FIRST ANDES SILVER LTD.

Condensed Interim Consolidated Financial Statements

For the Three Months Ended May 31, 2026 and 2025

(Unaudited - Expressed in Canadian Dollars)

First Andes Silver Ltd.

Condensed Interim Consolidated Financial Statements

Three Months ended May 31, 2026 and 2025
(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

FIRST ANDES SILVER LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at May 31, 2026 and February 28, 2026
(Unaudited - Expressed in Canadian Dollars)

	Notes	May 31, 2026 $	February 28, 2026 $
ASSETS			
Current assets			
Cash		**1,280,110**	1,911,223
Prepaid expenses and deposits		**268,633**	37,009
Accounts receivable		**13,354**	9,899
		1,562,097	1,958,131
Non-current assets			
Equipment		**4,943**	5,084
Exploration and evaluation assets	**5**	**5,246,385**	5,155,419
Reclamation Bond		**36,207**	36,207
		5,287,535	5,196,710
Total assets		**6,849,632**	7,154,841
LIABILITIES			
Current liabilities			
Accounts payable and other liabilities	**6,8**	**510,345**	645,365
Total liabilities		**510,345**	645,365
EQUITY			
Share capital	**7**	**17,406,360**	17,406,360
Reserves	**7**	**4,378,428**	4,311,740
Deficit		**(15,445,501)**	(15,208,624)
Total equity		**6,339,287**	6,509,476
Total liabilities and equity		**6,849,632**	7,154,841

Nature of Operations (Note 1)
Going Concern (Note 2)
Subsequent Event (Note 7(c))

Approved by the Board of Directors on July 27, 2026

"Charles Hethey"	Director	*"Patrick Hickey"*	Director
Charles Hethey		Patrick Hickey	

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

FIRST ANDES SILVER LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the three months ended May 31, 2026 and 2025
(Unaudited - Expressed in Canadian Dollars)

	Notes	**2026** **$**	2025 $
EXPENSES			
Accounting and audit	**8**	**26,512**	28,475
Amortization		**141**	-
Directors' fees	**8**	**7,500**	7,500
Foreign exchange loss		**5,831**	(9,491)
Legal fees	**8**	**10,364**	8,418
Management and consulting	**8**	**43,500**	22,500
Office and miscellaneous		**7,298**	5,680
Regulatory and transfer agent fees		**15,156**	3,106
Shareholder communications		**61,295**	345
Share-based payments	**7,8**	**66,688**	62,956
Loss before other items		**(244,285)**	(129,489)
Other income items			
Interest income		**7,408**	3,549
Net loss and comprehensive loss for the period		**(236,877)**	(125,940)
Loss per share – basic and diluted	**7(f)**	**(0.00)**	(0.00)
Weighted average number of common shares outstanding – basic and diluted		**86,515,703**	54,542,372

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

FIRST ANDES SILVER LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended May 31, 2026 and 2025
(Unaudited - Expressed in Canadian Dollars)

	Notes	2026 $	2025 $
Cash (used in) provided by			
OPERATING ACTIVITIES			
Net loss for the period		**(236,877)**	(125,940)
Non-cash items:			
Amortization		**141**	-
Share-based payments	7	**66,688**	62,956
		(170,048)	(62,984)
Changes in non-cash working capital items:			
Prepaid expenses and deposits		**(231,624)**	(141,083)
Accounts receivable		**(3,455)**	5,130
Accounts payable and accrued liabilities	10	**(68,224)**	(213,869)
Cash flows used in operating activities		**(473,351)**	(412,806)
INVESTING ACTIVITIES			
Exploration and evaluation assets		**(157,762)**	(73,171)
Cash flows used in investing activities		**(157,762)**	(73,171)
FINANCING ACTIVITIES			
Subscriptions received	7	**-**	85,000
Cash flows provided by financing activities		**-**	85,000
Change in cash		**(631,113)**	(400,977)
Cash, beginning		**1,911,223**	929,216
Cash, ending		**1,280,110**	528,239

Non-cash Transactions (Note 10)

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

FIRST ANDES SILVER LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three months ended May 31, 2026 and 2025
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares #	Share Capital $	Share Subscriptions Received (Receivable) $	Reserves $	Deficit $	Total Equity $
Balance, February 28, 2025	**54,542,372**	**14,165,554**	**(85,000)**	**3,780,738**	**(14,180,301)**	**3,680,991**
Subscription received	-	-	85,000	-	-	85,000
Share based payments	-	-	-	62,956	-	62,956
Net loss and comprehensive loss for the period	-	-	-	-	(125,940)	(125,940)
Balance, May 31, 2025	**54,542,372**	**14,165,554**	**-**	**3,843,694**	**(14,306,241)**	**3,703,007**
Balance, February 28, 2026	**86,515,703**	**17,406,360**	**-**	**4,311,740**	**(15,208,624)**	**6,509,476**
Share based payments	-	-	-	66,688	-	66,688
Net loss and comprehensive loss for the period	-	-	-	-	(236,877)	(236,877)
Balance, May 31, 2026	**86,515,703**	**17,406,360**	**-**	**4,378,428**	**(15,445,501)**	**6,339,287**

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

1. Nature of Operations

First Andes Silver Ltd. (the “Company”, “First Andes”) was incorporated under the Business Corporations Act (British Columbia) on March 6, 2008 and is an exploration stage company focusing on mineral properties in Peru. The Company's head and registered and records office is located at Suite 704, 595 Howe Street, Vancouver, BC V6C 2T5. The Company’s common shares are listed on the TSX Venture Exchange (the “Exchange”) under the symbol “FAS.V”, the Frankfurt Stock Exchange under the symbol "9TZ", and the OTCQB under the symbol “FASLF”.

2. Going Concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future. Realized values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including exploration programs, will result in profitable mining operations. The recoverability of the carrying value of exploration and development properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

At May 31, 2026, the Company had not yet achieved profitable operations, had an accumulated deficit of $15,445,501 since inception and expects to incur further losses in the development of its business. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. At May 31, 2026, the Company had working capital of $1,051,752. The above factors form a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

3. Basis of Presentation and Material Accounting Policies

These condensed interim consolidated financial statements have been prepared using IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) as applicable to the preparation of interim financial statements, including IAS 34 – Interim Financial Reporting.

In the preparation of these condensed interim consolidated financial statements, the Company has used the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended February 28, 2026 except as outlined in Note 4.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Unless otherwise stated, all dollar amounts are in Canadian dollars.

These condensed interim consolidated financial statements were approved by the Board of Directors on July 27, 2026.

4. New and Future Accounting Standards and Pronouncements

Certain accounting standards or amendments to existing accounting standards that have been issued that are not mandatory for the current period and have not been early adopted.

Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the International Accounting Standards Board ("IASB") issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance ("ESG")-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income.

The amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted. The Company has adopted these amendments and the adoption of these amendments did not have a material impact on the Company's financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. Retrospective application is required, and early application is permitted.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, with early application permitted. Management is currently assessing the effect of the standard on the Company's financial statements.

(Unaudited - Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets

	Santas Gloria Silver Property $	NSW Silver Projects $	Total $
Balance, February 28, 2025	3,611,626	-	3,611,626
Acquisition costs			
Cash	-	25,196	25,196
Shares	-	217,500	217,500
	-	242,696	242,696
Exploration costs			
Assaying	202,870	-	202,870
Drilling	569,265	-	569,265
Equipment	11,707	-	11,707
Field costs	61,792	-	61,792
Geological	35,913	-	35,913
Geomatics	8,738	-	8,738
License renewal	225,698	-	225,698
Mapping	21,825	-	21,825
Other project costs	3,129	-	3,129
Permitting and community relations	38,044	-	38,044
Project management	51,008	-	51,008
Salary and wages	36,052	-	36,052
Travel/Accommodations	35,056	-	35,056
Total exploration costs	1,301,097	-	1,301,097
Balance, February 28, 2026	4,912,723	242,696	5,155,419
Exploration costs			
Assaying	44,031	-	44,031
Field costs	922	-	922
Geological	19,136	-	19,136
Geomatics	1,450	-	1,450
Permitting and community relations	6,265	-	6,265
Project management	12,248	5,948	18,196
Salary and wages	205	-	205
Travel/Accommodations	761	-	761
Total exploration costs	85,018	5,948	90,966
Balance, May 31, 2026	4,997,741	248,644	5,246,385

Santas Gloria Silver Property

The Santas Gloria silver property (“Santas Gloria”) is 100% owned by First Andes. It is comprised of three mineral concessions totaling 1,100 hectares and is located 55 kilometers east of Lima, Peru.

First Andes entered into an acquisition agreement for the three core mineral concessions dated October 6, 2020, as amended in September 2022 (the “Santas Gloria Agreement”). Under the terms of the Santas Gloria Agreement (as amended), First Andes was required to pay the former property owners (i) US$340,000 (paid), (ii) US$200,000 in monthly installments (paid), and (iii) incur a total of US$1,500,000 in exploration expenditures (US$500,000 by October 2021 (incurred) and US$1,000,000 by June 2023 (incurred) on the Santas Gloria silver property. During the year ended February 29, 2024, the Company paid US$50,000 ($67,888) to extend the exploration expenditures date from June 2023 to November 30, 2024. By November 30, 2024, the Company completed the US$1,000,000 exploration expenditures commitment.

First Andes will also pay a one-time discovery bonus of US$1,000,000 upon announcement of a resource estimate of 10,000,000 ounces silver equivalent on the three mineral concessions of the Santas Gloria property acquired under the Santas Gloria Agreement dated October 6, 2020. This bonus is contingent purchase consideration, and no amount has been accrued as a liability due to the inherent uncertainty in an obligation based solely on a future resource estimate on an exploration stage property. Amount will be recognized only when the contingent consideration is paid.

(Unaudited - Expressed in Canadian Dollars)

The annual license renewal fees include annual validity fees and penalties due to Peru's Instituo Geologico Minero y Metalurgico ("INGEMMET"). The fees due in June 2026 were US$87,601 (paid subsequent to May 31, 2026) and the fees due in June 2027 are estimated to be US$10,000.

NSW Silver Projects

First Andes entered into an acquisition agreement for the three silver-focused exploration projects known as Carrington Project ("Carrington"), the Stony Creek Project ("Stony Creek") and the Dartmoor Project ("Dartmoor") (together, the "NSW Silver Projects") located in New South Wales, Australia on December 9, 2025. In consideration of the NSW Silver Projects, the Company reimbursed the Vendor for costs of A$15,500 and issued an aggregate of 1,500,000 common shares of the Company at the fair value of $217,500.

The annual fees includes rental fees and administrative fees due to the New South Wales Department of Primary Industries and Regional Development. The annual fees due in 2026 are A$15,450.

6. Accounts Payable and Other Liabilities

	May 31, 2026 $	February 28, 2026 $
Trade payables and accrued liabilities	**510,345**	645,365
	510,345	645,365

7. Share Capital

a. Common shares authorized

Unlimited number of common shares without par value.

b. Common share issuances

During the three months ended May 31, 2026, the Company did not have any common share transactions.

During the three months ended May 31, 2025, the Company entered into the following common share transactions:

- The Company received the final $85,000 of subscriptions receivable from the February 28, 2025 non-brokered private placement.

c. Options

The Company adopted a stock option plan (the "Stock Option Plan") under which it can grant options to directors, officers, employees, and consultants. The maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 1% of the issued and outstanding number of common shares at the date of the grant. The exercise price of each option granted under the plan may not be less than the market price of a common share on the trading day immediately preceding the date of option grant. The vesting terms of the awards are in the sole discretion of the Board of Directors. Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 30 days of termination of employment or holding office as a director or officer of the Company.

(Unaudited - Expressed in Canadian Dollars)

Changes in share purchase options during the three months ended May 31, 2026 and the year ended February 28, 2026 are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Life (Years)
Outstanding, February 28, 2025	2,482,500	$0.22	4.67
Granted	3,170,000	$0.15	
Forfeited	(90,000)	$2.33	
Outstanding, February 28, 2026	5,562,500	$0.14	4.36
Granted	250,000	$0.17	
Outstanding and exercisable, May 31, 2026	5,812,500	$0.14	4.14

During the three months ended May 31, 2026, the Company recorded share-based payment expense of $30,905 (2025 - $40,271) based on the vesting of stock options.

The weighted average value of share purchase options granted during the three months ended May 31, 2026 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: share price - $0.16; exercise price - $0.17; risk-free interest rate – 2.69%; expected life - five years; dividend yield - 0%; forfeiture rate - 0% and annualized volatility – 106%. These options vested on the grant date.

The expected volatility was based on the historical share price of the Company. The expected term of share options granted represents the period of time that the granted share options are expected to be outstanding. The risk-free interest rate is based on the Canadian government bond rate.

At May 31, 2026, the following stock options were outstanding entitling the holder thereof the right to purchase one common share for each option held:

Number	Exercise Price	Expiry Date
(1) 37,500	$3.50	June 1, 2026
10,000	$3.50	May 3, 2027
95,000	$0.50	February 27, 2028
1,750,000	$0.05	January 28, 2030
500,000	$0.05	February 10, 2030
670,000	$0.07	April 8, 2030
2,500,000	$0.17	February 20, 2031
250,000	$0.17	March 9, 2031
5,812,500		

(1) Subsequent to May 31, 2026, these stock options expired unexercised.

d. Warrants

Changes in share purchase warrants during the three months ended May 31, 2026 and the year ended February 28, 2026 are as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life (Years)
Outstanding, February 28, 2025	1,364,300	$0.06	1.57
Issued	8,066,083	$0.14	
Exercised	(595,000)	$0.05	
Expired	(34,300)	$0.50	
Outstanding, February 28, 2026	8,801,083	$0.14	1.42
Outstanding, May 31, 2026	8,801,083	$0.14	1.17

(Unaudited - Expressed in Canadian Dollars)

At May 31, 2026 the following share purchase warrants were outstanding entitling the holder thereof the right to purchase one common share for each warrant held:

Number	Exercise Price	Expiry Date
735,000	$0.05	February 28, 2027
5,085,000	$0.15	July 16, 2027
423,500	$0.10	July 16, 2027
1,500,000	$0.15	July 29, 2027
56,000	$0.10	July 29, 2027
1,001,583	$0.12	February 12, 2028
8,801,083		

e. Restricted share units and deferred share units

The Company adopted an equity incentive compensation plan (the “Equity Plan”) under which it can grant restricted share units (“RSU”) and deferred share units (“DSUs”) to directors, officers, employees, and consultants. The maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, on a fixed basis, at the time the Equity Plan was approved by the Company’s shareholders. The shareholders approved the Equity Plan on June 27, 2024 therefore the Equity Plan shall not exceed 3,317,937 common shares. Options granted under the Stock Option Plan shall not be included in the maximum number of shares issuable pursuant to the Equity Plan. The maximum number of common shares for which awards may be issued to any one person under the plan over a twelve month period cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. The vesting terms of the awards are in the sole discretion of the Board of Directors, provided however that no award may vest before the date that is one year following the date of grant. RSUs and DSUs may be granted for a maximum term of ten years from the date of the grant, are non-transferable and unvested awards expire immediately and vested awards are paid immediately on termination of employment or holding office as a director or officer of the Company.

During the three months ended May 31, 2026, the Company recorded share-based payment expense of $35,783 (2025 - $22,685) based on the vesting of RSUs.

The RSUs vest 50% a year from grant date and the remaining 50% vest two years from grant date. The fair value of an RSU is determined by the share price of the Company at grant date. The fair value of 125,000 RSUs granted on March 9, 2026 was $20,000. The RSUs are exercisable at $0 per RSU and are settled in shares. The RSUs must be settled no later than the date that is two and a half months after the end of the calendar year in which the RSUs vest.

The Company has not granted any DSUs.

Changes in RSUs during the three months ended May 31, 2026 and 2025, are as follows:

	Number of RSUs outstanding
Outstanding, February 29, 2025	2,250,000
Granted	875,000
Outstanding, February 28, 2026	3,125,000
Granted	125,000
Outstanding, May 31, 2026	3,250,000
Exercisable, May 31, 2026	1,125,000

(Unaudited - Expressed in Canadian Dollars)

At May 31, 2026, the following RSUs were outstanding entitling the holder thereof the right to receive one common share for each RSU held:

Number	Vesting Date
875,000	January 28, 2026
250,000	February 10, 2026
875,000	January 28, 2027
250,000	February 10, 2027
437,500	February 20, 2027
437,500	February 20, 2028
62,500	March 9, 2027
62,500	March 9, 2028
3,250,000	

f. Basic and diluted loss per share

During the three months ended May 31, 2026 potentially dilutive common shares totaling 17,863,583 (2025 – 6,642,500) were not included in the calculation of basic and diluted loss per share because their effect was anti-dilutive. Potentially dilutive common shares are from outstanding share purchase options, share purchase warrants and RSUs.

8. Key Management Compensation, Related Party Transactions and Balances

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the board of directors and corporate officers. The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

During the three months ended May 31, 2026 and 2025, the Company incurred the following expenditures charged by directors and officers of the Company, or former directors and officers of the Company, and/or companies they owned or were significant shareholders of:

	2026 **$**	2025 $
Accounting fees(1)	**24,000**	24,000
Directors' fees and share issuance costs(2)	**7,500**	7,500
Legal fees and share issuance costs(3)	**10,143**	3,971
Management and consulting(4)	**22,500**	22,500
Share-based payments – options and RSUs	**31,584**	60,593
	95,727	118,564

(1) Includes fees billed by Malaspina Consultants Inc., a Company where Matt Anderson, CFO, is a managing director. The agreement may be terminated on 60 days' notice.
(2) The fees include fees and share issuance costs billed by a company controlled by Ian Stalker, Director.
(3) Includes fees and share issuance costs billed by O'Neill Law LLP, a company related to Charles Hethey, a Director of the Company. The business purpose of the transactions was to compensate for legal services provided.
(4) Includes fees billed by Colin Smith, CEO.

(Unaudited - Expressed in Canadian Dollars)

The remuneration of key management personnel for the three months ended May 31, 2026 and 2025 is as follows:

	2026	2025
	$	$
Short-term benefits	**64,143**	57,971
Share-based payments – options and RSUs	**31,584**	60,593
	95,727	118,564

At May 31, 2026, accounts payable and accrued liabilities include due to current and former related parties of $164,830 (February 28, 2026 - $190,400). Related parties are current and former directors and officers of the Company and/or companies they control or of which they were significant shareholders. The amounts owing include amounts related to expenditures charged to the Company and for reimbursements of expenditures paid for on behalf of the Company. The amounts have been recorded at their exchange amount, being the amount agreed to by the parties.

9. Financial Instruments

Management of Capital

The Company's objectives when managing capital are: to safeguard the Company's ability to continue as a going concern in order to facilitate the exploration and development of its mineral properties and to maintain an optimal capital structure, while ensuring the Company's strategic objectives are met; and to provide an appropriate return to shareholders relative to the risk of the Company's underlying assets.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of share capital, reserves and deficit.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, or acquiring or disposing of assets, and by controlling the capital expenditures program.

The mineral properties are in the exploration stage. As such, the Company is dependent on external financing to develop its properties and fund its activities. In order to carry out its planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed and if available, and may even dispose of its interest in the mineral properties.

Management reviews its capital management approach on an ongoing basis and no changes were made to the approach during the three months ended May 31, 2026. At May 31, 2026 the Company was not subject to any externally imposed capital requirements.

Risk Management

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of minerals under exploration.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. Refer to the going concern note for additional disclosure (Note 2). As at May 31, 2026 and February 28, 2026, the Company had working capital as follows:

	May 31, 2026 $	February 28, 2026 $
Current assets	**1,562,097**	1,958,131
Current liabilities	**(510,345)**	(645,365)
Working capital	**1,051,752**	1,312,766

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

a) *Currency Risk*

As at May 31, 2026 and February 28, 2026, most of the Company's cash was held in Canadian dollars, the Company's functional currency. The Company has operations in foreign jurisdictions outside of Canada and as such has currency risk associated with its operations. The Company mitigates this risk by holding a small amount of cash in foreign currencies.

b) *Interest Rate Risk*

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. As the Company has no interest bearing financial instruments, the Company is not exposed to interest rate risk.

c) *Price Risk*

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. The Company has no financial instruments subject to price risk.

10. Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flows. During the three months ended May 31, 2026, the following transactions were excluded from the consolidated statement of cash flows:

a) deferred exploration expenditures of $260,026 included in accounts payable and accrued liabilities at May 31, 2026 less expenditures included in accounts payable at February 28, 2026 of $326,822 (net inclusion of $66,796).

During the three months ended May 31, 2025, the following transactions were excluded from the consolidated statement of cash flows:

a) deferred exploration expenditures of $281,638 included in accounts payable and accrued liabilities at May 31, 2025, less expenditures included in accounts payable at February 28, 2025 of $298,232 (net inclusion of $16,594).