SALAZAR RESOURCES LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
JUNE 30, 2026

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

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

SALAZAR RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Notes	June 30, 2026 $	March 31, 2026 $
ASSETS			
Current assets			
Cash and cash equivalents		518,694	984,568
Amounts receivable	8(b)(vii)	19,738	24,717
GST / IVA tax receivables		46,644	48,595
Materials and supplies		466,045	457,156
Prepaid expenses		128,204	207,944
Total current assets		1,179,325	1,722,980
Non-current assets			
Property, plant and equipment	4	682,924	685,918
Exploration and evaluation assets	5	10,144,213	9,536,615
Investment in associated company	6	13,619,915	13,634,345
Total non-current assets		24,447,052	23,856,878
TOTAL ASSETS		25,626,377	25,579,858
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		332,527	276,940
TASA fee and interest payable	5(f)	1,762,749	1,744,654
TOTAL LIABILITIES		2,095,276	2,021,594
SHAREHOLDERS' EQUITY			
Share capital	7	56,017,476	55,944,676
Share-based payments reserve		7,662,208	7,627,853
Accumulated other comprehensive income		1,136,852	832,357
Deficit		(41,285,435)	(40,846,622)
TOTAL SHAREHOLDERS' EQUITY		23,531,101	23,558,264
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		25,626,377	25,579,858

Nature of Operations and Going Concern - see Note 1

Commitments - see Note 9

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on August 27, 2026 and are signed on its behalf by:

/s/ Fredy Salazar	*/s/ Pablo Acosta*
Fredy Salazar	Pablo Acosta
Director	Director

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

SALAZAR RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended June 30, 2026 $	Three Months Ended June 30, 2025 $
Expenses			
Accounting and administration services	8(b)(ii)	18,742	19,937
Audit and other		37,636	75,000
Consulting and professional fees	8(b)	25,996	13,047
Corporate development		-	4,574
Community relations		-	29,758
Depreciation		17,746	20,311
Director and officer compensation	8	59,920	64,790
Drill and other services expenses		63,940	117,316
General exploration and maintenance	5	13,397	93,096
Investor relations		28,420	-
Legal		17,319	13,982
Office		29,588	54,800
Regulatory		8,743	7,400
Salaries		57,694	13,277
Share-based compensation	7(d)	51,155	-
Shareholder costs		3,260	1,495
Transfer agent		1,747	1,395
		435,303	530,178
Loss before other items		(435,303)	(530,178)
Other items			
Drill and other services income		8,183	5,953
Interest income		3,430	12,320
Gain on sale of property, plant and equipment		-	8,661
Foreign exchange		(693)	(7,519)
Equity loss in associated company	6(a)	(14,430)	(106,731)
		(3,510)	(87,316)
Net loss for the period		(438,813)	(617,494)
Other comprehensive income (loss)			
Change in currency translation of foreign subsidiaries		304,495	(330,180)
Comprehensive loss for the period		(134,318)	(947,674)
Basic and diluted loss per common share		$(0.00)	$(0.00)
Weighted average number of common shares outstanding		264,990,264	217,224,025

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

SALAZAR RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended June 30, 2026					
	Share Capital					
	Number of Shares	Amount $	Share-Based Payments Reserve $	Accumulated Other Comprehensive Income (Loss) $	Deficit $	Total Shareholders' Equity $
Balance at March 31, 2026	264,523,597	55,944,676	7,627,853	832,357	(40,846,622)	23,558,264
Common shares issued for:						
- share options	560,000	56,000	-	-	-	56,000
Transfer on exercise of:						
- share options	-	16,800	(16,800)	-	-	-
Share-based compensation:						
- share options	-	-	24,000	-	-	24,000
- RSUs	-	-	27,155	-	-	27,155
Currency translation adjustment	-	-	-	304,495	-	304,495
Net loss for the period	-	-	-	-	(438,813)	(438,813)
Balance at June 30, 2026	265,083,597	56,017,476	7,662,208	1,136,852	(41,285,435)	23,531,101

	Three Months Ended June 30, 2025					
	Share Capital					
	Number of Shares	Amount $	Share-Based Payments Reserve $	Accumulated Other Comprehensive Income (Loss) $	Deficit $	Total Shareholders' Equity $
Balance at March 31, 2025	248,859,254	53,946,813	6,863,480	1,254,654	(38,917,519)	23,147,428
Currency translation adjustment	-	-	-	(330,180)	-	(330,180)
Net loss for the period	-	-	-	-	(617,494)	(617,494)
Balance at June 30, 2025	248,859,254	53,946,813	6,863,480	924,474	(39,535,013)	22,199,754

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

SALAZAR RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended June 30,	
	2026 $	2025 $
Operating activities		
Net loss for the period	(438,813)	(617,494)
Adjustments for:		
Depreciation	17,746	20,311
Share-based compensation	51,155	-
Gain on sale of property, plant and equipment	-	(8,661)
Equity loss in associated company	14,430	106,731
Changes in non-cash working capital items:		
Amounts receivable	5,317	(56,420)
GST/VAT receivable	2,747	(7,224)
Prepaid expenses and deposits	81,432	16,452
Materials and supplies	-	66
Accounts payable and accrued liabilities	6,741	173,653
Net cash used in operating activities	(259,245)	(372,586)
Investing activities		
Expenditures on exploration and evaluation assets, net of recoveries	(185,658)	(67,976)
Additions to property, plant and equipment, net of recoveries	(2,475)	-
Proceeds on sale of property, plant and equipment	-	23,511
Net cash used in investing activities	(188,133)	(44,465)
Financing activity		
Issuance of common shares	56,000	-
Net cash provided by financing activity	56,000	-
Effect of exchange rate changes on cash	(74,496)	14,840
Net change in cash	(465,874)	(402,211)
Cash at beginning of period	984,568	1,611,845
Cash at end of period	518,694	1,209,634

Supplemental Cash Flow Information - see Note 11

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

1. Nature of Operations and Going Concern

Salazar Resources Limited (the "Company") was incorporated on July 23, 1987 under the provisions of the Company Act (British Columbia). The Company's common shares are listed and trade on the TSX Venture Exchange ("TSXV") under the symbol "SRL", on the OTCQB under the symbol "SRLZF" and on the Frankfurt Exchange under the symbol "CCG". The Company's executive head office is located in Quito, Ecuador. In November 2024 the Company changed its fiscal year-end from December 31st to March 31st. Accordingly the Company's 2025 fiscal year consists of fifteen months and the 2026 fiscal year consists of twelve months. [delete last 2 sentences now?]

The Company is a junior mineral exploration company currently engaged in the acquisition and exploration of mineral properties located in Latin America. On the basis of information to date, the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. Exploration and evaluation assets represent costs incurred to date, less amounts depreciated and/or written off, and do not necessarily represent present or future values.

The Company's mineral properties are located in Ecuador and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees. In June 2025 a mining service fee (TASA de Supervision y Control Minero) ("TASA") was imposed by the Ecuadorian Control and Regulation Agency ("ARCOM"). See Notes 5(e) and 9(b).

As at June 30, 2026 the Company had a working capital deficit of $915,951. To date the Company has not earned any revenues from its mineral interests and the Company's operations are primarily funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. The Company requires additional funding to maintain its current levels of overhead for the next twelve months and to fund existing levels of planned exploration expenditures. Additional capital may be sought from existing shareholders and creditors and from the sale of additional common shares or other equity or debt instruments. There is no assurance such additional capital will be available to the Company on acceptable terms or at all. In the longer term, the Company's ability to continue as a going concern will be dependent upon the discovery of economically recoverable reserves and the achievement of profitable operations. Whether the Company can generate positive cash flow and, ultimately, achieve profitability is uncertain. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements are prepared in accordance with IFRS Accounting Standards appropriate for a going concern. The going concern basis of accounting assumes the Company will continue to realize the value of its assets and discharge its liabilities and other obligations in the ordinary course of business. Should the Company be required to realize the value of its assets in other than the ordinary course of business, the net realizable value of its assets may be materially less than the amounts shown in the consolidated financial statements. These condensed consolidated interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that may be necessary should the Company be unable to repay its liabilities and meet its other obligations in the ordinary course of business or continue operations.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been presented in accordance with IFRS Accounting Standards as issued by the *International Accounting Standards Board* ("IASB"), applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The preparation of financial statements requires management to make judgments, 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.

2. Basis of Preparation (continued)

Basis of Measurement

The Company's condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. These condensed consolidated interim financial statements are presented in Canadian Dollars unless otherwise stated.

Details of the Group

In addition to the Company, these condensed consolidated interim financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

3. Material Accounting Policies

These condensed consolidated interim financial statements have been prepared on a basis consistent with the material accounting policies disclosed in the consolidated financial statements for the fiscal year ended March 31, 2026. Accordingly, they should be read in conjunction with the consolidated financial statements for the fiscal year ended March 31, 2026.

Accounting Standards Issued but Not Yet Effective

IFRS 18, *Presentation and Disclosure in Financial Statements*, which will replace IAS 1, *Presentation of Financial Statements* aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 *Statement of Cash Flows*. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company is assessing the impact of adoption of IFRS 18 and is working to identify all impacts the changes will have on the consolidated financial statements and notes to the consolidated financial statements.

(Unaudited - Expressed in Canadian Dollars)

4. Property, Plant and Equipment

	Land $	Drill Rigs and Equipment $	Total $
Cost:			
Balance at March 31, 2025	287,255	2,579,174	2,866,429
Additions	-	2,685	2,685
Disposals	-	(149,584)	(149,584)
Foreign exchange movement	(8,732)	67,120	58,388
Balance at March 31, 2026	278,523	2,499,395	2,777,918
Additions	-	2,475	2,475
Foreign exchange movement	5,415	47,056	52,471
Balance at June 30, 2026	283,938	2,548,926	2,832,864
Accumulated Depreciation:			
Balance at March 31, 2025	-	(2,066,295)	(2,066,295)
Depreciation	-	(85,276)	(85,276)
Disposals		143,048	143,048
Foreign exchange movement	-	(83,477)	(83,477)
Balance at March 31, 2026	-	(2,092,000)	(2,092,000)
Depreciation	-	(18,377)	(18,377)
Foreign exchange movement	-	(39,563)	(39,563)
Balance at June 30, 2026	-	(2,149,940)	(2,149,940)
Carrying Value:			
Balance at March 31, 2026	278,523	407,395	685,918
Balance at June 30, 2026	283,938	398,986	682,924

(Unaudited - Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets

	As at June 30, 2026			
	Acquisition Costs $	Deferred Exploration Costs $	Foreign Exchange Movement $	Total $
Ecuador				
El Tigre	1,155,813	5,798,411	493,137	7,447,361
Monja	123,563	368,814	5,961	498,338
Other	2,141,253	45,944	11,317	2,198,514
	3,420,629	6,213,169	510,415	10,144,213

	As at March 31, 2026			
	Acquisition Costs $	Deferred Exploration Costs $	Foreign Exchange Movement $	Total $
Ecuador				
El Tigre	1,153,201	5,794,416	353,208	7,300,825
Monja	123,563	97,452	(3,402)	217,613
Other	2,002,225	45,944	(29,992)	2,018,177
	3,278,989	5,937,812	319,814	9,536,615

(Unaudited - Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets (continued)

	El Tigre $	Monja $	Other $	Total $
Balance at March 31, 2025	5,946,288	-	197,381	6,143,669
Exploration costs				
Assay analysis	22,627	-	-	22,627
Camp supervision and personnel	15,313	3,916	-	19,229
Camp supplies	52,687	8,427	-	61,114
Community relations	46,167	6,357	-	52,524
Depreciation	6,169	-	-	6,169
Exploration site	201,844	17,597	45,944	265,385
Geological	175,934	11,125	-	187,059
Salaries	451,155	50,030	-	501,185
	971,896	97,452	45,944	1,115,292
Acquisition costs				
Property / concession / option payments	329,082	123,563	346,840	799,485
TASA fee and accrued interest	167,711	-	1,380,293	1,548,004
Legal	-	-	77,711	77,711
	496,793	123,563	1,804,844	2,425,200
Other				
Foreign exchange movement	(114,152)	(3,402)	(29,992)	(147,546)
Balance at March 31, 2026	7,300,825	217,613	2,018,177	9,536,615
Exploration costs				
Camp supervision and personnel	-	23,343	-	23,343
Camp supplies	-	32,607	-	32,607
Depreciation	-	631	-	631
Exploration site	3,995	4,721	-	8,716
Geological	-	42,966	-	42,966
Salaries	-	167,094	-	167,094
	3,995	271,362	-	275,357
Acquisition costs				
Property / concession / option payments	-	-	101,171	101,171
Accrued interest on TASA fee	2,612	-	27,412	30,024
Legal	-	-	11,231	11,231
	2,612	-	139,814	142,426
Other				
Foreign exchange movement	139,929	9,363	40,523	189,815
Balance at June 30, 2026	7,447,361	498,338	2,198,514	10,144,213

5. Exploration and Evaluation Assets (continued)

(a) ***El Tigre Project***

The El Tigre Project (formerly the Macara Project) comprises two concessions as follows:

(i) On November 6, 2017 the Company entered into an option agreement with an Ecuadorian individual (the "Macara Vendor") whereby the Company was granted an option (the "Macara Option") to acquire a 100% interest in one concession (the "Macara Concession") located in the province of Loja, Ecuador. The Macara Vendor is currently an employee of the Company however, at the time the Macara Vendor acquired the Macara concessions they were at arm's length to the Company.

Pursuant to the terms of the Macara Option the Company has paid US $400,000 and agreed to make an additional cash payment of US $200,000 (the "Final Option Payment"). During fiscal 2026 the Company settled the Final Option Payment and acquired the Marcara Concession.

The Macara Vendor retains a 0.5% NSR, which may be purchased by the Company for US $1,000,000 at any time.

The Macara Vendor has a participation agreement with an employee of the Company and the son of the Company's President to share the Option Proceeds.

(ii) In July 2017 the Company was awarded a concession (the "Bonanza Concession") located in the provinces of Loja and Tacamoros, Ecuador.

(b) ***Monja Project***

The Monja copper-gold project (the "Monja Project") consists of two licenses awarded to the Company in fiscal 2026 and is located in the province of Loja, Ecuador.

(c) ***Los Osos Concession***

On March 21, 2019 the Company entered into an option agreement with an Ecuadorian individual (the "Los Osos Vendor"), whereby the Company had been granted the option to acquire up to a 100% interest in one mineral concession ("Los Osos Concession") located in the province of El Oro, Ecuador. As at December 31, 2023 the Company had paid option payments totalling US $180,019 to earn a 75% interest in the Los Osos Concession and a final option payment of US $69,981 (the "Final Payment") to earn the remaining 25% interest was originally due on March 21, 2023. Although the option agreement was not terminated, due to the uncertainty of the fulfillment of the Final Payment, the Company determined to record an impairment charge of $1,605,532 in fiscal 2023 for all costs capitalized. All costs incurred subsequently on the Los Osos Concession were expensed as incurred. In June 2024 the Los Osos Vendor agreed to settle the Final Payment through the issuance of 1,207,175 Company shares at $0.08 per share, with the $96,574 amount expensed to general exploration expense resulting in the Company owning 100% of the Los Osos Concession.

By agreement dated November 28, 2025 the Company sold its wholly-owned subsidiary which held the Los Osos Concession for $699,620 (US $500,000) and recognized a gain on sale of $699,620 during fiscal 2026.

5. Exploration and Evaluation Assets (continued)

(d) ***Other***

(i) In fiscal 2017 and 2018 the Company entered into various agreements (the "Exploration Alliance Agreements") with Adventus Mining Corporation ("Adventus") to jointly explore in Ecuador (the "Exploration Alliance"). Pursuant to definitive agreements the Company held a 20% interest in Minera Dos Gemas Company M2G S.A. ("Dos Gemas") and certain other companies (the "Entities") which hold mineral concessions in Ecuador (collectively the "Exploration Alliance Concessions"). The principal concessions in the Exploration Alliance are Pijili and Santiago.

In December 2024, with the takeover of Adventus by Silvercorp Mining Inc. ("Silvercorp"), the Company entered into a binding letter agreement (the "Silvercorp LOI") to acquire the Entities holding the Exploration Alliance Concessions. In addition to the Exploration Alliance Concessions, the Company also agreed to purchase another entity and its mineral projects, Tarqui and Quimi, wholly-owned by Silvercorp on similar acquisition terms to the Exploration Alliance Concessions. On July 23, 2025 the Company and Silvercorp finalized and signed the purchase and sale agreement formalizing the acquisitions under the Silvercorp LOI. The Company and Silvercorp subsequently completed the closings of the acquisitions on March 18, 2026 and the Company now holds a 100% interest in the entities. Under the terms of the Silvercorp Acquisition, Silvercorp transferred the shares of the entities to the Company in exchange for NSR royalties in such properties:

- the portion of the Santiago Project Silvercorp owned to the Company in exchange for a 1.5% NSR royalty on the entire project, subject to a US $3,000,000 repurchase option;
- the portion of the Pijilí Project Silvercorp owned to the Company in exchange for a 1.5% NSR royalty on the entire project, subject to an option to repurchase a 1% NSR royalty in exchange for US $1,000,000;
- the Tarqui Project in exchange for a 1.5% NSR royalty on the entire project, subject to an option to repurchase a 1% NSR in exchange for US $1,000,000; and
- the Quimi Project in exchange for a 1.5% NSR royalty on the project, subject to an option to repurchase a 1% NSR royalty in exchange for US $1,000,000.

The entities did not qualify as businesses under IFRS 3 Business Combinations, as they did not possess the significant inputs, processes, and outputs that together constitute a business at the time of acquisition. Therefore, these transactions were accounted for as asset acquisitions. Accordingly, no goodwill was recorded and consideration measured at fair value was allocated to the assets and liabilities acquired.

(ii) The Company owns a 100% interest in four concessions in the provinces of Loja and Azuay, Ecuador acquired via Dos Gemas. A third-party entity owns a 4.0% royalty on net profit interests and a third-party individual owns a 1.5% NSR royalty on the Santiago Project.

The Company also owns a 100% interest in four concessions in the province of Morona-Santiago, Ecuador acquired during fiscal 2026. During fiscal 2026 the Company entered into a letter agreement (the "Letter Agreement") to complete a joint venture agreement with a third-party to advance the Tarqui and Quimi Projects. The Company received $321,289 (US $225,000) as advances for an option on the Tarqui and Quimi Projects. The Company subsequently delivered a notice of termination of the Letter Agreement to the optionor, with the Company retaining its 100% interests in the Tarqui and Quimi Projects. Accordingly the advance of $321,289 (US $225,000) has been recorded in other income in fiscal 2026.

(iii) During fiscal 2026 the Company recorded $346,840 for tenure payments and mining administrative fees for concessions acquired in Ecuador under the agreements.

(Unaudited - Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets (continued)

(iv) The Company owns a 100% interest in two concessions (the "Ruminahui Project") located in the province of Pichincha, Ecuador. As impairment indicators are present, expenditures incurred during the three months ended June 30, 2026 of $477 (2025 - $38,910) were expensed to general exploration.

(f) On June 20, 2025, ARCOM published a resolution imposing an administrative levy ("TASA") applicable to mining and exploration companies in Ecuador to strengthen oversight and combat illegal mining efforts. On June 27, 2025 ARCOM issued regulations detailing the payment mechanism for this fee. Under the resolution, the Company has been assessed an annual service fee of $1,794,877 payable in two semi-annual instalments on July 31st and January 31st, in respect of the six-month periods ending June 30th and December 31st, respectively. The first installment of $252,403 was due on July 31, 2025, corresponding to the period from June 1, 2025 (the implementation date of the TASA), to June 30, 2025 and the second installment of $1,542,474, corresponding to the period July 1, 2025 to December 31, 2025, was due on January 31, 2026 (collectively the ("2025 TASA").

On June 23, 2026 the Ecuadorian government amended its mining fee regulations, exempting projects in the exploration stage from the TASA for calendar 2026. As at June 30, 2026 the Company has recognized a liability amount of $1,762,749, as follows:

	2026 $	2025 $
Balance, beginning of period	1,744,654	-
Foreign exchange movement	(11,929)	
Accrued interest	30,024	-
Balance, end of period	1,762,749	-

See also Note 9(b).

6. Investment in Associated Company

The Company holds an ownership interest in the following:

Associate	Ownership Interest	June 30, 2026 $	March 31, 2026 $
Salazar Holdings Ltd. ("Salazar Holdings")	25%	13,619,915	13,634,345

Salazar Holdings - Curipamba Project

Salazar Holdings holds a 100% interest in the Curipamba Project, consisting of seven concessions located in the provinces of Bolivar and Los Rios, Ecuador. The Curipamba Project is subject to a 2% net smelter return royalty ("NSR").

On September 14, 2017, as amended September 19, 2019, the Company entered into a definitive option agreement (the "Curipamba Option") whereby Adventus Mining Corporation ("Adventus") would earn (the "Earn-In") a 75% interest in Salazar Holdings by funding costs on the Curipamba Project of US $25,000,000 over the next five years, including the completion of a feasibility study on the El Domo deposit, subject to certain exceptions. In December 2021 Adventus delivered the completed feasibility study and provided written notice of its exercise of the Earn-in. Effective December 31, 2021 the Company agreed to the transfer of a 75% ownership interest in Salazar Holdings to Adventus, reducing its interest to 25%, under a shareholders' agreement (the "Salazar Holdings Shareholders' Agreement"), dated January 4, 2022.

In accordance with IFRS 10, *Consolidated Financial Statements*, the Company derecognized the assets and liabilities of Salazar Holdings and recognized the 25% interest as investment in associated company at its fair value of $15,081,000. The Company will continue to account for the investment in Salazar Holdings using the equity method.

(Unaudited - Expressed in Canadian Dollars)

6. Investment in Associated Company (continued)

Adventus is required to fund 100% of the development and construction expenditures to commercial production. Upon achievement of commercial production, Adventus will receive 95% of the dividends from the Curipamba Project until its aggregate investment, including advance payments, has been recouped minus the approximate Company carrying value of US $19,800,000 when the Curipamba Option was signed, after which dividends will be shared on a pro-rata basis according to their respective ownership. In certain circumstances where project development is delayed post earn-in, Adventus' ownership position could be diluted.

On July 31, 2024 Adventus and Silvercorp completed a plan of arrangement by which Silvercorp acquired a 100% interest in Adventus. In December 2024 certain amendments were made to the Salazar Holdings Shareholders' Agreement to allow funding to be provided by Silvercorp with the terms of such funding to be in compliance with the Salazar Holdings Shareholders' Agreement.

The Company's investment in Salazar Holdings is as follows:

	$
Balance, March 31, 2025	14,053,843
Equity loss	(419,498)
Balance, March 31, 2026	13,634,345
Equity loss	(14,430)
Balance, June 30, 2026	13,619,915

7. Share Capital

(a) ***Authorized Share Capital***

The Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) ***Equity Financings***

Three Months Ended June 30, 2026

During the three months ended June 30, 2026 the Company did not complete any equity financings.

Fiscal 2026

On December 22, 2025 the Company completed a non-brokered private placement and issued a total of 11,003,830 common shares at $0.13 per share, for proceeds of $1,430,498.

The Company paid finders' fees of $15,600 cash and issued 120,000 share purchase warrants (the "Finder's Warrants") on a portion of the private placement. Each Finder's Warrant entitles the holder to purchase an additional common share at a price of $0.13 per share until December 22, 2027. The value assigned to the Finder's Warrants was $14,400. The weighted average fair value of the Finder's Warrants issued was $0.12 per warrant. The fair value of the Broker Warrants has been estimated using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 0.5%; expected volatility of 80%; an expected life of 2 years; a dividend yield of 0%; and an expected forfeiture rate of 0%.

The Company incurred a total of $8,172 for filing fees associated with this private placement financing.

Directors, officers and a spouse of a director of the Company purchased a total of 1,939,600 common shares.

(Unaudited - Expressed in Canadian Dollars)

7. Share Capital (continued)

(c) ***Warrants***

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at June 30, 2026 and 2025 and the changes for the three months ended on those dates is as follows:

	2026		2025	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance, beginning and end of period	120,000	0.13	1,114,320	0.35

As at June 30, 2026 the Company had warrants outstanding and exercisable to purchase 120,000 common shares of the Company at an exercise price of $0.13 per share expiring December 22, 2027.

(d) ***Share Option Plan***

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of five years.

During the three months ended June 30, 2026 the Company granted share options to purchase 200,000 common shares and recorded compensation expense of $24,000 on the granting of share options. The fair value of share options granted is estimated using the Black-Scholes option pricing model using the following assumptions: risk-free interest rate of 3.04%; estimated volatility of 66%; expected life of 5 years; expected dividend yield of 0%; and estimated forfeiture rate of 0%.

The weighted average measurement date fair value of all share options granted during the three months ended June 30, 2026 was $0.12.

During the three months ended June 30, 2025 the Company did not grant any share options

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at June 30, 2026 and 2025 and the changes for the three months ended on those dates, is as follows:

	2026		2025	
	Number of Options Outstanding	Weighted Average Exercise Price $	Number of Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of period	20,392,900	0.17	18,083,413	0.11
Granted	200,000	0.12	-	-
Exercised	(560,000)	0.10	-	-
Expired	(1,750,000)	0.29	-	-
Balance, end of period	18,282,900	0.16	18,083,413	0.11

(Unaudited - Expressed in Canadian Dollars)

7. Share Capital (continued)

The following table summarizes information about the share options outstanding and exercisable at June 30, 2026:

Number	Exercise Price $	Expiry Date
6,277,900	0.10	May 23, 2028
1,085,000	0.08	May 16, 2029
3,750,000	0.105	May 16, 2029
6,970,000	0.25	January 22, 2031
200,000	0.20	April 17, 2031
18,282,900		

(e) ***Restricted Share Units ("RSU") Plan***

On August 27, 2020 and amended on December 6, 2022 the Company adopted a restricted share unit plan (the "RSU Plan"). The RSU Plan provides for the issuance of up to 2,000,000 restricted share units (the "RSUs"). Under the RSU Plan, RSUs may be granted to directors, officers, employees and consultants of the Company (excluding investor relations consultants) as partial compensation for the services they provide to the Company. The RSU Plan is a fixed number plan, and the number of common shares issued under the RSU Plan, when combined with the number of stock options available under the Company's share option plan, will not exceed 10% of the Company's outstanding common shares.

On January 22, 2026 the Company awarded 899,000 RSUs which will vest, as to 100% on January 22, 2028.

As at June 30, 2026 1,662,000 RSUs remained outstanding of which 763,000 RSUs have vested and the remaining 899,000 RSUs will vest on January 22, 2028.

A summary of the Company's RSUs at June 30, 2026 and 2025 and the changes for the three months ended on those dates, is as follows:

	2026 Number of RSUs	2025 Number of RSUs
Balance, beginning and of period	1,662,000	763,000

During the three months ended June 30, 206 the Company recorded share based compensation of $27,155 (2025 - $31,842) relating to the vesting of RSUs previously awarded.

(Unaudited - Expressed in Canadian Dollars)

8. Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Compensation of Key Management Personnel*

During the three months ended June 30, 2026 and 2025 the following amounts were incurred with respect to the President & Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"):

	2026 $	2025 $
Salaries and fees	22,402	52,163
Health benefits	3,251	1,550
Share-based compensation - RSUs	9,968	-
	35,621	53,713

As at June 30, 2026 $nil (March 31, 2026 - $7,528) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Other Related Party Transactions*

(i) During the three months ended June 30, 2026 and 2025 the following amounts were incurred with respect to non-executive directors of the Company:

	2026 $	2025 $
Consulting	37,517	12,627
Share-based compensation - RSUs	10,330	-
	47,847	12,627

As at June 30, 2026 $4,500 (March 31, 2026 - $6,939) remained unpaid and has been included in accounts payable and accrued liabilities.

(ii) During the three months ended June 30, 2026 the Company incurred a total of $18,742 (2025 - $19,937) to Chase Management Ltd. ("Chase"), a private corporation owned by a director of the Company, for accounting and administration services provided by Chase personnel, excluding the director.

As at June 30, 2026 $nil (March 31, 2026 - $4,879) remained unpaid and has been included in accounts payable and accrued liabilities.

(iii) During the three months ended June 30, 2026 the Company incurred $29,060 (2025 - $5,536) for professional services provided by a private corporation controlled by the President of the Company.

(iv) During the three months ended June 30, 2026 the Company incurred $8,303 (2025 - $7,474) for a storage facility provided by a private corporation controlled by family members of the President of the Company. As at June 30, 2026 $5,684 (March 31, 2026 - $nil) remained unpaid and has been included in accounts payable and accrued liabilities.

(v) During the three months ended June 30, 2026 the Company incurred $12,454 (2025 - $13,149) for consulting services provided by a private corporation controlled by the CFO of the Company.

8. Related Party Disclosures (continued)

(vi) During the three months ended June 30, 2026 the Company contributed $nil (2025 - $6,228) to an unregistered foundation of which a director of the foundation is a family member of the President of the Company, to fund ongoing community costs in Ecuador.

(vii) The Company has made an advance to a private corporation controlled by the President of the Company. The advance is non-interest bearing and is without fixed terms of repayment. As at June 30, 2026 $19,738 (March 31, 2026 - $24,717) remained unpaid and has been included in amounts receivable.

(viii) See also Notes 5(a) and 7(b).

9. Commitments

(a) The Company is obligated to fulfill certain investment obligations on its mineral concessions in Ecuador pursuant to the following rules:

(i) When applying for new concessions via the public tender process in Ecuador, the Company, either directly or under option agreement, presented its investment offers for each concession. The investment offer represents the total amount that is required to be spent in order to maintain possession of the concession area at the end of the four-year investment period required by the Government of Ecuador. Accordingly, should the Company wish to retain possession of all the concession areas it holds as at June 30, 2026, the Company's commitment for fiscal 2027 is approximately US $275,000 (fiscal 2026 - US $21,000) and the additional commitment before the end of March 31, 2030 is approximately US $4,650,000 (fiscal 2026 - US $nil).

(ii) Concessions in Ecuador that were not acquired via the public tender process require the Company to submit an annual expenditure plan to the Government of Ecuador outlining the minimum amount of committed expenditures for the upcoming year. The total obligation of the Company for these concession areas for fiscal 2027 is approximately US $115,000 (fiscal 2026 - US $55,000).

(b) In June 2025 ARCOM put forth a resolution related to a new administrative fee on the mining sector. The stated objective of this fee is to strengthen oversight and combat illegal mining activities. This fee is to be applied to all mining operations, except for artisanal mining, with the aim of generating funds to support enforcement efforts.

The Company is aware that constitutional challenges against the new administrative fees have been presented in Ecuador and are being analyzed by the Court to determine if the claims will be accepted. On June 23, 2026 the Ecuadorian government amended its mining regulations to exempt projects in the exploration stage from the TASA for calendar 2026. Any further decision whether or not to accept the claims with respect to the 2025 TASA may be prolonged and, if accepted, the constitutional challenges could take several years. In the meantime, if the claims are accepted, ARCOM may or may not be directed to halt the collection of the fees.

In addition, there is uncertainty as to whether non-payment of the 2025 TASA could affect the status of the Company's mining concessions. The Company will continue to monitor information and legal developments as it becomes available.

(Unaudited - Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: FVTPL, FVOCI and amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	June 30, 2026 $	March 31, 2026 $
Cash and cash equivalents	FVTPL	518,694	984,568
Amounts receivable	Amortized cost	19,738	24,717
Accounts payable and accrued liabilities	Amortized cost	(332,527)	(276,940)
TASA fee and interest payable	Amortized cost	(1,762,749)	(1,744,654)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable, accounts payable and accrued liabilities and TASA and accrued interest payable approximate their fair value due to their short-term nature. The Company's cash and cash equivalents under the fair value hierarchy is measured using Level 1 inputs.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and amounts receivable is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

10. Financial Instruments and Risk Management (continued)

	Contractual Maturity Analysis at June 30, 2026				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash and cash equivalents	518,694	-	-	-	518,694
Amounts receivable	19,738	-	-	-	19,738
Accounts payable and accrued liabilities	(332,527)	-	-	-	(332,527)
TASA fee and interest payable	(1,762,749)	-	-	-	(1,762,749)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company's significant subsidiary is located in Ecuador which has adopted the US Dollar as its currency.

The Company also maintains cash deposits in US Dollars with its Canadian bank. As such, the fluctuation of the Canadian Dollar in relation to the US Dollar will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At June 30, 2026, 1 Canadian Dollar was equal to 0.70 US Dollar.

Balances are as follows:

	US $	CDN $ Equivalent
Cash and cash equivalents	72,895	104,136
Amounts receivable	13,890	19,738
VAT receivable	71,124	101,606
Accounts payable and accrued liabilities	(189,450)	(270,643)
TASA fee and interest payable	(1,219,370)	(1,762,749)
	(1,250,911)	(1,807,912)

Based on the net exposures as of June 30, 2026 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the US Dollar would result in the Company's comprehensive loss being approximately $147,500 higher (or lower).

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain development of the business. The Company defines capital that it manages as share capital and cash. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

(Unaudited - Expressed in Canadian Dollars)

11. Supplemental Cash Flow Information

During the three months ended June 30, 2026 and 2025 non-cash activities were conducted by the Company as follows:

	2026 $	2025 $
Operating activities		
Depreciation	631	1,936
TASA fee and interest payable	30,024	-
	30,655	1,936
Investing activity		
Exploration and evaluation assets	(30,655)	(1,936)
Financing activities		
Issuance of common shares	16,800	-
Share-based payments reserve	(16,800)	-
	-	-

12. Segmented Information

The Company operates in one reportable segment, the exploration and development of unproven exploration and evaluation assets. The Company's exploration and evaluation assets are located in Ecuador and its corporate assets are located in Canada.

	As at June 30, 2026		
	Corporate Canada $	Mineral Operations Ecuador $	Total $
Current assets	457,236	722,089	1,179,325
Property, plant and equipment	-	682,924	682,924
Exploration and evaluation assets	-	10,144,213	10,144,213
Investment in associated companies	13,619,915	-	13,619,915
	14,077,151	11,549,226	25,626,377

	As at March 31, 2026		
	Corporate Canada $	Mineral Operations Ecuador $	Total $
Current assets	733,702	989,278	1,722,980
Property, plant and equipment	-	685,918	685,918
Exploration and evaluation assets	-	9,536,615	9,536,615
Investment in associated companies	13,634,345	-	13,634,345
	14,368,047	11,211,811	25,579,858