

SUN VALLEY MINERALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(EXPRESSED IN CANADIAN DOLLARS)

(AUDITED)

DeVISSER GRAY LLP
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INDEPENDENT AUDITOR'S REPORT

To the Directors of Sun Valley Minerals Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sun Valley Minerals Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024 and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards ("IFRS").

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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has incurred losses since its inception and that its ability to remain a going is dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 period. 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 that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
Refer to note 2 – Significant judgments, note 2 – Material accounting policy information – Exploration and evaluation expenditures, and note 3 – Exploration and evaluation assets	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:

Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (ii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.	• Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the properties had not expired. • Obtained management's written representations regarding the Company's future plans for the mineral properties. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

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. 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, 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 units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 period 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 James Roxburgh.



Chartered Professional Accountants

Vancouver, BC, Canada
October 14, 2026

SUN VALLEY MINERALS INC
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	December 31, 2025	December 31, 2024
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents		**9,262,888**	2,055,856
Receivables and prepayments	4	**517,525**	57,833
Total Current Assets		**9,780,413**	2,113,689
Non-Current Assets			
Equipment	6	**211,591**	37,677
Exploration and evaluation assets	3	**222,734**	66,445
Total Non-Current Assets		**434,325**	104,122
Total Assets		**10,214,738**	2,217,811
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities	5	**242,747**	52,617
Total Liabilities		**242,747**	52,617
Shareholders' Equity			
Share capital	7	**14,416,557**	3,426,524
Reserves	7	**203,615**	95,585
Accumulated deficit		**(4,648,181)**	(1,356,915)
Total Shareholders' Equity		**9,971,991**	2,165,194
Total Liabilities and Shareholders' Equity		**10,214,738**	2,217,811

Nature and continuance of operations (Note 1)
Subsequent events (Note 15)

Approved on October 14, 2026 on behalf of the Board

Director _____***"Christo Stemmet"***_____ **Director** _____***"Samuel Pelaez"***_____

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

SUN VALLEY MINERALS INC
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Notes	For the years ended December 31, 2025	2024
		$	**$**
Expenses			
Exploration expenditures	10, 11	**2,313,985**	481,638
Business development		**13,353**	19,986
Consulting fees		**34,001**	42,319
Professional fees		**170,387**	86,556
Management fees	10	**348,753**	136,477
General and administrative		**42,254**	49,530
Shareholder communications		**18,838**	8,797
Amortization	6	**57,579**	7,804
Share-based compensation	7, 10	**108,030**	75,906
Loss before other items		**(3,107,180)**	(909,013)
Foreign exchange gain (loss)		**(196,554)**	13,554
Interest income		**12,468**	-
Net loss and comprehensive loss		**(3,291,266)**	(895,459)
Loss per share - basic and diluted	12	**(0.07)**	(0.03)
Weighted average number of common shares outstanding – basic and diluted		**47,280,377**	29,981,473

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

SUN VALLEY MINERALS INC
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Notes	Number of Shares	Share Capital	Reserves	Accumulated Deficit	Total Shareholders' Equity
		#	$	$	$	$
Balance at December 31, 2023		**28,745,000**	**1,120,505**	**19,679**	**(461,456)**	**678,728**
Shares issued in private placements, net of costs	7	11,330,243	2,257,644	-	-	2,257,644
Shares issued per consulting agreements	7	241,875	48,375	-	-	48,375
Share-based compensation	7	-	-	75,906	-	75,906
Net and comprehensive loss		-	-		(895,459)	(895,459)
Balance at December 31, 2024		**40,317,118**	**3,426,524**	**95,585**	**(1,356,915)**	**2,165,194**
Shares issued in private placements, net of costs	7	26,967,112	10,984,533	-	-	10,984,533
Shares issued per advisory services	7	18,333	5,500	-	-	5,500
Share-based compensation	7	-	-	108,030	-	108,030
Net and comprehensive loss		-	-	-	(3,291,266)	(3,291,266)
Balance at December 31, 2025		**67,302,563**	**14,416,557**	**203,615**	**(4,648,181)**	**9,971,991**

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

SUN VALLEY MINERALS INC
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the years ended December 31,	
	2025	2024
	$	$
Cash provided by (used for):		
Operating activities		
Net loss for the year	**(3,291,266)**	(895,459)
Add items not involving cash:		
Amortization	**57,579**	7,804
Consulting fees paid in common shares	**-**	48,375
Exploration expenditures paid in common shares	**5,500**	-
Foreign exchange	**342**	-
Share-based compensation	**108,030**	75,906
Change in non-cash working capital:		
Receivables and prepayments	**(459,692)**	(24,858)
Accounts payable and accrued liabilities	**190,130**	25,556
Cash used in operating activities	**(3,389,377)**	(762,676)
Investing activities		
Exploration and evaluation assets	**(156,289)**	(13,102)
Purchase of equipment	**(231,835)**	-
Cash used in investing activities	**(388,124)**	(13,102)
Financing activities		
Private placement, net of cost	**10,984,533**	2,257,644
Cash provided by financing activities	**10,984,533**	2,257,644
Change in cash during the year	**7,207,032**	1,481,866
Cash, beginning of the year	**2,055,856**	573,990
Cash, end of the year	**9,262,888**	2,055,856

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Sun Valley Minerals Inc. is a Canadian exploration company engaged in gold exploration and project generation in Uruguay. The Company holds a 100% interest in the Tarumán Group of Projects.

The Company's principal office and registered and records office is located C208B-777 Bay Street, Toronto, ON, M5G 2C8.

These consolidated financial statements have been prepared on a going concern basis which presumes the realization of assets and settlement of liabilities in the normal course of operations in the foreseeable future. The Company has no source of operating revenue, has incurred operating losses of $4,648,181 since inception, and as at December 31, 2025 had a working capital surplus of $9,537,666. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

These 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. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Further discussion of liquidity risk is included in Note 8.

These consolidated financial statements were authorized for issue on October 14, 2026 by the directors of the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. The presentation and functional currency of the Company is the Canadian dollar, unless otherwise stated. The accounting policies have been applied consistently throughout the entire period presented in these consolidated financial statements.

Basis of consolidation

These financial statements include the accounts of the Company and its wholly owned subsidiaries, Sun Valley Resources S.A.S ("SVR") and Orizon S.A.S. (see Note 3), both of which are incorporated in Uruguay. On March 23, 2026, the Company incorporated Cerro del Sol Resources Ltd., a wholly owned Canadian subsidiary.

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated in preparing the consolidated financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Use of estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;

- the assessment that the Canadian dollar is the functional currency of the parent and its subsidiary company. In making this assessment, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained; and

- the assessment of indications of impairment of each mineral property and related determinations of the net realizable value and write-down of those properties where applicable.

Estimates

Certain of the Company's accounting policies and disclosures require key assumptions concerning the future and other estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or disclosures within the next fiscal year. The critical accounting estimates set out below have been applied consistently to all periods presented in these financial statements:

Share-based payments

Stock options are initially valued at fair value, based on the application of the Black-Scholes option pricing model. This pricing model requires management to make various assumptions and estimates which are susceptible to uncertainty, including the volatility of the share price, expected dividend yield, expected term of the warrant or stock option and expected risk-free interest rate.

Foreign currency transactions

The functional currency of the Company and its subsidiary is the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities that are measured at historical costs are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statements of comprehensive loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial Instruments

Recognition, classification and measurement

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership. The Company has classified its cash and cash equivalents and receivables and prepayments (excluding sales tax receivable) as financial assets subsequently measured at amortized cost.

All financial liabilities are initially recognized at fair value, inclusive of any directly attributable transaction costs, on the date at which the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expired. The Company has classified its accounts payable and accrued liabilities as financial liabilities subsequently measured at amortized cost.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the consolidated statements of operations and comprehensive loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of operations and comprehensive loss.

Exploration and evaluation expenditures

Costs relating to the acquisition and claim maintenance of exploration and evaluation assets (including option payments and annual fees to maintain the property in good standing) are capitalized and deferred by property until the project to which they relate is sold, abandoned, impaired or placed into production.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Exploration and evaluation expenditures (continued)

The Company expenses all exploration, evaluation and development expenditures until management concludes that a future economic benefit is more likely than not to be realised.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment. All subsequent costs directly relating to the advancement of the related area of interest are capitalized.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

Asset retirement obligations

The fair value of a liability for an asset retirement or environmental obligation is recognized when a reasonable estimate of fair value can be made. The asset retirement or environmental obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement or environmental cost is charged to operations using a systematic and rational method and the resulting liability is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flow. As of December 31, 2025, the Company did not have any asset retirement or environmental obligations.

Equipment

Equipment is recorded at cost. The Company records depreciation on its fixed assets at the following rates per annum:

- Furniture & fixtures – 20%
- Machine & tools – 20%
- Computer equipment – 55%
- Vehicles – 30%

Equipment is tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indicator is identified, the asset's recoverable amount is calculated and compared to the carrying amount. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGUs"). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU, as determined by management). An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Income taxes

Income tax 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 or other comprehensive income, in which case the income is also recognized directly in equity or other comprehensive income.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Income taxes (continued)

Current tax is expected tax payable on the taxable income for the period, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the common shares are issued.

Loss per share

Basic loss per share is computed by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted loss per share by the treasury stock method.

Share-based compensation

The Company grants stock options to certain of its employees, directors and consultants. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period based on the number of awards expected to vest. This number is reviewed annually, with any change in estimate recognized immediately in compensation expense with a corresponding adjustment to reserves. Upon exercise of a stock option, consideration paid together with the share-based compensation amount previously recognized in reserves is recorded as an increase to share capital.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

New accounting standards issued

There were no new accounting standards adopted during the year that had a material impact on the consolidated financial statements, nor are there any new or anticipated accounting standards that the Company expects will have a material impact on the consolidated financial statements.

3. EXPLORATION AND EVALUATION ASSETS

Although the Company takes steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not fully guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title could be affected by undetected defects.

Tarumán Property, Lavalleja Department, Uruguay

On December 2, 2022, the Company's wholly owned subsidiary, SVR, received notice from the Government of Uruguay that its 7,581.73-hectare Tarumán prospecting licence application had been approved and the licence *AS124-2020* granted.

Fees paid to the Government of Uruguay in relation to the Tarumán prospecting licence are as follows (all amounts are in Uruguayan Pesos):

- $U 191,114 on submission of the prospecting licence application – March 4, 2020 (*paid*);
- $U 63,976 on granting of the prospecting license – December 12, 2022 (*paid*); and
- $U 146,390 on the first renewal of the prospecting licence – January 29, 2026 (*paid*).

On January 30, 2025, SVR received notice from the Government of Uruguay that its 484.58-hectare Tarumán exploration licence application had been approved and the licence AS975-2024 granted. The Tarumán exploration licence falls within the parameters of the larger Tarumán prospecting licence, and allows for mechanized exploration trenching and drilling.

Fees paid to the Government of Uruguay in relation to the Tarumán exploration licence are as follows (all amounts are in Uruguayan Pesos):

- $U 174,023 on submission of the exploration licence application – September 9, 2024 (*paid*);
- $U 254,867 on 1st due licence maintenance payment – May 15, 2025 (*paid*);
- $U 231,480 on 2nd due licence maintenance payment – July 28, 2025 (*paid*); and
- $U 232,167 on 3rd due licence maintenance payment – October 27, 2025 (*paid*).

Tarumán East Property, Lavalleja Department, Uruguay

On February 17, 2025, SVR received notice from the Government of Uruguay that its 5,391.98-hectare Tarumán East prospecting licence application had been approved and the licence AS651-2022 granted.

Fees paid to the Government of Uruguay in relation to the Tarumán East prospecting licence are as follows (all amounts are in Uruguayan Pesos):

- $U 156,147 on submission of the prospecting licence application – July 7, 2022 (*paid*); and
- $U 50,482 on granting of the prospecting license – February 21, 2025 (*paid*).

Keana Property, Lavalleja Department, Uruguay

On May 16, 2024, SVR received notice from the Government of Uruguay that its 1,179.47-hectare Keana prospecting licence application had been approved and the licence AS768-2022 granted.

Fees paid to the Government of Uruguay in relation to the Keana prospecting licence are as follows (all amounts are in Uruguayan Pesos):

- $U 34,722 on submission of the prospecting licence application – August 9, 2022 (*paid*); and
- $U 10,841 on granting of the prospecting license – May 24, 2025 (*paid*).

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Plumas Dorada Property, Lavalleja Department, Uruguay

On September 3, 2025, SVR received notice from the Government of Uruguay that its 4,562.95-hectare Plumas Dorada prospecting licence application had been approved and the licence AS745-2023 granted.

Fees paid to the Government of Uruguay in relation to the Plumas Dorada prospecting licence are as follows (all amounts are in Uruguayan Pesos):

- $U 147,689 on submission of the prospecting licence application – June 29, 2023 (*paid*); and
- $U 43,921 on granting of the prospecting license – September 8, 2025 (*paid*).

Rivera Property, Rivera Department, Uruguay

On September 25, 2025, SVR received notice from the Government of Uruguay that its 18,880.39-hectare Rivera prospecting licence application had been approved and the licence AS980-2023 granted.

Fees paid to the Government of Uruguay in relation to the Rivera prospecting licence are as follows (all amounts are in Uruguayan Pesos):

- $U 623,072 on submission of the prospecting licence application – August 22, 2023 (*paid*); and
- $U 180,422 on granting of the prospecting license – October 27, 2025 (*paid*).

Sobresaliente Property, Rivera Department, Uruguay

On October 29, 2025, SVR received notice from the Government of Uruguay that its 123.05-hectare Sobresaliente prospecting licence application had been approved and the licence AS678-2024 granted.

Fees paid to the Government of Uruguay in relation to the Sobresaliente prospecting licence are as follows (all amounts are in Uruguayan Pesos):

- $U 20,691 on submission of the prospecting licence application – July 16, 2024 (*paid*); and
- $U 1,925 on granting of the prospecting license – December 11, 2025 (*paid*).

The carrying value of the Company's Uruguay properties is as follows:

	Total
	$
December 31, 2023	**53,343**
Additions	13,102
December 31, 2024	**66,445**
Additions	156,289
December 31, 2025	**222,734**

4. RECEIVABLES AND PREPAYMENTS

	December 31, 2025	December 31, 2024
Sales tax receivable	**$ 39,618**	$ 14,336
Other tax credits	**125,347**	28,579
Term deposits	**15,764**	14,389
Prepaid amounts	**336,698**	-
Other	**98**	529
Total	**$ 517,525**	$ 57,833

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2025	December 31, 2024
Due to vendors	**$ 175,405**	$ 30,738
Wages payable and payroll liabilities	**67,342**	21,879
Total	**$ 242,747**	$ 52,617

6. EQUIPMENT

The following tables summarize the Company's equipment carrying values:

Cost:

	Furniture & fixtures	Machines & tools	Computer Equipment	Vehicles	Total
	$	**$**	**$**	**$**	**$**
December 31, 2024 and 2023	**9,385**	**36,096**	**-**	**-**	**45,481**
Additions	3,721	204,247	4,892	18,975	231,835
December 31, 2025	**13,106**	**240,343**	**4,892**	**18,975**	**277,316**

Accumulated depreciation:

	Furniture & fixtures	Machines & tools	Computer Equipment	Vehicles	Total
	$	**$**	**$**	**$**	**$**
December 31, 2023	-	-	-	-	-
Amortization	(477)	(7,327)	-	-	(7,804)
December 31, 2024	**(477)**	**(7,327)**	**-**	**-**	**(7,804)**
Amortization	(2,813)	(46,612)	(2,691)	(5,805)	(57,921)
December 31, 2025	**(3,290)**	**(53,939)**	**(2,691)**	**(5,805)**	**(65,725)**

Carrying value:

	Furniture & fixtures	Machines & tools	Computer Equipment	Vehicles	Total
	$	**$**	**$**	**$**	**$**
December 31, 2024	8,908	28,769	-	-	37,677
December 31, 2025	**9,816**	**186,404**	**2,201**	**13,170**	**211,591**

7. SHARE CAPITAL AND RESERVES

Authorized

Unlimited number of common shares, without par value.

Issued

At December 31, 2025, there were 67,302,563 common shares (December 31, 2024 – 40,317,118) issued and outstanding.

2025

On August 8, 2025, the Company closed a non-brokered private placement for gross proceeds of $3,098,140. Upon closing, the Company issued 10,327,135 common shares at a price of $0.30 per share. In connection with the private placement, the Company issued 314,977 common shares as a finder's fee, with these shares being ascribed a fair value of $94,493.

On August 8, 2025, the Company issued 18,333 common shares for technical advisory services, with these shares being ascribed a fair value of $5,500.

On October 31, 2025, the Company closed a non-brokered private placement for gross proceeds of $8,162,500. Upon closing, the Company issued 16,325,000 common shares at a price of $0.50 per share. In connection with the private placement, the Company paid $275,520 in finder's fees.

2024

On November 12, 2024, the Company closed a non-brokered private placement for gross proceeds of $2,257,644. Upon closing, the Company issued 11,288,243 common shares at a price of $0.20 per share. In connection with the private placement, the Company issued 42,000 common shares as a finder's fee, with these shares being ascribed a fair value of $8,400.

On November 12, 2024, the Company issued 241,875 common shares pursuant to consulting and advisory agreements. These shares were ascribed a fair value of $48,375 and have been included in consulting and management fees on the statement of operations and comprehensive loss.

Stock Options

The Company has adopted an incentive stock option plan which provides that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable up to five years from the date of grant, unless the Board establishes more restrictive terms. The fair value of each option grant will be estimated on the date of grant using the Black-Scholes option pricing model.

2025

On May 6, 2025, the Company granted 1,150,000 stock options with an exercise price of $0.20 per common share and an expiry date of May 6, 2030. The options will vest as to 30% on the one-year anniversary of the grant date, and then 35% every year thereafter.

2024

On April 15, 2024, the Company granted 150,000 stock options with an exercise price of $0.125 per common share and an expiry date of April 15, 2028. The options will vest as to 30% on the one-year anniversary of the grant date, and then 35% every year thereafter.

During the year ended December 31, 2025, the Company recorded share-based compensation of $108,030 (2024 - $75,906) in connection with the granting and vesting of outstanding stock options.

7. SHARE CAPITAL AND RESERVES (CONTINUED)

Stock Options (continued)

Outstanding stock options as at December 31, 2025 are as follows:

Options Outstanding	Options Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Life (Years)
400,000	260,000	$ 0.125	October 3, 2027	1.76
150,000	45,000	0.125	April 15, 2028	2.29
1,275,000	828,750	0.125	October 3, 2028	2.76
1,150,000	-	0.20	May 6, 2030	4.35
2,975,000	**1,133,750**	**$ 0.15**		**3.21**

Stock option transactions during the years ended December 31, 2025 and 2024 were as follows:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Number of Options	Weighted Average Exercise Price ($)	Number of Options	Weighted Average Exercise Price ($)
Opening balance	1,925,000	$ 0.125	1,775,000	$ 0.125
Forfeited	(100,000)	0.125	-	-
Issued	1,150,000	0.20	150,000	0.125
Closing balance	**2,975,000**	**$ 0.15**	**1,925,000**	**$ 0.125**

The fair value of the stock options issued during the years ended December 31, 2025 and 2024 was calculated using the Black-Scholes option pricing model utilizing the following assumptions:

	December 31, 2025	December 31, 2024
Risk-free interest rate	2.69%	3.82%
Expected stock volatility	120.78%	129.09%
Expected life (years)	4 – 5	4
Dividend yield	0.00%	0.00%

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31, 2025, the Company's financial instruments consist of cash and cash equivalents, receivables (excluding sales tax receivable) and accounts payable and accrued liabilities.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

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 volume to provide pricing information on an ongoing basis. The Company does not have any financial instruments classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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 does not have any financial instruments classified under Level 3.

The Company does not have any financial instruments carried at fair value.

In management's opinion, the Company's carrying values of cash and cash equivalents, receivables and prepayments (excluding sales tax receivable) and accounts payable and accrued liabilities approximate their fair values due to the immediate or short-term maturity of these instruments.

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to fulfil an obligation causing the other party to incur a financial loss. The Company is exposed to credit risk arising from its cash holdings. The Company manages credit risk by placing cash with major Canadian financial institutions. Credit risk is assessed as low.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due. Historically, the Company's sole source of funding has been the issuance of equity securities for cash primarily through private placements. The Company's access to financing is always uncertain and there can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is not affected by price risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchanges rates. The Company's property interests in Uruguay make it subject to foreign currency fluctuations. As at December 31, 2025, the Company had cash, receivables and liabilities denominated in US dollars and Uruguayan pesos which have been translated into Canadian dollars for financial reporting. The Company does not use any form of derivative or hedging instruments to reduce its foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk is minimal.

9. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern. The Company does not have any externally imposed capital requirements to which it is subject. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

10. RELATED PARTY TRANSACTIONS

Related Party Transactions

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount agreed to by the related parties. Unless otherwise indicated, the balances are unsecured, non-interest bearing, without specific terms of repayment and have arisen from advances or the provision of services and fees described.

During the year ended December 31, 2025, the Company incurred $178,000 (December 31, 2024 - $81,000) in consulting and management fees paid to the President and Chief Executive Officer (the "President and CEO") of the Company; $170,743 (December 31, 2024 - $58,334) in professional, consulting and management fees paid to a company controlled by the President, Uruguay Operations, pursuant to his contractual engagement as President, Uruguay Operations; and $139,811 (December 31, 2024 - $73,969) in exploration consulting fees paid to the VP Exploration of the Company.

During the year ended December 31, 2025, the Company incurred share-based compensation expense of $79,123 in relation to options issued and vested to officers, directors and companies controlled by officers and directors of the Company (December 31, 2024 - $50,891).

Related Party Balances

As at December 31, 2025, accounts payable and accrued liabilities included $45,200 (2024 - $nil) owing to the President and CEO; $24,342 (2024 - $15,185) owing to a company controlled by the President, Uruguay Operations, for management services incurred in the normal course of business in his role as President, Uruguay Operations; and $19,953 (2024 - $nil) owing to the VP Exploration of the Company.

11. EXPLORATION EXPENDITURES

Period Ended:	**December 31, 2025**	December 31, 2024
	$	$
Accommodation and food	**151,226**	-
Assays	**399,064**	113,491
Camp infrastructure and maintenance	**116,756**	-
Community engagement	**42,719**	-
Environmental studies	**9,985**	-
Fieldwork and consumables	**28,821**	50,572
Flights and visas	**64,523**	23,365
Geophysics	**212,047**	-
Geological consulting	**159,037**	32,749
IT subscriptions and licenses	**6,528**	-
Landowner compensation	**59,666**	-
License applications and maintenance	**42,289**	6,569
Payroll taxes	**54,785**	25,065
Trench excavation	**79,677**	-
Vehicles and vehicle maintenance	**139,662**	46,558
Wages	**747,200**	183,269
Total	**2,313,985**	481,638

12. LOSS PER SHARE

Basic loss per share is calculated using the weighted average number of shares outstanding during the year. The stock options outstanding as of December 31, 2025 and 2024 have not been included in the calculation of diluted loss per share as the effect of their inclusion would be anti-dilutive. Loss per share is calculated as follows:

		December 31, 2025		December 31, 2024
Net loss	$	**(3,291,266)**	$	(895,459)
Weighted average number of shares outstanding		**47,280,377**		29,981,473
Basic and diluted loss per share	$	**(0.07)**	$	(0.03)

13. SEGEMENTED INFORMATION

The Company operates in one reportable segment, being mineral exploration in Uruguay. All of the Company's non-current assets as at December 31, 2025 and 2024 are located in Uruguay.

14. INCOME TAX

The reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is as follows:

	2025 ($)	2024 ($)
Net loss for the year	**(3,291,266)**	(895,459)
Combined statutory income tax rate	**25.80%**	25.93%
Expected tax recovery	**(848,911)**	(232,235)
Net effect of deductible and non-deductible amounts	**(45,022)**	18,227
Increase in unrecognized deferred tax assets	**893,933**	214,008
Total income tax recovery		-

Deferred income taxes are provided as a result of temporary differences that arise due to differences between the income tax values and the carrying amounts of the assets and liabilities. Deferred tax assets have not been recognized in respect of the following temporary difference:

	2025 ($)	2024 ($)
Non-capital losses carried forward	**1,144,530**	324,075
Equipment	**16,432**	1,951
Share issue costs	**61,378**	2,381
Deferred tax assets	**1,222,340**	328,407

The Company has Canadian non-capital losses of approximately $1,884,000 (2024 - $631,000) that are available to be utilized as deductions against future years' Canadian taxable income from Canadian operations and capital gains. These non-capital losses, if not utilized, will expire between 2041 and 2045.

15. SUBSEQUENT EVENTS

On January 20, 2026, 699,756 stock options were exercised at a price of $0.125 per common share.

On January 22, 2026, the Company granted 3,729,756 stock options to directors, officers, employees and consultants. The stock options have an exercise price of $0.50 per common share, with 680,000 of the options having an expiry date of January 22, 2030 and the remaining 3,049,756 options having an expiry date of January 22, 2031. The options vest as to 25% on the grant date, 25% on the one-year anniversary of the grant date, and then 25% every year thereafter.

15. SUBSEQUENT EVENTS (CONTINUED)

On March 26, 2026, the Company closed a non-brokered private placement for gross proceeds of $10,326,020. Upon closing, the Company issued 13,768,026 special warrants (the "Special Warrants") at a price of $0.75 per Special Warrant. Each Special Warrant is exercisable into one common share of the Company without further consideration on the earlier of: (i) the Company becoming a reporting issuer and being listed for trading on an approved stock exchange in Canada, the United States or another jurisdiction; or (ii) eighteen months after the closing date of the Special Warrant financing. The Company paid finder's fees in the amount $96,492 in connection with the private placement.

On July 3, 2026, 400,000 stock options were forfeited on the resignation of a director of the Company and 150,000 stock options were retained as part of the consulting agreement entered into between the Company and the former director pursuant to which the former director was engaged as an independent contractor for a period of one year from the resignation date.