PINNACLE SILVER AND GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

April 30, 2026

DAVIDSON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Pinnacle Silver & Gold Corp.

Opinion

We have audited the accompanying consolidated financial statements of Pinnacle Silver & Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2026 and 2025, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, 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 April 30, 2026 and 2025, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

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 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of $2,976,297 during the year ended April 30, 2026 and, as of that date, the Company had working capital of $1,292,815 and deficit of $47,693,333. As stated in Note 1, 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. 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 matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of Impairment Indicators of Mineral Properties

As described in Note 5 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $1,569,094 as of April 30, 2026. As more fully described in Note 2 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal consideration for our determination that the assessment of impairment indicators of the Mineral Properties is a key audit matter is that there was judgment made by management when assessing whether there were indicators of impairment for the Mineral 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 Mineral Properties.

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

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the Mineral Properties through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Evaluating, on a test basis, confirmation of title to ensure mineral rights underlying the Mineral 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.
- Plan and perform the group audit to 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 Catherine Tai.

Davidson & Company LLP

Chartered Professional Accountants — Vancouver, Canada

August 25, 2026

PINNACLE SILVER AND GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT APRIL 30

	2026	2025
ASSETS		
Current		
Cash	$ 1,352,231	$ 149,570
Receivables	26,896	17,184
Prepaid expenses	160,197	48,499
Marketable securities (Note 3)	-	295,829
	1,539,324	511,082
Long-term receivables (Note 11)	334,665	32,055
Property and equipment (Note 4)	43,341	-
Mineral properties (Note 5)	1,569,094	695,205
TOTAL ASSETS	$ 3,486,424	$ 1,238,342
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	$ 246,509	$ 498,777
Related party payables (Note 10)	-	262,431
TOTAL LIABILITIES	246,509	761,208
EQUITY		
Share capital (Note 8)	40,687,121	35,271,266
Reserves (Note 8)	10,246,127	9,922,904
Deficit	(47,693,333)	(44,717,036)
TOTAL EQUITY	3,239,915	477,134
TOTAL LIABILITIES AND EQUITY	$ 3,486,424	$ 1,238,342

Nature and continuance of operations (Note 1)
Subsequent event (Note 14)

Approved on behalf of the Board of Directors on August 25, 2026:

Signed: *"Robert Archer"* Director Signed: *"Ron Schmitz"* Director

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

PINNACLE SILVER AND GOLD CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED APRIL 30

	2026	2025
EXPENSES		
Consulting (Note 10)	$ 242,636	$ 140,139
Exploration expenditures, net (Note 6)	1,256,306	132,691
Financial expenses	6,375	3,924
Foreign exchange loss	5,195	6,650
Marketing services and shareholder information	760,146	398,966
Professional fees	192,533	185,399
Office and miscellaneous	62,065	70,369
Property investigation costs	-	10,714
Share-based compensation (Notes 8 and 10)	288,520	81,402
Transfer agent and filing fees	142,593	53,002
Travel	128,075	45,627
Operating expenses	(3,084,444)	(1,128,883)
Gain on sale of subsidiary (Note 3)	-	198,293
Other income (IRS refund)	142,157	-
Gain (loss) on marketable securities (Note 3)	(34,010)	97,536
Net loss and comprehensive loss for the year	$ (2,976,297)	$ (833,054)
Basic and diluted loss per common share	$ (0.02)	(0.01)
Weighted average number of common shares outstanding Basic and Diluted	119,263,284	63,084,308

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

PINNACLE SILVER AND GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
YEARS ENDED APRIL 30

	2026	2025
CASH FLOWS FROM (TO) OPERATIONS		
Net loss for the year	$ (2,976,297)	$ (833,054)
Adjustments for:		
Depreciation	2,203	-
Gain on sale of subsidiary	-	(198,293)
Interest on loan payable	-	1,488
Share-based compensation	288,520	81,402
Loss (gain) on marketable securities	34,010	(97,536)
Changes in non-cash working capital items:		
Receivables	(312,322)	(33,121)
Prepaid expenses	(111,698)	7,513
Accounts payable, accrued liabilities and related party	(372,099)	2,602
	(3,447,683)	(1,068,999)
INVESTING		
Acquisition of equipment	(45,544)	(71,021)
Acquisition of mineral properties	(628,689)	-
Proceeds from sale of marketable securities	261,819	-
	(412,414)	(71,021)
FINANCING		
Loan repayment	-	(41,597)
Shares issued for cash	4,282,301	1,271,000
Share issuance costs	(60,683)	(7,650)
Shares issued for warrants exercise	841,140	-
	5,062,758	1,221,753
Change in cash	1,202,661	81,733
Cash at beginning of year	149,570	67,837
Cash at end of year	$ 1,352,231	$ 149,570
Supplementary cash flow information		
Shares for debt	$ 142,600	$ -
Fair value of finders' warrants	$ 38,700	$ 8,800
Fair value of finders' warrants exercised	$ 3,997	$ -
Shares issued for mineral properties	$ 245,200	$ 22,863
Shares issued for debt settlement	$ 142,600	$ -

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

PINNACLE SILVER AND GOLD CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)
YEARS ENDED APRIL 30, 2026 AND 2025

	Number of Shares	Share Capital	Subscriptions received in advance	Reserves	Deficit	Total
Balance at April 30, 2024	43,521,072	$ 33,944,853	$ 49,000	$ 9,832,702	$ (43,883,982)	$ (57,427)
Shares issued for private placement	37,333,333	1,320,000	(49,000)	-	-	1,271,000
Shares issued for mineral properties	571,580	22,863	-	-	-	22,863
Share issuance cost – cash	-	(7,650)	-	-	-	(7,650)
Share issuance cost – finder's warrant	-	(8,800)	-	8,800	-	-
Share-based compensation	-	-	-	81,402	-	81,402
Loss for the year	-	-	-	-	(833,054)	(833,054)
Balance at April 30, 2025	81,425,985	35,271,266	-	9,922,904	(44,717,036)	477,134
Shares issued for private placement	46,650,796	4,282,301	-	-	-	4,282,301
Share issuance cost – cash	-	(60,683)	-	-	-	(60,683)
Share issuance cost – finder's warrant	-	(38,700)	-	38,700	-	-
Shares issued for mineral properties	2,080,000	245,200	-	-	-	245,200
Shares issued for warrant exercise	12,204,043	845,137	-	(3,997)	-	841,140
Shares for debt settlement	2,376,667	142,600	-	-	-	142,600
Share-based compensation	-	-	-	288,520	-	288,520
Loss for the year	-	-	-	-	(2,976,297)	(2,976,297)
Balance at April 30, 2026	144,737,491	$ 40,687,121	$ -	$ 10,246,127	$ (47,693,333)	$ 3,239,915

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Pinnacle Silver and Gold Corp. ("the Company or Pinnacle") was incorporated under the *Business Corporations Act (B.C.)* on May 16, 2006. The consolidated financial statements of Pinnacle as at and for the years ended April 30, 2026 and 2025 comprise the Company and its subsidiaries. Pinnacle is the ultimate parent of the consolidated group. The Company's corporate and head office address is #250 – 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T7. The Company's shares are traded on the TSX Venture Exchange under the Symbol "PINN".

The Company is an exploration stage company focused on acquiring and exploring mineral properties in the Americas.

These consolidated financial statements have been prepared using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital and loans. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties and lenders, complete sufficient public equity financing, or generate profitable operations in the future. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the mineral 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 obtain financing or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. Additionally, the Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

During the year ended April 30, 2026, the Company incurred net loss of $2,976,297 (2025 – $833,054), and as at April 30, 2026, had working capital of $1,292,815 (April 30, 2025 – deficiency of $250,126).

2. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Presentation

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies applied in the consolidated financial statements are presented below and are based on IFRS issued and effective as of August 25, 2026.

Certain comparative information has been reclassified to conform to current year's presentation.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and the following subsidiaries:

Name	Place of Incorporation	Principal Activity	Ownership April 30, 2026	Ownership April 30, 2025
NR Gold LLC	United States	Exploration company	Dissolved*	100%
Cangold Limited	British Columbia, Canada	Exploration company	100%	100%
Cangold Peru S.A.C.	Peru	Exploration company	100%	100%
Minera el Pico S.A. de C.V.	Mexico	Exploration company	100%	100%

* During the year ended April 30, 2026, the Company dissolved its 100% owned subsidiary NR Gold LLC.

Inter-company balances and transactions, including any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Foreign Currencies

The Company's functional and presentation currency is the Canadian dollar. The individual financial statements of each group entity are measured in the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the consolidated financial statements of the individual entities, transactions in currencies other than an entity's functional currency (foreign currencies) are recorded at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the exchange rates prevailing at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss, unless the difference relates to an item that is recognized in other comprehensive income or loss, whereby the exchange difference would be recognized in other comprehensive income or loss and reclassified from equity to the statements of loss and comprehensive loss on disposal or partial disposal of the net investment. For the purpose of presenting consolidated financial statements, the Company has determined that the functional currency of its subsidiaries is the Canadian dollar.

Financial Instruments

The Company is required to classify its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate fair values:

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

Financial assets

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

Financial assets at FVTPL
Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss and comprehensive loss in the year in which they arise.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial Instruments (continued)

Financial assets at FVTOCI
Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost
Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Impairment of financial assets

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to the present value of estimated future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the year.

Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss
This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Financial liabilities at amortized cost
This category consists of liabilities carried at amortized cost using the effective interest method. These financial liabilities are initially recognized at fair value less directly attributable transaction costs.

The following table summarizes the clarification for each class of the Company's financial assets and financial liabilities:

	IFRS 9 Classification
Cash	Amortized cost
Receivables	Amortized cost
Marketable securities	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Related party payables	Amortized cost

Cash

Cash in the statement of financial position consists of cash at banks and on hand.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset, including the costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

Depreciation is provided at rates calculated to write off the cost of property and equipment, less their estimated residual value, using the straight-line method over their estimated useful lives, as follows:

Asset Category	Depreciation rate
Buildings and structures	10 years straight-line
Furniture	30% declining balance

The assets' residual values, useful lives, and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end, with the effect of any changes accounted for on a prospective basis. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is derecognized.

Mineral Properties and Exploration and Evaluation Expenditures

Acquisition costs for mineral properties, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares, based on recent issue prices, issued for mineral properties pursuant to the terms of the agreement. Exploration and evaluation expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be commercially viable, exploration and evaluation expenditures on the property are capitalized.

A mineral property acquired under an option agreement, where payments are made at the sole discretion of the Company, is capitalized at the time of payment. Option payments received are treated as a reduction of the carrying value of the related acquisition cost for the mineral property until the payments are in excess of acquisition costs, at which time they are then credited to operations. Option payments are at the discretion of the optionee and, accordingly, are accounted for when receipt is reasonably assured. Capitalized acquisition costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work on a property being carried out by the Company or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management’s estimate of their net recoverable amount.

Impairment of Non-Financial Assets

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of Non-Financial Assets (continued)

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

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

Restoration, Rehabilitation and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted for each year for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company has no material restoration, rehabilitation, and environmental costs as the disturbance to date is minimal.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded to reserves.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share-based Payment Transactions

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

Share-based payments to employees are measured at the fair value of the instruments issued and are amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to reserves. When options are exercised the consideration received is recorded as share capital. In addition, the related share-based payments originally recorded in reserves are transferred to share capital.

The fair value is measured at grant date and each tranche is recognized over the year the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Income Taxes

Income tax on profit or loss for the year presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset of current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Earnings (Loss) per Share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Segment Reporting

The Company's head office is in Canada and it has operations in Canada and Mexico. The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Judgments and Estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period.

The Company has to make judgments which include but are not limited to the following:

a) Whether facts or circumstances suggest that the carrying value of assets such as its receivables or mineral properties exceed the recoverable amount and, if so, the asset is tested for impairment.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and the revision affects both current and future years.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) the carrying value of the investment in mineral properties and the recoverability of the carrying value;
b) the inputs used in accounting for share-based payments expense.

Accounting Pronouncements Not Yet Adopted

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 from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is evaluating the impact of IFRS 18 on its consolidated financial statements.

3. MARKETABLE SECURITIES

Aguia Resources Limited

The Company's investment in Aguia Resources Limited was acquired as part of the sale of a Colombian subsidiary that the Company previously held. Prior to fiscal 2025, the fair value of the Company's investment in the private company that acquired the Company's Colombian subsidiary was undeterminable. Additionally, the Company did not have access to the investment until the private company completed an acquisition or going public transaction. During the year ended April 30, 2025, this private company was acquired by Aguia Resources Limited ("Aguia") which is a public company traded on the Australian Stock Exchange. As a result of this acquisition, the Company received 8,783,667 shares (valued at $198,293) of Aguia. At April 30, 2025, the Company valued the Aguia shares at $295,829 and recorded an unrealized gain of $97,536 from changes in the fair value.

During the year ended April 30, 2026, the Company sold 8,783,667 shares for proceeds of $261,819 and recorded a realized loss of $34,010.

	Aguia Common Shares	Total
April 30, 2024	-	$ -
Addition	8,783,667	198,293
Change in fair value	-	97,536
April 30, 2025	8,783,667	295,829
Change in fair value	-	(34,010)
Proceeds from sale	(8,783,667)	(261,819)
April 30, 2026	-	$ -

4. PROPERTY AND EQUIPMENT

	Furniture and Equipment	Buildings and Structures	Total
Cost			
Balance, April 30, 2025 and 2024	$ -	$ -	$ -
Additions	12,873	32,671	45,544
Balance, April 30, 2026	12,873	32,671	45,544
Accumulated depreciation			
Balance, April 30, 2025 and 2024	-	-	-
Additions	1,931	272	2,203
Balance, April 30, 2026	1,931	272	2,203
Net book value			
As at April 30, 2025	$ -	$ -	$ -
As at April 30, 2026	$ 10,942	$ 32,399	$ 43,341

5. MINERAL PROPERTIES

Acquisition costs incurred during the years ended April 30, 2026 and 2025 as follows:

	April 30, 2024	Additions	April 30, 2025	Additions	April 30, 2026
Western Fold, Canada	$ 305,750	$ -	$ 305,750	$ -	$ 305,750
H Lake, Canada	95,000	-	95,000	-	95,000
Argosy, Canada	200,571	-	200,571	-	200,571
El Potrero, Mexico	-	93,884	93,884	873,889	967,773
	$ 601,321	$ 93,884	$ 695,205	$ 873,889	$ 1,596,094

North Birch, Canada

Western Fold, Canada

During the year ended April 30, 2022, the Company earned a 100% interest in the Western Fold Property in the Red Lake Mining Division of Northwestern Ontario by making the total cash payments of $200,000 and issuing 166,666 common shares (issued at a value of $105,750).

The option agreement is subject to a 2% NSR royalty. The Company may reduce the NSR royalty to 1% by paying the optionor $1,000,000 at any time.

H Lake, Canada

During the year ended April 30, 2021, the Company earned a 100% interest in the H Lake property in the Red Lake Mining Division in Ontario by paying total cash payments of $50,000 and issuing 66,667 common shares (issued at a value of $45,000).

The option agreement is subject to a 2% NSR royalty. The Company may reduce the NSR royalty to 1% by paying the optionor $1,000,000 at any time.

Argosy, Canada

During the year ended April 30, 2022, the Company acquired a 100% interest in the Argosy mineral properties in the Red Lake Mining Division of northwestern Ontario.

The mineral properties are subject to a 2.5% NSR royalty.

5. MINERAL PROPERTIES (continued)

El Potrero, Mexico

During the year ended April 30, 2025, the Company signed an option agreement (as amended on February 19, 2026) to acquire up to a 100% interest in the El Potrero project in Durango, Mexico. The 100% interest will be earned in stages.

To earn the first 50% interest, the Company must

a) pay US$50,000 (paid) and issue 500,000 shares (issued and valued at $20,000).
b) pay back taxes for the property (total estimated at US$183,000; paid).
c) pay US$200,000 (paid) and issue 1,000,000 shares (issued and valued at $100,000) within eight months of signing the agreement (October 21, 2025).
d) issue 1,000,000 shares (issued and valued at $135,000) within one year from signing the agreement.
e) pay US$250,000 on each of February 24, 2026 (paid), May 24, 2026 (paid subsequently) and August 24, 2026 (paid US$50,000 subsequently).
f) pay US$1,000,000 when the plant is sufficiently upgraded and all permits have been received in order to commence production, or February 21, 2029, whichever happens first.

In connection with the option agreement, as at April 30, 2026 the Company issued 80,000 common shares with a value of $10,200 as a finders' fee. As at April 30, 2026, the Company had issued a cumulative 151,580 common shares with a value of $13,063 as a finder's fee.

The 50% interest will include a 50% interest in the property (including the mining concessions, machinery, equipment and land) and, going forward, all proceeds of production will be split according to the respective interest levels.

To earn an additional 20% (for a total interest of 70%), the Company must pay US$1,500,000 one year after commencing production or five years from signing the agreement, whichever happens first.

To earn an additional 20% (for a total interest of 90%), the Company must pay US$3,000,000 two years after commencing production or seven years from signing the agreement, whatever happens first

At this point, both parties will decide whether to continue with a participating interest or the vendor will have the option to convert the remaining 10% interest to a 2% Net Smelter Royalty.

If the Company establishes a Mineral Resource Estimate, as defined by NI 43-101, of at least 350,000 gold equivalent ounces in the Inferred category, the Company must pay a bonus of US$1,000,000 and issue 1,000,000 shares.

6. EXPLORATION EXPENDITURES

Exploration expenditures incurred during the year ended April 30, 2026 were as follows:

Year ended April 30, 2026	El Potrero
Consultants	$ 438,217
Depreciation	2,203
Environmental	48,160
Field costs	469,123
Mining taxes	175,000
Survey	53,297
Travel	70,306
	$ 1,256,306

6. EXPLORATION EXPENSE (continued)

Exploration expenditures incurred during the year ended April 30, 2025 were as follows:

Year ended April 30, 2025	Argosy	El Potrero	Total
Assaying, mapping and geophysics	$ -	$ 953	$ 953
Drilling	-	10,918	10,918
Field costs	-	68,782	68,782
Travel	1,152	50,886	52,038
	$ 1,152	$ 131,539	$ 132,691

7. LOAN PAYABLE

During the year ended April 30, 2021, the Company received a loan of $40,000 for the Canada Emergency Business Account to provide emergency support to business due to the impact of COVID-19. The loan is non-interest bearing until January 18, 2024, after which it will incur interest at 5% per annum.

During the year ended April 30, 2024, the loan started accruing interest from January 19, 2024 and was reclassified as long-term with a repayment date of December 31, 2026.

During the year ended April 30, 2025, the Company accrued interest of $1,488 and paid $41,597 in full.

8. EQUITY

(a) Share capital

Authorized share capital consists of an unlimited number of common shares without par value.

(b) Share Issuances

During the year ended April 30, 2026, the Company:

i) closed a non-brokered private placement of 28,110,133 units at $0.06 per unit for gross proceeds of $1,686,608. Each unit consists of one common share of the Company and one-half share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of two years at a price of $0.10. The Company paid $20,622 in finders' fees, $4,280 in share issuance costs and issued 343,700 share purchase finders warrants valued at $17,900. Each finder's warrant entitles the holder to purchase one common share at a price of $0.10 for a two-year period.

ii) closed a non-brokered private placement of 7,625,171 units at $0.14 per unit for gross proceeds of $1,067,524. Each unit consists of one common share of the Company and one-half share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of two years at a price of $0.20. The Company paid $2,940 in finders' fees, $1,070 in share issuance costs and issued 21,000 share purchase finders warrants valued at $2,300. Each finder's warrant entitles the holder to purchase one common share at a price of $0.20 for a two-year period.

iii) closed a non-brokered private placement of 10,915,492 units at $0.14 per unit for gross proceeds of $1,528,169. Each unit consists of one common share of the Company and one-half share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of two years at a price of $0.20. The Company paid $29,096 in finders' fees, $2,675 in share issuance costs and issued 207,828 share purchase finders warrants valued at $18,500. Each finder's warrant entitles the holder to purchase one common share at a price of $0.20 for a two-year period.

8. EQUITY (continued)

v) issued 2,376,667 common shares at $0.06 per share at a value of $142,600 to settle accounts payable of $142,600 to related parties.

vi) issued 2,000,000 shares valued at $235,000 pursuant to the option agreement to acquire up to a 100% interest in the El Potrero property in Durango, Mexico (Note 5).

vii) issued 80,000 shares valued at $10,200 for finder's fees related to acquisition of the El Potrero property in Durango, Mexico (Note 5).

viii) issued 12,204,043 shares pursuant to warrant exercises for gross proceed of $845,137 and allocated $3,997 to share capital from warrant reserve.

During the year ended April 30, 2025, the Company:

i) issued 500,000 shares valued at $20,000 pursuant to the option agreement to acquire up to a 100% interest in the El Potrero property in Durango, Mexico (Note 5).

ii) issued 71,580 shares valued at $2,863 as finder's fee in connection with the option agreement to acquire up to a 100% interest in the El Potrero property in Durango, Mexico (Note 5).

iii) closed a non-brokered private placement of 20,000,000 units at $0.04 per unit for gross proceeds of $800,000. Each unit consists of one common share of the Company and one-half share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of two years at a price of $0.06. No finder's fees were paid.

iv) closed a non-brokered private placement of 17,333,333 units at $0.03 per unit for gross proceeds of $520,000, of which $49,000 was received during the year ended April 30, 2024. Each unit consists of one common share of the Company and one-half share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of two years at a price of $0.05. The Company paid $7,650 in finders' fees and issued 255,000 share purchase finders warrants valued at $8,800. Each finder's warrant entitles the holder to purchase one common share at a price of $0.05 for a two-year period.

8. EQUITY (continued)

(c) Stock options

The Company adopted a stock option plan (the "Plan") pursuant to the policies of the TSX Venture Exchange. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time. Such options will be exercisable for a period of up to ten years from the date of grant. The vesting terms are determined at the time of grant. The continuity of stock options for the year ended April 30, 2026 and year ended April 30, 2025 is as follows:

	Year Ended April 30, 2026		Year Ended April 30, 2025	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding, beginning of year	4,000,000	$ 0.05	16,667	$ 0.48
Granted	2,470,000	0.20	4,000,000	0.05
Expired/cancelled	-	-	(16,667)	0.48
Outstanding, end of year	6,470,000	$ 0.11	4,000,000	$ 0.05

The following table summarizes information about stock options outstanding and exercisable at April 30, 2026:

Exercise price	Outstanding	Expiry date	Exercisable
$0.20	2,470,000	February 4, 2029	2,170,000
$0.05	3,500,000	September 23, 2029	3,500,000
$0.05	500,000	April 17, 2030	500,000
	6,470,000		6,170,000

(d) Share-Based Compensation

During the year ended April 30, 2026, the Company granted 2,470,000 stock options to employees and consultants of the Company. The options are exercisable at $0.20 per option for 3 years. The options were valued using the Black Scholes option pricing model resulting in a fair value of $291,500. 300,000 of the options vest 25% every 3 months beginning May 4, 2026. During the year ended April 30, 2026, the Company recorded $273,522 of stock-based compensation relating to the portion that vested through the year.

During the year ended April 30, 2025, the Company:

i. granted 3,500,000 stock options to employees and consultants of the Company. The options are exercisable at $0.05 per option for 60 months. The options were valued using the Black Scholes option pricing model resulting in share-based compensation of $80,200. The options were fully vested on the grant date.

ii. granted 500,000 stock options to employees and consultants of the Company. The options are exercisable at $0.05 per option for 60 months. The options were valued using the Black Scholes option pricing model at $16,200. $1,202 of share-based compensation was recorded during the year ended April 30, 2025 as the options vest on a quarterly basis following the date of issuance. During the year ended April 30, 2026, the Company recorded $14,998 of share-based compensation on vested portion of the options. At April 30, 2026, 125,000 options remained unvested.

8. EQUITY (continued)

(d) Share-Based Compensation (continued)

The options issued during the years ended April 30, 2026 and 2025 were valued using the Black Scholes option pricing model with the following assumptions:

	Year Ended April 30, 2026	**Year Ended April 30, 2025**
Weighted average grant date fair value	$0.12	$0.03
Weighted average risk-free interest rate	2.49%	2.74%
Expected dividend yield	-	0.0
Weighted average stock price volatility	142.04	165.36%
Weighted average expected life of options	3 years	5 years

(e) Warrants

The continuity of share purchase warrants for the year ended April 30, 2026 is as follows:

Expiry Date	Exercise Price	**Balance, April 30, 2025**	Issued	Exercised	Expired	**Balance, April 30, 2026**
April 27, 2026	$ 0.12	4,905,112	-	(2,287,778)	(2,617,334)	-
April 27, 2026	$ 0.12	137,589	-	(23,333)	(114,256)	-
May 29, 2026*	$ 0.05	8,666,665	-	(6,533,332)	-	2,133,333
May 29, 2026**	$ 0.05	255,000	-	(68,400)	-	186,600
February 25, 2027***	$ 0.06	10,000,000	-	(2,367,500)	-	7,632,500
August 7, 2027****	$ 0.10	-	14,055,067	(923,700)	-	13,131,367
August 7, 2027	$ 0.10	-	343,700	-	-	343,700
December 18, 2027	$ 0.20	-	3,812,586	-	-	3,812,586
December 18, 2027	$ 0.20	-	21,000	-	-	21,000
February 2, 2028	$ 0.20	-	5,457,746	-	-	5,457,746
February 2, 2028	$ 0.20	-	207,828	-	-	207,828
		23,964,366	23,897,927	(12,204,043)	(2,731,590)	32,926,660
Weighted average exercise price		*$ 0.07*	*$ 0.14*	*$ 0.07*	*$ 0.12*	*$ 0.12*

*1,907,667 warrants exercised, and 225,666 expired, subsequently
**186,600 warrants exercised subsequently

8. EQUITY (continued)

(e) Warrants (continued)

The continuity of share purchase warrants for the year ended April 30, 2025 is as follows:

Expiry Date	Exercise Price	**Balance, April 30, 2024**	Issued	Exercised	Expired	**Balance, April 30, 2025**
August 22, 2024	$ 0.30	1,666,667	-	-	(1,666,667)	-
August 22, 2024	$ 0.30	14,992	-	-	(14,992)	-
April 27, 2026	$ 0.12	4,905,112	-	-	-	4,905,112
April 27, 2026	$ 0.12	137,589	-	-	-	137,589
May 29, 2026	$ 0.05	-	8,666,665	-	-	8,666,665
May 29, 2026	$ 0.05	-	255,000	-	-	255,000
February 25, 2027	$ 0.06	-	10,000,000	-	-	10,000,000
		6,724,360	18,921,665	-	(1,681,659)	23,964,366
Weighted average exercise price		*$ 0.17*	*$ 0.06*	-	*$ 0.30*	*$ 0.07*

The compensatory warrants issued during the years ended April 30, 2026 and 2025 were valued using the Black Scholes option pricing model with the following assumptions:

	Year Ended April 30, 2026	**Year Ended April 30, 2025**
Weighted average grant date fair value	$0.10	$0.04
Weighted average risk-free interest rate	2.64%	4.39%
Expected dividend yield	0.00	0.00
Weighted average stock price volatility	149.94%	214.36%
Weighted average expected life of warrants in years	2 years	2 years

9. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. Summarized financial information for the geographic segments the Company operates in are as follows:

	Canada	**Mexico**	**Total**
April 30, 2026			
Mineral properties	$ 601,321	$ 967,773	$ 1,569,094
April 30, 2025			
Mineral properties	$ 601,321	$ 93,884	$ 695,205

10. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel, being officers and directors, were as follows:

For the year ended April 30, 2026	Consulting Fees	Share-Based Payment	Total
Management and Director Compensation**	$ 141,148	$ 106,214	$ 247,362
Cross Davis & Company LLP *	63,000	23,603	86,603
	$ 204,148	$ 129,817	$ 333,965

For the year ended April 30, 2025	Consulting Fees	Share-Based Payment	Total
Management and Director Compensation**	$ 77,000	$ 50,411	$ 127,411
Cross Davis & Company LLP *	63,000	9,166	72,166
	$ 140,000	$ 59,577	$ 199,577

Related party liabilities	April 30, 2026	April 30, 2025
Due to Management***	$ -	$ 262,431

* Cross Davis & Company LLP provides management services including a Chief Financial Officer, accounting staff, and administrative staff. At April 30, 2026, the Company had a prepaid balance of $10,500 (April 30, 2025 – $Nil) to Cross Davis for future services.

** Included in management and director compensation:

i) $115,000 in consulting fees paid or accrued to Robert Archer, CEO and stock-options with a fair value of $35,405 granted for management services rendered.

ii) $12,000 in consulting fees paid or accrued to a corporation owned by Ron Schmitz, Director, for consulting services rendered and stock-options with a fair value of $23,603 granted for director services rendered.

iii) $4,000 in consulting fees paid or accrued to a corporation owned by David Salari, Director, for consulting services rendered and granted stock-options with a fair value of $23,603 granted for director services rendered.

iv) $4,000 in consulting fees paid or accrued to Colin Jones, Director, for consulting services rendered and granted stock-options with a fair value of $23,603 granted for director services rendered.

*** Due to management consists of fees owing to two key management personnel for consulting fees.

During the year ended April 30, 2026, the Company issued 2,376,667 common shares at $0.06 per share at a value of $142,600 to settle accounts payable of $142,600 owing to related parties.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial Risk Management
The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

Foreign currency risk
The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and the United States. The Company funds cash calls to its subsidiary companies outside of Canada in US dollars ("USD") and Mexican pesos ("MXN"). The greatest risk is the exchange rate of the Canadian dollar relative to the US dollar, as a significant change in this rate could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

		April 30, 2026 ("USD")	April 30, 2025 ("USD")	April 30, 2026 ("MXN")	April 30, 2025 ("MXN")
Net exposure in foreign currency	$	(58,466)	$ (212,479)	$ 4,800,481	$ 675,731
Canadian dollar equivalent	$	(79,993)	$ (294,101)	$ 376,310	$ 47,727

Based on the above net exposures as at April 30, 2026, and assuming that all other variables remain constant, a 10% change in the value of the Canadian dollar against the above foreign currencies would result in an increase / decrease of approximately $29,632 (April 30, 2025 - $24,637) to net loss for the year.

Credit Risk
The Company's cash is mainly held through large insured Canadian and United States financial institutions and receivable are mainly comprised of goods and services tax refund from the Canadian and Mexican governments. Accordingly, credit risk is minimized. The long-term receivables consist of value added taxes incurred in Mexico.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital resources.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. There is currently minimal interest rate risk as the Company does not have debt that bears variable interest rate.

As at April 30, 2026 , the Company had cash of $1,352,231 and current liabilities of $246,509 are subject to normal trade terms. The Company has historically relied upon equity and debt financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities.

Commodity price risk
Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of silver and gold to determine the appropriate course of action to manage this risk.

Equity price risk
Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

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 pursue the exploration and evaluation of its mineral properties. The Company relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of equity (deficiency). The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest or penalty. The Company will have to raise additional financing to cover its exploration and administrative costs for the next twelve months. The Company's approach to the management of capital did not change during the year ended April 30, 2026.

12. FINANCIAL INSTRUMENTS

The carrying value of its financial assets and liabilities approximates their fair value as at April 30, 2026 due to their short term maturity except for investments in marketable securities which are carried at fair value and measured at Level 1 inputs of the fair value hierarchy. The Company classifies its financial liabilities, comprised of accounts payable and accrued liabilities, related party payables, and loan payable as financial liabilities at amortized cost.

13. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

For the year ended April 30,	2026	2025
Loss before tax	$ (2,976,297)	$ (833,054)
Expected income tax recovery	$ (804,000)	$ (225,000)
Change in statutory, foreign exchange rate and other	(58,000)	444,000
Permanent difference	53,000	(44,000)
Dissolution of subsidiary	1,037,000	-
Share issue cost	(16,000)	(2,000)
Adjustment to prior years provision versus statutory tax returns	(249,000)	(459,000)
Change in unrecognized deductible temporary differences	37,000	286,000
Total income tax expense (recovery)	$ -	$ -

13. INCOME TAXES (continued)

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2026	2025
Deferred tax assets (liabilities)		
Mineral properties	$ 1,325,000	$ 1,617,000
Equipment	28,000	33,000
Share issue cost	15,000	5,000
Marketable securities	-	81,000
Allowable capital losses	1,569,000	1,604,000
Non-capital losses available for future period	6,971,000	6,531,000
	9,908,000	9,871,000
	(9,908,000)	(9,871,000)
Net deferred tax assets	$ -	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2026	Expiry Date Range	2025	Expiry Date Range
Temporary differences				
Mineral properties	$ 4,909,000	No expiry date	$ 6,068,000	No expiry date
Equipment	105,000	No expiry date	130,000	No expiry date
Share issue cost	56,000	2047 to 2050	18,000	2046 to 2049
Allowable capital losses	-	No expiry date	597,000	No expiry date
Marketable securities	5,810,000	No expiry date	5,941,000	No expiry date
Non-capital losses available for future period	$ 25,625,000	2027 to 2046	$ 26,820,000	2026 to 2045

Tax attributes are subject to review, and potential adjustment, by tax authorities.

14. SUBSEQUENT EVENT

Subsequent to the year ended April 30, 2026, the Company closed a first tranche of the non-brokered private placement for gross proceeds of $652,080. The first tranche consisted of 5,928,000 units with each unit, priced at $0.11, comprising one common share and one-half share purchase warrant. Each whole warrant shall be convertible into an additional share at an exercise price of $0.16 for a period of 24 months from the date of issuance. Finders' fees consisting of $7,524 in cash commission and 68,400 non-transferable finders' warrants were paid. Each finder's warrant entitles the holder to acquire one common share at $0.16 per share over a 24-month period.