss) for the Period	5,617	(370,514)	(391,569)	(9,691,005)	(1,840,691)
Comprehensive Income (Loss) for the Period	5,617	(370,514)	(391,569)	(9,578,818)	(1,851,396)
Basic and diluted income (loss) per share	0.00	(0.01)	(0.005)	(0.17)	(0.04)
BALANCE SHEET:					
Working capital (deficit)	154,751	(303,769)	(175,114)	66,745	1,391,198
Total assets	458,882	244,674	331,824	411,222	9,179,306
Total exploration and evaluation assets	-	-	-	-	7,363,673

The financial information presented in the table above is from the Company's financial statements prepared in accordance with International Financial Reporting Standards. The reporting currency for all periods is Canadian dollars.

General and Administrative

Discussion of Operating Results – nine months ended February 28, 2025

During the nine months ended February 28, 2025, the Company incurred net income from operations of \$5,617 as compared with a net loss of \$370,514 for the nine months ended February 29, 2024. The improved results in the 2025 period is primarily due to: a one-time payment of \$245,583 received as a recovery of costs incurred in a litigation matter; a reduction of \$61,925 in professional fees due to a reduction in legal services employed during the period; a savings of \$42,582 on accounts payable as a result of discounts received on settling outstanding accounts; decreases of \$9,250 in consulting fees, \$8,425 in marketing an promotion expenses, \$7,736 in office and miscellaneous expenses, \$2,142 in bank charges and interest expenses and \$1,750 in insurance expense all essentially due to a cut back in operations by the Company; and an increase of \$8,083 in interest income received: as offset by an increase of \$10,782 in transfer agent and filing fees; a minor increase in foreign exchange loss of \$375 and a minor reduction in miscellaneous income of \$188.

SUMMARY OF QUARTERLY RESULTS

The following table presents unaudited selected financial information for each of the last eight quarters

ended February 28, 2025.

	Feb. 28 2025 \$	Nov. 30 2024 \$	Aug. 31 2024 \$	May 31 2024 \$	Feb. 29 2024 \$	Nov. 30 2023 \$	Aug. 31 2023 \$	May 31 2023 \$
Total Revenues	-	-	-	-	-	-	-	-
Net Income (Loss)	5,617	(55,743)	(54,502)	(391,569)	(370,514)	(143,189)	(90,871)	(1,674,473)
Basic and Diluted (Income)Loss/Share	0.00	(0.001)	(0.001)	(0.005)	(0.01)	(0.002)	(0.001)	(0.03)

The financial information presented in the table above is from the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards.

Discussion of Operating Results – three months ended February 28, 2025

During the three months ended February 28, 2025, the Company incurred net income from operations of \$115,862 as compared with a net loss of \$136,454 for the three months ended February 29, 2024. The increased income in the 2025 period is primarily due to: a one-time payment of \$245,583 received as a recovery of costs incurred in a litigation matter; a decrease of \$24,833 in professional, \$2,242 in bank charges and interest expense, \$2,144 in marketing and promotion expense, \$2,050 in insurance expense and \$1,145 in office and administration expense all primarily due to a cut back in operations; and an increase of \$2,100 in interest income received in the period: as offset by: an increase of \$25,000 in consulting fees; an increase of \$2,338 in transfer agent and filing fees; and a minor decrease in miscellaneous income of \$443.

Discussion of Operating Results – three months ended November 30, 2024

During the three months ended November 30, 2024, the Company incurred a net loss from operations of \$55,743 as compared with net loss of \$1453,189 for the three months ended November 30, 2023. The decreased loss in the 2024 period is primarily due to: a savings of \$24,732 on accounts payable as a result of discounts received on settling outstanding accounts; a decrease of 37,312 in professional and \$20,000 in consulting fees primarily due to a cut back in operations; a reduction of \$1,028 in office and administration expense due in part to the Company ceasing its Colombian operations at the end of the May 31, 2023; a decrease of \$5,776 in marketing and promotion expenses; an increase of \$3,524 in interest income received and a decrease of \$391 in foreign exchange losses incurred in the period: as offset by: an increase of \$5,257 in transfer agent and filing fees; and minor increases in bank charges (\$90) and insurance expenses (\$150).

Discussion of Operating Results – three months ended August 31, 2024

During the three months ended August 31, 2024, the Company incurred a net loss from operations of \$54,502 as compared with net loss of \$90,871 for the three months ended August 31, 2023. The decreased loss in the 2024 period is primarily due to: a savings of \$17,850 on accounts payable as a result of discounts received on settling outstanding accounts; a decrease of \$14,250 in consulting fees; a reduction of \$5.383 in office and administration expense due in part to the Company ceasing its Colombian operations at the end of the May 31, 2023; an increase of \$2,714 in interest income received and a decrease of \$505 in marketing and promotion expenses: as offset by an increase of \$3,187 in transfer agent and filing fees; an increase in foreign exchange losses of \$766; and minor increases profession fees (\$220) and insurance expenses (\$150).

Discussion of Operating Results – three months ended May 31, 2024

During the three months ended May 31, 2024, the Company incurred a net income from operations of \$21,055 for the period as compared with a net loss of \$1,674,483 for the three months ended May 31, 2023. The Company incurred a one-time loss of \$1,551,284 in the 2023 period with respect to the write down of its mineral properties in Colombia and a one-time gain in the 2024 period with respect to the write-off of \$161,868 in accounts payable. If we remove these one-time events from their respective periods, the result for the 2024 period becomes a loss of \$91,918 as compared to a loss of \$182,923 for the 2023 period. This decreased loss in the 2024 period is primarily due to: reductions of \$45,250 in consulting fees, \$16,915 in advertising, marketing and promotion expenses, \$9,561 in advisor and director fees, \$5,002 in office and miscellaneous, and \$1,914 in transfer agent and filing fees; as offset by an increase of \$143,750 in professional fees, and \$2,282 in bank charges.

Investor Relations

The Company was not party to any investor relations agreements during the period.

Liquidity and Capital Resources

The Company has no revenue generating operations and finances its operations principally through the sale of shares in its capital. In the short-term, directors of the Company have, in the past, provided cash advances to meet urgent operating needs. At June 1, 2024, the Company had working capital deficit of \$175,114.

During the nine months ended February 28, 2025, the Company generated \$5,617 in income from its operating activities and carried out a private placement financing through the sale of 19,623,720 units of its securities at a price of \$0.025 per unit (the “Offering”) raising a total of \$490,593 in additional working capital for the Company. Each unit in the Offering consisted of one common share and one full common share purchase warrant (a “Warrant”) with each Warrant entitling the holder to acquire one additional common share at an exercise price of \$0.05 per share for a period of 60 months. The Company paid cash finder’s fees totalling \$16,875.00 to certain eligible parties on the basis of 5% of the gross proceeds of the Offering provided by subscribers introduced to the placement by those eligible parties. The Company also received a sum of \$245,583 (See following paragraph for further particulars.) in the period as a settlement in a litigation matter representing legal costs that had been incurred. As a result of these activities, at February 28, 2025, the Company had a working capital balance of \$154,751.

During the period, on or about the last week of December 2024, the Company received payment of damages awarded in a legal action, representing legal fees incurred in defence of a director who was sued solely because he was a director and officer of a former US subsidiary of the Company and to which positions he was appointed by the Company. The US agency that brought the suit did not attempt to sue the Company, but rather pursued the officers and directors of the US subsidiary conducting exploration in the US. The Company’s Articles provide that in such circumstances the Company reimburse the director for such legal expenses. As a result of this award, the Company received a cash payment in the order of Can\$115,900 and had the balance of the outstanding account with the U.S. legal counsel paid.

As set out above under the heading “Proposed Amalgamation” on page 1, part of the conditions required to be met prior to completion of such amalgamation, if approved, is that a concurrent financing in the order of \$3,000,000 be completed. It is expected that such concurrent financing would provide the necessary working capital for any planned operations of the resulting company. There can be no assurance that the concurrent financing will be able to be completed.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Transactions with Related Parties

The Company had the following related party transactions during the nine months ended February 28, 2025:

- a) Consulting fees of \$30,000 plus GST were paid or accrued to Douglas Eacrett, a director of the Company;
- b) Consulting fees of \$50,000 plus GST were paid or accrued to Richard Wilson, a director of the Company

and

- c) The Company incurred director's fees of \$5,400 to William Carr, a director of the Company.

Financial Instruments

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, due to related parties, loan payable and advance payable. The fair value of the Company's accounts payable and accrued liabilities, due to related parties, line of credit and loan payable, are estimated by management to approximate their carrying values based on the immediate or short-term maturity of these instruments. Cash is recorded at fair value using Level 1 quoted prices in active markets for identical assets or liabilities and, in management's opinion, the Company is not exposed to significant interest or credit risk from these financial instruments. Please refer to Note 9 of the unaudited condensed interim consolidated financial statements for detailed discussion of the financial risk factors.

Accounting standards, amendments and interpretations not yet effective

There are no significant material new standards, amendments to standards and interpretations that have been issued but are not effective during the nine months ended February 28, 2025 that are applicable to the Company.

Particulars of Outstanding Securities of the Issuer

As at the dates noted below, the Company had the following securities outstanding:

Common Shares

Date	Number Outstanding
February 28, 2025	86,108,470
April 28, 2025	86,108,470

Share Purchase Warrants

The following Share Purchase Warrants, each entitling the holder to acquire one previously unissued common share of the Company at the prices and for the periods of time set out in the table below are outstanding at February 28, 2025 and April XX, 2025:

Date	Number of Share Purchase Warrants Outstanding	Exercise Price per Share	Expiry Date (mm,dd,yy)
February 28, 2025	19,623,720	\$0.05	06/14/29
April 28, 2025	19,623,720	\$0.05	06/14/29

Incentive Stock Options

The following Incentive Stock Options, each entitling the holder to acquire one previously unissued common share of the Company at the prices and for the periods of time set out in the table below are outstanding February 28, 2025 and April XX, 2025:

Date	Number of Incentive Stock Options Outstanding	Exercise Price per Share	Expiry Date
February 28, 2025	1,400,000	\$0.215	24/06/26
April 28, 2025	1,400,000	\$0.215	24/06/26

BAROYECA GOLD & SILVER INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the Year Ended May 31, 2024

Background

The following discussion and analysis, prepared as of September 29, 2024, should be read together with the audited consolidated financial statements for the year ended May 31, 2024 (the “Financial Statements”) and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated.

These audited consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Boroyeca Gold & Silver de Mexico S.A. de C.V. until such subsidiary was disposed of at the end of May 2024. All inter-company transactions and balances have been eliminated.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar+.com.

Overview

Baroyeca Gold & Silver Inc. (the "Company") was incorporated on February 17, 2006 and commenced business at that time. The Company is a mineral exploration and evaluation company with no revenue generating operations. Accordingly, any funds raised for the Company's operations are through the sale of shares of its capital stock or from debt financing. The Company's fiscal year end is May 31. The Company is listed on the TSX Venture Exchange under the symbol **BGS**.

During the fiscal year ended May 31, 2021, the Company entered into two agreements, each to acquire a 100% interest in a mineral property located in Colombia, South America and known respectively as the Santa Barbara Property and the Atocha Property (collectively the “Colombian Properties”). (The Atocha Property was previously referred to as the Falan Property.)

On or about January 24, 2022, the Company entered into a property purchase agreement with a third party (the “Vendor”) to acquire a 215 hectare property contiguous to the Company’s Santa Barbara Property and situated on strike with the identified veins that the Company had previously been bulk sampling. (See “The Santa Barbara Property” below for further particulars.)

During the summer of 2022, the Presidential election in Colombia resulted in a change in political parties running the country. The investment community viewed this change as not favourable to mining operations continuing in Colombia. During the latter half of fiscal 2023, the Company found that this seriously impacted its ability to raise funds for ongoing activities in Colombia and, decided to terminate its operations in Colombia, forfeited its options on the Santa Barbara and Atocha Properties by not making the final cash payments and share issuances required under the Option Agreements and returned the properties to the Optionor. Additionally, as mentioned above, at the end of May, 2024, the Company sold all of its beneficial interest in the shares of Boroyeca Gold & Silver Inc. de Mexico S. A. de C.V., its subsidiary that has been inactive for over ten years.

The Company is actively examining opportunities to joint venture or acquire a new mineral interest for the Company with which to move forward.

SELECTED FINANCIAL DATA

The following table presents audited selected financial information for the years indicated.

	Years Ended May 31		
	2024 \$	2023 \$	2022 \$
OPERATIONS:			
Revenue	Nil	Nil	Nil
Net Gain (Loss) from continued operations for the Year	(391,569)	(9,691,005)	(1,840,691)
Comprehensive Gain (Loss) from continued operations for the Year	(391,569)	(9,578,818)	(1,851,396)
Basic and diluted gain (loss) per share, including discontinued operations	(0.005)	(0.17)	(0.04)
BALANCE SHEET:			
Working capital (deficit)	(175,114)	66,745	1,391,198
Total assets	331,824	411,222	9,197,306
Total exploration and evaluation assets	-	-	7,363,673

The financial information presented in the table above is from the Company's financial statements prepared in accordance with International Financial Reporting Standards. The reporting currency for all periods is Canadian dollars.

General and Administrative

Discussion of Operating Results – year ended May 31, 2024

During the year ended May 31, 2024, the Company incurred a net loss from operations of \$391,569 as compared with net loss of \$9,691,005 for the year ended May 31, 2023. The decreased loss in the 2023 period is primarily due to the Company ceasing its exploration activities at the end of the May 31, 2023 fiscal year and giving up its Colombian properties as a result of a decline in investor interest inhibiting the raising of funds to continue exploration activities. The principal part of the loss recognized at May 31, 2023 was the loss on termination of Mineral options of \$8,791,042. Additionally, declines in expenses were incurred in the period pretty much across the board with the most significant reductions being in website, marketing and promotion expenses, down \$252,755 and advisor, director and consulting fees, down \$258,561; additional reductions in expenses were experienced in office and miscellaneous, down \$44,405 with the closing of the Colombian office, and transfer agent and filing fees, down \$7,797, along with some minor reductions in insurance costs and bank charges, \$2,337. These reductions were offset in part by an increase in professional fees of \$222,656 and travel of \$11,693.

SUMMARY OF QUARTERLY RESULTS

The following table presents unaudited selected financial information for each of the last eight quarters ended February 29, 2024.

	May 31, 2024 \$	Feb. 29 2024 \$	Nov. 30 2023 \$	Aug. 31 2023 \$	May 31 2023 \$	Feb. 28 2023 \$	Nov. 30 2022 \$	Aug. 31 2022 \$
Total Revenues	-	-	-	-	-	-	-	-
Net Income (Loss)	(391,569)	(370,514)	(234,060)	(90,871)	(1,674,473)	(8,016,532)	(581,017)	(296,121)
Basic and Diluted (Income)Loss/Share	(0.005)	(0.01)	(0.01)	(0.001)	(0.03)	(0.15)	(0.01)	(0.02)

The financial information presented in the table above is from the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards.

Discussion of Operating Results – three months ended May 31, 2024

During the three months ended May 31, 2024, the Company incurred a net income from operations of \$21,055 for the period as compared with a net loss of \$1,674,483 for the three months ended May 31, 2023. The Company incurred a one-time loss of \$1,551,284 in the 2023 period with respect to the write down of its mineral properties in Colombia and a one-time gain in the 2024 period with respect to the write-off of \$161,868 in accounts payable. If we remove these one-time events from their respective periods, the result for the 2024 period becomes a loss of \$91,918 as compared to a loss of \$182,923 for the 2023 period. This decreased loss in the 2024 period is primarily due to: reductions of \$45,250 in consulting fees, \$16,915 in advertising, marketing and promotion expenses, \$9,561 in advisor and director fees, \$5,002 in office and miscellaneous, and \$1,914 in transfer agent and filing fees; as offset by a increases of \$143,750 in professional fees, and \$2,282 in bank charges.

Discussion of Operating Results – three months ended February 29, 2024

During the three months ended February 29, 2024, the Company incurred a net loss from operations of \$136,454 for the period as compared with a net loss of \$7,435,515 for the three months ended February 28, 2023. The Company incurred a one-time loss of \$7,239,758 in the 2023 period with respect to the write down of its mineral properties in Colombia. If we remove this one-time item from the 2023 results, the result for the 2024 period remains \$136,454 as compared to \$195,758 for the 2023 period. This decreased loss is primarily due to: reductions of \$50,750 in consulting fees, \$43,140 in website, marketing and promotion expenses, and \$2,000 in office and miscellaneous, as offset by a increases of \$31,404 in professional fees, \$2,126 in bank charges and \$1,830 in transfer agent and filing fees..

Discussion of Operating Results – three months ended November 30, 2023

During the three months ended November 30, 2023, the Company incurred a net loss from operations of \$143,189 as compared with net loss of \$284,896 for the three months ended November 30, 2022. The decreased loss in the 2023 period is primarily due to the Company ceasing its exploration activities at the end of the May 31, 2023 fiscal year and giving up its Colombian properties as a result of a decline in investor interest inhibiting the raising of funds to continue exploration activities. The decline in expenses incurred in the period was pretty much across the board with the most significant reductions being in website, marketing and promotion expenses, down \$115,647 and consulting fees, down \$57,000; additional reductions in expenses were experienced in office and miscellaneous, down \$5,899 with the closing of the Colombian office, and transfer agent and filing fees, down \$5,457, along with some minor reductions in insurance costs, \$666, and bank charges, \$106. These reductions were offset in part by an increase in professional fees of \$42,266.

Discussion of Operating Results – three months ended August 31, 2023

During the three months ended August 31, 2023, the Company incurred a net loss from operations of \$90,871 as compared with net loss of \$275,325 for the three months ended August 31, 2022. The decreased loss in the 2023 period is primarily due to the Company ceasing its exploration activities at the end of the May 31, 2023 fiscal year and giving up its Colombian properties as a result of a decline in investor interest inhibiting the raising of funds to continue exploration activities. The decline in expenses incurred in the period was pretty much across the board with the most significant reductions being in consulting fees, down \$96,000, and website, marketing and promotion expenses, down \$93,840; additional reductions in expenses were experienced in office and miscellaneous, down \$19,808 with the closing of the Colombian office, and transfer agent and filing fees, down \$2,256, along with some minor reductions in insurance costs, \$449, and bank charges, \$298. These reductions were offset in part by an increase in professional fees of \$5,186.

Investor Relations

The Company entered into an investor relations agreement on February 2, 2022 with Peak Investor Marketing Corp. (“Peak”). Pursuant to the agreement, the Company pays Peak a monthly fee of \$12,000, in advance, and has granted Peak an incentive stock option to acquire up to 250,000 shares of the Company at a price of \$0.35 per share. The options vest as to 25% every three months following the grant of the option. The agreement was for a term of one year and was not renewed in 2023. The stock options were not exercised and have subsequently expired.

Liquidity and Capital Resources

The Company has no revenue generating operations and finances its operations principally through the sale of shares in its capital. In the short-term, directors of the Company have, in the past, provided cash advances to meet urgent operating needs. At June 1, 2023, the Company had working capital of \$66,745.

During the year ended May 31, 2024, the Company expended \$165,310 on its operating activities, as a result of which at May 31, 2024, the Company had a working capital deficit of \$175,114.

Subsequent to May 31, 2024, the Company carried out a private placement financing through the sale of 19,623,720 units of its securities at a price of \$0.025 per unit (the “Offering”) raising a total of \$490,593 in additional working capital for the Company. Each unit in the Offering consisted of one common share and one full common share purchase warrant (a “Warrant”) with each Warrant entitling the holder to acquire one additional common share at an exercise price of \$0.05 per share for a period of 60 months. The Company paid cash finder’s fees totalling \$13,250.00 to certain eligible parties on the basis of 5% of the gross proceeds of the Offering provided by subscribers introduced to the placement by those eligible parties.

The Company is in the process of examining opportunities to joint venture or acquire a new mineral property interest that would serve as a property of merit for purposes of the requirements of the TSX Venture Exchange. On securing such an opportunity, the Company may require additional working capital for purchase funds and to finance exploration programs on such property. The Company does have share purchase warrants outstanding, however, due to the current market conditions, the exercise price of the Company’s outstanding warrants is above the current trading price of the Company’s shares and cannot be relied upon to be exercised to provide working capital to the Company. The Company intends to carry out a further private placement financing of its securities to raise any additional required working capital. There can be no assurance that the Company will be able to sell any further, or sufficient, securities by way of private placement to raise the required additional working capital.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Transactions with Related Parties

The Company had the following related party transactions during the year ended May 31, 2024:

- a) Consulting fees of \$45,000 (2023- \$94,500) plus GST were paid or accrued to Richard Wilson, a director of the Company;
- b) Consulting fees of \$59,250 were paid or accrued to Douglas Eacrett, a director of the Company; and
- c) The Company incurred director's fees of \$7,200 (2023 - \$7,200) to William Carr, a director of the Company.

Financial Instruments

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, due to related parties, loan payable and advance payable. The fair value of the Company's accounts payable and accrued liabilities, due to related parties, line of credit and loan payable, are estimated by management to approximate their carrying values based on the immediate or short-term maturity of these instruments. Cash is recorded at fair value using Level 1 quoted prices in active markets for identical assets or liabilities and, in management's opinion, the Company is not exposed to significant interest or credit risk from these financial instruments. Please refer to Note 11 of the audited consolidated financial statements for detailed discussion of the financial risk factors.

Accounting standards, amendments and interpretations not yet effective

There are no significant material new standards, amendments to standards and interpretations that have been issued but are not effective during the year ended May 31, 2024 that are applicable to the Company.

Particulars of Outstanding Securities of the Issuer

As at the dates noted below, the Company had the following securities outstanding:

Common Shares

Date	Number Outstanding
May 31, 2024	66,484,750
September 29, 2024	66,484,750

Share Purchase Warrants

The following Share Purchase Warrants, each entitling the holder to acquire one previously unissued common share of the Company at the prices and for the periods of time set out in the table below are outstanding at May 31, 2024 and September, 2024:

Date	Number of Share Purchase Warrants Outstanding	Exercise Price per Share	Expiry Date (mm,dd,yy)
May 31, 2024	50,000	\$0.10	02/14/25
September 29, 2024	50,000	\$0.10	02/14/25
September 29, 2024	19,623,720	\$0.05	06/14/29

Incentive Stock Options

The following Incentive Stock Options, each entitling the holder to acquire one previously unissued common share of the Company at the prices and for the periods of time set out in the table below are outstanding May 31, 2024 and September 29, 2024:

Date	Number of Incentive Stock Options Outstanding	Exercise Price per Share	Expiry Date (mm,dd,yy)
May 31, 2024	1,400,000	\$0.215	06/24/26
September 29, 2024:	1,400,000	\$0.215	06/24/26

APPENDIX "F"

**PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER
(UNAUDITED)**

See attached.

TERRA ROSSA GOLD LTD.

Pro-Forma Consolidated Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

February 28, 2025

TERRA ROSSA GOLD LTD.

Pro-Forma Consolidated Statement of Financial Position

February 28, 2025

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	Terra Rossa Gold Ltd. June 30, 2025	Baroyeca Gold & Silver Inc. February 28, 2025	Pro-Forma Adjustments	Notes	Pro-Forma Consolidated
ASSETS					
Current assets					
Cash	\$ 1,027,849	\$ 378,947	\$ 2,945,000	3	\$ 4,351,796
Accounts receivable	70,868	23,576	-		94,444
Term deposit	-	56,544	-		56,544
Prepaid expenses	15,569	-	-		15,569
Investments	50,000	-	-		50,000
	<u>1,164,286</u>	<u>459,067</u>	<u>2,945,000</u>		<u>4,568,353</u>
Right-of-use assets	30,822	-	-		30,822
Exploration and evaluation assets	6,839,083	-	-		6,839,083
	<u>1,164,286</u>	<u>459,067</u>	<u>2,945,000</u>		<u>4,568,353</u>
Total Assets	\$ 8,034,191	\$ 459,067	\$ 2,945,000		\$11,438,258
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	\$ 13,709	\$ 165,600	\$ -		\$ 179,309
Due to related parties	-	151,183	-		151,183
Lease liabilities	27,690	-	-		27,690
	<u>41,399</u>	<u>316,783</u>	<u>-</u>		<u>358,182</u>
Lease liabilities	6,473	-	-		6,473
Right-of-use assets	311,716	-	-		311,716
	<u>359,588</u>	<u>316,783</u>	<u>-</u>		<u>676,371</u>
Share capital	13,737,176	18,963,219	(13,853,742)	3	18,846,653
Reserves	649,957	332,115	529,788	3	1,511,860
Obligation to issue shares	135,000	-	(135,000)	3	-
Accumulated other comprehensive income	-	102,378	(102,378)		-
Deficit	(6,847,530)	(19,255,428)	16,506,332	3	(9,596,626)
	<u>7,674,603</u>	<u>142,284</u>	<u>2,945,000</u>		<u>10,761,887</u>
Total Liabilities and Shareholders' Equity	\$ 8,034,191	\$ 459,067	\$ 2,945,000		\$11,438,258

The accompanying notes are an integral part of these unaudited pro-forma consolidated financial statements.

Terra Rossa Gold Ltd.

Notes to the Pro-Forma Consolidated Financial Statements

February 28, 2025

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

1. PROPOSED ARRANGEMENT

The unaudited pro-forma consolidated financial statements of Terra Rossa Gold Ltd. (“Terra Rossa” or the “Company”) have been prepared by management in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) from information derived from the financial statements of Terra Rossa and financial statements of Baroyeca Gold & Silver Inc. (“Baroyeca”) using the same accounting policies as described in both statements together with other information available to the Company. The unaudited pro-forma consolidated financial statements have been prepared for inclusion in the filing statement of the Company.

On October 30, 2024, the Company and Baroyeca entered into a definitive amalgamation agreement (“Definitive Agreement”) in which the Company will receive shares of Baroyeca in exchange for all of the issued and outstanding shares of the Company (the “Transaction”). The Transaction will result in a reverse takeover of Baroyeca whereby the Company, substantively and for accounting purposes, is considered to be the acquiring and continuing entity.

Pursuant to the Definitive Agreement, the Transaction will proceed, amongst other steps, by way of a three-cornered amalgamation, whereby, among other things: (i) Baroyeca will complete a consolidation of its issued and outstanding share capital on the basis of one Baroyeca post-consolidation share for every 14 pre-consolidation common shares; (ii) 1460971 B.C. Ltd., a wholly owned subsidiary of Baroyeca incorporated for the purpose of effecting the Transaction, will amalgamate with the Company to form the amalgamation; (iii) holders of the Company’s shares will receive one Baroyeca post-consolidation share in the capital of Baroyeca for each Company share held and the Company shares will be cancelled; (iv) all issued and outstanding Company stock options and warrants shall cease to represent a right to acquire Company shares and shall provide the right to acquire Baroyeca shares; (v) the amalgamation entity will become a wholly owned subsidiary of Baroyeca; and (vi) Baroyeca will change its name to “Terra Rossa Gold Ltd.” or such other similar name as may be accepted by the relevant regulatory authorities.

In connection with the Transaction, the Company will complete a concurrent non-brokered private placement of 7,000,000 special warrants at a price of \$0.50 per special warrant for aggregate gross proceeds of \$3,500,000. Each Company Unit will be comprised of one Company share and one Company warrant (“Unit”) exercisable to acquire one additional Company share at a price equal to \$0.75 per Company share for a period of two years from the date of issuance. In connection with the financing, the Company will pay eligible arm’s length finders cash finders fees up to 6% of the proceeds raised under the financing.

The Transaction is subject to a number of customary conditions including, but not limited to, meeting all conditions required by the TSX Venture Exchange (“TSX-V”) to receive approval of the Transaction. The Transaction remains subject to a number of conditions, including any necessary shareholder approvals and regulatory approvals. The Transaction cannot close until all of these conditions are met. There can be no assurance that the Transaction will be completed as proposed, or at all.

2. BASIS OF PRESENTATION

The unaudited pro forma consolidated financial statements have been prepared by management to give effect to the Transaction. In the opinion of management, the unaudited pro forma consolidated financial statements include all adjustments necessary for the fair presentation of the transactions as described in Note 3 and in accordance with IFRS.

The unaudited pro forma consolidated financial statements have been prepared for illustrative purposes only and may not be indicative of the financial position and results of operations that would have occurred if the transactions had taken place on the dates indicated or of the financial position or operating results which may be obtained in the future. As the Baroyeca audited financial statements do not have material transactional activity, the Company qualified for an exemption in providing the profit and loss statement in this report. The unaudited pro forma consolidated financial statements are not a forecast or projection of future results. The actual financial statements and results of Terra Rossa for any period following February 28, 2025 will likely vary from the amounts set forth in the unaudited pro forma consolidated financial statements and such variation may be material.

Terra Rossa Gold Ltd.

Notes to the Pro-Forma Consolidated Financial Statements

February 28, 2025

(Unaudited – Prepared by Management)

*(Expressed in Canadian Dollars)***2. BASIS OF PRESENTATION** *(continued)*

The unaudited pro forma consolidated financial statements have been compiled from the information derived from and should be read in conjunction with:

- Terra Rossa's condensed consolidated interim financial statements for the six-month period ended June 30, 2025;
- Terra Rossa's audited financial statements for the years ended December 31, 2024 and 2023;
- Baroyeca's condensed consolidated interim financial statements for the nine-month period ended February 28, 2025;
- Baroyeca's audited financial statements for the years ended May 31, 2024 and 2023; and
- The additional information set out in Note 3.

3. PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated financial statements incorporate the following pro forma assumptions and adjustments which gives effect to the Definitive Agreement of Terra Rossa and Baroyeca as if it had occurred on February 28, 2025:

- i. The assets and liabilities of Baroyeca are included in the unaudited pro forma consolidated financial position at their historic value.
- ii. The net assets of Baroyeca are included at fair value, assumed to be equal to their carrying value at February 28, 2025.
- iii. Share capital, reserves, accumulated other comprehensive and deficit of Baroyeca are eliminated.
- iv. The Company completes the \$3,500,000 concurrent financing as described in Note 1.
- v. The acquisition of Baroyeca by the Company.

The acquisition of Baroyeca is allocated as follows:

Purchase Price Allocation	
Consideration	
Fair value of 6,150,605 common shares ⁽¹⁾	\$ 2,552,789
Fair value of 100,000 stock options ⁽²⁾	658
Fair value of 1,401,694 warrants ⁽³⁾	<u>337,933</u>
	2,891,380
Net assets acquired	
Cash	\$ 378,947
Accounts receivable	23,576
Term deposit	56,544
Accounts payable	(165,600)
Due to related parties	<u>(151,183)</u>
Listing expense	<u>\$ 142,284</u>

(1) The fair value of each Baroyeca share is estimated using an option model to estimate the relative fair value of the equity component and warrant value of each Unit. The following assumptions were used in the option model: share price of \$0.50 based on the concurrent financing, exercise price of \$0.75 based on the concurrent financing, expected life of 2 years based on the concurrent financing, expected volatility of 95%, risk free interest rate of 2.59% and a dividend yield of 0%. The relative fair value of one Unit composed of 83% to the share and 17% to the warrant. The relative fair value of each Baroyeca share is \$0.42.

(2) The fair value of each Baroyeca stock option is estimated using an option model. The following assumptions were used in the option model: share price of \$0.42 based on the relative fair value of each Baroyeca share noted in ⁽¹⁾, exercise price of \$3.01, expected life of 0.98, expected volatility of 95%, risk free interest rate of 2.59% and a dividend yield of 0%.

Terra Rossa Gold Ltd.

Notes to the Pro-Forma Consolidated Financial Statements

February 28, 2025

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

3. PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS *(continued)*

- (3) The fair value of each Baroyeca warrant is estimated using an option model. The following assumptions were used in the option model: share price of \$0.42 based on the relative fair value of each Baroyeca share noted in ⁽¹⁾, exercise price of \$0.70, expected life of 3.95, expected volatility of 95%, risk free interest rate of 2.83% and a dividend yield of 0%.

4. PRO FORMA SHARE CAPITAL**Authorized:** Unlimited common shares without par value**Issued:**

	Share Capital		Reserves
	Number of Shares	Amount	
Capital stock of Terra Rossa at February 28, 2025	54,696,600	\$ 13,737,176	\$ 649,957
Baroyeca post-consolidated shares	6,150,605	2,552,789	-
Concurrent financing (Notes 1 and 3)	7,000,000	2,556,688	523,312
Fair value of Baroyeca stock options and warrants (Note 3)	-	-	338,591
	67,847,205	\$ 18,846,653	\$ 1,511,860

Stock options

The following stock options are outstanding at February 28, 2025:

Number of Shares Issuable on Exercise	Exercise Price	Weighted Average Remaining Life (Years)
250,000	\$ 0.20	0.67
100,000	3.01	0.98
750,000	0.20	1.04
<u>500,000</u>	<u>0.20</u>	<u>1.73</u>
1,600,000	\$ 0.38	1.20

Warrants

The following warrants are outstanding at February 28, 2025:

Number of Shares Issuable on Exercise	Exercise Price	Weighted Average Remaining Life (Years)
4,092,000	\$ 0.70	0.77
7,000,000	0.75	2.00
<u>1,401,694</u>	<u>0.70</u>	<u>3.95</u>
12,493,694	\$ 0.73	1.26

5. PRO FORMA TAX RATE

The pro forma effective tax rate that will be applicable to the consolidated operations is 27%.