Golden Arrow Resources Corporation

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED
JUNE 30, 2026 AND 2025

(Unaudited – Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these condensed interim financial statements.

Golden Arrow Resources Corporation
Consolidated Interim Statements of Financial Position
(Unaudited – Expressed in Canadian Dollars)

	Note	June 30, 2026 $	December 31, 2025 $
ASSETS			
Current assets			
Cash and cash equivalents		284,502	215,915
Amounts receivable	6	300,470	316,648
Prepaid expenses		138,561	156,493
Investments	4	1,311,475	2,711,137
Total current assets		**2,035,008**	**3,400,193**
Non-current assets			
Mineral property interests	3	4,813,287	4,637,817
Total non-current assets		**4,813,287**	**4,637,817**
Total Assets		**6,848,295**	**8,038,010**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	786,336	929,907
Total liabilities		**786,336**	**929,907**
SHAREHOLDERS' EQUITY			
Share capital	5	40,163,330	40,163,330
Reserves	5	30,768,815	29,761,930
Deficit		(66,555,245)	(64,459,919)
Total shareholders' equity		**4,376,900**	**5,465,341**
Non-controlling interest	3a, 7	1,685,059	1,642,762
Total equity		**6,061,959**	**7,108,103**
Total Shareholders' Equity and Liabilities		**6,848,295**	**8,038,010**

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENTS (Note 10)

CONTINGENCY (Note 11)

SUBSEQUENT EVENTS (Note 16)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on August 25, 2026. They are signed on the Company's behalf by:

"Nikolaos Cacos" , Director

"*David Terry*" , Director

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

Golden Arrow Resources Corporation
Consolidated Interim Statements of Loss and Comprehensive (Loss) Income
(Unaudited – Expressed in Canadian Dollars)

	Note	Six months ended June 30, 2026 $	2025 $
Expenses			
Administration and management services	6	18,000	120,000
Corporate development and investor relations		119,949	92,824
Exploration	3	1,371,600	1,008,076
Office and sundry	6	44,538	75,414
Professional fees		242,573	70,051
Rent, parking and storage		15,087	15,208
Salaries and employee benefits	6	430,285	486,201
Transfer agent and regulatory fees		22,469	24,654
Travel and accommodation		25,422	28,441
Loss from operating activities		**(2,289,923)**	**(1,920,869)**
Other income (loss)			
Foreign exchange gain (loss)		48,310	(24,286)
Gain on sale of marketable securities	9	-	20,667
Option income	3b	-	2,157,143
Interest income		4,753	6,586
Income from other items		**53,063**	**2,160,110**
(Loss) income for the period		**(2,236,860)**	**239,241**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Realized gain on sale of investments	4	1,179,677	47,229
Unrealized gain (loss) on change in fair value of investments	4	(172,792)	938,717
Other comprehensive income for the period		**1,006,885**	**985,946**
Comprehensive (loss) income for the period		**(1,229,975)**	**1,225,187**
(Loss) income attributable to:			
Shareholders of the Company		(2,095,326)	255,327
Non-controlling interest	7	(141,534)	(16,086)
(Loss) income for the period		**(2,236,860)**	**239,241**
Other comprehensive income attributable to:			
Shareholders of the Company		1,006,885	985,946
Non-controlling interest		**-**	**-**
Other comprehensive income for the period		**1,006,885**	**985,946**
Basic and diluted loss per common share ($)	8	**(0.01)**	**0.00**

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

Golden Arrow Resources Corporation
Consolidated Interim Statements of Cash Flows
(Unaudited – Expressed in Canadian Dollars)

	Note	Six months ended June 30, 2026 $	2025 $
Cash flows from operating activities			
Loss for the period		(2,236,860)	239,241
Adjustments for:			
Gain on sale of marketable securities		-	(20,667)
Option income	3b	-	(2,157,143)
		(2,236,860)	(1,938,569)
Change in non-cash working capital items:			
Decrease (increase) in amounts receivable		16,178	(148,531)
Decrease (increase) in prepaid expenses		17,932	(123,950)
Decrease in accounts payable and accrued liabilities		(143,571)	(523,580)
Net cash used in operating activities		**(2,346,321)**	**(2,734,630)**
Cash flows from investing activities			
Expenditures on mineral property interests	3	(175,470)	(6,073)
Option income	3b	-	550,000
Proceeds from sale of investments	4	2,406,547	1,268,470
Proceeds from sale of marketable securities	9	-	24,971
Purchase of marketable securities	9	-	(190,475)
Net cash received from investing activities		**2,231,077**	**1,646,893**
Cash flows from financing activities			
Contributions from non-controlling interest		183,831	-
Issuance of common shares and warrants	3b, 5	-	450,000
Net cash received from financing activities		**183,831**	**450,000**
Net increase (decrease) in cash and cash equivalents		**68,587**	**(637,737)**
Cash and cash equivalents at beginning of period		215,915	868,624
Cash and cash equivalents at end of period		**284,502**	**230,887**

SUPPLEMENTARY CASH FLOW INFORMATION (Note 13)

Golden Arrow Resources Corporation
Consolidated Interim Statements of Changes in Equity

(Unaudited – Expressed in Canadian Dollars)

	Share capital		Reserves								
	Number of shares	Amount $	Contributed surplus $	Equity settled share-based payments $	Warrants $	Accumulated other comprehensive income $	Obligation to issue shares $	Deficit $	Total shareholders' equity $	Non-controlling interest $	Total equity $
Balance at December 31, 2024	160,416,596	39,876,724	19,915,722	634,411	637,573	6,146,897	6,795,815	(68,537,950)	5,469,192	-	5,469,192
Private placement	9,000,000	286,606	-	-	163,394	-	-	-	450,000	-	450,000
Contributions from non-controlling interest	-	-	-	-	-	-	(6,795,815)	6,746,866	(48,949)	73,920	24,971
Total comprehensive income (loss) for the period	-	-	-	-	-	985,946	-	255,327	1,241,273	(16,086)	1,225,187
Balance at June 30, 2025	169,416,596	40,163,330	19,915,722	634,411	800,967	7,132,843	-	(61,535,757)	7,111,516	57,834	7,169,350
Obligation to issue shares	-	-	-	-	-	-	64,006	-	64,006	-	64,006
Exercise of SSA option	-	-	-	-	-	-	(64,006)	(1,512,079)	(1,576,085)	1,551,114	(24,971)
Contributions from non-controlling interest	-	-	-	-	-	-	-	-	-	252,644	252,644
Total comprehensive loss for the period	-	-	-	-	-	1,277,987	-	(1,412,083)	(134,096)	(218,830)	(352,926)
Balance at December 31, 2025	169,416,596	40,163,330	19,915,722	634,411	800,967	8,410,830	-	(64,459,919)	5,465,341	1,642,762	7,108,103
Contributions from non-controlling interest	-	-	-	-	-	-	-	-	-	183,831	183,831
Stock options expired	-	-	322,845	(322,845)	-	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	-	-	1,006,885	-	(2,095,326)	(1,088,441)	(141,534)	(1,229,975)
Balance at June 30, 2026	169,416,596	40,163,330	20,238,567	311,566	800,967	9,417,715	-	(66,555,245)	4,376,900	1,685,059	6,061,959

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Golden Arrow Resources Corporation (the "Company") was incorporated on September 22, 2015, under the Business Corporations Act in the province of British Columbia. The address of the Company's registered office is Suite 411 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6. The Company is listed on the TSX Venture Exchange ("TSX-V"), trading under the symbol "GRG", the OTCQX, trading under the symbol "GARWF", and the Frankfurt Stock Exchange, trading under the symbol "G6A".

The Company is a natural resource company engaged in the acquisition, exploration and development of resource properties in South America. The Company's mineral property interests presently have no proven or probable reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for mineral property interests are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production.

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to condensed consolidated interim financial statements and to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has experienced recurring operating losses and has an accumulated deficit of $66,555,245, working capital of $1,248,672 and shareholders' equity of $4,376,900 at June 30, 2026. In addition, the Company incurred negative cash flow from operating activities of $2,346,321 for the six months ended June 30, 2026. Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. The Company's financial position indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations are dependent upon its ability to raise additional funding to meet its obligations as they fall due. Management's plan in this regard is to continue to sell its investments and raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, tariffs, and national and international circumstances. Recent geopolitical events, and potential global economic challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

These condensed consolidated interim financial statements do not include adjustments to the amounts and classifications of assets and liabilities and reported expenses that might be necessary should the Company be unable to continue as a going concern, which could be material.

2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

2. MATERIAL ACCOUNTING POLICIES (continued)

a) Statement of compliance

The Company's condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and using accounting policies in compliance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and accordingly, certain information and note disclosure included in the annual consolidated financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed consolidated interim financial statements should be read in conjunction with the Company's December 31, 2025, audited annual financial statements.

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for marketable securities, which are carried at fair value.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries as follows:

	Place of Incorporation	Principal Activity	Ownership Interest
New Golden Explorations Inc.	BC, Canada	Holding company	100%
New Golden Explorations Atlantida Ltd.	BC, Canada	Holding company	100%
New Golden Explorations Indiana Ltd.	BC, Canada	Holding company	100%
New Golden Explorations Indiana Chile SpA	Chile	Exploration company	100%
New Golden Explorations Chile SpA	Chile	Exploration company	75%
Desarrollo de Recursos S.A.	Argentina	Exploration company	100%

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

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Non-controlling interest

A non-controlling interest ("NCI") represents the equity in a subsidiary not attributable, directly or indirectly, to the Company. NCI is recognized at its proportionate share of the value of identifiable net assets acquired on initial recognition. Subsequently the NCI is adjusted for the proportionate share of net income (loss) and other comprehensive income (loss).

2. MATERIAL ACCOUNTING POLICIES (continued)

Significant Accounting Estimates and Judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting judgments

i. Presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

ii. The analysis of the functional currency for each entity of the Company involves significant judgment by management. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, 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.

iii. The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment or a reversal of previously recorded impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Critical accounting estimates

i. The Company is from time to time involved in pending or threatened litigation relating to claims arising in the ordinary course of its business. The nature and progression of litigation can make it difficult to predict the impact a particular lawsuit or claim will have on the Company.

2. MATERIAL ACCOUNTING POLICIES (continued)

ii. The Company has determined the option value of the agreement entered into with Sociedad de Servicios Andino SpA ("SSA"), see note 4(a), to be nominal. There is significant estimate and judgement involved in the valuation and assessment of the option agreement. An increase in capital value, particularly of New Golden Exploration Chile SpA ("NGE") would have a material impact on the fair value of the embedded option derivative.

New and amended IFRS standards that are effective for the current period:

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments focus on areas such as the recognition and derecognition of financial assets and liabilities, the assessment of the "sole payments of principal and interest" criterion, and disclosures for instruments with contractual terms that can change cash flows, including those linked to ESG targets. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. This amendment did not have any impact on the Company's consolidated financial statements.

New Accounting Standards and Interpretations not yet effective

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal six months ended June 30, 2026 and accordingly, they have not been applied in preparing these consolidated financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

i. Three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.

ii. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.

iii. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027, the Company is evaluating the impact on the Company's consolidated financial statements.

3. MINERAL PROPERTY INTERESTS

The schedules below summarize the carrying costs of acquisition costs and all exploration expenditures incurred to date for each mineral property interest as at June 30, 2026:

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

3. MINERAL PROPERTY INTERESTS (continued)

Acquisition Costs

	Chile	Argentina		
	San Pietro $	Yanso $	Other $	Total $
Balance – December 31, 2024	4,420,704	7,754	7,240	4,435,698
Additions				
Staking costs, land payments and acquisition costs	-	6,073	-	6,073
Balance – June 30, 2025	4,420,704	13,827	7,240	4,441,771
Additions				
Staking costs, land payments and acquisition costs	192,114	3,932	-	196,046
Balance – December 31, 2025	4,612,818	17,759	7,240	4,637,817
Additions				
Staking costs, land payments and acquisition costs	174,152	1,318	-	175,470
Balance – June 30, 2026	4,786,970	19,077	7,240	4,813,287

Exploration Expenditures

	Chile	Argentina		
	San Pietro $	Yanso $	Other $	Total $
Cumulative exploration expenses December 31, 2025	11,335,693	3,531,446	18,574,831	33,441,970
Expenditures during the period				
Assays	52,463	-	-	52,463
Environmental	27,538	-	-	27,538
Office	38,457	141,349	9,010	188,816
Property maintenance payments	37,139	-	25,389	62,528
Salaries and contractors	301,417	458,102	22,018	781,537
Supplies and equipment	5,667	69,166	-	74,833
Transportation	59,490	15,343	-	74,833
Value added taxes	55,587	49,392	4,073	109,052
	577,758	733,352	60,490	1,371,600
Cumulative exploration expenses June 30, 2026	11,913,451	4,264,798	18,635,321	34,813,570

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

3. MINERAL PROPERTY INTERESTS (continued)

The schedule below summarizes all exploration expenditures incurred to date for each mineral property interest that the Company was continuing to explore as at June 30, 2025:

	Chile	Argentina		
	San Pietro $	**Yanso $**	**Other $**	**Total $**
Cumulative exploration expenses December 31, 2024	9,709,275	2,315,361	18,490,595	30,515,231
Expenditures during the period				
Environmental	-	-	33,396	33,396
Geophysics	-	5,469	3,579	9,048
Office	19,386	89,695	29,234	138,315
Property maintenance payments	-	-	247	247
Salaries and contractors	383,340	321,176	9,819	714,335
Social and community	-	218	-	218
Supplies and equipment	-	28,151	-	28,151
Transportation	-	17,314	-	17,314
Value added taxes	37,772	25,177	4,103	67,052
	440,498	487,200	80,378	1,008,076
Cumulative exploration expenses June 30, 2025	10,149,773	2,802,561	18,570,973	31,523,307

(a) San Pietro Project, Atacama, Chile

On March 17, 2022, the Company purchased a 100% interest in the San Pietro Iron-oxide Copper Gold Project (the “San Pietro Project”) in Chile from Sumitomo Metal Mining Chile Ltda (“Sumitomo”) for cash consideration of $4,238,085 (US$3,350,000). Teck Resources Chile Limitada holds a 5% net profit interest of the minerals coming from the San Pietro Project subject to relevant terms and conditions from a 2021 agreement with Sumitomo.

On January 18, 2024, the Company’s subsidiary, NGE, entered into an option agreement with SSA. Under the option agreement, NGE has granted SSA the option to subscribe for 333 new shares in the capital of NGE equivalent to approximately 25% of the issued and outstanding shares in exchange for the contribution of US$5,000,000 in the equivalent amount of Chilean pesos. This contribution includes US$2,000,000 in cash through six bimonthly installments of US$333,333 commencing on February 1, 2024, and SSA performing non-refundable drilling services, heavy machinery services, truck rental as well as any other goods or necessary services for the development of field activities on the San Pietro Project with an aggregate value of US$3,000,000 by July 2025.

During the year ended December 31, 2024, the NGE received US$2,000,000 in cash payments and US$2,954,620 in exploration services from SSA. During the year ended December 31, 2025, NGE received the remaining US$45,380 in exploration services from SSA. On April 30, 2025, SSA exercised its option to earn a 25% stake in NGE. 333 shares in the capital of NGE were issued to SSA, equivalent to 25% of the issued and outstanding common shares of NGE. The common shares are not convertible or otherwise exchangeable for common shares of the Company. See also Note 7.

3. MINERAL PROPERTY INTERESTS (continued)

Copper Assets Transaction with Capstone

On June 22, 2026, the Company signed an arm's length definitive agreement (the "Agreement") for the sale of a portion of the San Pietro Project concessions to Capstone Copper Corp. ("Capstone") and a wholly-owned subsidiary of Capstone, for aggregate consideration equal to US$25,000,000 in shares of Capstone (the "Consideration Shares"). Capstone will issue the Consideration Shares, based on the volume-weighted average closing price of Capstone's common shares for the 10 trading days ending two business days prior to closing, calculated on the Bank of Canada exchange rate two business days prior to closing, or such higher price as may be required by the TSX-V (the "Transaction").

The Company will divest 73 concessions of approximately 16,555 hectares, which is roughly two-thirds of the San Pietro Project's land package and comprises the copper-focused Rincones and Colla deposits and related targets that have been advanced by the Company since it acquired the project in late 2023 (the "Copper Assets"). The Company and SSA will retain ownership of over 9,000 hectares of the San Pietro concessions (the "Gold Assets").

Proceeds from the Transaction will be shared by the Company (75.019%) and SSA (24.981%) and are subject to withholding tax in Chile. In connection with the Transaction, Southern Cone Partners ("SCP") is acting as financial advisor to the Company and is arm's length to each of the Company, the Sellers, and the Buyer. As compensation for the services provided by SCP in connection with the Transaction, and subject to the prior approval of the TSXV, the Company will pay a transaction fee equal to 3.00% of the Transaction value, payable through the equivalent of US$750,000 of Consideration Shares (the "Advisory Fee Shares") issued as consideration in the Transaction on the closing date.

The Transaction is subject to a number of customary conditions including the approval of the Company's shareholders, the approval of the TSXV and the approval of the listing of the Consideration Shares by the TSX. See also Note 16.

(b) Mogote Project, Argentina

On May 4, 2022, the Company optioned its Mogote Copper-Gold project (the "Mogote Project") in San Juan Province, Argentina to Australian-based Syndicate Minerals Pty ("Syndicate") which was assigned to Mogotes Metals Inc. ("MOG") on September 19, 2022. The agreement gives Syndicate the option to earn an 85% interest in the Mogote Project. An initial 80% interest can be earned by spending $5 million on exploration at the Mogote Project over five years and making cash payments of $1.75 million over five years, including a payment on signing of $150,000. After completion of the option earn-in, Syndicate can complete a feasibility study to earn a further 5% interest. After that, the parties have agreed to form a joint venture company to advance the Mogote Project on a pro rata basis, with provisions for dilution. On April 14, 2023, the Company amended its agreement to accept 4,000,000 common shares with a fair value of $0.30 per share in MOG in lieu of staged cash payments of $1,200,000. The fair value of the shares at inception was based on other equity transactions in Mogote. Under the terms of the agreement, in the event that MOG completed a going public transaction or issued its common shares at a lower share price, the Company was to receive additional shares such that the number received in April 2023 would still be the equivalent value of $1,200,000. On February 13, 2024, the Company received an additional 4,000,000 common shares in MOG to prevent dilution and maintain its $1,200,000 investment value (see also Note 4).

On February 10, 2025, the Company and MOG agreed to amend their agreement (the "Amending Agreement"). The Amending Agreement grants MOG an option to acquire a 100% interest in the Mogote Project (the "Amended Option") in exchange for $1 million in a combination of cash and a private placement into the Company, an increased equity interest in MOG and a 1.5% net smelter returns royalty ("NSR") on the Mogote Project.

3. MINERAL PROPERTY INTERESTS (continued)

Under the terms of the Amending Agreement:

- The Company has received $550,000 in cash and issued 9,000,000 units through a private placement on March 26, 2025 ("Initial Closing Date"), with each unit consisting of one common share in the capital of Company and one warrant of the Company for gross proceeds of $450,000 (see also Note 5).

- MOG issued 10,714,285 common shares of MOG (each, an "Option Share") to the Company on Initial Closing Date; and

- On October 17, 2025, the Final Closing Date, MOG exercised the option and the Company received 4,687,500 shares from MOG (the "Deferred Option Shares"). The Deferred Option Shares are subject to a TSX-V four-month holding period and the Lock-up (see also Note 4).

Pursuant to the Amending Agreement, the Company agrees not to transfer the Option Shares and Deferred Option Shares (the "Lock-up"), without the prior consent of MOG (such consent not to be unreasonably withheld) until such shares are released in accordance with the following schedule:

- on the date that is six months following the Final Closing Date, fifty percent (50%) of the Deferred Option Shares will be released from the Lock-up; and

- the remaining fifty percent (50%) of the Deferred Option Shares will be released from the Lock-up in equal monthly installments over the subsequent six-month period, such that all Option Shares will be fully released from the Lock-up on the 12-month anniversary of the Final Closing Date.

MOG granted the Company a 1.5% net smelter returns royalty in respect of the Project.

(c) Caballos Project, Argentina

During 2021, the Company entered into a definitive agreement (the "Agreement") to option its Caballos copper-gold project (the "Caballos Project") to Hanaq Argentina S.A. ("Hanaq"). The Agreement gives Hanaq the opportunity to earn a 70% interest in the Caballos Project by spending a minimum of US$0.5 million in exploration expenditures within two years, followed by US$3.5 million in exploration expenditures within six years that comes into effect following the receipt of exploration permits in October 2024. On completion of the option earn-in, the parties have agreed to form a joint venture company that will be incorporated and owned 70% Hanaq and 30% by the Company's 100% owned Argentina subsidiary, Desarrollo de Recursos S.A., to advance the Caballos Project on a pro rata basis, with provisions for dilution.

(d) Huachi Project, Argentina

During 2025, the Company entered into a definitive agreement with Latin Metals Inc. ("Latin Metals") to option its Huachi property, a copper-gold property located in San Juan, Argentina. Terms of the option agreement include the right for Latin Metals to acquire an initial 75% interest in Huachi by completing US$1,000,000 in cash payments and US$1,000,000 in exploration expenditures over a four-year period, commencing on the first anniversary of approval of the environmental permit ("Commencement Date"). As of and subsequent to December 31, 2025, the environment permit has not been approved. The Company has the right to terminate the option agreement, if Latin Metals does not receive the environment permit on or before February 28, 2027. Upon earning 75% interest, Latin Metals has a Top-Up Right to acquire the remaining 25% interest for an additional US$2,000,000 cash payment within 90 days. If the Top-Up Right is not exercised, then the Company will form a joint venture with Latin Metals to fund its pro-rata share of future expenditures. A party diluting below 15% will have its interest converted to a 1% net smelter return royalty.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

3. MINERAL PROPERTY INTERESTS (continued)

Option Payment US$	Exploration Commitment US$	Anniversary following commencement date
100,000	100,000	First
150,000	150,000	Second
250,000	250,000	Third
500,000	500,000	Fourth
2,000,000	-	Top-Up Right
3,000,000	1,000,000	

(e) Yanso Project, Argentina

The Company owns a 100% interest in the Yanso gold project in eastern San Juan Province, Argentina.

4. INVESTMENTS

An analysis of investments including related gains and losses during the period is as follows:

	Six months ended June 30,			
	2026		2025	
	#	$	#	$
Investments, beginning of period	8,606,785	2,711,137	8,000,000	1,040,000
Fair value of investments received from the option agreement	-	-	10,714,285	1,607,142
Sale of investments	(6,222,285)	(2,406,547)	(6,734,000)	(1,057,327)
Net realized gain on sale of investments	-	1,179,677	-	47,229
Unrealized loss on change in fair value of investments	-	(172,792)	-	938,717
Investments, end of period	2,384,500	1,311,475	11,980,285	2,575,761

The Company held 2,384,500 common shares of MOG at June 30, 2026 with a fair value of $1,311,475, or $0.55 per common share (December 31, 2025 – 8,606,785 common shares with a fair value of $2,711,137, or $0.32 per common share). The Company realized a net cumulative gain of $1,179,677 in other comprehensive income (loss) on sale of investments for the six months ended June 30, 2026 (June 30, 2025 – $47,229). The unrealized loss on change in fair value of investments was $172,792 for the six months ended June 30, 2026 (June 30, 2025 – $938,717). As of June 30, 2026 these investments are being held to fund working capital, and as such have been classified as a current asset. See also Note 16.

5. CAPITAL AND RESERVES

Authorized Share Capital

At June 30, 2026, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Issues of Common Shares in 2026

There were no shares issued for private placement during the six months ended June 30, 2026.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

5. CAPITAL AND RESERVES (continued)

Details of Issues of Common Shares in 2025

On March 26, 2025, the Company completed a non-brokered private placement consisting of 9,000,000 units at a price of $0.05 per unit for gross proceeds of $450,000 under the terms of the Amending Agreement with MOG (see Note 3 (b)). Each unit consists of one common share in the capital of the Company and one transferable common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share at an exercise price of $0.08 per warrant for a period of three years from the date of issue. No finder's fees were paid in cash or non-transferable warrants. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 2.61%; expected stock price volatility – 102.84%; dividend yield – 0%; and expected warrant life – 3 years.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers for a maximum term of ten years. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX-V. Share purchase options granted generally vest immediately, are subject to a four-month hold period and are generally exercisable for a period of ten years.

The continuity of share purchase options for the six months ended June 30, 2026 is as follows:

Expiry date	Exercise Price	December 31, 2025	Granted	Cancelled/ Expired	June 30, 2026	Options exercisable
January 19, 2026	$0.25	4,305,000	-	(4,305,000)	-	-
July 13, 2028[1]	$0.10	6,950,000	-	-	6,950,000	6,950,000
		11,255,000	-	(4,305,000)	6,950,000	6,950,000
Weighted average exercise price $		0.16	-	0.25	0.10	0.10
Weighted average contractual remaining life (years)		1.59	-	-	2.04	2.04

(1) See also Note 16.

The continuity of share purchase options for the six months ended June 30, 2025 is as follows:

Expiry date	Exercise Price	December 31, 2024	Granted	Cancelled/ Expired	June 30, 2025	Options exercisable
January 19, 2026	$0.25	4,305,000	-	-	4,305,000	4,305,000
July 13, 2028	$0.10	6,950,000	-	-	6,950,000	6,950,000
		11,255,000	-	-	11,255,000	11,255,000
Weighted average exercise price $		0.16	-	-	0.16	0.16
Weighted average contractual remaining life (years)		2.59	-	-	2.09	2.09

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

5. CAPITAL AND RESERVES (continued)

Warrants

The continuity of warrants for the six months ended June 30, 2026 is as follows:

Expiry date	Exercise Price	December 31, 2025	Issued	Expired	June 30, 2026
September 26, 2026	$0.15	12,050,467	-	-	12,050,467
February 6, 2027	$0.10	17,368,800	-	-	17,368,800
March 15, 2027	$0.10	1,000,000	-	-	1,000,000
November 22, 2027	$0.08	8,850,000	-	-	8,850,000
November 22, 2027	$0.05	28,000	-	-	28,000
December 2, 2027	$0.08	1,800,000	-	-	1,800,000
December 2, 2027	$0.05	133,000	-	-	133,000
December 24, 2027	$0.08	5,000,000	-	-	5,000,000
December 24, 2027	$0.05	294,000	-	-	294,000
March 27, 2028	$0.08	9,000,000	-		9,000,000
		55,524,267	-	-	55,524,267
Weighted average exercise price $		0.10	-	-	0.10
Weighted average contractual remaining life (years)		1.45	-	-	0.95

The continuity of warrants for the six months ended June 30, 2025 is as follows:

Expiry date	Exercise Price	December 31, 2024	Issued	Expired	June 30, 2025
September 26, 2026	$0.15	12,050,467	-	-	12,050,467
February 6, 2027	$0.10	17,368,800	-	-	17,368,800
March 15, 2027	$0.10	1,000,000	-	-	1,000,000
November 22, 2027	$0.08	8,850,000	-	-	8,850,000
November 22, 2027	$0.05	28,000	-	-	28,000
December 2, 2027	$0.08	1,800,000	-	-	1,800,000
December 2, 2027	$0.05	133,000	-	-	133,000
December 24, 2027	$0.08	5,000,000	-	-	5,000,000
December 24, 2027	$0.05	294,000	-	-	294,000
March 27, 2028	$0.08	-	9,000,000		9,000,000
		46,524,267	9,000,000	-	55,524,267
Weighted average exercise price $		0.11	0.08	-	0.10
Weighted average contractual remaining life (years)		2.29	2.74		1.95

6. RELATED PARTY BALANCES AND TRANSACTIONS

On June 1, 2017, the Company entered into a Management Services Agreement with Grosso Group Management Ltd. (“Grosso Group”) to provide services and facilities to the Company. Grosso Group is equally owned by Argentina Lithium & Energy Corp., Golden Arrow Resources Corp., and Blue Sky Uranium Corp. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group’s costs including its staff and overhead costs among the member companies. This fee is reviewed and adjusted quarterly based on the level of services required.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

6. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

The Management Services Agreement contains termination and early termination fees in the event the services are terminated by the Company. The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of $750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of $1,000,000. The agreement expires on December 31, 2027 and will be automatically renewed for additional terms of two years.

	Six months ended June 30,	
Transactions	**2026** **$**	**2025** **$**
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services	18,000	120,000
Office & sundry	3,000	10,800
Total for services rendered	21,000	130,800

Key management personnel compensation

Key management personnel of the Company are members of the Board of Directors, as well as the Executive Chairman (retired), President and CEO, CFO, and Vice President of Corporate Development.

		Six months ended June 30,	
Transactions	**Position**	**2026** **$**	**2025** **$**
Salaries and employee benefits:			
Nikolaos Cacos	Director/CEO/President	73,856	72,337
Darren Urquhart	CFO	17,402	17,044
Brian McEwen	VP Exploration	116,939	114,534
Pompeyo Gallardo	VP	12,000	12,000
David Terry	Director	44,000	44,000
Joseph Grosso	Former Director	97,886	165,773
John Gammon	Former Director	-	6,000
Total for services rendered		362,083	431,688

As at June 30, 2026, $266,331 (2025 – $224,316) were owing from related corporations, Argentina Lithium and Energy Corp. and Blue Sky Uranium Corp., for shared services paid by the Company. These entities have common directors, namely Joseph Grosso, Nikolaos Cacos, and David Terry.

During the six months ended June 30, 2026, the Company incurred $141,921 (2025 - $Nil) in shared services received from Argentina Lithium and Energy Corp.

As at June 30, 2026, accounts payable and accrued liabilities of $292,977 (2025 - $275,559) were owing to related corporations Grosso Group Management Ltd., Argentina Lithium and Energy Corp., and Oxbow International Marketing Corp., which is owned by Joseph Grosso.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

7. NON-CONTROLLING INTEREST

During the year ended December 31, 2025, NGE recorded an NCI (see also Note 2, 4a) that is considered material to our condensed consolidated interim financial statements. The NCI in the net assets of consolidated subsidiaries is identified separately from Company's equity. The NCI includes the amount of those interests at the date of the original transaction with SSA and the NCI's share of changes in equity since the date of the transaction.

The following is the summarized fair value financial information for NGE before intra-group eliminations used to compute the fair value of the NCI.

Summarized statement of financial position	**June 30, 2026 $**	**December 31, 2025 $**
Current assets	126,431	203,132
Current liabilities	(82,379)	(143,556)
Current net assets	44,052	59,576
Non-current assets	4,786,971	4,612,819
Non-current liabilities	(12,414,449)	(11,873,617)
Non-current net liabilities	(7,627,478)	(7,260,798)
Net assets (liabilities)	(7,583,426)	(7,201,222)
Accumulated NCI	1,685,059	1,642,762
Summarized statement of loss and comprehensive loss	**June 30, 2026**	**June 30, 2025**
Total loss and comprehensive loss for the period	(566,136)	(500,309)
Loss allocated to non-controlling interest for the period	(141,534)	(16,086)

As of April 30, 2025, the date of the original transaction with SSA, NCI was calculated as follows:

Cash	$	2,741,461
Drilling services		4,118,360
Total consideration		6,859,821
NGE net assets:		
Cash and cash equivalents		3,621
Prepaids		84,435
Investments		24,971
Exploration and evaluation assets		4,420,704
Accounts payable		(54,740)
Intercompany payables		(10,979,128)
25% of total net assets allocated to NCI		1,625,034
Excess recognized in deficit	$	5,234,787

8. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted (loss) earnings per share for the six months ended June 30, 2026 and 2025 was based on the following:

	Six months ended June 30,	
	2026	**2025**
Loss attributable to common shareholders ($)	(2,095,326)	255,327
Weighted average number of common shares outstanding – basic	167,345,363	165,239,800
Weighted average number of common shares outstanding – diluted	167,345,363	231,989,067

The Company incurred a loss attributable to common shareholders for the six months ended June 30, 2026, therefore the impact of dilutive securities is anti-dilutive. For the six months ended June 30, 2025, the calculation of diluted earnings per share includes 11,255,000 share purchase options and 55,524,267 warrants.

9. MARKETABLE SECURITIES

From time to time, the Company may acquire and transfer marketable securities to facilitate intragroup funding transfers between the Canadian parent and its Argentine operating subsidiaries. The Company does not acquire marketable securities and engage in these transactions for speculative purposes. In this regard, under this strategy, the Company generally uses marketable securities of large and well-established companies with high trading volumes and low volatility. Nonetheless, as the process to acquire, transfer and ultimately sell the marketable securities occurs over several days, some fluctuations are unavoidable. As the marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading, all changes in the fair value of the instruments between acquisition and disposition are recognized through profit or loss. The subsequent disposition of these marketable securities in exchange for Argentine pesos gave rise to a gain as the amount received in Argentine peso exceeds the amount of Argentine peso the Company would have received from a direct foreign currency exchange.

As a result of having utilized this mechanism for intragroup funding for the six months ended June 30, 2026, the Company realized a gain of $Nil (June 30, 2025 – $20,667) from the favorable foreign currency impact.

10. COMMITMENTS

Management Services Agreement

Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current fee is $10,500 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

The table below represents the Company's aggregate commitment to Grosso Group over the term of the Management Services Agreement.

	Year 1 $	Year 2 $	Year 3 $
Management Services Agreement	18,000	36,000	-

10. COMMITMENTS (continued)

The Company has a consulting agreement with its CEO and Director. The termination provisions of the agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Director would receive an amount equal to 24 months' compensation. As of June 30, 2026, the Company would have to pay $295,425 to the Director in the event of termination without cause or a change of control.

The Company has a consulting agreement with its CFO (the "CFO Agreement"). The termination provisions of the CFO Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the CFO would receive an amount equal to 24 months' compensation. As of June 30, 2026, the Company would have to pay $69,609 to the CFO in the event of termination without cause or a change of control.

The Company has a consulting agreement with its former Executive Chairman, under which the Company agreed to pay $5,000 per month for advisory services for a period of five years effective from April 2026.

The Company has a consulting agreement with its Vice President, Exploration and Development. The termination provisions of the agreement provide that a fee of 12 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the VP, Exploration and Development would receive an amount equal to 12 months' compensation. As of June 30, 2026, the Company would have to pay $233,879 to the VP, Exploration and Development in the event of termination without cause or a change of control.

The Company has a consulting agreement with its Corporate Secretary (the "Corporate Secretary Agreement"). The termination provisions of the Corporate Secretary Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Corporate Secretary would receive an amount equal to 24 months' compensation. As of June 30, 2026, the Company would have to pay $83,530 to the Corporate Secretary in the event of termination without cause or a change of control.

The Company has a consulting agreement with its Controller (the "Controller Agreement"). The termination provisions of the Controller Agreement provide that a fee of 12 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Controller would receive an amount equal to 12 months' compensation. As of June 30, 2026, the Company would have to pay $13,035 to the Controller in the event of termination without cause or a change of control.

11. CONTINGENCY

A former employee and former consultant to the Company are claiming to be owed severance in Argentina. The former employee commenced legal action that has progressed from prejudicial to judicial status. The Company believes the amount of severance being claimed by the former employee and former consultant is excessive and is disputing the amount. The actual amount of severance is still being negotiated and may be material to the Company.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

12. SEGMENTED INFORMATION

The Company's operations are limited to a single reportable segment, being mineral exploration and development. The Company's total non-current assets are segmented geographically as follows:

	June 30, 2026		
	Argentina	**Chile**	**Total**
	$	**$**	**$**
Mineral property interests	26,317	4,786,970	4,813,287
	26,317	4,786,970	4,813,287

	December 31, 2025		
	Argentina	**Chile**	**Total**
	$	**$**	**$**
Mineral property interests	24,999	4,612,818	4,637,817
	24,999	4,612,818	4,637,817

13. SUPPLEMENTARY CASH FLOW INFORMATION

	Six months ended June 30,	
	2026	2025
	$	$
Cash and cash equivalents		
Cash	281,609	109,649
Cash equivalents	2,893	121,238

14. FINANCIAL INSTRUMENTS

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

14. FINANCIAL INSTRUMENTS (continued)

The Company's financial assets and liabilities consist of cash and cash equivalents, amounts receivable, investments, marketable securities, and accounts payable and accrued liabilities. The Company's investment in MOG (see also Notes 3(b) and 4) is carried at fair value using level 1 inputs with any gains or losses recognized in other comprehensive income.

At June 30, 2026, the Company's financial instruments measured at fair value are as follows:

	$ Carrying amount June 30, 2026	Level 1 $ Fair value June 30, 2026	Level 2 $	Level 3 $
Recurring measurements				
Financial Assets				
Investments	1,311,475	1,311,475	-	-

At December 31, 2025, the Company's financial instruments measured at fair value are as follows:

	$ Carrying amount December 31, 2025	Level 1 $ Fair value December 31, 2025	Level 2 $	Level 3 $
Recurring measurements				
Financial Assets				
Investments	2,711,137	2,711,137	-	-

(b) Financial Instrument Risk Exposure

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. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and investments. The Company has reduced its credit risk by depositing its cash and cash equivalents, and investments with financial institutions that operate globally. Therefore, the Company is not exposed to significant credit risk and the Company's overall credit risk has not changed significantly from the prior year.

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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants, and sale of marketable securities to fund exploration programs and may require doing so again in the future.

As of June 30, 2026, the Company had a working capital of $1,248,672 (December 31, 2025 – $2,470,286). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. See also Note 1.

14. FINANCIAL INSTRUMENTS (continued)

	1 Year $	2 Years and more $
Accounts payable and accrued liabilities	786,336	-

Market risk

(i) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in the market prices. Investments in marketable securities measured at fair value are exposed to changes in share prices that would result in gains or losses recognized in the Company's other comprehensive income. A 10% change in prices would change the Company's other comprehensive loss by $131,000.

(ii) ***Currency risk***

Financial instruments that impact the Company's net earnings due to currency fluctuations include: cash and cash equivalents, and accounts payable and accrued liabilities denominated in United States dollars, Chilean pesos, and Argentinean pesos. A 10% change in US dollar, Chilean Peso, and the Argentinean peso exchange rates relative to Canadian dollar would have insignificant impact on the Company's net loss:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by $500.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $6,000.
- A 10% change in the Chilean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $9,000.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears no interest and short-term investments are redeemable at any time without penalty, with interest paid from the date of purchase. The fair value of cash approximates their carrying values due to the immediate or short-term maturity of these financial instruments. Effect of the change in interest rate is not material.

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects;
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

15. CAPITAL MANAGEMENT (continued)

In assessing our capital structure, the Company includes in our assessment the components of shareholders' equity and loans. In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company is dependent upon the ability to raise additional funding to meet its obligations and commitments. See also Note 1.

16. SUBSEQUENT EVENTS

Sale of Investments

The Company sold 1,160,000 common shares of MOG at an average price of $0.54 per share for net proceeds of $624,900 (see also Notes 3(b) and 4).

Stock Options

250,000 stock options were exercised at an exercise price of $0.10 per unit.

Shareholder Approval of San Pietro Project Transaction

On August 21, 2026, the shareholders of the Company approved, by special resolution, the Transaction at the annual general and special meeting of the Company (see also Note 3 (a)). The Transaction is expected to close during the third quarter of 2026, subject to the final approval of the TSX Venture Exchange.