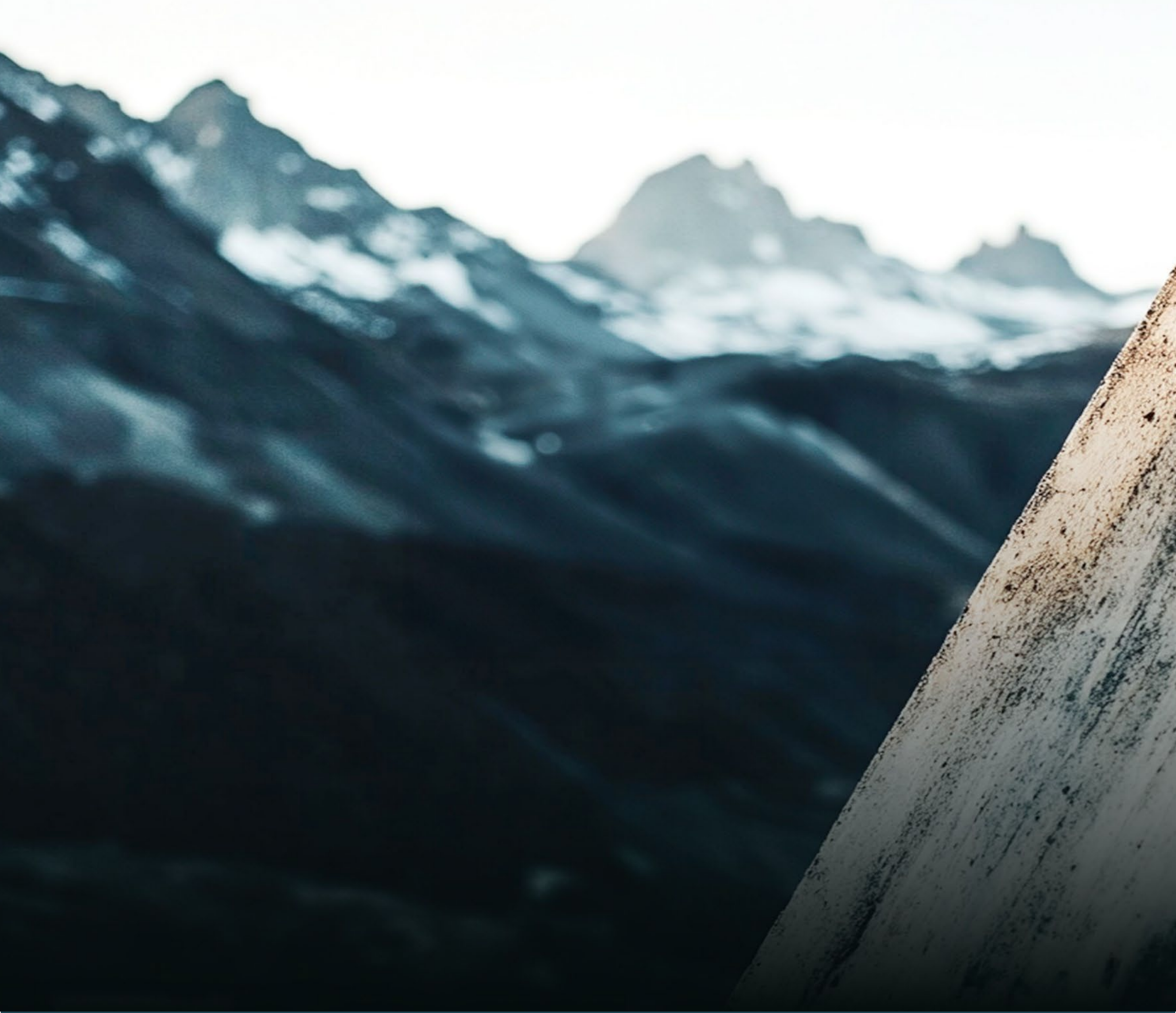

CONSOLIDATED FINANCIAL STATEMENTS

CERRO DE PASCO RESOURCES

For the year ended March 31, 2025 and the 15-month period ended March 31, 2024

Management’s Responsibilities over Financial Reporting

The Financial Statements of Cerro de Pasco Resources Inc. (the "Corporation", “Company, or "CDPR") are the responsibility of the Corporation’s management. The consolidated financial statements are prepared in accordance with IFRS accounting standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and reflect management’s best estimates and judgment based on information currently available.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the consolidated financial statements prior to their submission to the Board of Directors for approval.

The consolidated financial statements have been audited.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Cerro De Pasco Resources Inc.

Opinion

We have audited the accompanying consolidated financial statements of Cerro De Pasco Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2025 and 2024 and the consolidated statements of comprehensive income (loss), changes in equity (deficiency), and cash flows for the year ended March 31, 2025 and the 15 month period ended March 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024, and its financial performance and its cash flows for the year ended March 31, 2025 and the 15 month period ended March 31, 2024 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Company's ability to continue operations is dependent on securing future funding through various means, including, but not limited to, the issuance of new equity instruments and the renegotiation of existing debt and payables. While management has been successful in raising financing in the past, there is no assurance that it will succeed in obtaining additional financing in the future. As stated in Note 2, these events and conditions 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 year ended. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Assessment of Impairment of Quiulacocha Tailings and Excelsior Stockpile (collectively "Mining Properties")

As described in Note 11 to the consolidated financial statements, the carrying amount of the Company's Mining Properties was $4,399,410 as of March 31, 2025. As more fully described in Notes 3 and 5 to the consolidated financial statements, management assesses Mining Properties for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the Mining Properties is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the Mining Properties, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the Mining Properties.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Out audit procedures include, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the Mining Properties through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Obtaining, through government websites, confirmation of title to ensure mineral rights underlying the Mining Properties are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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.

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 Accounting Standards, 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.

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

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

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

July 29, 2025

CPA auditor, public accountancy permit no. A151294

Cerro de Pasco Resources Inc.
Consolidated Statements of Financial Position
(Expressed in US dollars unless otherwise noted)

	Note	March 31, 2025	March 31, 2024
		$	$
Assets			
Current assets:			
Cash	7	11,472,112	136,721
Cash and cash equivalents – restricted	7	-	6,479,134
Accounts receivable		-	778,321
Other financial assets		48,016	50,852
Other receivables	9	153,493	1,030,522
Income and mining taxes receivable		-	304,956
Inventories	8	-	1,866,670
Prepaid expenses		110,009	306,410
Total current assets		**11,783,630**	**10,953,586**
Non-current assets:			
Property, plant & equipment	10	31,534	10,554,664
Right-of-use assets		54,970	-
Mining properties, exploration, and evaluation assets	11	4,399,410	9,546,461
Other receivables, net of current portion	9	-	6,355,303
Total non-current assets		**4,485,914**	**26,456,428**
Total assets		**16,269,544**	**37,410,014**
Liabilities and Equity (Deficiency)			
Current liabilities:			
Trade accounts payable and other liabilities	12	1,384,065	53,839,715
Promissory note	14	-	458,159
Lease liabilities		5,991	-
Balance of purchase price payable	24, 26	1,584,164	1,680,726
Current portion of contingent consideration payable	24, 26	2,500,000	2,500,000
Current portion of provision for remediation and mine closure	13	-	349,559
Current portion of loans	15	-	3,568,959
Convertible debenture	16	-	1,208,623
Provision for taxes payable		-	279,058
Commitment to issue shares		-	2,064,227
Total current liabilities		**5,474,220**	**65,949,026**
Non-current liabilities:			
Loans	15	4,073,314	28,749
Lease liabilities, net of current		50,054	-
Provision for remediation and mine closure	13	-	12,190,027
Deferred income tax		-	53,362
Total non-current liabilities		**4,123,368**	**12,272,138**
Total liabilities		**9,597,588**	**78,221,164**
(Deficiency) Equity:			
Share capital	17	44,707,044	27,020,881
Share subscription receivable	17	-	(349,894)
Warrants	17	5,788,168	1,718,039
Share options	18	1,535,328	691,624
Contributed surplus		2,372,082	2,310,974
Deficit		(48,384,500)	(72,954,894)
Accumulated other comprehensive income		653,834	752,120
Total shareholders' equity (deficiency) attributable to owners of the parent company		**6,671,956**	**(40,811,150)**
Total shareholders' equity (deficiency)		**6,671,956**	**(40,811,150)**
Total liabilities and shareholders' equity (deficiency)		**16,269,544**	**37,410,014**

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

Going concern, see Note 2.
Contingency, see Note 27.
Subsequent events, see Note 28.
These financial statements were approved and authorized for issue by the Board of Directors on July 29, 2025.
On behalf of the board, Guy Goulet /s/, CEO, Director Steven Zadka /s/, Executive Chairman

Cerro de Pasco Resources Inc.
Consolidated Statements of Comprehensive Income (Loss)
(Expressed in US dollars unless otherwise noted)

	Note	For the year ended March 31, 2025	For the 15-month period ended March 31, 2024
		$	$
Expenses:			
General and administrative expenses	19	5,648,457	4,112,451
Operating loss before other income (expenses) and income tax		**(5,648,457)**	(4,112,451)
Other income (expenses):			
Other and financial income	19	845,356	53,301
Financial expenses	19	(846,559)	(575,573)
Change in fair value of other financial assets		-	(15,978)
(Loss) gain on extinguishment of note		(3,586)	52,610
Loss on extinguishment of convertible debt	16	-	(161,411)
Gain (loss) on restructuring and modification of note	15	5,502,331	(38,768)
Loss on modification of convertible debt	16	(189,542)	(44,976)
Change in fair value of contingent consideration		-	(6,101)
Exchange loss		(39,541)	(84,503)
Gain on sale of subsidiary	6	35,863,535	246,876
		41,131,994	(574,523)
Income (Loss) before income taxes		**35,483,537**	(4,686,974)
Income taxes	22	-	-
Net income (loss) from continuing operations		**35,483,537**	(4,686,974)
Other comprehensive income (loss) from continuing operations			
Currency translation adjustment		(126,038)	18,196
Other comprehensive loss (income) net of tax		**(126,038)**	18,196
Net comprehensive income (loss) from continuing operations		**35,357,499**	(4,668,778)
Net income (loss) from discontinued operations	6	(10,885,403)	(24,622,689)
Other comprehensive income(loss) from discontinued operations			
Currency Translation adjustment		331	399
Net comprehensive income (loss) from discontinued operations		(10,885,072)	(24,622,290)
Net comprehensive income (loss) - continuing operations and discontinued operations		**24,472,427**	(29,291,068)
Net income (loss) attributable to:			
Shareholders of Cerro de Pasco Resources Inc.		24,598,134	(29,307,381)
Non-controlling interests		-	(2,282)
		24,598,134	(29,309,663)
Other comprehensive income (loss) attributable to:			
Shareholders of Cerro de Pasco Resources Inc.		(125,707)	18,196
Non-controlling interests		-	80
		(125,707)	18,276
Net comprehensive income (loss) attributable to:			
Shareholders of Cerro de Pasco Resources Inc.		24,472,427	(29,289,185)
Non-controlling interests		-	(2,202)
		24,472,427	(29,291,387)

Cerro de Pasco Resources Inc.
Consolidated Statements of Comprehensive Income (Loss)
(Expressed in US dollars unless otherwise noted)

Basic weighted average number of common shares outstanding:		**428,996,996**		317,567,681
Diluted weighted average number of common share outstanding:		**453,964,859**		317,567,681
Basic income (loss) per share – continuing operations:	**$**	**0.08**	$	(0.01)
Diluted income (loss) per share – continuing operations:	**$**	**0.08**	$	(0.01)
Basic and diluted loss per share – discontinued operations:	**$**	**(0.00)**	$	(0.08)
Basic income (loss) per share:	**$**	**0.06**	$	(0.09)
Diluted income (loss) per share	**$**	**0.06**	$	(0.09)

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

Cerro de Pasco Resources Inc.
Consolidated Statements of Changes in Equity (Deficiency)
(Expressed in US dollars unless otherwise noted)

	Note	Number of Shares Outstanding	Share Capital	Warrants	Share Options	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Share Subscription Receivable	Total Equity (Deficiency)
			$	$	$	$	$	$	$	$
Balance as of March 31, 2024		**347,813,434**	**27,020,881**	**1,718,039**	**691,624**	**2,310,974**	**(72,954,894)**	**752,120**	**(349,894)**	**(40,811,150)**
Shares and units issued:										
Private Placements	17	128,480,000	13,383,167	-	-	-	-	-	349,894	13,733,061
Termination fees	17	500,000	43,320	-	-	-	-	-	-	43,320
Consulting fees	17	150,000	20,963	-	-	-	-	-	-	20,963
Share issuance cost	17	-	(1,013,534)	369,033	-	-	-	-	-	(644,501)
Warrants exercised		20,831,080	4,044,456	(454,838)	-	-	-	-	-	3,589,618
Warrants granted as part of private placements	17	-	-	3,791,519	-	-	-	-	-	3,791,519
Warrants expired	17	-	-	(268,684)	-	268,684	-	-	-	-
Warrants issued as penalty interest on convertible debenture	17	-	-	74,244	-	-	-	-	-	74,244
Extended warrants				336,223		(336,223)				-
Share options granted	18	-	-	-	972,351	-	-	-	-	972,351
Share options forfeited	18	-	-	-	(116,198)	116,198	-	-	-	-
Share options exercised		150,000	20,946		(12,449)	12,449	-	-	-	20,946
Issuance of shares as conversion of convertible debenture		11,459,989	1,186,845	222,632	-	-				1,409,477
Reclassification of non-controlling interest to retained earnings upon sale	7	-	-	-	-	-	(27,740)	27,740	-	-
Reclassification of AOCI to retained earnings upon sale of subsidiary	7	-	-	-	-	-	-	(319)	-	(319)
Transactions with owners		**161,571,069**	**17,686,163**	**4,070,129**	**843,704**	**61,108**	**(27,740)**	**27,421**	**349,894**	**23,010,679**
Net income and comprehensive loss for the year		-	-	-	-	-	24,598,134	(125,707)	-	24,472,427
Balance as of March 31, 2025		**509,384,503**	**44,707,044**	**5,788,168**	**1,535,328**	**2,372,082**	**(48,384,500)**	**653,834**	**-**	**6,671,956**

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

Cerro de Pasco Resources Inc.
Consolidated Statements of Changes in Equity (Deficiency)
(Expressed in US dollars unless otherwise noted)

	Note	Number of Shares Outstanding	Share Capital	Warrants	Share Options	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Share subscription receivable	Total Attributed to Owners	Non-Controlling Interests	Total Equity (Deficiency)
			$	$	$	$	$	$	$	$	$	$
Balance as of December 31, 2022		**287,890,934**	**23,663,537**	**1,198,470**	**1,492,827**	**762,546**	**(43,609,287)**	**742,050**	**-**	**(15,749,857)**	**(44,150)**	**(15,794,007)**
Shares and units issued:												
Private Placements	17	59,162,500	3,438,638	-	-	-	-	-	(349,894)	3,088,744	-	3,088,744
Consulting fees	17	760,000	55,683	-	-	-	-	-	-	55,683	-	55,683
Share issuance cost	17	-	(136,977)	-	-	-	-	-	-	(136,977)	-	(136,977)
Warrants granted as part of private placements	17	-	-	1,073,351	-	-	-	-	-	1,073,351	-	1,073,351
Warrants expired	17	-	-	(537,947)	-	537,947	-	-	-	-	-	-
Warrants forfeited as part of promissory note refinancing	17	-	-	(15,835)	-	15,835	-	-	-	-	-	-
Share options granted	18	-	-	-	193,443	-	-	-	-	193,443	-	193,443
Share options forfeited	18	-	-	-	(994,646)	994,646	-	-	-	-	-	-
Reclassification of non-controlling interest to retained earnings upon sale	7	-	-	-	-	-	(46,352)	-	-	(46,352)	46,352	-
Reclassification of AOCI to retained earnings upon sale of subsidiary	7	-	-	-	-	-	8,126	(8,126)	-	-	-	-
Transactions with owners		**59,922,500**	**3,357,344**	**519,569**	**(801,203)**	**1,548,428**	**(38,226)**	**(8,126)**	**(349,894)**	**4,227,892**	**46,352**	**4,274,244**
Net loss and comprehensive loss for the year		-	-	-	-	-	(29,307,381)	18,196	-	(29,289,185)	(2,202)	(29,291,387)
Balance as of March 31, 2024		**347,813,434**	**27,020,881**	**1,718,039**	**691,624**	**2,310,974**	**(72,954,894)**	**752,120**	**(349,894)**	**(40,811,150)**	**-**	**(40,811,150)**

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

(Expressed in US Dollars unless otherwise noted)

	Note	For the year ended March 31. 2025	For the fifteen-month period March 31, 2024
		$	$
Cash flows from operating activities:			
Net income from continuing operations		**35,483,537**	(4,668,974)
Adjustments for:			
Consulting fees paid through issuance of shares		20,963	55,683
Shares issued for termination of services		43,320	-
Share-based compensation		972,351	193,443
Change in fair value of other financial assets		2,836	15,388
Loss(gain) on extinguishment on convertible debt		202,137	161,462
Gain on extinguishment of debt	15	(5,390,757)	(52,626)
(Gain) loss on modification of debt	15	(111,576)	38,779
Loss on modification of convertible debt		-	44,989
Gain on sale of subsidiary	6	(35,863,535)	-
Chang in fair value of contingent consideration payable		-	6,156
Presumed interest on debt	15	568,644	-
Presumed interest on convertible debenture		236,182	339,156
Presumed interest and penalties paid on promissory note	14	41,317	219,890
Interest on lease liability		4,154	-
Depreciation of right-of-use assets		10,584	-
Foreign exchange effect		(67,745)	390,057
Depreciation of property, plant, and equipment		21,847	-
Continuing operating activities before changes in working capital items		(3,825,741)	(3,268,316)
Discontinued operating activities before changes in working capital items		(4,642,949)	(23,576,007)
Operating activities before changes in working capital items		(8,468,690)	(26,844,323)
Changes in continuing working capital items	23	(1,044,230)	21,811
Changes in discontinued working capital items	23	5,102,247	21,362,758
Changes in working capital items	23	4,058,017	21,384,569
Cash flows used in continuing operating activities		**(4,869,971)**	(3,246,505)
Cash used in discontinued operating activities		**459,298**	(2,213,249)
Net cash provided by operating activities		**(4,410,673)**	(5,459,754)
Cash flows from investing activities			
Acquisition of property, plant, and equipment		(25,119)	-
Reimbursement (acquisition) of exploration and evaluation assets		(1,578,893)	(221,522)
Investment in mining concessions and mining development		(1,223,160)	-
Cash flows used in continuing investing activities		**(2,827,172)**	(221,522)
Cash used in discontinued investing activities		**(506,199)**	(614,270)
Net cash provided by investing activities		**(3,333,371)**	(835,792)
Cash flow from financing activities:			
Proceeds from shares issued		17,349,611	3,995,978
Proceeds from exercise of warrants		3,589,618	
Proceeds received for shares to be issued		-	174,947
Proceeds from exercise of options		20,946	-

(Expressed in US Dollars unless otherwise noted)

Proceeds from loan	-	28,749
Repayment of loan	(275,527)	(27,358)
Repayment of convertible debenture	(198,327)	(74,100)
Repayment of promissory note	(665,630)	(463,272)
Repayment of lease liabilities	(13,626)	
Share issuance costs	(644,501)	(136,977)
Cash flows provided by continuing financing activities	**19,162,564**	3,497,967
Cash provided by discontinued financing activities	**-**	1,931,930
Net cash provided by financing activities	**19,162,564**	5,429,897
Effect of exchange rate fluctuations on cash held in foreign currencies	**(63,219)**	10,069
Net change in cash during the year	**11,355,324**	(855,580)
Cash, beginning of year - continued operations	69,887	29,877
Cash, beginning of year - discontinued operations	66,834	962,424
	136,721	992,301
Less cash disposed as part of disposal of subsidiary	(19,910)	-
Less cash at end of year - discontinued operations	-	(66,835)
Cash, end of year	**11,472,112**	69,887

Non-cash transactions

Warrants issued as part of private placements	3,791,519	1,073,351
Adjustments relating to change in estimated inputs for ARO	116,198	1,909,648
Proceeds to be received for shares to be issued	-	349,894
Expiration of warrants	268,684	537,947
Interest allocated to trade accounts payable and other liabilities	-	178,573
Forfeiture of warrants as part of promissory note refinancing	-	15,835
Stock options forfeited	-	994,645
Fixed assets purchased through financing	-	676,650
Reclassification of prepaid expenses to accounts receivable	-	530,199
Exploration and evaluation assets included in accounts payable	-	5,070,208
Deconsolidation of intercompany loan after sale of Santander	9,253,781	-
Fair value reversal of exercise of warrants	454,838	-
Fair value reversal on forfeiture of options	12,450	-
Release of restricted cash due to share issuance	1,889,258	-
Warrants issued as penalty interest on convertible debenture	74,244	-
Warrants issued as part of convertible debt extinguishment	222,632	-
Conversion of convertible debt into shares	1,186,845	-
Extension of warrants	70,101	-
Recognition of ROU asset and lease liability	65,554	-

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

1. REPORTING ENTITY AND NATURE OF OPERATIONS:

Cerro de Pasco Resources Inc. and its subsidiaries (hereafter the "Company" or "Cerro de Pasco" or "CDPR") is a natural resource company engaged in the acquisition, and exploration of mineral properties.

Cerro de Pasco Resources Inc. is a company located in Canada. The Company was incorporated on June 6, 2003 under the Business Corporations Act (Alberta).

The Company's head office, which is also the main establishment is located at 205-68 Av de la Gare, Saint-Sauveur, Québec, J0R 1R0, Canada and its web site is www.pascoresources.com. The Company is trading on the TSX Venture Exchange ("TSX-V") under symbol "CDPR".

The Company sold its subsidiaries Cerro de Pasco Resources Subsidiaria del Perú S.A.C. and El Metalurgista S.A.C. (collectively "Santander" or "Purchased Corporations") on August 29, 2024 (see Note 6 for details on sale). The Company maintains ownership of their tailings and stockpile, which is owned by Cerro de Pasco Resources del Peru S.A.C. ("CDPR del Peru", formerly Cerro de Pasco Resources Sucursal del Peru), which is still in an exploration stage.

2. GOING CONCERN:

The accompanying consolidated financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt on the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

For the year ended March 31, 2025, the Company recorded a net income of $24,598,134 (net loss of $29,307,381 for the fifteen-month period ended March 31, 2024). The accumulated deficit of $48,384,500 as of March 31, 2025 ($72,954,894 as of March 31, 2024) is attributable to all sectors of the Company. As of March 31, 2025, the Company had a working capital of $6,309,410 (deficit of $54,995,440 as of March 31, 2024). The Company's ability to continue operations is dependent on securing future funding through various means, including, but not limited to, the issuance of new equity instruments and the renegotiation of existing debt and payables. While management has been successful in raising financing in the past, there is no assurance that it will succeed in obtaining additional financing in the future These circumstances may cast significant doubt regarding the Company's ability to continue as a going concern.

The recovery of the cost of exploration and evaluation assets as well as other tangible and intangible assets, is subject to certain conditions: the discovery of economically recoverable reserves, the continued support from the Company's suppliers and lenders, the ability of the Company to obtain the necessary financing to continue the exploration, evaluation, development, construction and ultimately disposal of these assets.

3. BASIS OF PREPARATION:

Statement of compliance:

These annual consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") applicable to the preparation of annual consolidated financial statements. The accounting policies applied in these consolidated financial statements are based on IFRS issued and in effect as of period end.

Basis of measurement:

The consolidated financial statements have been prepared on a historical cost basis except for where IFRS requires recognition at fair value.

Basis of consolidation:

A subsidiary is an entity over which the Company has control. The Company controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is acquired and de-consolidated from the date that control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.. The Company attributes total comprehensive loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests. All intra-group transactions and balances are eliminated in consolidation.

Subsidiary	Status	Jurisdiction of Incorporation	Principal activity	% Of Ownership
Cerro de Pasco Resources del Perú S.A.C.	Active	Peru	Exploration	100%

On July 3, 2023, the Company sold its 80%-stake in the research subsidiary, H2-Sphere GmbH ("H2 Sphere"), back to the original owners of the Company (Note 6).

On August 29, 2024, the Company completed the sale of its full ownership interest in Santander (See Note 6).

Functional and presentation currency

The consolidated financial statements are presented in United States dollars ("USD"). The functional currency of Cerro de Pasco Resources Inc. is the Canadian dollar ("CAD"). The functional currency of CDPR del Peru and Santander is USD. The functional currency of H2-Sphere GmbH was the Euro.

Use of estimates and judgments:

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards 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 differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Significant management judgment:

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effects on the financial statements.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See Note 2 for more information.

Recognition of deferred income tax assets and measurement of income tax expense

The Company is subject to taxes from different tax country jurisdictions. Determining the tax treatment of a transaction requires the Company to apply judgment in its interpretation of the applicable tax law. The tax treatment may change based on the result of assessments or audits by the tax authorities, often years after the initial filing.

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period (see Note 22).

(b) Estimation uncertainty:

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities and expenses is provided below. Actual results may be substantially different.

Impairment of exploration and evaluation assets

Determining if there are any facts or circumstances indicating an impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash- generating units must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether a technically or economically viable extraction operation can be established, the probability that the expense will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of existence of reverses, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written-down in profit or loss in the period when the new information become available.

Impairment assessment of property, plant, and equipment

An impairment assessment requires the use of estimates and assumptions such as future zinc, lead, and silver prices (considering current and historical prices, price trends and related factors), operating and capital costs, discount rates, foreign exchange rates, closure and remediation costs, estimated life-of mines, mineral reserves and resources including exploration potential and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or cash generating units ("CGUs"). Such circumstances may give rise to an impairment or a reversal of previous impairments with the impact.

Reclamation and remediation provision

The ultimate costs for reclamation and remediation are uncertain, and cost estimates can vary in response to many factors, including estimates of the nature, extent and timing of remediation activities, technological changes, regulatory changes, cost increases as compared to inflation rates, the risk-free interest rate for discounting future cash flows, foreign exchange rates, and estimates of the underlying currencies in which the provisions will ultimately be settled. The Company estimates its costs based on studies using current restoration standards and techniques, and the provision at the reporting date represents management's best estimate of the present value of the future remediation costs required.

Useful lives of mineral properties, plant, and equipment

Estimated mineral resources are used in determining the depreciation of certain assets. This results in depreciation expense proportional to the depletion of the anticipated remaining life-of-mine production. The estimate of the remaining lives of the Company's producing mineral properties is based on a combination of quantitative and qualitative factors including historical production and financial results, mineral resources reported under National Instrument 43-101 ("NI 43-101"), estimates of ore mineral feed production from areas not included in the NI 43-101 reports, and management's intent to operate the property. The estimated remaining lives of the producing mineral properties are used to calculate amortization and depletion expense, forecast the timing of the payment of reclamation and remediation costs and perform impairment or impairment reversal testing to review the carrying values of assets and/or CGUs.

There are numerous uncertainties inherent in estimating the remaining lives of the producing mineral properties, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, or production costs may change the economic status of the resources, estimates of production from areas not included in the NI 43-101 reports, and management's intent to operate the property, and may ultimately have a material impact on the estimated remaining lives of the properties.

Share-based compensation

The estimation of share-based compensation costs requires the selection of an appropriate valuation model and data and consideration as to the volatility of the Company's own share, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model (see Note 18).

Basis of depreciation of mining sites in production

Depreciation of mining assets is computed principally by the units-of-production method over life-of-mine based on estimated quantities of economically recoverable mineral resources, which can be recovered in future from known mineral deposits.

In most instances, proved and probable reserves provide the best indication of the useful life of the Santander mining operation in production (and related assets). However, in some instances, additional resources may be included. This may be the case, for example, where management is confident that resources will be economically recoverable.

In assessing which resources to include so as to best reflect the useful life of the mine, management considers resources that have been included in the life-of-mine plan. To be included in the life-of-mine plan, resources need to be above the cut-off grade set by management, which means that the resource can be economically mined and is therefore commercially viable. This consistent systematic method for inclusion in the life-of-mine plan takes management's view of the zinc price, exchange rates as well as cost inflation into account. Changes in the assumptions used in estimating the mineral resources may affect the net value of property, plant, and equipment, provisions for restoration of mining sites and the amortization and depletion expense.

Inventories

Management estimates the net realizable values of inventories, considering the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes that may reduce future selling prices.

Provision and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, previous experience and the probability of a loss being realized. Several of these factors are source of estimation uncertainty.

Deconsolidation of Santander intercompany loan after sale and recognition of third party loan

As disclosed in Note 6, on August 29, 2024, the Company entered into a Share Purchase Agreement (SPA) for the sale of its 100% equity interest in Santander. Prior to the transaction, the Company and its subsidiary, CDPR del Perú, had outstanding intercompany loan balances totaling $9.3 million payable to the entities being sold (the "Purchased Corporations"). These balances were previously eliminated in consolidation.

Following the sale, the Purchased Corporations ceased to be subsidiaries of the Company and were deconsolidated. As a result, the intercompany loan is now recognized as a third-party liability in the consolidated financial statements.

Under the terms of the SPA, the loan accrues interest at 4% per annum, compounded monthly. The SPA stipulates an initial payment of $1.0 million within 90 days of closing, with the remaining balance deferred for five years and repayable over the subsequent five years in quarterly installments of $414,689, plus annual interest payments. See Note 15 for further detail on the recognized third-party loan.

4. CHANGE IN FINANCIAL YEAR-END:

Change in financial year-end

On December 21, 2023, the Board of Directors approved to change the Company's financial year-end from December 31 to March 31 to improve alignment between management, mining and exploration activities, and financial reporting. As a result, the Company reported a 15-month period, January 1, 2023 through March 31, 2024, for the comparative period.

5. MATERIAL ACCOUNTING POLICY INFORMATION:

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

Revenue recognition

The principal activity from which the Company generated its revenue was the sale of zinc and lead-silver concentrates to third parties. Revenue was measured based on the consideration specified in the contract with the customer. Revenue of sales concentrate were recognized at a point of time when the Company transferred control of a product to the customer, which generally occurred when the concentrate was transferred to the carrier transporting the product.

Non-controlling interests:

Non-controlling interests ("NCI") represent equity interests owned by outside parties. NCI maybe initially measured either at fair value or at the NCI's proportionate share of the recognized amounts of the acquirees identifiable net assets. The choice of measurement is made on a transaction-by-transaction basis. The share of net assets attributable to non-controlling interests is presented as a component of equity. Their share of net income and comprehensive income is recognized directly in equity.

Total comprehensive income (loss) of subsidiaries is attributed to the shareholders of the Company and to the NCI even if this results in the NCI having a deficit balance. Changes in the parent company's ownership interest that do not result in a loss of control are accounted for as equity transactions.

Foreign currency transactions and balances:

The consolidated financial statements are presented in US dollars (see Note 3 on Functional and presentation currency). Foreign currency transactions and balances are translated in their respective functional currency using the following method:

- Monetary assets and liabilities in foreign currency are translated at the closing exchange rate in effect at the reporting date, whereas other assets and liabilities are translated at the exchange rate in effect at the transaction date.
- Revenues and expenses are translated at the average rate in effect during the year.
- Gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year end exchange rates are included in profit or loss.
- Non-monetary items are not re-translated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Assets, liabilities, and transactions of the subsidiary with a functional currency other than the US dollar are translated into US dollars on consolidation. On consolidation, assets and liabilities are translated into US dollars at the closing rate of the reporting date. Income and expenses are translated under the Company's presentation currency at the average rate over the reporting year. Exchange differences are presented as other comprehensive loss and recognized in Accumulated other comprehensive income in equity (deficiency). On disposal of a foreign operation, the cumulative translation differences recognized in equity are reclassified to profit or loss and recognized as part of the gain or loss on disposal.

Goodwill, intangibles and fair value adjustments arising on the acquisition of a foreign subsidiary are treated as assets and liabilities of the foreign subsidiary and translated at the rate in effect at the statement of financial position date.

Financial instruments:

(a) Recognition and derecognition:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

(b) Classification and initial measurement of financial assets:

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets are classified into the following categories:

- amortized cost;
- fair value through profit or loss ("FVTPL");
- fair value through other comprehensive income ("FVOCI").

In the periods presented, the Company does not have any financial assets categorized as fair value through other comprehensive income.

The classification is determined by both:

- the entity's business model for managing the financial asset;
- the contractual cash flow characteristics of the financial asset.

  All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance expenses, finance income or other financial items, except for impairment of trade receivables which is presented within general and administrative expenses.

(c) Subsequent measurement of financial assets:

(i) Financial assets at amortized cost:

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and

interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash, cash and cash equivalent – restricted, accounts receivable, and other receivables (except sales tax receivable) fall into this category of financial instruments.

(ii) Financial assets at fair value through profit or loss (FVTPL):

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category contains marketable securities in a quoted company (presented within other financial assets). The Company accounts for the investments at FVTPL and did not make the irrevocable election to account for the investment in Genius Metal Inc. and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirement of IFRS 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

(d) Compound financial instruments:

The component parts of compound financial instruments (convertible debentures) issued by the Company are classified separately as financial liabilities and equity component in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

At the date of issue, the liability component is recognized at fair value, which is estimated using the borrowing rate available for similar non-convertible instruments. Subsequently, the liability component is measured at amortized cost using the effective interest method until extinguished upon conversion or at maturity.

The value of the conversion option classified as equity component is determined at the date of issue by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This amount is recognized in equity, net of income tax effects, and is not subsequently remeasured. When and if the conversion option is exercised, the equity component of convertible debentures will be transferred to share capital. If the conversion option remains unexercised at the maturity date of the convertible debentures, the equity component of the convertible debentures will be transferred to contributed surplus. No gain or loss is recognized upon conversion or expiration of the conversion option.

Transaction costs related to the issue of convertible debentures are allocated to the liability and equity component in proportion to the initial carrying amounts. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the term of the convertible debenture using the effective interest method.

Impairment of financial assets:

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses - the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included accounts receivable and other receivables (except sales tax receivable).

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Stage 1: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk;
- Stage 2: financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not;
- Stage 3: there is objective evidence of impairment as of the reporting date.

12-month expected credit losses are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities:

The Company's financial liabilities at amortized cost include trade accounts payable and other liabilities, promissory note, balance of purchase price payable, convertible debenture and loan. The Company's financial liabilities designated at FVTPL, which includes items such as the contingent consideration payable.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance expenses or finance income.

Basic and diluted loss per share:

Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting loss attributable to common shareholders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares which include options and warrants. Dilutive potential common shares are deemed to have been converted into common shares at the average market price at the beginning of the year or, if later, at the date of issue of the potential common shares. The diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding warrants and share options.

The table below identifies the equity instruments utilized in the calculation of diluted earnings per share in those periods in which the Company recognized net income:

Financial Instrument	**Issuable shares as of March 31, 2025**
Outstanding warrants	23,137,232
Issuable and exercisable outstanding options	1,830,631
	24,967,863

Cash and restricted cash and cash equivalents:

Cash and cash equivalent consists of cash and cash in trust, as well as other highly liquid short-term investments, easily convertible in a known amount of cash and subject to negligible risk of value impairment. Restricted cash was not available for use by the Company and therefore is not considered highly liquid, for example, cash set aside to cover remediation obligations.

Marketable securities:

Marketable securities comprise shares of other publicly traded companies and are recorded at fair value as of the date of the statement of financial position. The difference from the original basis related to the shares of other publicly traded companies is recorded in profit or loss.

Inventories:

Inventories comprised finished products, stockpile and supplies. Finished products were valued at cost or net realizable value, whichever is lower. The finished products and stockpile included all production costs incurred directly, including direct labor and materials, freight and amortization, and directly attributable operating expenses. Supplies were used in exploration and production are valued at acquisition cost, freight, and other directly attributable costs, which was determined using the weighted average method.

The impairment of the value of the inventories was determined based on the net realizable value, which is the estimated sale price in the normal course of business, less the costs necessary to finish their production, put the inventories in a condition for sale and carry out their commercialization. For reductions in the book value of the inventories to their net realizable value, a provision for inventory impairment was made with a charge to profit or loss in the period in which such reductions occur.

Property, plant, and equipment:

Property, plant, and equipment are held at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred initially to acquire or construct an item of property, plant and equipment, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs incurred subsequently to add to or replace part thereof.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The Santander mining unit depreciation is determined using the units of production (PU) method calculated based on the economically recoverable resources. Other fixed assets including buildings, facilities, other equipment, computer equipment, communication equipment, and furniture and fixtures are depreciated using the straight-line method over the useful life of assets.

Depreciation is recognized on a straight-line basis to write down the cost to its estimated residual value, with a constant charge over the useful life of the asset. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and works in progress are not depreciated.

The estimated useful lives for both the year ended March 31, 2025 and the fifteen-month period ended March 31, 2024 are as follows:

	Depreciation method	Useful life
Buildings	Straight-line	10
Mining unit	PU	4
Plant	PU	4
Facilities	Straight-line	10
Miscellaneous equipment	Straight-line	10
Computer equipment	Straight-line	3 to 5
Communication equipment	Straight-line	5
Software	Straight-line	2
Furniture and fixtures	Straight-line	5 to 10

The residual value, depreciation method, and useful life of each asset are reviewed at least at each financial year-end.

The carrying amount of an item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized.

Mining properties and exploration and evaluation assets:

Exploration and evaluation expenditures are costs incurred during the initial search of mineral resources before the technical feasibility and commercial viability of extracting mineral resources are demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights, expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as exploration and evaluation assets.

Expenses related to exploration and evaluation include topographical, geological, geochemical, geophysical, exploration drilling, trenching, sampling, general expenses, financial charges, management fees and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts, the difference is then immediately recognized in profit or loss. When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property, plant, and equipment. Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Impairment of mining properties, exploration and evaluation assets and property, plant and equipment:

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash- generating units). As a result, some assets are tested individually for impairment, and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash-generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- no further exploration or evaluation expenditures in the area are planned or budgeted;
- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property, plant and equipment.

An impairment loss is recognized in profit or loss for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use. An impairment charge is reversed if the assets or cash-generating unit's recoverable amount exceeds its carrying amount.

Provisions, contingent liabilities, and contingent assets:

Provisions are recognized when present legal or constructive obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes, decommissioning, restoration and similar liabilities, or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Company's operations are governed by government environmental protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable, and impact. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations. To take into account the estimated cash flows required to settle its obligations arising from environmentally acceptable closure plans (such as dismantling and demolition of infrastructures, removal of residual matter and site restoration), provisions are recognized in the year, when the Company has an actual restoration mining site obligation and it is likely that an outflow will be required in settlement of the obligation and the obligation is reasonably determinable. These provisions are determined on the basis of the best estimates of future costs, based on information available on the reporting date.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In compliance with the applicable regulation, Santander committed to perform the activities set out in the Mine Closure Plan approved Directorial Resolution N° 6004-2023 MINEM-DGAAM, dated January 31, 2023. Amongst said activities, the Company had submitted a bond of an insurance policy before the Ministry of Energy and Mines ("'MINEM") to secure compliance with the obligations set forth in the Mine Closure Plan. The Company requested an insurance company to issue a policy to secure the obligations undertaken related to the mine closure. In the event of foreclosure of the insurance policy, the Company has an obligation to reimburse the insurance company. To secure the reimbursement obligation, and secondary to the pledge of certain cash and fixed assets of the Santander mine, CDPR issued a letter of guarantee on behalf of the insurance company (the "Comfort letter"), should Santander fail to honor its obligation to reimburse the insurance company. The obligation to fulfill the activities and maintain the insurance policy was assumed by the buyer of Santander, however, the comfort letter remains in effect through the termination of the insurance policy on January 18, 2025, plus an additional 15 days after the expiration date. The Company has no future obligation as it pertains to MINEM as of February 2, 2025.

Income taxes:

When applicable, tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

Currently, income tax assets and/or liabilities comprise those obligations to, or claims from, 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 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 year.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

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 assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax in profit or loss, except where they relate to items that are recognized directly in equity, in which case the related deferred tax is also recognized in equity.

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. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

The Company recognizes a right-of-use asset ("ROU asset") and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The ROU asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the ROU asset reflects that the Company will exercise a purchase option, the ROU asset is depreciated from the commencement date to the end of the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property, plant and equipment assets. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest rate method and is re- measured when there is a change in future lease payments. When the lease liability is re-measured, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

The Company presents ROU assets and lease liabilities on the consolidated statements of financial position. The Company has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months of less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease. As of March 31, 2025, the Company has an ROU asset recognized on their office lease maintained in Quebec, Canada.

Share capital:

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs.

If shares are issued following the exercise of share options, or warrants, this account also includes the charge previously accounted to the share options and warrants accounts.

Unit placements:

The funds from unit placement are allocated between shares and warrants using the relative fair value method. The fair value of the common shares is recognized in equity based on the share price at the date of issue. The fair value of the warrants is determined using the Black- Scholes valuation model and is recorded separately under "warrants".

Other elements of equity:

Warrants and share options accounts include unrealized charges related to share options and warrants until they are exercised, if applicable. Contributed surplus includes compensation expense related to share options and warrants not exercised and expired.

Deficit includes all current and prior year retained losses.

Accumulated other comprehensive losses include all foreign currency translation adjustments.

Equity-settled share-based compensation:

The Company has an equity-settled share-based compensation plan for its eligible directors, employees, and consultants. The Company's plan is not cash-settled.

All goods and services received in exchange for the grant of any share-based compensations are measured at their fair values unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, it must measure their value indirectly by reference to the fair value of the equity instruments granted.

For transactions with employees and with parties providing similar services, the Company evaluates the fair value of services received by reference to the fair value of equity instruments granted.

All equity-settled share-based compensation (except warrants to brokers) are ultimately recognized as an expense in the profit or loss with a corresponding credit to the Share options account. Equity-settled share-based compensation to brokers, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to warrants, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

Discontinued Operations:

The Company classifies assets held for sale in accordance with IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations. When the Company makes the decision to sell an asset or to stop some part of its business, the Company assesses if such assets should be classified as an asset held for sale. To classify as an asset held for sale, the asset or disposal group must meet all of the following conditions: i) the asset is available for immediate sale in its present condition, ii) management is committed to a plan to sell, iii) an active program to locate a buyer and complete the plan has been initiated, iv) the asset is being actively marketed for sale at a sales price that is reasonable in relation to its fair value, v) the sale is highly probable within one year from the date of classification, and vi) actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn. Assets held for sale are measured at the lower of its carrying amount or fair value less cost to sell (“FVLCTS”) unless the asset held for sale meets the exceptions as denoted by IFRS 5. FVLCTS is the amount obtainable from the sale of the asset in an arm’s length transaction, less the costs of disposal. Once classified as held for sale, any depreciation and amortization cease to be recorded. A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and meets one of the following conditions: i) represents a separate major line of business or geographical area of operations, ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or iii) is a subsidiary acquired exclusively with a view to resale. Results from discontinued operations are presented separately from continuing operations in the consolidated statements of profit and loss and the consolidated statements of cash flows.

New standards and interpretations that have not yet been adopted:

In April 2024, the IASB issued a new IFRS accounting standard to improve the reporting of financial performance. IFRS 18 Presentation and Disclosure in the Financial Statements replaces IAS 1 Presentation of Financial Statements. The standards will become effective January 1, 2027, with early adoption permitted. Management is currently evaluating the impact of the new standard on the Company’s financial statements.

(Expressed in US Dollars unless otherwise noted)

6. SALE OF SUBSIDIARIES:

H2 Sphere

On July 3, 2023, the Company sold its 80% equity interest in H2Sphere GmBh. As such, this business is reported as a discontinued operation for the fifteen-months ended March 31, 2024. The Company received net consideration for the sale of $164,924:

Purchase price	$	244,159
Re-purchase of 80% stake in Company		21,578
Forgiven accounts payable		(100,813)
Net consideration received	**$**	**164,924**

The Company recognized a gain of $246,876 after elimination of intercompany balances and net liabilities forgiven.

Cerro de Pasco Resources Subsidiaria del Perú S.A.C. ("Santander")

On August 29, 2024, the Company sold its 100% equity interest in Santander through a share purchase agreement (the "SPA") with Fondo de Inversion Privado (the "Purchaser").

The Company received a net consideration of $2 and may receive contingent consideration of up to $10,000,000 in mining royalties. The probability of retrieving this royalty is considered remote within the terms of the agreement, therefore was not considered in the determination of the selling price of sale. Per the SPA, the additional consideration will be enforceable from the date on which commercial production has been reached in the Santander Pipe. The Santander Pipe is defined in the SPA as the specific area within the Santander Concessions. Commercial production will be considered reached during the month lapsing of the first thirty days during which the minerals extracted from the Santander Pipe were treated consecutively for at least 70% of the capacity of the processing plant. The additional consideration shall not exceed the amount of $10,000,000. As of March 31, 2025, there have been no receipts of payment as they relate to contingent consideration for mining royalties.

The SPA also stipulates that the intercompany balance currently due to Santander from both CDPR, the parent, and CPDR del Peru, in the aggregate amount of $9,253,781 shall be payable by the Company to the buyer of Santander mine over a period of 10 years (Note 15).

The business is reported as a discontinued operation for the twelve months and fifteen months ended March 31, 2025 and 2024 respectively. The Company has retrospectively recast its consolidated statements of profit and loss for all periods presented.

The net assets (liabilities) relinquished upon the sale of Santander were as follows:

Cash and cash equivalents	$	19,910
Cash and cash equivalents -restricted cash		4,589,876
Prepaid expenses		146,809
Accounts receivable		311,753
Other receivables		153,647
Inventories		1,722,969
Property, plant, & equipment		10,006,645
Mining properties, exploration, and evaluation assets		7,995,425
Intercompany loan		9,253,781
Sales tax receivable		2,102,199

(Expressed in US Dollars unless otherwise noted)

Trade accounts payable and other liabilities		(55,701,480)
Provisioning for rehabilitation and mine closure, current and long-term		(12,617,052)
Provision for taxes payable		(279,058)
Loans		(3,568,959)
Net liabilities	$	(35,863,535)
Cash proceeds		-
Net gain on sale of subsidiary	$	35,863,535

See below for a statement of comprehensive income (loss) for the twelve and fifteen periods ended March 31, 2025 and 2024 of the discontinued operations of H2Sphere GmBh and Santander allocable to the Company:

	For the twelve-months ended March 31, 2025	**For the fifteen-months ended March 31, 2024**
	$	**$**
Revenue	1,870,344	18,724,532
Cost of Sales	(2,009,811)	(29,805,847)
Gross Profit	(139,467)	(11,081,315)
Expenses:		
Selling Expenses	42,461	698,108
Care and maintenance	4,402,209	7,221,958
General and administrative expenses	684,982	2,480,665
Operating income (loss) before other expenses (income) and income tax	**(5,269,119)**	**(21,482,046)**
Other income and expenses:		
Financial income	5,164	1,699,650
Financial expenses	(145,177)	(1,698,968)
Exchange loss (gain)	(53,809)	(107,483)
Other expenses	(106,399)	(2,843,377)
Adjustments to sale of subsidiary*	(5,300,685)	-
	(5,600,906)	**(2,950,178)**
Income (loss) before income taxes	(10,870,025)	(24,432,224)
Income taxes	(15,378)	(190,465)
Net income (loss) from discontinued operations	(10,885,403)	(24,622,689)
Currency translation adjustment	331	399
Net comprehensive income (loss) from discontinued operations	(10,885,072)	(24,622,290)
Net loss attributable to (discontinued):		
Cerro de Pasco Resources Inc. and H2 Sphere	(10,885,072)	(24,622,290)

* Adjustments to sale of subsidiary primarily relates to the write-off of work-in-in progress items that were determined to be

(Expressed in US Dollars unless otherwise noted)

non-recoverable of $475,984, write-off of accounts receivable balances identified as uncollectible at the time of sale of $551,160 and write-down of VAT receivables deemed unrecoverable of $4,273,541.

7. CASH AND CASH EQUIVALENTS:

The decrease of $6,479,134 in restricted cash is mainly attributable to the relinquishment of the closure bond with the Peruvian ministry of Energy and Mines as part of the sale of Santander mine for $4,589,876. The remaining decrease of restricted cash was due to the reclassification of restricted cash to unrestricted cash of $1,889,258.

	March 31, 2025	March 31, 2024
	$	$
Cash	11,472,112	136,721
Cash and cash equivalent - restricted	-	6,479,134
	11,472,112	**6,615,855**

8. INVENTORIES:

The amount of inventories recognized as expenses during the period corresponds to the cost of sales presented in the consolidated statement of profit and loss. A summary of the inventory's components can be detailed as follows:

	March 31, 2025	March 31, 2024
	$	$
Stockpile	-	91,813
Supplies	-	1,774,857
	-	**1,866,670**

9. OTHER RECEIVABLES:

	March 31, 2025	March 31, 2024
	$	$
Sales tax receivable (Corporate)	88,955	23,078
Sales tax receivable (Santander)	-	6,355,303
Temporary tax on net assets (ITAN)	1,288	217,437
Refunds receivable	-	13,773
Advances to employees	-	416,741
Advances to third parties	33,173	239,880
Other receivables	30,077	119,613
	153,493	**7,385,825**
Current portion of other receivables	153,493	1,030,522
Non-current portion of other receivables	-	6,355,303

(Expressed in US Dollars unless otherwise noted)

10. PROPERTY, PLANT, AND EQUIPMENT:

The movement of this item and its accumulated depreciation for the year ended March 31, 2025 and period ended March 31, 2024 is as follows:

Cost	Balance as of March 31, 2024	Additions	Write-off/ Adjustments	Transfers from Work in Progress	Sale of Santander	Balance as of March 31, 2025
Buildings	8,003,308	-	-	-	(8,003,308)	-
Mining Unit	39,765,494	-	-	-	(39,765,494)	-
Plant	17,142,754	-	-	-	(17,142,754)	-
Facilities	7,390,452	-	-	1,688,149	(9,078,601)	-
Miscellaneous equipment	3,227,279	-	-	-	(3,227,279)	-
Computer equipment	129,009	5,191	(11,637)	-	(107,490)	15,073
Software	8,529	20,140	-	-	-	28,669
Communication equipment	166,156	-	-	-	(166,156)	-
Furniture and fixtures	262,618	-	(27,904)	-	(222,629)	12,085
Development costs	4,302,793	-	(3,376)	-	(4,299,417)	-
Work in progress	3,884,804	475,984	-	(1,688,149)	(2,672,639)	-
	84,283,196	**501,315**	**(42,917)**	**-**	**(84,685,767)**	**55,827**

Accumulated Depreciation and Amortization	Balance as of March 31, 2024	Depreciation and Amortization	Write-off/ Adjustments	Transfers from Work in Progress	Sale of Santander	Balance as of March 31, 2025
Buildings	(6,736,076)	(51,109)	-	-	6,787,185	-
Mining Unit	(38,526,917)	(51,120)	-	-	38,578,037	-
Plant	(16,666,270)	(20,213)	-	-	16,686,483	-
Facilities	(7,088,994)	(245,094)	-	-	7,334,088	-
Miscellaneous equipment	(2,431,554)	(83,213)	-	-	2,514,767	-
Computer equipment	(121,944)	(2,314)	10,833	-	106,536	(6,889)
Software	(4,829)	(490)	-	-	-	(5,319)
Communication equipment	(164,078)	(387)	-	-	164,465	-
Furniture and fixtures	(243,046)	(1,349)	10,574	-	221,734	(12,085)
Development costs	(1,744,824)	(65,019)	-	-	1,809,843	-
	(73,728,532)	**(520,308)**	**21,407**	**-**	**74,203,138**	**(24,295)**
Net carrying value	**10,554,664**	**(494,977)**	**(21,510)**	**-**	**10,006,645**	**31,532**

Cost	Balance as of December 31, 2022	Additions	Write-off/ Adjustments	Transfers from Work in Progress	Balance as of March 31, 2024
Buildings	7,445,198	-	-	558,110	8,003,308

(Expressed in US Dollars unless otherwise noted)

Mining Unit	39,765,494	-	-	-	39,765,494
Plant	17,136,973	-	(55,285)	61,066	17,142,754
Facilities	7,315,965	-	(190,224)	264,711	7,390,452
Miscellaneous equipment	2,497,445	44	-	729,790	3,227,279
Computer equipment	129,009	-	-	-	129,009
Software	8,529	-	-	-	8,529
Communication equipment	166,156	-	-	-	166,156
Furniture and fixtures	262,618	-	-	-	262,618
Development costs	2,850,436	3,772,874	(2,320,517)	-	4,302,793
Work in progress	2,960,305	1,973,931	572,882	(1,622,314)	3,884,804
	80,538,128	**5,746,849**	**(1,993,144)**	**(8,637)**	**84,283,196**

Accumulated Depreciation and Amortization	Balance as of December 31, 2022	Depreciation and Amortization	Write-off/ Adjustments	Transfers from Work in Progress	Balance as of March 31, 2024
Buildings	(6,590,400)	(145,676)	-	-	(6,736,076)
Mining Unit	(38,240,967)	(285,950)	-	-	(38,526,917)
Plant	(16,450,642)	(215,628)	-	-	(16,666,270)
Facilities	(7,018,475)	(70,519)	-	-	(7,088,994)
Miscellaneous equipment	(2,203,978)	(227,576)	-	-	(2,431,554)
Computer equipment	(119,017)	(2,927)	-	-	(121,944)
Software	(4,098)	(731)	-	-	(4,829)
Communication equipment	(162,516)	(1,562)	-	-	(164,078)
Furniture and fixtures	(239,630)	(3,416)	-	-	(243,046)
Development costs	(422,827)	(1,321,997)	-	-	(1,744,824)
	(71,452,550)	**(2,275,982)**		-	**(73,728,532)**
Net carrying value	**9,058,578**	**3,470,867**	**(1,993,144)**	**(8,637)**	**10,554,664**

(Expressed in US Dollars unless otherwise noted)

11. EXPLORATION AND EVALUATION ASSETS:

Mining properties, Exploration and Evaluation assets by properties are detailed as follows:

	March 31, 2024	Additions	Sale of Santander	March 31, 2025
	$	$		$
Quiulacocha Tailings and Excelsior Stockpile				
Mining properties	1,453,246	1,223,160	-	2,676,406
Exploration and evaluation	144,111	1,578,893	-	1,723,004
Santander				
Exploration and evaluation	7,949,104	46,321	(7,995,425)	-
	9,546,461	**2,848,374**	**(7,995,425)**	**4,399,410**

	December 31, 2022	Additions	Adjustments	March 31, 2024
	$	$	$	$
Quiulacocha Tailings and Excelsior Stockpile				
Mining properties	1,231,724	221,522	-	1,453,246
Exploration and evaluation	144,111	-	-	144,111
Santander				
Exploration and evaluation	7,334,833	616,956	(2,685)	7,949,104
	8,710,668	**838,478**	**(2,685)**	**9,546,461**

Quiulacocha Tailings and Excelsior Stockpile, Cerro de Pasco, Peru:

CDPR owns a 100% interest in the El Metalurgista Concession (where the Quiulacocha Tailings and Excelsior Stockpile are located), located in Cerro de Pasco, Peru (“Quiulacocha”). Quiulacocha consists of tailings, stockpiles and metal slag generated by legacy mining operations at the Cerro de Pasco Mine located near Lima, Peru.

On May 24, 2024, the Company signed an Easement Agreement with Activos Mineros S.A.C (AMSAC) with the participation of the General Directorate of Mining (the Peruvian Ministry of Energy and Mines) allowing the Company to proceed with engineering studies and a 40-hole drilling program at its Quiulacocha Tailings Project (“QT Project”) including the payment of approximately $1 million into the Peruvian National Bank on May 29, 2024 (paid).

Quiulacocha is subject to a 2.0% Net Smelter Return (“NSR”) on production. The total 2% may be purchased by the Company as per the following deadlines and payments:

	Cash Payments
	$
In the first 24 months after the start of commercial production	3,000,000
Between the 25th and 36th months after the start of commercial production	3,500,000
Between the 37th and 48th months after the start of commercial production	4,000,000

Santander Mine:

On August 29, 2024, CDPR sold 100% of its interest in Santander Mine which consists of a processing facility and mineral rights, located near the city of Lima, in the district of Santa Cruz de Andamarca, province of Huaral, department of Lima, Peru (Note 6).

(Expressed in US Dollars unless otherwise noted)

12. TRADE ACCOUNTS PAYABLE AND OTHER LIABILITIES:

Trade accounts payable and other liabilities recognized in the consolidated statements of financial position can be analyzed as follows:

	March 31, 2025	March 31, 2024
	$	$
Trade accounts payable and accrued liabilities:		
Related parties	98,070	331,072
Factored payables	-	15,245,699
Income taxes	12,018	13,205
Trade accounts payable	1,083,236	31,340,348
Accrued payroll and benefits	139,495	2,365,084
Accrued royalties payable	-	1,975
Trade association	-	17,351
Other payables and accrued expenses	51,246	4,524,981
	1,384,065	**53,839,715**

On January 29, 2024, the Company's subsidiary, Santander, was granted protection from its creditors by the Insolvency Proceedings Commission (the "Commission") of the National Institute for the Defense of the Competition and the Protection of Intellectual Property of Peru ("INDECOPI"), which establishes a suspension of enforceability of their unpaid obligations accrued until the future date of dissemination of the acceptance of a Meeting of the Creditors, which shall establish a global refinancing agreement that establishes any future enforceability of such obligations. Due to the sale of Santander on August 29, 2024, the Company is no longer liable for the suspended payables under INDECOPI.

13. PROVISION FOR REMEDIATION AND MINE CLOSURE:

	March 31 2025	March 31, 2024
	$	$
Opening Balance	12,539,586	14,199,137
Accretion expense	77,466	250,097
Variation due to change in key assumptions used	-	(1,909,648)
Sale of Santander	(12,617,052)	-
	-	**12,539,586**
Current portion	**-**	**349,559**
Non-current portion	**-**	**12,190,027**

The Company must comply with environmental regulations in the development of all its activities, in all the jurisdictions in which it operates. It also includes the obligation, at the close of its operations, to remediate the disturbed areas where it has carried out its activities and over which it maintains mining title.

The Company is not aware of any negative effects on the environment arising from any of its properties that may give rise to significant obligations to third parties.

Environmental legislation has regulated the obligation to assume the costs and expenses associated with the closure obligation and, remediation of operations at the time of the conclusion of their activities, which results in financial planning to reduce the impact that these expenses and future costs could bring to the Company. In addition to legislative measures by which the Company must guarantee the necessary funds to carry out the remediation activities.

As of March 31, 2025, the provision for remediation and mine closure has a balance of $nil due to the sale of the related asset, and all associated liabilities have been transferred to the buyer as part of the sale of Santander (Note 6). There is no Asset Retirement Obligation (ARO) recognized for the tailings pond at this time, as it is not currently subject to closure or remediation requirements under applicable regulations.

The key assumptions for the period ended March 31, 2024 asset remediation obligations were estimated costs of $12,545,568, claim period of 9 years, discount risk free rate of 4.20% and a inflation rate range of 2.38% to 8.20%.

(Expressed in US Dollars unless otherwise noted)

14. PROMISSORY NOTE:

On November 26, 2021, the Company entered into a promissory note agreement with Alpha Capital Anstalt ("Alpha") for CAD $1,500,000 ($1,183,200) which bears interest at 4.5% annually until the maturity date of May 26, 2022. The Company also issued 3,000,000 warrants to Alpha. The initial fair value of the note of CAD $1,324,086 ($1,044,439) was determined using an effective interest rate of 30%. The residual value of CAD $175,914 ($137,282) was attributed to the warrants. The Company incurred transactions costs of CAD $32,641 ($25,747). The note is secured against certain assets of the Company, including inventory and property, plant, and equipment.

The promissory note was amended on October 7, 2022 with a remaining principal balance of CAD $1,200,000 ($879,720), which bears interest at an increased interest rate of 10% per annum until the new maturity date of the sooner of April 3, 2023, or upon the receipt of funding from the forward sale of zinc concentrate related to the Santander Pipe deposit. Under the terms of the Amending Agreement, the Company shall use 25% of all capital raises to pay down the amounts owed on the Note. On November 4, 2022, the Company repaid CA$20,000 reducing the principal amount due to CAD$1,180,000 ($865,058). The Company also granted up to 2,400,000 warrants at an exercise price of $0.25 CAD per unit, awarded in monthly installments of 400,000 warrants, until payment of the note is completed. The warrants were valued at CAD $128,880 ($95,010) and accreted over the life of the remaining maturity. The effective interest rate on the value of the warrant was 39%.

The warrants were valued using the Black-Scholes pricing model with the following inputs: Share price of $0.14 CAD, risk-free interest rate of 3.87%, expected life of 3 years, and expected volatility of 81%. The expected volatility used was determined using historical price volatility for the Company.

On March 15, 2023, the promissory note was renegotiated. The maturity date was extended to the sooner of (i) December 31, 2023; or (ii) upon receipt of funding from the forward sale of Zinc concentrate related to the Santander Pipe deposit. The Company paid $600,000 towards the principal balance during March 2023. The amendment resulted in an accounting gain on extinguishment of CAD$70,998. The Company agreed to the following payment terms under the amendment:

- March 27, 2023: $600,000 CAD (paid)
- Pay CAD $150,000 at end of each month from August to November 2023
- Remaining balance to be paid on December 31, 2023 for CAD$155,834

On February 20, 2024, the promissory note was amended. The maturity date was extended to July 31, 2024. The principal of $555,000, bearing an interest rate of 10% per annum and payable on maturity, and a penalty fee of $110,000 due upon the new maturity date. The amendment resulted in modification of the debt per accounting guidance. A loss of CAD $52,317 was recognized. On July 5, 2024, the Company repaid the promissory note in full.

15. LOANS:

Loans

	March 31 2025	**March 31, 2024**
	$	**$**
Caterpillar Leasing Chile S.A (a)	-	567,780
Grupo Coril Sociedad Agente de Bolsa S.A (b)	-	3,001,179
Banque Royale du Canada (c)	22,291	28,749
Loan from Santander (d)	4,051,023	-
	4,073,314	**3,597,708**
Current portion	-	3,568,959
Non-current	4,073,314	28,749

(a) The Company purchased an electric generator for the Santander mine through a lease financing agreement for approximately $800,000. The lease comes due during August 2025 and has an annual interest rate of 9.95%. The Company is no longer liable for this loan upon the sale of Santander (Note 6).

(b) The Company entered into a working capital financing agreement with Grupo Coril Sociedad Agente de Bolsa S.A. on January 10, 2023 which was due in December 2024 and has an annual interest rate of 19.56%. The loan is collateralized against the mineral rights of the mine owned by the Santander subsidiary. The Company is no longer liable for this loan upon the sale of Santander (Note 6).

(Expressed in US Dollars unless otherwise noted)

(c) The Company has a loan with the Banque Royale du Canada of CAD $40,000 originated on January 17, 2024. The loan accrues interest at a rate of 2.84% and payments of approximately $628 are made monthly. The loan matures in 5 years from date of refinancing.

(d) As outlined in note 6, on August 29, 2024, the Company entered into a SPA for the sale of 100% of the equity interests in Santander. At the time of the transaction, the Company and its subsidiary, CDPR del Perú, had outstanding intercompany loans payable to the Purchased Corporations totaling $9.3 million. These balances were previously eliminated on consolidation. Following the sale, the Purchased Corporations ceased to be consolidated subsidiaries, and the intercompany loan is now recognized as a liability in the consolidated financial statements. Under the SPA, the intercompany debt accrued interest at 4% per annum, compounded monthly. The SPA required an initial payment of $1.0 million within 90 days of closing, with the remaining balance deferred for five years and repayable over the subsequent five years in quarterly installments of $414,689, plus annual interest payments.

On initial recognition, the fair value of the loan was determined to be $3,863,025, based on a discount rate of 19.76%, as determined by an independent valuation specialist. The difference between the carrying amount of the original liability and the fair value of the new liability, amounting to $5,390,756, was recognized as a gain on restructuring of the loan in profit or loss. The effective interest rate on the restructured loan was calculated to be 30.15%.

On January 31, 2025, the parties executed a First Amendment to the SPA, which revised the repayment terms of the initial $1.0 million as follows; $68,619 due on December 30, 2024, $200,000 due by February 14, 2025 and $731,381 is due by July 1, 2026, accruing interest at a monthly effective rate of 1.00%, beginning January 1, 2025. As a result, the Company recognized a gain on non-substantial modification of $111,575, which has been separately in the consolidated statement of profit or loss. Following the amendment and revised payment schedule, the updated effective interest rate was recalculated to 13.43%.

For the year ended March 31, 2025, the Company recognized interest and accretion expense of $128,372 and $439,822, respectively.

16. CONVERTIBLE DEBENTURE:

	March 31, 2025	March 31, 2024
	$	$
Convertible debenture		
Convertible debenture capital of CAD $1,642,709, bearing interest at 15.00% payable annually and maturing on June 30, 2025	-	1,208,623
	-	**1,208,623**
Current portion of convertible debenture	-	1,208,623
Non-current portion of convertible debenture	-	-

On October 15, 2020, the Company received CAD$1,000,000 as part of a convertible debenture agreement with a lender with an original interest rate of 10% and maturity date of June 15, 2022. From June 2021 through January 2024, the convertible debenture has undergone several amendments to the terms.

Effective January 31, 2024, the lender agreed to further extend the maturity date of the agreement to July 1, 2024. The new convertible debt has a principal balance of CAD $1,641,216 and carries a fixed monthly interest rate of 1.67% on the principal balance until the debt is paid in full, plus a redemption fee of 5%. The amendment resulted in an extinguishment of the old debt per accounting guidance, and a loss on extinguishment of CAD $217,829 was recognized. The fair value of the convertible debt was adjusted to CAD $1,636,188. No fair value was assigned to the conversion feature of the convertible debt, as the present value of the new convertible debt exceeded its face value. As part of the amendment, the Company issued 5,000,000 warrants to the lender and the conversion price of the debt was amended to CAD $0.15. Each warrant issued to the lender entitles the lender to purchase one common share at an exercise price of $0.15 for a period of 2 years. The warrants had a fair value of CAD $222,857 using the Black-Scholes evaluation model based on the following assumptions: share price of CAD $0.10, exercise price of CAD $0.15, risk-free interest rate of 4.17%, expected life of 2 years and expected volatility of 101%. The Company would also have to issue an additional 2,500,000 warrants if the convertible debenture has not been repaid back in full by May 1, 2024. The Company did not pay the principal outstanding by this date, therefore issued the warrants at an exercise price of CAD $0.15 per share, which expire on May 1, 2026 with a value of CAD$102,147 ($74,244). The Company valued the warrants using the Black-Scholes option pricing model with the following assumption: share price of CAD $0.10, exercise price of CAD $0.15, risk-free interest rate of 4.40%, expected life of 2 years and expected volatility of 99.77%.

On April 22, 2024, the Company decreased their balance outstanding by CAD $200,000 through a conversion of principal outstanding of CAD $200,000 (USD $146,120) into shares. On July 30, 2024, effective July 1, 2024, the lender agreed to amend the convertible debenture. The new terms of the agreement extended the maturity date to June 30, 2025, and decreased the interest rate to 15%. The new principal was increased to $1,367,709, which includes an extension fee of $59,966. The Company agreed to a two-year extension of a total of 10,500,000 outstanding share purchase warrants initially issued to the lender. As a result of the extension, 3,000,000 warrants with an exercise price of CAD $0.25 will expire on November 6, 2026, 5,000,000 warrants with an exercise price of CAD $0.15 CAD will expire on January 21, 2028, and 2,500,000 warrants with an exercise price of CAD $0.15 will expire on May 1, 2028. The Company accounted for this amendment as an extinguishment of the old debt and recognized the loss through the profit or loss. The new effective interest rate was determined to be 15.91% and is to be accreted over the extended life of the debenture. A loss of $189,542 was recognized as part of the amendment.

On August 2, 2024, the Company paid CAD $275,000 towards the principal balance.

On October 10, 2024, the Company converted CAD $250,000 of principal into 1,666,666 shares and on October 25, 2024, the Company converted the remaining outstanding principal and interest of CAD $1,168,999 into 7,793,323 shares. As of March 31, 2025, the convertible debenture is fully settled and has no balance outstanding.

17. SHARE CAPITAL AND WARRANTS:

Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

Issued and outstanding:

As of March 31, 2025 the Company had 509,384,503 issued and outstanding common shares (March 31, 2024 – 347,813,434).

Transactions during the period ended March 31, 2025:

On April 22, 2024, the Company issued 2,000,000 shares of common stock in exchange for the conversion of CAD $200,000 (USD $146,120) of principal on their outstanding convertible debenture.

On May 24, 2024, the Company issued a total of 25,500,000 units in a private placement at a price of CAD $0.10 per unit for proceeds of approximately CAD $2,550,000 (USD $1,865,070). Each unit consists of one common share and half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of CAD $0.15 and an underlying warrant at an exercise price of CAD $0.25, with an expiration of May 24, 2026 for both instruments. The Company issued finders fees warrants, equivalent to 210,000 in warrants and 210,000 in underlying warrants. These finders fees warrants have the same terms as the private placement unit warrants.

On July 5, 2024, the Company issued a total of 32,980,000 units in a private placement at a price of $0.10 CAD per unit for proceeds of approximately CAD $3,298,000 (USD $2,418,423), net of share issuance costs. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.15 CAD with an expiration of July 5, 2026.

On July 9, 2024, the Company issued a total of 50,000 shares of common with a value of CAD $6,000 (USD $4,391) for consulting services.

On July 17, 2024, the Company issued a total of 500,000 shares of common stock at a price of CAD$0.12 per share as payment for termination fees with a vendor for proceeds of CAD $60,000 (USD $43,320).

On September 26, 2024, the Company issued a total of 20,000,000 units in a private placement at a price of CAD$0.15 per unit for proceeds of CAD $3,000,000 (USD $2,226,600). Each unit consists of one common share and one half of one common share warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of CAD $0.20 , with an expiration of September 26, 2026.

On October 7, 2024, the Company issued 50,000 shares with a value of CAD $8,500 (USD $6,130) to a consultant.

On October 10, 2024, the Company converted a portion of the indebtedness outstanding on their convertible debenture in the amount of CAD $250,000 (USD $173,975) for 1,666,666 shares, converted at the agreed-upon conversion rate of CAD $0.15 per share.

On October 23, 2024, a warrant holder paid approximately CAD $18,750 (USD $13,868) to exercise 125,000 of their warrants outstanding in exchange for 125,000 of the Company's common stock, at an exercise price of CAD $0.15 per share.

On October 25, 2024, the Company elected to convert the total remaining indebtedness on their convertible debenture in the amount of CAD $1,168,999 (USD $813,506) for 7,793,323 shares.

On October 25, 2024, various warrant holders paid an aggregate of CAD $200,000 (USD $144,180) to exercise 800,000 warrants outstanding in exchange for 800,000 of the Company's common stock, at an exercise price of CAD $0.25 per share.

On October 28, 2024, various warrant holders paid an aggregate of CAD $15,020 (USD $10,810) to exercise 70,080 warrants outstanding in exchange for 70,080 of the Company's common stock. 25,000 warrants were exercised at an exercise price of CAD $0.15 and 45,080 warrants were exercised at an exercise price of CAD $0.25 per share.

On November 6, 2024, various warrant holders paid an aggregate of CAD $7,500 (USD $5,382) to exercise 50,000 warrants outstanding in exchange for 50,000 of the Company's common stock, at an exercise price of CAD$0.15 per share.

On November 8, 2024, two warrant holders paid an aggregate of CAD $55,000 (USD $39,666) to exercise 220,000 warrants outstanding in exchange for 220,000 of the Company's common stock, at an exercise price of CAD$0.25 per share.

On November 11, 2024, a warrant holder paid CAD $25,000 (USD $17,970) to exercise 100,000 warrants outstanding in exchange for 100,000 of the Company's common stock, at an exercise price of CAD$0.25 per share.

On November 18, 2024, a warrant holder paid CAD $7,500 (USD $5,341) to exercise 50,000 warrants outstanding in exchange for 50,000 of the Company's common stock, at an exercise price of CAD$0.15 per share.

On November 28, 2024, a warrant holder paid CAD $12,500 (USD $8,876) to exercise 50,000 warrants outstanding in exchange for 50,000 of the Company's common stock, at an exercise price of CAD $0.25 per share.

On November 27, 2024, the Company issued a total of 50,000,000 units in a private placement at a price of CAD $0.30 per unit for proceeds of cad $15,000,000 (USD $10,651,500). Each unit consists of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of CAD $0.50 with an expiration of November 27, 2026. The Company paid an additional 6% in warrants as broker fees in connection with the private placement, equivalent to 2,000,000 warrant units at an exercise price of CAD $0.30 with a term of two years. The warrant units further include 1,000,000 additional underlying warrants, which have an exercise price of CAD $0.50 with a term of two years.

On November 29, 2024, a warrant holder paid CAD $18,750 (USD $13,314) to exercise 125,000 warrants outstanding in exchange for 125,000 of Company's common stock, at an exercise price of CAD $0.15 per share.

On December 2, 2024, a warrant holder paid CAD $50,000 (USD $35,570) to exercise 200,000 warrants outstanding in exchange for 200,000 of the Company's common stock, at an exercise price of CAD $0.25 per share.

On December 5, 2024, a warrant holder paid CAD $12,500 (USD $8,905) to exercise 50,000 warrants outstanding in exchange for 50,000 of the Company's common stock, at an exercise price of CAD $0.25 per share.

On December 6, 2024, a warrant holder paid CAD $45,000 (USD $31,833) to exercise 300,000 warrants outstanding in exchange for 300,000 of the Company's common stock, at an exercise price of CAD $0.15 per share.

On December 16, 2024, a warrant holder paid CAD $25,000 (USD $18,332) to exercise 100,000 warrants outstanding in exchange for 100,000 of the Company's common stock, at an exercise price of CAD $0.25 per share.

On December 23, 2024, a warrant holder paid CAD $93,125 (USD $64,806) to exercise 372,500 warrants outstanding in exchange for 372,500 of the Company's common stock, at an exercise price of CAD $0.25 per share.

On January 3, 2025, a warrant holder paid CAD $62,500 (USD $43,275) to exercise 250,000 warrants outstanding in exchange for 250,000 of Company's common stock, at an exercise price of CAD $0.25 per share.

On January 6, 2025, two warrant holders paid an aggregate of CAD $31,000 (USD $21,607) to exercise 124,000 warrants outstanding in exchange for 124,000 of the Company's common stock, at an exercise price of CAD $0.25 per share.

On January 8, 2025, a warrant holder paid CAD $3,750 (USD $2,606) to exercise 25,000 warrants outstanding in exchange for 25,000 of Company's common stock, at an exercise price of CAD $0.15 per share.

On January 14, 2025, a warrant holder paid CAD $11,000 (USD $7,654) to exercise 44,000 warrants outstanding in exchange for 44,000 of Company's common stock, at an exercise price of CAD $0.25 per share.

On January 16, 2025, a warrant holder paid CAD $7,500 (USD $5,213) to exercise 50,000 warrants outstanding in exchange for 50,000 of Company's common stock, at an exercise price of CAD $0.15 per share.

On January 20, 2025, the Company issued 50,000 shares with a value of CAD $15,000 (USD $10,442) to a consultant.

On January 27, 2025, a warrant holder paid CAD $7,500 (USD $5,216) to exercise 30,000 warrants outstanding in exchange for 30,000 of Company's common stock, at an exercise price of CAD $0.25 per share.

(Expressed in US Dollars unless otherwise noted)

On February 5, 2025, two warrant holders paid an aggregate of CAD $98,250 (USD $68,726) to exercise 393,000 warrants outstanding in exchange for 393,000 of the Company's common stock, at an exercise price of CAD $0.25 per share.

On February 6, 2025, two warrant holders paid an aggregate of CAD $77,500 (USD $54,111) to exercise 310,000 warrants outstanding in exchange for 310,000 of the Company's common stock, at an exercise price of CAD $0.25 per share.

On February 6, 2025, one option holder paid an aggregate of CAD $30,000 (USD $20,046) to exercise 150,000 options outstanding in exchange for 150,000 of the Company's common stock, at an exercise price of CAD $0.20 per share.

On February 10, 2025, a warrant holder paid CAD $12,500 (USD $8,728) to exercise 50,000 warrants outstanding in exchange for 50,000 of Company's common stock, at an exercise price of CAD $0.25 per share.

On February 11, 2025, a warrant holder paid CAD $12,500 (USD $8,738) to exercise 50,000 warrants outstanding in exchange for 50,000 of Company's common stock, at an exercise price of CAD $0.25 per share.

On February 12, 2025, a warrant holder paid CAD $62,500 (USD $43,713) to exercise 250,000 warrants outstanding in exchange for 250,000 of Company's common stock, at an exercise price of CAD $0.25 per share.

On February 20, 2025, a warrant holder paid CAD $25,000 (USD $17,620) to exercise 100,000 warrants outstanding in exchange for 100,000 of Company's common stock, at an exercise price of CAD $0.25 per share.

On March 10, 2025, two warrant holders paid an aggregate of CAD $137,500 (USD $95,288) to exercise 550,000 warrants outstanding in exchange for 550,000 of the Company's common stock, at an exercise price of CAD $0.25 per share.

On March 19, 2025, various warrant holders paid an aggregate of CAD $362,500 (USD $253,025) to exercise 1,450,000 warrants outstanding in exchange for 1,450,000 of the Company's common stock, at an exercise price of CAD $0.25 per share.

On March 20 and 21, 2025, various warrant holders paid an aggregate of CAD $703,750 (USD $464,048) to exercise 2,815,000 warrants outstanding in exchange for 2,815,000 of the Company's common stock, at an exercise price of CAD $0.25 per share.

On March 24, 2025, various warrant holders paid an aggregate of approximately CAD $1,537,500 (USD $1,073,790) to exercise 6,150,000 warrants outstanding in exchange for 6,150,000 of the Company's common stock, at an exercise price of CAD $0.25 per share.

On March 26, a warrant holder paid approximately CAD $25,000 (USD $17,523) to exercise 100,000 warrants outstanding in exchange for 100,000 of Company's common stock, at an exercise price of CAD $0.25 per share.

On March 27, 2025, two warrant holders paid an aggregate of CAD $50,000 (USD $34,945) to exercise 200,000 warrants outstanding in exchange for 200,000 of the Company's common stock, at an exercise price of CAD $0.25 per share.

On March 28, 2025, various warrant holders paid an aggregate of approximately CAD $306,875 (US $214,506) to exercise 1,227,500 warrants outstanding in exchange for 1,227,500 of the Company's common stock, at an exercise price of CAD $0.25 per share.

On March 31, 2025, various warrant holders paid an aggregate of CAD $1,012,500 (USD $730,433) to exercise 4,050,000 warrants outstanding in exchange for 4,050,000 of the Company's common stock, at an exercise price of CAD $0.25 per share.

In connection with the private placements completed during the year ended March 31, 2025, the Company paid cash share issue costs totaling $644,501 and issued finders fees warrants with a value of $369,033.

The following table provides the weighted average fair value of warrants granted:

	March 31, 2025	**March 31, 2024**
	$	**$**
Weighted average fair value of warrants granted	CAD $0.09 ($0.06)	CAD $0.04 ($0.02)

(Expressed in US Dollars unless otherwise noted)

The fair value of each warrant granted is estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	March 31, 2025	**March 31, 2024**
Weighted average expected dividend yield	0%	0%
Weighted average share price at grant date	CAD $0.16	CAD $0.10
Weighted average expected volatility (1)	104.42%	94.50%
Weighted average risk-free interest rate	3.75%	4.08%
Weighted average exercise price at grant date	CAD $0.26	CAD $0.22
Weighted average expected life	2.0 years	2.0 years

(1) The volatility was determined as per an average of the historical data volatility of the Company.

Transactions during the period ended March 31, 2024:

On February 22, 2023, the Company issued 40,000 common shares to two service providers valued at $3,101 for business development consultancy and consulting fees.

On March 22, 2023, the Company issued 8,895,000 units in a private placement at a price of $0.10 CAD per unit for proceeds of $648,712. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional share of the Company at an exercise price of $0.25 CAD until March 22, 2025. The share issuance costs associated with this private placement amounted to $1,351.

On March 24, 2023, the Company issued 7,160,000 units in a private placement at a price of $0.10 CAD per unit for proceeds of $520,246. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional share of the Company at an exercise price of $0.25 CAD until March 24, 2025. The share issuance costs associated with this private placement amounted to $74,403.

On March 31, 2023, the Company issued 9,190,000 units in a private placement at a price of $0.10 CAD per unit for proceeds of $679,049. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.25 CAD until March 31, 2025. The share issuance costs associated with this private placement amounted to $8,900.

On May 17, 2023, the Company issued 40,000 common shares to two service providers valued at $3,565 for business development consultancy and consulting fees.

On May 31, 2023, the Company issued 1,840,000 units in a private placement at a price of $0.10 CAD per unit for proceeds of $135,258. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.25 CAD until May 31, 2025. The share issuance costs associated with this private placement amounted to $9,542. The Company paid an additional 8% in warrants as broker fees in connection with the private placement, equivalent to 128,800 warrant units.

On June 5, 2023, the Company issued a total of 8,200,000 units from several private placements at a price of $0.10 CAD per unit for proceeds of $610,408. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.25 CAD until June 5, 2025. The share issuance costs associated with these private placements amounted to $12,543. The Company paid an additional 8% in warrants as broker fees in connection with the private placement, equivalent to 157,500 warrant units.

On June 20, 2023, the Company issued 450,000 units in a private placement at a price of $0.10 CAD per unit for proceeds of $33,984. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.25 CAD until June 20, 2025.

On June 23, 2023, the Company issued a total of 577,500 units in several private placements at a price of $0.10 CAD per unit for proceeds of $43,752. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.25 CAD until June 23,

2025. The share issuance costs associated with these private placements amounted to $1,484. The Company paid an additional 8% in warrants as broker fees in connection with the private placement, equivalent to 14,000 warrant units.

On August 16, 2023, the Company issued a total of 40,000 common shares to two service providers valued at $2,959 for business development consultancy and consulting fees.

On September 29, 2023, the Company issued a total of 3,250,000 units in several private placements at a price of $0.10 CAD per unit for proceeds of $240,370. Each unit consists of one common share and half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.15 CAD and additional underlying warrant at an exercise price of $0.25 CAD, with an expiration of September 29, 2025 for both instruments. The Company paid $3,760 and an additional 8% in warrants as broker fees in connection with the private placement, equivalent to 80,000 warrants and 80,000 underlying warrants.

On October 6, 2023, the Company issued a total of 3,420,000 units in several private placements at a price of $0.10 CAD per unit for proceeds of $249,934. Each unit consists of one common share and half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.15 CAD and additional underlying warrant at an exercise price of $0.25 CAD, with an expiration of October 6, 2025 for both instruments. The Company paid an additional 8% broker fee equivalent to 24,000 warrants and 24,000 underlying warrants.

On November 20, 2023, the Company issued a total of 11,050,000 units in several private placements at a price of $0.10 CAD per unit for proceeds of $804,993. Each unit consists of one common share and half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.15 CAD and an additional underlying warrant at an exercise price of $0.25 CAD, with an expiration of November 20, 2025 for both instruments. The Company paid $1,100 and additional warrants in broker fees.

On November 21, 2023, the Company issued a total of 40,000 common shares to two service providers valued at $2,336 for business development consultancy and consulting fees.

On November 24, 2023, the Company issued an additional 600,000 shares to another consultant as settlement of outstanding payables balance valued at $43,722 ($60,000 CAD).

On January 17, 2024, the Company issued a total of 2,280,000 units in a private placement at a price of $0.10 CAD per unit for proceeds of $168,606. Each unit consists of one common share and half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.15 CAD and an additional underlying warrant at an exercise price of $0.25 CAD, with an expiration of January 17, 2026 for both instruments. The Company paid approximately $9,905 and additional warrants in broker fees, equivalent to 120,900 in warrants and 120,900 in underlying warrants.

On March 28, 2024, the Company issued a total of 2,850,000 units in a private placement at a price of $0.10 CAD per unit for proceeds of $210,330. Each unit consists of one common share and half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.15 CAD and an additional underlying warrant at an exercise price of $0.25 CAD, with an expiration of March 28, 2026 for both instruments. The Company paid approximately $13,989 and additional warrants in finders fees, equivalent to 175,000 in warrants and 175,000 in underlying warrants.

On March 31, 2024, the Company received $1,889,280 of proceeds related to the private placement of 25,500,000 units yet to be issued at period ended. The monies were held in trust and accounted for as restricted cash. The Company expects an approximate additional $175,000 in funds to receive in relation to this private placement.

(Expressed in US Dollars unless otherwise noted)

Warrants:

The changes to the number of outstanding warrants granted by the Company and their weighted average exercise price are as follows:

	March 31, 2025		March 31, 2024	
	Number of warrants granted	**Weighted average exercise price (CAD)**	**Number of warrants granted**	**Weighted average exercise price (CAD)**
		$		$
Outstanding at beginning	79,545,877	0.26	29,854,222	0.46
Granted	99,400,000	0.26	65,262,600	0.22
Exercised	(20,831,080)	0.25	-	-
Expired/ Cancelled	(9,170,000)	0.25	(15,570,945)	0.50
Outstanding at end	**148,944,797**	**0.26**	**79,545,877**	**0.26**

The following table provides outstanding warrants information as of March 31, 2025:

Expiry date	**Number of outstanding warrants**	**Exercise Price (CAD)**	**Remaining life**
		$	(years)
May 31, 2025	1,162,720	0.25	1.0
June 5, 2025	8,257,500	0.25	1.2
June 20, 2025	450,000	0.25	1.2
June 23, 2025	491,500	0.25	1.2
July 18, 2025	500,000	0.50	1.3
July 26, 2025	500,000	0.50	1.3
August 26, 2025	500,000	0.50	1.4
September 26, 2025	500,000	0.50	1.5
September 29, 2025	1,405,000	0.15	1.5
September 29, 2025	**1,705,000	0.25	1.5
October 6, 2025	1,709,000	0.15	1.5
October 6, 2025	**1,734,000	0.25	1.5
October 26, 2025	400,000	0.25	1.6
November 20, 2025	5,525,000	0.15	1.6
November 20, 2025	**5,525,000	0.25	1.6
November 26, 2025	400,000	0.25	1.7
December 22, 2025	400,000	0.25	1.8
January 17, 2026	1,260,900	0.15	1.8
January 17, 2026	**1,260,900	0.25	1.8
January 26, 2026	400,000	0.25	1.8
February 26,2026	400,000	0.25	1.9
March 28, 2026	1,600,000	0.15	1.0
March 28, 2026	**1,600,000	0.25	1.0
April 8, 2026	4,283,277	0.40	1.0
May 24, 2026	12,935,000	0.15	1.1
May 24, 2026	**12,960,000	0.25	1.1

(Expressed in US Dollars unless otherwise noted)

July 5, 2026	*32,580,000	0.15	1.3
September 26, 2026	*10,000,000	0.20	1.5
November 8, 2026	3,000,000	0.20	1.5
November 27, 2026	25,000,000	0.50	1.7
November 27, 2026	**2,000,000	0.30	1.7
November 27,2026	1,000,000	0.50	1.7
January 31, 2028	5,000,000	0.15	2.8
May 1, 2028	2,500,000	0.15	3.1
	148,944,797	**0.26**	**1.2**

* Under the terms of the warrant agreement, the warrants are subject to acceleration of the expiry date, at the discretion of the Company, in the event that the 20-day volume-weighted average trading price of the common shares on the TSX-V exceeds CAD $0.60.

**These represent underlying warrants, which cannot be exercised until the purchase warrants held by the shareholder have been exercised.

18. SHARE-BASED COMPENSATION:

Share option plan:

The Company has a stock option plan whereby the Board of Directors may grant directors, officers or consultants of the Company options to acquire common shares. The Board of Directors has the authority to determine the terms and conditions of the grant of options. On March 10, 2025, the Board of Directors moved to adopt a new fixed number stock option plan (the "Plan") to replace the rolling stock option plan, which the Company adopted in 2016. The Board approved 30,000,000 common shares to be allotted and reserved for issuance under the Plan.

The exercise price of any option granted under the Plan is fixed by the Board of Directors at the time of the grant and cannot be less than the market price per common share the day before the grant. The term of an option will not exceed five years from the date of grant. Options are not transferable and can be exercised while the beneficiary remains a director, an officer, an employee, or consultant of the Company or up to 90 days after the beneficiary has left.

The following table provides outstanding share options information as of March 31, 2025 and 2024:

	March 31, 2025		March 31, 2024	
	Number of outstanding share options	**Weighted average exercise price (CAD)**	**Number of outstanding share options**	**Weighted average exercise price (CAD)**
		$		**$**
Outstanding at beginning	8,880,000	0.29	11,155,000	0.40
Granted	12,800,000	0.20	5,100,000	0.20
Exercised	(150,000)	0.20		
Forfeited/Expired	(1,350,000)	0.33	(7,375,000)	0.39
Outstanding at end	**20,180,000**	**0.23**	**8,880,000**	**0.29**
Exercisable at end	**20,080,000**	**0.23**	**8,880,000**	**0.29**

The following table provides outstanding share options information as of March 31, 2025:

Expiry date	**Number of granted share options**	**Number of exercisable share options**	**Exercise Price (CAD)**	**Remaining life**
			$	**(years)**
August 28, 2025	2,090,000	2,090,000	0.40	0.4

(Expressed in US Dollars unless otherwise noted)

September 5, 2025	1,250,000	1,250,000	0.20	0.4
March 2, 2027	1,040,000	1,040,000	0.40	1.9
April 10, 2027	150,000	112,500	0.15	2.0
September 5, 2028	3,000,000	3,000,000	0.20	3.4
April 10, 2029	250,000	187,500	0.15	4.0
September 19, 2029	12,400,000	12,400,000	0.20	4.5
	20,180,000	**20,080,000**	**0.23**	**3.5**

Activity during the period ended March 31, 2025:

On April 10, 2024, the Company granted 250,000 and 150,000 share options to consultants at an exercise price of CAD $0.15 per share, expiring April 10, 2029 and April 10, 2027 respectively. Each share option entitles the holder to acquire one common share. The fair value of the options was estimated at $0.04 per share option at the grant date for a total of $17,075 using the Black-Scholes option pricing model.

On September 19, 2024, the Company granted 12,400,0000 share options to consultants, directors and employees at an exercise price of CAD$0.20 per share, expiring September 19, 2029. Each share option entitles the holder to acquire one common share. The fair value of the options was estimated at $0.08 per share option at the grant date for a total of $955,276 using the Black-Scholes option pricing model.

On February 6, 2025, 150,000 share options were exercised, resulting in the issuance of 150,000 common shares for total cash proceeds of CAD $30,000 (US $20,946).

Activity during the period ended March 31, 2024:

On September 5, 2023, the Company granted 1,400,000 share options to consultants at an exercise price of $0.20 CAD per share, expiring September 5, 2025. Each share option entitles the holder to acquire one common share. The fair value of the options was estimated at $0.03 per share option at the grant date for a total of $37,772 using the Black-Scholes option pricing model.

On September 5, 2023, the Company granted 3,500,000 share options to employees at an exercise price of $0.20 CAD per share, expiring September 5, 2028. Each share option entitles the holder to acquire one common share. The fair value of the options was estimated at $0.04 per share option at the grant date for a total of $145,243 using the Black-Scholes option pricing model.

On January 10, 2024, the Company granted 200,000 share options to a consultant at an exercise price of $0.20 CAD per share, expiring September 5, 2028. Each share option entitles the holder to acquire one common share. The fair value of the options was estimated at $0.05 per share option at the grant date for a total of $10,428 using the Black-Scholes option pricing model.

The following table provides the weighted average fair value of share options granted:

	March 31, 2025	**March 31, 2024**
	$	**$**
Weighted average fair value of share options granted	CAD $0.10($0.07)	CAD $0.05($0.04)

The fair value of each share option granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	March 31, 2025	**March 31, 2024**
Weighted average expected dividend yield	0%	0%
Weighted average share price at grant date	CAD $0.16	CAD $0.10
Weighted average expected volatility (1)	90.70%	88.33%
Weighted average risk-free interest rate	2.82%	4.16%
Weighted average exercise price at grant date	CAD $0.20	CAD $0.20
Weighted average expected life	4.98 years	4.16 years

(Expressed in US Dollars unless otherwise noted)

(1) The volatility was determined as per an average of the historical data volatility of the Company.

19. INFORMATION REGARDING STATEMENTS OF COMPREHENSIVE LOSS:

(a) General and administrative expenses by nature:

General and administrative expenses recognized in the net loss of the periods is as follows:

	March 31, 2025	March 31, 2024
	$	$
General and administrative expenses:		
Salaries and employee benefit expense	910,316	841,853
Management and consulting fees	1,339,297	1,507,819
Professional fees	808,713	505,222
Business development	886,923	688,460
Rent and office expenses	247,560	96,867
Insurance expenses	-	130,659
Registration, listing fees, and shareholders information	178,470	65,981
Project implementation cost	42,166	70,273
Share-based compensation	972,351	193,443
Depreciation of property and equipment	3,936	-
Other general and administrative expenses	258,725	11,874
	5,648,457	**4,112,451**

(b) Finance expenses:

Finance expenses recognized in the net loss of the periods is as follows:

	March 31, 2025	March 31, 2024
	$	$
Fines, penalties, bank charges, and other expenses	(71,346)	14,221
Interest on promissory note	9,520	111,770
Interest on convertible debenture	165,805	123,746
Presumed interest on convertible debenture	140,213	215,304
Interest on loan	128,372	-
Accretion expense on loan	439,822	-
Presumed interest on loans	2,376	2,482
Presumed interest on promissory note	31,797	108,050
	846,559	**575,573**

(Expressed in US Dollars unless otherwise noted)

(c) Other and financial income:

Other and financial income recognized in the net loss of the periods is as follows:

	March 31, 2025	March 31, 2024
	$	$
Reversal of labor liability provision	849,805	-
Other and financial income	(4,449)	-
	845,356	**-**

20. RELATED PARTY TRANSACTIONS:

Related parties include the Company's joint key management personnel. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel includes the following expenses:

	March 31, 2025	March 31, 2024
	$	$
Management and consulting fees	818,018	1,321,240
Salaries and director's fees	488,682	627,940
Share-based compensation	636,112	118,270
	1,942,812	**2,067,450**

As of March 31, 2025, the Company owed $98,070 (2024 - $342,848) to various related parties (included in trade accounts payable and other liabilities).

These transactions, entered into in the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received.

21. SEGMENT REPORTING:

The Company presents and discloses segment information based on information that is regularly reviewed by the chief operating decision- maker, i.e. the President, the Chief Executive Officer and the Board of Directors for business activities from which it may earn revenues and/or incur expenses from which discrete financial information is available.

The Company has determined that it has two major segments (2024 – three which included mining operations of Santander):

1) Exploration, evaluation, and development; and

2) Corporate management

(Expressed in US Dollars unless otherwise noted)

Significant information relating to the Corporation's reportable operating segments is summarized in the tables below:

Twelve-month period ended March 31, 2025 and 2024		Operating Expenses	Other expenses (income)	Net Loss (Gain)
		$	$	$
Exploration, evaluation, and development (Quiulacocha and Excelsior)	**2025**	1,218,633	(4,442,908)	(3,224,275)
	2024	907,673	6,015	913,688
Corporate (Canada and other)	**2025**	4,429,824	(36,689,086)	(32,259,262)
	2024	3,204,778	568,508	3,773,286
Consolidated	**2025**	**5,648,457**	**(41,131,994)**	**(35,483,537)**
	2024	4,112,451	574,523	4,686,974

			March 31, 2025
	Total non-current assets	**Total assets**	**Total liabilities**
	$	$	$
Exploration, evaluation, and development (Quiulacocha and Excelsior)	4,409,618	4,695,400	2,699,681
Corporate management (Canada and other)	76,296	11,574,144	6,897,907
Total per consolidated statement of financial position	**4,485,914**	**16,269,544**	**9,597,588**

			March 31, 2024
	Total non-current assets	**Total assets**	**Total liabilities**
	$	$	$
Mining Production (Santander)	24,859,071	33,532,526	67,804,439
Exploration, evaluation, and development (Quiulacocha and Excelsior)	1,597,357	1,642,781	1,118,986
Corporate management (Canada and other)	-	2,234,707	9,297,739
Total per consolidated statement of financial position	**26,456,428**	**37,410,014**	**78,221,164**

(Expressed in US Dollars unless otherwise noted)

22. INCOME TAXES:

(a) Relationship between expected tax expense and accounting profit and loss:

The effective income tax rate of the Company differs from the combined federal and provincial tax rate in Canada. This difference results from the following items:

	March 31, 2025	March 31, 2024
	$	$
Loss from continuing operations	35,357,499	(29,107,728)
Loss from discontinued operations	(10,885,072)	(11,408)
Loss before income taxes	24,472,427	(29,119,136)
Expected tax expense calculated using the combined federal and provincial income tax rate in Canada	26.50%	26.50%
Expected income tax recovery	6,485,193	(7,716,571)
Changes in unrecorded temporary difference	(13,010,645)	7,756,139
Difference in tax rates of the foreign subsidiary	(191,418)	187,936
Sale of subsidiary	6,334,844	-
Loss on modification of debt	51,179	-
Mining tax	15,378	190,465
Accrual for prior period tax adjustments	214,393	61
Share-based compensation and other non-deductible expenses	-	2,935
Other	116,454	(230,439)
Income tax expense	15,378	190,465
Income tax expense	15,378	190,465
Deferred income tax expense	-	-
Income tax expense	15,378	190,465

(b) Composition of deferred income taxes expense (recovery) in the statement of comprehensive loss:

	March 31, 2024	March 31, 2024
	$	$
Inception and reversal temporary differences	13,202,064	(7,944,075)
Difference in tax rates of the foreign subsidiary	(191,418)	187,936
Changes in unrecorded temporary differences	(13,010,645)	7,756,139
Deferred income tax expense	-	-

(Expressed in US Dollars unless otherwise noted)

(c) Movement in recognized deferred tax assets and liabilities during the year:

	March 31, 2024	Recognized in profit or loss	Acquisition of a mining company	Foreign exchange	March 31, 2025
	$	$	$	$	$
Accounts receivable	(19,332)	-	19,332	-	-
Inventories	148,311	-	(148,311)	-	-
Property and equipment	1,066,440	-	(1,093,015)	-	(26,575)
Exploration and evaluation assets	(1,562,294)	-	1,520,607	-	(41,687)
Trade accounts payables and other liabilities	313,514	4,543	(303,157)	-	14,900
Non-capital losses	(86,018)	(22,038)	(37,690)	-	(144,901)
Convertible debenture	86,018	22,038	37,690	-	144,901
	(53,362)	4,544	(4,544)	-	(53,362)

	December 31, 2022	Recognized in profit or loss	Acquisition of a mining company	Foreign exchange	March 31, 2024
	$	$	$	$	$
Accounts receivable	652	(19,984)	-	-	(19,332)
Inventories	176,075	(27,764)	-	-	148,311
Property and equipment	1,625,281	(558,841)	-	-	1,066,440
Exploration and evaluation assets	(2,400,217)	837,924	-	-	(1,562,294)
Trade accounts payables and other liabilities	544,909	(231,395)	-	-	313,514
Non-capital losses	(51,157)	(34,861)	-	-	(86,018)
Convertible debenture	51,157	34,861	-	-	86,018
	(53,301)	(61)	-	-	(53,362)

(d) Unrecognized deductible temporary differences:

Unrecognized deductible differences for which the Company has not recognized a deferred tax asset are presented in the following tables. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize benefits therefrom.

	March 31 2025				March 31 2024			
	Federal	Québec	Germany	Peru	Federal	Québec	Germany	Peru
Property and equipment	162,436	162,436	-	(180,887)	162,436	162,436	-	1,730,606
Marketable securities	51,273	51,273	-	-	48,688	48,688	-	-
Share issuance costs	(94,021)	(94,021)	-	-	160,742	160,742	-	-
Reserves and allowances	-	-	-	-	-		-	-
Trade account payables and other liabilities	(82,614)	(82,614)	-	50,510	(114,412)	(114,412)	-	836,410
Promissory note and loans	546,795	546,795	-	-	324,597	324,597	-	-
Derivative	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-

Capital losses carryforwards	8,528,172	8,528,172	-	-	-	-	-	-
Non-capital losses carryforwards	17,336,646	17,336,646	-	1,362,741	12,699,793	12,699,793	264,740	53,647,361
	26,448,687	26,448,687	-	1,232,364	13,281,843	13,281,843	264,740	56,214,377

The ability to realize tax benefits is dependent upon a number of factors. Deferred tax assets are recognized only to the extent that is probable that sufficient profits will be available to allow the asset to be recovered. As of March 31, 2025, deferred tax assets totaling $7,443,499 ($16,801,555 on March 31, 2024) have not been recognized.

(e) Non-capital losses:

The Company has the following non-capital losses, which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the consolidated statement of financial position, which can be carried over the following years:

	Federal	Quebec	Germany	Peru
	$	$	$	$
2038	193,270	193,270	-	-
2039	1,386,433	1,386,433	-	-
2040	2,508,602	2,508,602	-	-
2041	1,910,895	1,910,895	-	-
2042	2,901,706	2,901,706	-	-
2043	3,029,546	3,029,546	-	-
2044	769,342	769,342	-	-
2045	4,636,852	4,636,852	-	-
Unlimited (1)	-	-	-	1,362,741
	17,336,646	17,336,646	-	1,362,741

(1) In the Peruvian tax system, you can either carry forward your losses for four years or carry the losses forward indefinitely but to offset only up to 50% of the taxable income for each subsequent year.

23. CASH FLOW DETAIL OF WORKING CAPITAL:

	March 31, 2025	March 31, 2024
	$	$
Change in trade receivables	305	(3)
Change in other receivables	54,731	(124,566)
Change in prepaid expenses	(76,680)	21,159
Change in trade accounts payable and accrued liabilities	(1,022,586)	178,521
Changes in deferred income tax	-	(53,301)
Changes in continuing working capital items	**(1,044,230)**	**21,811**
Changes in discontinued working capital items	**5,102,247**	**21,362,758**
Changes in working capital items	**4,058,017**	**21,384,569**

(Expressed in US Dollars unless otherwise noted)

24. FINANCIAL ASSETS AND LIABILITIES:

The carrying amount and fair value of financial instruments presented in the consolidated statements of financial position related to the following classes of assets and liabilities:

	March 31, 2025		March 31, 2024	
	Carrying Amount	**Fair value**	**Carrying Amount**	**Fair value**
Financial assets: Amortized Cost	**$**	**$**	**$**	**$**
Cash	11,472,112	11,472,112	136,721	136,721
Cash and cash equivalents - restricted	-	-	6,479,134	6,479,134
Accounts receivable	-	-	778,321	778,321
Short-term investment (included in other financial assets)	11,070	11,070	11,070	11,070
Other receivables (excluding sales tax receivables)	64,538	64,538	1,007,444	1,007,444
	11,547,720	**11,547,720**	**8,412,690**	**8,412,690**
Financial assets: Fair value through profit and loss (FVTPL)				
Marketable securities (included in other financial assets)	37,582	37,582	39,782	39,782
	37,582	**37,582**	**39,782**	**39,782**
Financial liabilities: Amortized cost				
Trade accounts payable and other liabilities (excluding source deductions & contributions)	1,384,065	1,384,065	52,144,979	52,144,979
Convertible debenture	-	-	1,208,623	1,208,623
Promissory note	-	-	458,159	458,159
Loan	4,073,314	4,073,314	3,597,708	3,597,708
Balance of purchase price payable	1,584,164	1,584,164	1,680,726	1,680,726
	7,041,543	**7,041,543**	**59,090,195**	**59,090,195**
Financial liabilities: Fair value through profit and loss (FVTPL)				
Contingent consideration payable	2,500,000	2,500,000	2,500,000	2,500,000
	2,500,000	**2,500,000**	**2,500,000**	**2,500,000**

The fair value of cash, cash and cash equivalents - restricted, accounts receivable, short-term investments, other receivables, trade accounts payable and other liabilities, promissory note, convertible debenture, loans, and balance of purchase price payable are comparable to their carrying amounts given the short period to maturity, i.e. the time value of money is not significant.

The fair value of the marketable securities is $37,582 as of March 31, 2025 ($39,782 as of March 31, 2024) and are determined by using the closing price of the instruments as at March 31, 2025 and 2024.

The fair values of the convertible debenture and the loan are $nil and $4,073,314 respectively as of March 31, 2025 ($1,208,623 and $3,597,708, respectively as of March 31, 2024) for the convertible debenture and the loan) and are determined by using the estimated market rate that the Company would have obtained for a similar financing through the discounted cash flows method.

(Expressed in US Dollars unless otherwise noted)

The fair value of the contingent consideration is $2,500,000 as of March 31, 2025 and 2024 based upon the acquisition terms of Santander which included repayment of $2.5 million twelve months after the closing contingent upon the average zinc price remaining above $1.30/lb. ($2,866/ton) during this period.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;
- **Level 2**: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (that is, derived from prices).
- **Level 3**: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The techniques and evaluation methods used to measure fair value were not changed compared to previous years.

			March 31, 2025
	Level 1	**Level 2**	**Level 3**
	$	**$**	**$**
Marketable securities (FVTPL)	37,582	-	-
Contingent consideration (FVTPL)	-	2,500,000	-

			March 31, 2024
	Level 1	**Level 2**	**Level 3**
	$	**$**	**$**
Marketable securities (FVTPL)	39,782	-	-
Contingent consideration (FVTPL)	-	2,500,000	-

25. CAPITAL MANAGEMENT POLICIES AND PROCEDURES:

The Company considers the items included in equity(deficiency) as capital components.

The Company's capital management objectives are:

- to ensure the Company’s ability to continue as a going concern.
- to increase the value of the assets of the business; and
- to provide an adequate return to shareholders of the Company.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means.

The Company monitors capital on the basis of the carrying amount of equity and long-term debt. Capital for the reporting periods is presented in the consolidated statement of changes in equity (deficiency).

The Company is not exposed to any externally imposed capital requirements except otherwise noted elsewhere in the financial statements.

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Company manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve. No changes were made in the objectives, policies, and processes for managing capital during the reporting periods.

26. FINANCIAL INSTRUMENT RISKS:

The Company is exposed to various risks in relation to financial instruments. The main types of risks the Company is exposed to are credit risk, liquidity risk, foreign currency risk and metals pricing risk.

The Company manages risks in close cooperation with the board of directors. The Company focuses on actively securing short- to medium-term cash flows by minimizing exposure to financial markets.

Credit risk:

Credit risk is the risk that the other party to a financial instrument fails to honor one of its obligations and, therefore, causes the Company to incur a financial loss.

The Company’s maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date.

Credit risk of accounts receivable and other receivable is considered mitigated since the sale of inventory is primarily to one customer with good credit and the expected credit losses for the other receivable are considered immaterial. The credit risk of cash and cash equivalents and short-term investments is considered negligible since the counterparty which holds the cash and cash equivalents is a reputable bank with an excellent external credit rating.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain sufficient cash balances and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

The table below summarizes the maturity profile of the Company’s financial liabilities based on contractual undiscounted payments:

				March 31, 2025
	Less than 1 year	**1-5 years**	**More than 5 years**	**Total**
	$	**$**	**$**	**$**
Trade accounts payable and other liabilities	1,384,065	-	-	1,384,065
Loans	-	2,004,503	6,947,222	8,951,725
Balance of purchase price payable	1,584,164	-	-	1,584,164
Contingent consideration payable	2,500,000	-	-	2,500,000

				March 31, 2024
Trade accounts payable and other liabilities	53,839,715	-	-	53,839,715
Convertible debenture	1,208,623	-	-	1,208,623
Promissory note	458,159	-	-	458,159
Loans	3,568,959	28,749	-	3,597,708
Balance of purchase price payable	1,680,726	-	-	1,680,726
Contingent consideration payable	2,500,000	-	-	2,500,000

Metals Pricing risk:

The Company is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of mineral products it produces which sells into global markets. The market prices are the key drivers of the Company's capacity to generate cash flow.

Foreign currency risk:

The Company operates in Canada and Peru. The functional currency of the parent company is the Canadian dollar. The assets, liabilities, revenues and expenses of Peru operations are denominated in USD. The Company is exposed to foreign exchange risks arising from the fluctuation of exchange rates between US dollar and the Canadian dollar for the parent company and between Soles and US Dollar for the operations in Peru. The Company does not enter into arrangements to hedge its foreign exchange risk.

A 10% depreciation or appreciation of the USD against the Soles would result in an insignificant change in the Company’s comprehensive loss and equity.

27. CONTINGENCY:

On October 5, 2018, Genius Properties Ltd. completed an Asset Transfer Agreement pursuant to which the Company transferred to Genius Metals Inc. ('Genius Metals’) the ownership of all mining rights and titles, a part of its trade accounts payable and other liabilities and the other liability related to flow-through shares estimated at $23,086. In consideration for such transfer, Genius Metals issued to the Company 9,797,970 Genius Metals common shares for a consideration of $2,685,007. The transfer was recorded at the carrying amount of the assets and liabilities transferred. Notwithstanding that the liabilities related to the flow-through shares were transferred to Genius Metals, the Company retains the ultimate responsibility for the tax liability related to this financing. Genius Metals would indemnify the Company for any such liability.

28. SUBSEQUENT EVENTS:

Between April and July 2025, several warrant holders exercised their warrants in an aggregate of 17,009,580. The exercise price ranged from CAD $0.15 to $0.40 per share and total proceeds were approximately CAD $4,028,597.

In July 2025, three option holders exercised their options in an aggregate of 400,000. The exercise prices ranged from CAD $0.15 to $0.20 per share and total proceeds were approximately CAD $72,500.