



KUYA SILVER CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

(Expressed in US Dollars)

(Unaudited)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

KUYA SILVER CORPORATION**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in US Dollars)

(Unaudited)

As at

	September 30, 2025	December 31, 2024
ASSETS		
Current		
Cash	\$ 6,628,147	\$ 765,565
Trade receivables	276,302	-
Prepays and advances (Note 11)	433,554	60,818
Inventories (Note 4)	178,187	82,850
Other receivables	264,012	376,086
	7,780,202	1,285,319
Facilities and equipment (Note 5)	110,799	97,595
Exploration and evaluation assets (Note 6)	23,071,491	22,341,683
	\$ 30,962,492	\$ 23,724,597
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 7 and 11)	\$ 1,478,449	\$ 1,364,694
Convertible debentures (Note 8)	-	457,827
Flow-through share premium (Note 9)	-	139,943
	1,478,449	1,962,464
Reclamation provision (Note 6)	1,792,456	1,695,352
	3,270,905	3,657,816
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	56,842,016	47,698,391
Reserves (Notes 8, 9, and 10)	1,022,115	(397,841)
Deficit	(30,172,544)	(27,233,769)
	27,691,587	20,066,781
	\$ 30,962,492	\$ 23,724,597

Nature of operations and going concern (Note 1)**Commitments and contingencies (Note 17)****Subsequent events (Notes 9 and 18)**

Approved on behalf of the board by:

/s/ "David Stein"
David Stein, Director

/s/ "Eugene C. McBurney"
Eugene C. McBurney, Director

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

KUYA SILVER CORPORATION**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in US Dollars)

(Unaudited)

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Revenue				
Revenue from sale of concentrate	\$ 771,084	\$ -	\$ 2,160,754	\$ -
Production costs, incl. transportation, refining and other charges	(1,165,790)	-	(1,850,391)	-
	(394,706)	-	310,363	-
Property expenses				
Exploration and evaluation expenditures (Notes 6 and 11)	207,034	1,140,777	1,498,800	2,572,378
	(207,034)	(1,140,777)	(1,498,800)	(2,572,378)
Administrative expenses				
Administrative costs	24,616	27,597	76,523	80,809
Consulting fees (Note 11)	30,201	-	30,201	4,135
Directors' fees (Note 11)	28,959	24,707	76,862	74,373
Filing fees	9,030	7,960	25,223	23,582
Management fees	15,239	15,396	45,039	46,310
Marketing and investor relations	78,282	76,231	163,486	235,171
Office and miscellaneous	82,005	62,330	264,333	164,625
Professional fees (Note 11)	32,162	55,078	208,609	201,733
Salaries and benefits (Note 11)	263,361	152,080	592,681	466,639
Share-based compensation (Notes 9 and 11)	153,021	84,568	352,249	236,245
Shareholder communication	1,354	535	5,454	7,201
Transfer agent	3,231	796	13,974	8,503
Travel	160,218	41,724	183,409	185,204
	(881,679)	(549,002)	(2,038,043)	(1,734,530)
Operating loss	(1,483,419)	(1,689,779)	(3,226,480)	(4,306,908)
Accretion expense (Note 6)	(13,316)	(13,277)	(58,088)	(39,935)
Foreign exchange (loss) gain	(36,554)	1,323	(27,029)	1,748
Interest income	9,391	23,611	13,458	23,611
Recognition of flow-through share premium (Note 8)	-	127,855	142,696	152,556
	(40,479)	139,512	71,037	137,980
Loss for the period	(1,523,898)	(1,550,267)	(3,155,443)	(4,168,928)

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

KUYA SILVER CORPORATION**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (cont'd...)**

(Expressed in US Dollars)

(Unaudited)

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Other comprehensive income (loss)				
Item that may be reclassified subsequently to profit and loss				
Foreign currency translation adjustment	(473,661)	271,262	649,806	(478,263)
Comprehensive loss for the period	\$ (1,997,559)	\$ (1,279,005)	\$ (2,505,637)	\$ (4,647,191)
Loss per common share – basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.04)
Weighted average number of common shares outstanding – basic and diluted	133,614,874	104,521,509	122,067,703	98,933,308

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

KUYA SILVER CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in US Dollars)

(Unaudited)

	Share Capital							
	Number of shares	Amount	Share-based reserves	Foreign currency translation reserves	Deficit	Total		
December 31, 2023	92,922,899	\$ 44,177,779	\$ 1,996,386	\$ (488,580)	\$ (21,210,951)	\$ 24,474,634		
Issuance of units for cash (Note 9)	10,474,991	2,785,306	-	-	-	2,785,306		
Flow-through share premium (Note 9)	-	(455,934)	-	-	-	(455,934)		
Share issue costs (Note 9)	-	(95,745)	-	-	-	(95,745)		
Issuance of common shares for share issue costs (Note 9)	267,907	70,353	-	-	-	70,353		
Issuance of common shares on settlement of restricted share units (Notes 9 and 10)	437,500	130,677	(130,677)	-	-	-		
Issuance of common shares on exercise of warrants (Note 9)	998,432	278,952	(8,547)	-	-	270,405		
Options forfeited or expired (Note 10)	-	-	(22,817)	-	22,817	-		
Warrants expired (Note 9)	-	296,186	(297,757)	-	1,571	-		
Share-based compensation (Note 10)	-	-	236,245	-	-	236,245		
Foreign currency translation	-	-	-	(478,263)	-	(478,263)		
Loss for the period	-	-	-	-	(4,168,928)	(4,168,928)		
September 30, 2024	105,101,729	47,187,574	1,772,833	(966,843)	(25,355,491)	22,638,073		
Issuance of common shares on settlement of restricted share units (Notes 9 and 10)	412,500	82,307	(82,307)	-	-	-		
Issuance of common shares on conversion of convertible debentures (Notes 8 and 9)	2,005,166	331,787	-	-	-	331,787		
Issuance of common shares on exercise of warrants (Note 9)	350,000	96,723	(2,576)	-	-	94,147		
Debt unit warrants (Note 8)	-	-	128,304	-	-	128,304		
Share-based compensation (Note 10)	-	-	63,128	-	-	63,128		
Foreign currency translation	-	-	-	(1,310,380)	-	(1,310,380)		
Loss for the period	-	-	-	-	(1,878,278)	(1,878,278)		
December 31, 2024	107,869,395	\$ 47,698,391	\$ 1,879,382	\$ (2,277,223)	\$ (27,233,769)	\$ 20,066,781		

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

KUYA SILVER CORPORATION**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (cont'd...)**

(Expressed in US Dollars)

(Unaudited)

	Share Capital							
	Number of shares	Amount	Share-based reserves	Foreign currency translation reserves	Deficit	Total		
December 31, 2024	107,869,395	\$ 47,698,391	\$ 1,879,382	\$ (2,277,223)	\$ (27,233,769)	\$ 20,066,781		
Issuance of units for cash (Note 9)	29,740,000	7,688,835	902,914	-	-	8,591,749		
Share issue costs (Note 9)	-	(201,394)	33,475	-	-	(167,919)		
Issuance of common shares on conversion of convertible debentures (Notes 8 and 9)	2,580,966	515,592	-	-	-	515,592		
Issuance of common shares on exercise of options (Note 9)	764,197	421,351	(190,384)	-	-	230,967		
Issuance of common shares on exercise of warrants (Note 9)	2,330,700	644,317	(36,512)	-	-	607,805		
Options forfeited or expired (Note 10)	-	-	(216,668)	-	216,668	-		
Warrants expired (Note 9)	-	74,924	(74,924)	-	-	-		
Share-based compensation (Note 10)	-	-	352,249	-	-	352,249		
Foreign currency translation	-	-	-	649,806	-	649,806		
Loss for the period	-	-	-	-	(3,155,443)	(3,155,443)		
September 30, 2025	143,285,258	\$ 56,842,016	\$ 2,649,532	\$ (1,627,417)	\$ (30,172,544)	\$ 27,691,587		

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

KUYA SILVER CORPORATION**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in US Dollars)

(Unaudited)

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Loss for the period	\$ (3,155,443)	\$ (4,168,928)
Adjust for items not involving cash:		
Depreciation	22,646	1,020
Accretion expense	58,088	39,935
Share-based compensation	352,249	236,245
Recognition of flow-through share premium	(142,696)	(152,556)
Interest expense	21,776	-
Unrealized foreign exchange gain	25,172	(77,129)
Change in non-cash working capital items:		
Trade receivables	(274,894)	-
Other receivables	128,318	10,745
Prepays and advances	(368,860)	(55,176)
Inventories	(92,159)	-
Accounts payable and accrued liabilities	68,823	592,800
Net cash used in operating activities	(3,356,980)	(3,573,044)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Additions to facilities and equipment	(32,610)	(96,637)
Net cash used in investing activity	(32,610)	(96,637)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of share capital	9,430,521	3,055,711
Share issue costs	(167,919)	(65,462)
Net cash provided by financing activities	9,262,602	2,990,249
Change in cash	5,873,012	(679,432)
Effect of foreign exchange on cash	(10,430)	(31)
Cash, beginning of period	765,565	2,650,187
Cash, end of period	\$ 6,628,147	\$ 1,970,724

Supplemental cash flow information (Note 12)

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

KUYA SILVER CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in US Dollars)

(Unaudited)

SEPTEMBER 30, 2025

1. NATURE OF OPERATIONS AND GOING CONCERN

Kuya Silver Corporation (the “Company”) is a mineral exploration and development company with a focus on acquiring, exploring and advancing precious metal assets in Peru and Canada, the Company also holds 5% interest in Umm Hadid Project in Saudi Arabia, with the option to acquire an additional 40% until April 2027 (Note 6).

During the year ended December 31, 2024 and the nine months ended September 30, 2025, the Company executed on its strategic plans to rehabilitate the Bethania Silver Project in Peru with the objective of moving the mine towards development. However, as at September 30, 2025, the Company does not yet consider the project to be in the development phase, as contemplated under IFRS Accounting Standards (“IFRS”).

The Company was incorporated on July 15, 2015 under the Business Corporations Act (British Columbia). The Company’s head office and principal address is located at 150 King Street West, Suite 200, Toronto, ON, M5J 1J9. The Company’s registered and records office is located at 2054 Dowad Drive, Squamish, BC, V8B 0Y8. The Company’s shares are listed on the Canadian Securities Exchange (“CSE”) under the symbol KUYA.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company’s continuation as a going concern is dependent upon its ability to complete financings sufficient to meet current and future obligations, the successful results from its business activities, and its ability to operate profitably and generate funds. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company raised capital in previous, current, and subsequent (Note 18) reporting periods, through private placements of its common shares and exercise of options and warrants. These factors indicate the existence of material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION**Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) applicable to interim financial reports, including International Accounting Standard 34, Interim Financial Reporting. They do not include all the information and note disclosures required by IFRS for annual financial statements and, therefore, should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2024, prepared in accordance with IFRS.

KUYA SILVER CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in US Dollars)

(Unaudited)

SEPTEMBER 30, 2025

2. BASIS OF PRESENTATION (cont'd...)**Approval of the consolidated financial statements**

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors ("Board") of the Company on November 20, 2025.

Significant estimates and judgments

The preparation of these condensed interim consolidated financial statements requires the Company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. There have been no material changes to the significant estimates and judgments as disclosed in Note 2 of the Company's consolidated financial statements for the year ended December 31, 2024.

3. MATERIAL ACCOUNTING POLICY INFORMATION

These condensed interim consolidated financial statements were prepared using the same accounting policies and methods of computation as in the Company's consolidated financial statements for the year ended December 31, 2024 except as noted below.

New standards, interpretations and amendments to existing standards not yet effective

A number of new standards and amendments to standards and interpretations have been issued by the IASB and are effective for annual periods beginning on or after January 1, 2025 which have not been applied in preparing these condensed interim consolidated financial statements as they are not yet effective. The standards and amendments to standards that would be applicable to the consolidated financial statements of the Company are the following:

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 - Presentation of Financial Statements; many of the existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. The Company is currently assessing the impact of this new accounting standard on its financial statements.

KUYA SILVER CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in US Dollars)

(Unaudited)

SEPTEMBER 30, 2025

4. Inventory

	September 30, 2025		December 31, 2024	
Supplies	\$	64,754	\$	82,850
Stockpile inventory in process		113,433		-
	\$	178,187	\$	82,850

5. FACILITIES AND EQUIPMENT

		Construction in progress	Facilities and leasehold improvements		Field equipment	Total
COST						
December 31, 2023	\$	-	\$ 240,501	\$	11,339	\$ 251,840
Additions		97,170	-		-	97,170
Transfer		(97,170)	97,170		-	-
Adjustment on currency translation		-	(23,373)		(887)	(24,260)
December 31, 2024		-	314,298		10,452	324,750
Additions		-	32,610		-	32,610
Adjustment on currency translation		-	10,434		341	10,775
September 30, 2025	\$	-	\$ 357,342	\$	10,793	\$ 368,135
ACCUMULATED DEPRECIATION						
December 31, 2023	\$	-	\$ 240,501	\$	4,541	\$ 245,042
Depreciation		-	-		1,351	1,351
Adjustment on currency translation		-	(18,820)		(418)	(19,238)
December 31, 2024		-	221,681		5,474	227,155
Depreciation		-	21,654		992	22,646
Adjustment on currency translation		-	7,351		184	7,535
September 30, 2025	\$	-	\$ 250,686	\$	6,650	\$ 257,336
NET BOOK VALUE						
December 31, 2024	\$	-	\$ 92,617	\$	4,978	\$ 97,595
September 30, 2025	\$	-	\$ 106,656	\$	4,143	\$ 110,799

KUYA SILVER CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in US Dollars)

(Unaudited)

SEPTEMBER 30, 2025

6. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets include assets in Peru and in Canada.

Project	Bethania Silver Project	Silver Kings Project	Total
December 31, 2023	\$ 17,496,925	\$ 6,774,565	\$ 24,271,490
Reclamation provision adjustment	-	(30,486)	(30,486)
Adjustment on currency translation	(1,369,190)	(530,131)	(1,899,321)
December 31, 2024	16,127,735	6,213,948	22,341,683
Adjustment on currency translation	526,824	202,984	729,808
September 30, 2025	\$ 16,654,559	\$ 6,416,932	\$ 23,071,491

Bethania Silver Project, Peru

The Company's Bethania Silver Project, located in Central Peru, in the northwestern part of the Huancavelica Department, consists of fourteen contiguous mining concessions including the Bethania mine (Santa Elena concession), Carmelitas, and Tres Banderas concessions, covering approximately 4,500 hectares, as well as the Bethania Plant surface concession.

As at September 30, 2025, the Company has recorded a reclamation provision in the amount of \$53,779 (December 31, 2024 - \$49,568) as an estimate for potential future reclamation and rehabilitation obligations at Bethania, based on activities to date. The estimated costs to be incurred have been adjusted for inflation of 2% (December 31, 2024 - 2%) and then discounted using current market-based pre-tax discount rate of 5% (December 31, 2024 - 5%).

Silver Kings Project, Canada

The Company's Silver Kings Project consists of three properties Silver King properties, Kerr Assets and Sunrise claims, which are located in the Cobalt district of northeastern Ontario, Canada. Certain claims associated with Silver Kings project are subject to a 2% royalty on net smelter returns.

As at September 30, 2025, the Company has recorded a reclamation provision in the amount of \$1,738,677 (December 31, 2024 - \$1,645,784) as an estimate for potential future reclamation and rehabilitation obligations on the Kerr Assets, based on the historical activities on the project to date. The estimated costs to be incurred have been adjusted for inflation of 2% (December 31, 2024 - 2%) and then discounted using current market-based pre-tax discount rate of 3.07% (December 31, 2024 - 3.07%). During the nine months ended September 30, 2025, the Company recorded a change in estimate related to the reclamation provision of \$nil (year ended December 31, 2024 - \$30,486), which was recorded as a decrease to exploration and evaluation assets. During the nine months ended September 30, 2025, the Company recorded accretion related to the reclamation provision of \$38,933 (2024 - \$39,935), which was recorded as an increase to the reclamation provision on the statement of financial position, with an offsetting amount to accretion expense in profit and loss.

KUYA SILVER CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in US Dollars)

(Unaudited)

SEPTEMBER 30, 2025

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**Silver Kings Project, Canada (cont'd...)**

During the nine months ended September 30, 2025, the company recorded sales of concentrate from its Silver Kings project (Note 13), based on the expected quantity of metal at certain tonnes and grade, assays available and considering provisional sales prices, at the time of delivery to the customer as that is when performance obligations are satisfied and control of the product is transferred to the customer. Until final settlement occurs, adjustments to the provisional sales prices are made to take into account the mark-to-market changes based on the forward prices of metals for the estimated month of settlement. Changes to the selling price and/or agreed-upon metal can result in changes to the amount recorded as revenue.

Transportation, treatment, refining and other charges are recognized upon delivery of concentrate based on contractual terms.

Umm Hadid Project, Saudi Arabia

During the nine months ended September 30, 2025, the Company signed a joint venture agreement with Sumou Holding Company, the majority shareholder of Silver for Mining LLC ("Silver LLC"), which holds an exploration license in the Kingdom of Saudi Arabia. The joint venture agreement gives the Company a 5% non-dilutable (or carried) interest over the initial five-year work program and a strategic back-in right to acquire an additional 40% participating interest in Silver LLC, up until April 2027, by reimbursing 40% of the expenditures incurred up to that point in time, to hold a total 45% interest in Silver LLC.

Exploration and evaluation expenditures

Exploration and evaluation expenditures for the nine months ended September 30, 2025 are as follows:

Project	Bethania Silver Project	Silver Kings Project	Umm Hadid Project	Total
Civil works and engineering	\$ 1,857	\$ 65,167	\$ -	\$ 67,024
Geology and drilling	20,520	351,074	-	371,594
Operations and supplies	234,175	84,994	-	319,169
Property maintenance, licences and rights	-	17,178	-	17,178
Safety and environment	37,702	10,095	-	47,797
Salaries and benefits	418,998	257,040	-	676,038
Total	\$ 713,252	\$ 785,548	\$ -	\$ 1,498,800

KUYA SILVER CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in US Dollars)

(Unaudited)

SEPTEMBER 30, 2025

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)Exploration and evaluation expenditures (cont'd...)

Exploration and evaluation expenditures for the nine months ended September 30, 2024 are as follows:

Project	Bethania Silver Project	Silver Kings Project	Total
Civil works and engineering	\$ 55,431	\$ 93,532	\$ 148,963
Geology and drilling	-	378,356	378,356
Mine rehabilitation	1,129,707	-	1,129,707
Operations and supplies	100,284	96,391	196,675
Property maintenance, licences and rights	14,024	12,254	26,278
Safety and environment	3,789	18,377	22,166
Value-added tax	166,849	-	166,849
Wages and benefits	254,193	249,191	503,384
Total	\$ 1,724,277	\$ 848,101	\$ 2,572,378

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2025	December 31, 2024
Accounts payable and other	\$ 1,445,101	\$ 1,302,417
Accrued liabilities	33,348	62,277
	\$ 1,478,449	\$ 1,364,694

KUYA SILVER CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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(Unaudited)

SEPTEMBER 30, 2025

8. CONVERTIBLE DEBENTURES

	Liability component	Equity warrants	Total
December 31, 2023	\$ -	\$ -	\$ -
Additions	1,006,273	150,841	1,157,114
Issue costs	(151,332)	(22,537)	(173,869)
Payments	(115,711)	-	(115,711)
Accretion	55,884	-	55,884
Interest	15,963	-	15,963
Conversion of principal and interest	(331,787)	-	(331,787)
Adjustment on currency translation	(21,463)	-	(21,463)
December 31, 2024	457,827	128,304	586,131
Accretion	19,155	-	19,155
Interest	21,776	-	21,776
Conversion of principal and interest	(515,592)	-	(515,592)
Adjustment on currency translation	16,834	-	16,834
September 30, 2025	\$ -	\$ 128,304	\$ 128,304

During 2024, the Company completed a two-tranche convertible debenture facility:

- a) First Tranche (October 9, 2024) - The Company issued a unit, which is comprised of a secured convertible debenture of the Company with a face value of CAD \$1,111,111 and 959,609 common share purchase warrants. Each warrant entitles the holder to acquire one common share of the Company at a price of CAD \$0.435 per common share until April 9, 2027. The Company paid fees and closing costs of CAD \$181,268 (\$132,409). The convertible debenture had a maturity date of January 9, 2026, and bore interest rate of 8%. This convertible debenture was fully repaid on June 17, 2025, prior to its maturity.
- b) Second Tranche (December 5, 2024) - The Company exercised its options to issue an additional unit which is comprised of a secured convertible debenture of the Company with a face value of CAD \$485,000 and 560,595 common share purchase warrants. Each warrant entitles the holder to acquire one common share of the Company at a price of CAD \$0.37 per common share until June 5, 2027. The convertible debenture had a maturity date of March 5, 2026, and bore interest at a rate of 8%. This convertible debenture was fully repaid on September 22, 2025, prior to its maturity.

The convertible debentures were secured against the shares of Kuya Silver Inc., the subsidiary that holds the Company's interests in Peru.

The convertible debentures issued in both tranches were valued initially by measuring the fair value of the liability component using a 15% discount rate. The warrants value was calculated using the Black-Scholes option pricing model assuming a life expectancy of 2.5 years, and nil dividend and forfeiture rates. For the first tranche, a risk-free interest rate of 3.22% and 89% volatility were used and for the second tranche, a risk-free interest rate of 3.02% and 88% volatility were applied.

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8. CONVERTIBLE DEBENTURES (cont'd...)

During the nine months ended September 30, 2025, the Company issued 2,580,966 common shares (2024 - nil), valued at \$515,592, for the conversion of CAD \$684,751 of convertible debenture principal (2024 - CAD \$nil) and CAD \$30,460 (2024 - CAD \$nil) of interest. Total interest expense, included in office and miscellaneous expense, on the convertible debentures for the nine months ended September 30, 2025 was \$21,776 (2024 - \$nil).

9. SHARE CAPITAL**Authorized share capital**

The Company's authorized capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. As at September 30, 2025, the Company had not issued any preferred shares.

Issued share capital

During the year ended December 31, 2024, the Company issued:

- a) 5,266,324 units at a price of CAD \$0.25 per unit by way of a non-brokered private placement, for total proceeds of \$961,570 (CAD \$1,316,581). Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of CAD \$0.37 per common share for a period of two years from the date of issue. The 5,266,324 warrants were valued at \$nil, calculated using the residual value method;
- b) 5,208,667 units at a price of CAD \$0.48 per unit by way of a non-brokered private placement for total proceeds of \$1,823,736 (CAD \$2,500,160). Each unit consisted of one flow-through common share and one-half of one non-flow-through common share purchase warrant. Each whole warrant entitles the holder to acquire one non-flow-through common share at a price of CAD \$0.64 per common share for a period of two years from the date of issue. The flow-through shares were issued at a premium of \$455,934. The 2,604,333 warrants were valued at \$nil, using the residual value method. The Company paid a total of \$25,392 for finders' fees and issued 267,907 non-flow-through common shares to a finder in connection with this private placement. The finder's common shares were valued at \$70,353;
- c) 1,348,432 common shares, for proceeds of \$364,552 (CAD \$496,708), on the exercise of warrants;
- d) 850,000 common shares, valued at \$212,984 (CAD \$292,250), for settlement of vested restricted share units ("RSUs") (Note 10); and
- e) 2,005,166 common shares, valued at \$331,787 (CAD \$460,372), for settlement of converted convertible debentures and interest (Note 8).

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9. SHARE CAPITAL (cont'd...)**Issued share capital (cont'd...)**

During the nine months ended September 30, 2025, the Company issued:

- a) 11,600,000 common shares at a price of CAD \$0.25 per common share by way of a non-brokered private placement, for total proceeds of \$2,025,714 (CAD \$2,900,000). The Company paid a total of \$77,476 for finders' fees in connection with this private placement;
- b) 18,140,000 units at a price of CAD \$0.50 per common share by way of a non-brokered private placement, for total proceeds of \$6,566,035 (CAD \$9,070,000). Each unit consisted of one common share and one common share purchase warrant, where a full warrant is exercisable to acquire one common share at CAD\$0.65 per common share for a period of 36 months from the date of issuance. The 18,140,000 warrants were valued at \$902,914, using the residual value method. The Company paid a total of \$90,443 for finders' fees and issued 218,000 finders' warrants in connection with this private placement. Each finder's warrant entitles the holder to acquire one common share at a price of CAD \$0.50 per common share for a period of 36 months from the date of issue. The finders' warrants were valued at \$33,475, calculated using the Black-Scholes option pricing model assuming a life expectancy of three years, a risk-free interest rate of 2.69%, a dividend rate of nil%, a forfeiture rate of nil% and volatility of 82%;
- c) 2,580,966 common shares, valued at \$515,592 (CAD \$715,211), for settlement of converted convertible debentures and interest (Note 8);
- d) 764,197 common shares, for proceeds of \$230,967 (CAD \$330,709), on the exercise of options; and
- e) 2,330,700 common shares, for proceeds of \$607,805 (CAD \$838,755), on the exercise of warrants.

Flow-through share premium

The flow-through share premium consists of the excess of the subscription price of the flow-through shares over the fair value of the shares without the flow-through feature at the time of issuance, which is recognized in profit or loss, on a pro-rata basis, as the flow-through share funds are spent on qualifying exploration expenditures.

	Total
Balance as at December 31, 2023	\$ 48,492
Flow-through share premium additions	455,934
Recognition of flow-through share premium	(356,373)
Adjustment on currency translation	(8,110)
Balance as at December 31, 2024	139,943
Recognition of flow-through share premium	(142,696)
Adjustment on currency translation	2,753
Balance as at September 30, 2025	\$ -

As at September 30, 2025, the flow-through share premium balance relates to the CAD \$nil (\$nil) of remaining flow-through funds to be incurred.

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9. SHARE CAPITAL (cont'd...)**Share purchase warrants**

During the nine months ended September 30, 2025, 2,330,700 (2024 - 998,432) share purchase warrants were exercised; accordingly, the \$36,512 (2024 - \$8,547) fair value associated with the warrants exercised was reclassified from reserves to share capital.

During the nine months ended September 30, 2025, 6,513,160 (2024 - 837,446) share purchase warrants expired unexercised; accordingly, the \$74,924 (2024 - \$297,757) fair value associated with the warrants was reclassified as follows: \$74,924 (2024 - \$296,186) was reclassified from reserves to share capital for warrants associated with a private placement; and \$nil (2024 - \$1,571) was reclassified from reserves to deficit for warrants associated with settlement of debt.

The continuity of share purchase warrants of the Company was as follows:

	Number of warrants	Weighted average exercise price (in CAD)
Balance as at December 31, 2023	34,055,679	\$ 0.51
Issued	9,390,861	0.45
Exercised	(1,348,432)	0.37
Expired	(837,446)	0.82
Balance as at December 31, 2024	41,260,662	0.49
Issued	18,358,000	0.65
Exercised	(2,330,700)	0.36
Expired	(6,513,160)	0.52
Balance as at September 30, 2025	50,774,802	\$ 0.55

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9. SHARE CAPITAL (cont'd...)**Share purchase warrants(cont'd...)**

As at September 30, 2025, the Company had outstanding share purchase warrants enabling the holder to acquire common shares as follows:

Number of share purchase warrants	Exercise price (in CAD)	Weighted average remaining life (years)	Expiry date
1,248,716	\$ 0.37	0.19	December 7, 2025
7,667,000	\$ 0.37	0.19	December 8, 2025
131,808	\$ 0.25	0.19	December 8, 2025
529,070	\$ 0.70	0.19	December 9, 2025
2,910,000	\$ 0.37	0.22	December 20, 2025
2,697,347	\$ 0.70	0.22	December 21, 2025
804,000	\$ 0.37	0.24	December 28, 2025
5,266,324	\$ 0.37	0.53	April 11, 2026
2,604,333	\$ 0.64	0.72	June 19, 2026
959,609	\$ 0.44	1.52	April 9, 2027
560,595	\$ 0.37	1.68	June 5, 2027
7,038,000	\$ 0.70	1.86	August 9, 2027
15,860,000	\$ 0.65	2.87	August 14, 2028
126,800	\$ 0.50	2.87	August 14, 2028
2,280,000	\$ 0.65	2.89	August 20, 2028
91,200	\$ 0.50	2.89	August 20, 2028
50,774,802			

10. SHARE-BASED COMPENSATION

The Company's equity incentive plan (the "Plan") provides for the grant of awards ("Awards") that enable the acquisition of common shares of the Company. Awards include stock options, restricted share units ("RSUs"), and performance share units ("PSUs"). The maximum number of common shares that may be issued pursuant to Awards under this Plan shall be determined from time to time but shall not together with any other share compensation arrangement adopted by the Company in the aggregate exceed 10% of the outstanding common shares of the Company.

10. SHARE-BASED COMPENSATION (cont'd...)**Stock options**

The Company has a shareholder-approved rolling stock option plan under which the Committee appointed by the Board to administer the Plan may, from time to time in its discretion, grant options to acquire common shares of the Company to its directors, officers, employees, consultants and advisors with an expiry date of a maximum of five years from the date of grant. The exercise price of each option is determined by the Committee but shall not be less than the greater of the fair market value on the trading day prior to the date of grant and the date of grant. At the time of grant, the Committee may determine when an option will become exercisable, subject to the rules of the CSE. The vesting schedule of the options is determined at the discretion of the Committee, but generally vest equally over a two-year period, starting on the date of grant and the first and second anniversaries of date of grant, provided that the participant's termination date does not occur prior to the applicable vesting date.

During the nine months ended September 30, 2025, the Company granted 2,010,000 (2024 - 1,152,500) stock options with a fair value of \$339,152 (2024 - \$160,450) using the Black-Scholes option pricing model assuming a life expectancy of 5 years (2024 - 5 years), a risk-free interest rate of 2.73% (2024 - 3.35%), a forfeiture rate of nil (2024 - nil), and volatility of 85% (2024 - 89%).

During the nine months ended September 30, 2025, the Company expensed \$266,854 (2024 - \$131,762) for the fair value of options, which was recorded in share-based compensation.

During the nine months ended September 30, 2025, 764,197 (2024 - nil) incentive stock options were exercised; accordingly, the \$190,384 (2024 - \$nil) fair value associated with the options exercised was reclassified from reserves to share capital.

During the nine months ended September 30, 2025, nil (2024 - 62,500) incentive stock options were forfeited or expired; accordingly, the \$nil (2024 - \$22,817) fair value associated with the options was reclassified from reserves to deficit.

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10. SHARE-BASED COMPENSATION (cont'd...)**Stock options (cont'd...)**

The continuity of option transactions of the Company was as follows:

	Number of options		Weighted average exercise price (in CAD)
Balance as at December 31, 2023	2,609,800	\$	0.88
Granted	1,152,500		0.29
Forfeited / expired	(62,500)		4.15
Balance as at December 31, 2024	3,699,800		0.64
Granted	2,010,000		0.35
Exercised	(764,197)		0.44
Forfeited / expired	(693,302)		0.67
Balance as at September 30, 2025	4,252,301	\$	0.43
Exercisable as at September 30, 2025	2,866,468	\$	0.63

As at September 30, 2025, the Company had outstanding options enabling the holder to acquire common shares as follows:

Number of options	Number of exercisable options	Exercise price (in CAD)	Weighted average remaining life (years)	Expiry date
529,800	529,800	\$ 0.90	-	October 1, 2025 ⁽¹⁾
45,000	45,000	\$ 1.55	0.73	June 24, 2026
120,000	120,000	\$ 1.90	0.73	June 24, 2026
422,500	422,500	\$ 0.94	1.34	January 31, 2027
130,000	130,000	\$ 0.57	1.89	August 19, 2027
350,000	350,000	\$ 0.34	2.32	January 25, 2028
130,000	130,000	\$ 0.48	2.84	July 31, 2028
641,667	395,834	\$ 0.25	3.35	February 2, 2029
180,000	120,000	\$ 0.38	4.92	August 30, 2029
1,028,334	265,001	\$ 0.31	4.37	February 10, 2030
675,000	358,333	\$ 0.41	4.77	July 7, 2030
4,252,301	2,866,468			

⁽¹⁾ These options expired unexercised after the period end.

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10. SHARE-BASED COMPENSATION (cont'd...)**RSU and PSU**

During the nine months ended September 30, 2025, the Company granted 500,000 (2024 - 812,500) RSUs with a fair value of \$109,963 (2024 - \$138,549), which vest in two equal tranches, over a two-year period.

During the nine months ended September 30, 2025, the Company expensed \$85,395 (2024 - \$104,483) for the fair value of RSUs, which was recorded in share-based compensation.

The continuity of RSUs transactions of the Company was as follows:

	Number of RSUs
Balance as at December 31, 2023	762,500
Granted	812,500
Settled	(850,000)
Balance as at December 31, 2024	725,000
Granted	500,000
Balance as at September 30, 2025	1,225,000
Vested but not yet settled as at September 30, 2025	318,750

As at September 30, 2025, the Company had not granted any PSUs.

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11. RELATED PARTY TRANSACTIONS

The Company considers key management personnel to consist of its directors and officers. The following expenses were incurred in transactions with key management personnel and their immediate family members:

		Nine months ended September 30, 2025		Nine months ended September 30, 2024
Directors' fees	\$	80,426	\$	71,670
Professional fees		60,927		52,251
Salaries and benefits		376,470		318,558
Share-based compensation		274,390		182,391
	\$	792,213	\$	624,870

During the nine months ended September 30, 2025, administrative expenditures of \$3,674 (2024 - \$3,674) were paid or accrued to a related entity, which provides engineering and subcontractor services for the Bethania Silver Project. As at September 30, 2025, included in accounts payable and accrued liabilities was \$nil (December 31, 2024 - \$7,562) owing to this entity.

In August 2025 the Company entered into a three-year engagement agreement with ECM Capital Advisors Inc. ("ECM") of which Mr. Eugene C. McBurney, a director of the Company, is the Managing Partner. Under the agreement ECM will support the Company with financing and market advisory services. Pursuant the contract a total of \$251,496 (CAD \$350,000) has been paid in full and will be amortized over the term of the agreement.

As at September 30, 2025, included in accounts payable and accrued liabilities was \$58,962 (December 31, 2024 - \$133,858) owing to officers and directors.

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12. SUPPLEMENTAL CASH FLOW INFORMATION

The significant non-cash financing and investing activities are as follows:

		Nine months ended September 30, 2025	Nine months ended September 30, 2024
Shares issued on conversion of convertible debentures	\$	515,592	\$ -
Residual value of warrants issued in private placement	\$	902,914	\$ -
Finders' warrants issued for share issue costs	\$	33,475	\$ -
Shares issued for share issue costs	\$	-	\$ 70,353
Flow-through share premium	\$	-	\$ 455,934
Shares issued for settlement of RSUs	\$	-	\$ 130,677
Reclassification of reserves to share capital on exercise of options	\$	190,384	\$ -
Reclassification of reserves to share capital on exercise of warrants	\$	36,512	\$ 8,547
Reclassification of reserves to deficit on expiry of options	\$	216,668	\$ 22,817
Reclassification of reserves to share capital on expiry of warrants	\$	74,924	\$ 296,186
Reclassification of reserves to deficit on expiry of warrants	\$	-	\$ 1,571

13. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment being the acquisition and exploration of exploration and evaluation assets located in Canada and Peru. The below information is presented after intercompany eliminations; the net impact of foreign exchange is presented in Canada. Geographic information is as follows:

	Canada	Peru	Total
As at September 30, 2025			
Exploration and evaluation assets	\$ 6,416,932	\$ 16,654,559	\$ 23,071,491
Other assets	6,968,664	922,337	7,891,001
Total assets	\$ 13,385,596	\$ 17,576,896	\$ 30,962,492
For the three months ended September 30, 2025			
Revenue from sale of concentrate	\$ -	\$ 771,084	\$ 771,084
Loss for the period	\$ (777,647)	\$ (746,251)	\$ (1,523,898)
For the nine months ended September 30, 2025			
Revenue from sale of concentrate	\$ 1,151,321	\$ 1,009,433	\$ 2,160,754
Loss for the period	\$ (1,402,266)	\$ (1,753,177)	\$ (3,155,443)

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13. SEGMENTED INFORMATION (cont'd...)

	Canada		Peru		Total
As at December 31, 2024					
Exploration and evaluation assets	\$	6,213,948	\$	16,127,735	\$ 22,341,683
Other assets		929,941		452,973	1,382,914
Total assets	\$	7,143,889	\$	16,580,708	\$ 23,724,597
For the three months ended September 30, 2024					
Revenue	\$	-	\$	-	\$ -
Loss for the period	\$	(866,287)	\$	(683,980)	\$ (1,550,267)
For the nine months ended September 30, 2024					
Revenue	\$	-	\$	-	\$ -
Loss for the period	\$	(2,028,022)	\$	(2,140,906)	\$ (4,168,928)

14. FINANCIAL INSTRUMENT RISKS

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As at September 30, 2025, the Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to its liquid financial assets, being cash and receivables. The Company's primary bank accounts are held with a major Canadian bank and funds are transferred to a subsidiary's foreign bank accounts as required to cover current expenditures, minimizing the risk to the Company. Other receivables are primarily due from a government.

Credit risk associated with trade receivables arises from the Company's delivery of its production to an international customer from whom it receives 95% of the sales proceeds shortly upon delivery of its production to an agreed upon transfer point in Peru and the balance within a short settlement period thereafter.

The Company recorded a trade receivable of \$74,704 from an international customer related to historical silver concentrate at the Silver Kings Project. As per the agreement, the Company will receive 90% of the sales proceeds shortly after delivering the concentrate to an agreed upon transfer point in Canada, with the remaining balance to be received once final assay results are available.

14. FINANCIAL INSTRUMENT RISKS (cont'd...)

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's approach to managing liquidity is through regular monitoring of cash requirements. When necessary, the Company obtains financing from various investors to ensure all future obligations are fulfilled. Additional funds are required to continue current operations for the upcoming twelve months (Note 1).

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of market price changes:

Foreign currency exchange risk

This risk relates to any changes in foreign currencies in which the Company transacts. The Company incurs costs for goods and services denominated in currencies other than the presentation currency and is subject to foreign currency risk on assets and liabilities denominated in currencies other than the United States dollar. The effect of a 10% change in the foreign exchange rate on monetary balances held in United States dollar and Peruvian soles accounts would be approximately \$3,000 recorded in profit or loss for the nine months ended September 30, 2025. The effect of a 10% change in the foreign exchange rate on monetary balances held in CAD \$ and Peruvian soles accounts would be approximately \$575,000 recorded in other comprehensive income or loss for the nine months ended September 30, 2025.

Interest rate risk

This risk relates to the change in the borrowing rates affecting the Company. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 1% increase or decrease in the interest rates would be approximately \$58,000 recorded in interest income for the nine months ended September 30, 2025.

Price risk

This risk relates to fluctuations in commodity and equity prices. The Company is exposed to price risk related to the provisional pricing on its revenue earned from sales of concentrate. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

The Company does not currently use financial instruments designed to hedge these market risks.

15. FAIR VALUE HIERARCHY

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 marketplace.

Level 3

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

The Company's financial instruments consist of cash, trade receivables, other receivables, and accounts payable and accrued liabilities, and convertible debentures. The fair value of cash, trade receivables, other receivables, and accounts payable and accrued liabilities approximates their carrying values due to the short-term nature of these financial instruments.

16. CAPITAL MANAGEMENT

The Company defines capital as cash, debt, and the components of shareholders' equity. The Company's objectives when managing capital are to identify, pursue, and complete the exploration and development of its exploration and evaluation assets, to maintain financial strength, to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness, and to maximize returns for shareholders over the long term. The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financing, including equity and debt, are analyzed by management and approved by the Board of Directors. The Company does not have any externally imposed capital requirements. There has been no significant change in the Company's objectives, policies, and processes for managing its capital during the nine months ended September 30, 2025.

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17. COMMITMENTS AND CONTINGENCIES**Contingencies**

The Company may be involved in legal proceedings arising in the ordinary course of business, including the actions described below. The potential amount of the liability with respect to such legal proceedings is not expected to materially affect the Company's financial position and results from operations. The Company has accordingly not accrued any amounts related to the litigations below (unless otherwise noted). The Company intends to vigorously defend these claims.

As at September 30, 2025, the Company has the following contingencies:

Minera Plata del Toro S.A.C. ("MTP") withheld an accrued payment of \$140,000 due to Compañía Minera San Valentín S.A.C. ("San Valentín") and an arbitration was initiated by San Valentín against the Company before an arbitration panel. The Company was ordered to pay \$93,597 plus penalties, interest and legal fees to the courts per a judicial order in settlement for the \$140,000. In November 2021, the Company paid \$93,597 to the courts towards the settlement. San Valentín has not yet agreed to the settlement and has not collected the funds from the courts. There is currently \$46,403 included in accounts payable and accrued liabilities as at September 30, 2025 with respect to San Valentín for penalties, interest and legal fees. In November 2024, San Valentín filed a submission with the courts, claiming approximately \$280,000 plus interest and legal costs from the Company, in connection with the original arbitration order. Additionally, in September 2025, San Valentín sought a lien against the Santa Elena concession in an amount equal to the claim. The court granted this relief on November 8, 2025.

In fiscal 2023, MTP received a first-instance court judgement ordering MTP to pay \$170,876 plus interest to Andes Consorcio Minera Del Peru S.A.C. ("ACOMIMPE"). ACOMIMPE had originally claimed \$1,167,835 relating to work performed prior to the Company's purchase of MTP in 2020. The Company has filed an appeal and is seeking to have this claim be declared unfounded. ACOMIMPE has also filed an appeal of this judgement which, combined with the Company's appeal, may result in a greater or lesser amount to be awarded. The outcome of this matter is not determinable at this time.

18. SUBSEQUENT EVENTS

Subsequent to September 30, 2025, the Company:

- a) issued 3,502,528 common shares, for proceeds of \$924,981 (CAD \$1,295,411), on the exercise of warrants;