MERCADO MINERALS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2026 and 2025

(Expressed in Canadian Dollars Unless Noted Otherwise)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mercado Minerals Ltd.:

Opinion

We have audited the consolidated financial statements of Mercado Minerals Ltd. (the "Company"), which comprise the consolidated statements of financial position as at February 28, 2026 and 2025, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at February 28, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained 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 describes conditions indicating 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 for the year ended February 28, 2026. 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 of our auditor's report, we have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	**How our audit addressed the key audit matter**
Assessment of the existence of impairment indicators for exploration and evaluation assets	
Refer to note 4	Our approach to addressing the matter involved the following procedures, among others:
As at February 28, 2026, the carrying amount of the Company's exploration and evaluation assets was $3,470,767. At each reporting period, management assesses exploration and evaluation assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Management assesses exploration and evaluation assets for impairment based on, at minimum, the presence of any of the following indicators: (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditures on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned; (iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or (iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount. An impairment indicator was identified for the Porter property. The carrying amount exceeds the recoverable amount of the assets and for the year ended February 28, 2026, an impairment of $320,435 was recognized. We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in their assessment of impairment indicators related to exploration and evaluation assets. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.	Evaluating the judgments made by management in determining impairment indicators, which included the following: • Obtained, for a sample of claims by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates. • Reviewed documentation evidencing the Company's continued and planned exploration expenditures. • Assessed whether available data indicates the potential for commercially viable mineral resources. • Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis filed with the relevant Canadian securities commissions.

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 and remain alert for indications that the other information 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 in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business 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 Graeme L. Cocke.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
June 29, 2026

MERCADO MINERALS LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note		February 28, 2026		February 28, 2025
ASSETS					
Current Assets					
Cash		$	5,712,088	$	728,723
Amounts receivable			157,741		7,008
Prepaid expenses and deposits			255,233		-
			6,125,062		735,731
Non-current Assets					
Exploration and evaluation assets	4,7		3,470,767		320,435
Equipment			16,990		-
TOTAL ASSETS		**$**	**9,612,819**	**$**	**1,056,166**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Accounts payable and accrued liabilities	6	$	1,126,625	$	106,809
Loan payable	6		100,000		-
Share subscriptions received	5		185,000		-
TOTAL LIABILITIES			1,411,625		106,809
SHAREHOLDERS' EQUITY					
Share capital	5		9,028,658		1,708,628
Shares to be issued	7		700,000		-
Reserves	5		2,089,675		286,638
Deficit			(3,617,139)		(1,045,909)
Total shareholders' equity			8,201,194		949,357
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**9,612,819**	**$**	**1,056,166**

NATURE OF BUSINESS AND GOING CONCERN (NOTE 1)
CONTINGENCIES (NOTE 12)
SUBSEQUENT EVENTS (NOTE 14)

"Daniel Rodriguez"	*"Barry Devlin"*
Director	Director

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

MERCADO MINERALS LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars, except share information)

		Years Ended	
	Note	**February 28, 2026**	**February 28, 2025**
Expenses			
Investor communications		41,389	8,000
Management fees	6	304,000	104,500
Occupancy costs		14,561	31,852
Office		52,067	11,326
Project evaluation		48,246	13,188
Professional fees		124,442	106,288
Share-based payments	5	1,410,474	209,841
Transfer agent and filing fees		66,387	26,952
Travel and promotion		191,583	6,244
Loss from operating expenses		(2,253,149)	(518,191)
Other items:			
Interest income		10,662	-
Impairment of exploration and evaluation assets	4	(320,435)	-
Foreign exchange loss		(8,308)	-
Net and comprehensive loss		(2,571,230)	(518,191)
Weighted average number of common shares outstanding		$ **45,613,416**	$ **23,103,086**
Loss per share, basic and diluted		**(0.06)**	**(0.02)**

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

MERCADO MINERALS LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

		Years Ended	
		February 28, 2026	**February 28, 2025**
OPERATING ACTIVITIES:			
Net loss	$	(2,571,230) $	(518,191)
Items not affecting cash:			
Share-based payments		1,410,474	209,841
Impairment of exploration and evaluation assets		320,435	-
Net changes in non-cash working capital items:			
Amounts receivable		(68,098)	(3,342)
Prepaid expenses		(248,122)	-
Accounts payable and accrued liabilities		(476,521)	(28,873)
Cash used in operating activities		(1,633,062)	(340,565)
INVESTING ACTIVITIES			
Exploration and evaluation expenditures		(286,983)	(468)
Purchase of equipment		(16,990)	-
Cash acquired on acquisition of Concordia		25,307	-
Cash used in investing activities		(278,666)	(468)
FINANCING ACTIVITIES			
Proceeds from private placements		6,603,000	984,523
Share issue costs		(288,895)	(18,235)
Share subscriptions received		185,000	-
Proceeds from warrant exercise		265,988	97,900
Proceeds from option exercise		30,000	-
Proceeds from loan		100,000	-
Cash provided by financing activities		6,895,093	1,064,188
Change in cash		4,983,365	723,155
Cash, beginning of year		728,723	5,568
Cash, end of year	**$**	**5,712,088 $**	**728,723**

Supplemental cash flow information (Note 10)

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

MERCADO MINERALS LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars, except share information)

		Share Capital					
	Note	Number	Amount	Shares to be issued	Reserves	Deficit	Total shareholders' equity
			$	$	$	$	$
Balance, February 29, 2024		**17,525,001**	**657,016**	**-**	**64,221**	**(527,718)**	**193,519**
Shares issued for private placement	5	12,721,000	984,523	-	-	-	984,523
Shares issued on exercise of warrants	5	1,958,000	97,900	-	-	-	97,900
Share issuance costs	5	-	(30,811)	-	12,576	-	(18,235)
Share-based payments	5	-	-	-	209,841	-	209,841
Net and comprehensive loss for the year		-	-	-	-	(518,191)	(518,191)
Balance, February 28, 2025		**32,204,001**	**1,708,628**	**-**	**286,638**	**(1,045,909)**	**949,357**
Shares issued for private placement	5	33,015,000	6,603,000	-	-	-	6,603,000
Shares issued for exploration and evaluation assets	5	6,300,000	1,102,500	-	-	-	1,102,500
Shares issued on exercise of warrants	5	4,095,250	265,988	-	-	-	265,988
Shares issued on exercise of options	5	300,000	30,000	-	-	-	30,000
Share issuance costs	5	-	(681,458)	-	392,563	-	(288,895)
Share-based payments	5	-	-	-	1,410,474	-	1,410,474
Shares to be issued for exploration and evaluation assets	7	-	-	700,000	-	-	700,000
Net and comprehensive loss for the year		-	-	-	-	(2,571,230)	(2,571,230)
Balance, February 28, 2026		**75,914,251**	**9,028,658**	**700,000**	**2,089,675**	**(3,617,139)**	**8,201,194**

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

1. NATURE OF BUSINESS AND GOING CONCERN

Mercado Minerals Ltd. (the "Company") was incorporated on March 24, 2021 under the laws of British Columbia. The Company changed its name from Heartfield Mining Corp. to Mercado Minerals Ltd. on November 8, 2024. The address of the Company's corporate office and its principal place of business is 615 – 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6.

The Company listed on the Canadian Securities Exchange ("CSE") on November 9, 2022. It trades under the symbol "MERC".

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at February 28, 2026, the Company has not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, and the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

The Company had an accumulated deficit of $3,617,139 as at February 28, 2026, which has been funded by the issuance of equity, recurring losses and net cash outflows from operations. The Company's ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The outcome of these matters cannot be predicted at this time and these conditions indicate a material uncertainty that may cast doubt upon the Company's ability to continue as a going concern.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements were reviewed by and approved and authorized for issuance by the Board of Directors on June 29, 2026.

Basis of Consolidation

These consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiaries, Concordia Silver Company S.A. de C.V. ("Concordia"), Canmex Mining Company S.A. de C.V. and Auxico Resources S.A. de C.V., incorporated and located in Mexico. All significant intercompany transactions and balances have been eliminated on consolidation. Subsidiaries are entities controlled by the Company and are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Company controls an investee when it is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The accounting policies of investees are changed where necessary to align them with the policies adopted by the Company.

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 3. The consolidated financial statements are also prepared using the accrual basis of accounting, except for cash flow information.

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

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 consolidated 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:

Significant accounting judgments

i. the assessment of indications of impairment of the exploration and evaluation assets and related determination of the recoverable amount and impairment of the exploration and evaluation assets where applicable.

ii. Assessment of transaction as a business combination or asset acquisition

   Management's determination of whether a transaction constitutes a business combination, or an asset acquisition is determined based on whether the investee constitutes a business, as defined by IFRS 3. If the investee constitutes a business then the acquisition is accounted for as a business combination but if the investee does not meet the definition of a business, the acquisition is accounted for as an asset acquisition. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. Judgement is required to determine if an investee meets the definition of a business.

Significant accounting estimates

i. Estimating fair value for share-based payments requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the options or warrants, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 5.

3. MATERIAL ACCOUNTING POLICIES

a) Income Taxes

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the consolidated financial statements date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

b) Income (Loss) Per Share

The Company presents basic and diluted income (loss) per share data for its common shares. Basic income (loss) per share is calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income per share adjusts the income attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive securities outstanding using the treasury stock method, which assumes that outstanding dilutive securities would be exercised. Diluted loss per share is equivalent to basic loss per share, as the effect of potentially dilutive securities would be anti-dilutive. Basic and diluted income (loss) per share excludes all of the Company's common shares from the weighted average shares calculation that are contingently returnable.

c) Share Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to profit or loss.

d) Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first attributes value to the shares based on their fair value at the date of issuance, and the residual amount, if any, is attributed to the value of the attached warrants. Any fair value attributed to the warrants is recorded within reserves.

e) Share-Based Payments

The Company accounts for stock options and warrants granted to directors, officers, employees, and non-employees at fair value. The fair value of the options and warrants to employees, including directors, at the date of the grant is determined using the Black-Scholes option pricing model and share-based payments is recorded within profit or loss using the graded vesting method, and reflected in share-based payments reserve, over the vesting periods. The fair value of stock options and warrants granted to non-employees is measured based on the fair value of the goods and services received, unless that fair value cannot be estimated reliably, in which case the fair value is determined with reference to the fair value of the instruments granted, and is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is recorded within profit or loss upon re-measurement.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Common shares issued as payment for services or for the acquisition of exploration and evaluation assets are measured at the fair value of the goods and services received, unless that fair value cannot be estimated reliably, in which case the fair value is determined with reference to the fair value of the instrument granted. The fair value of common shares issued is the quoted market price of the Company's common shares on the date of issuance.

f) Financial Instruments

On initial recognition financial assets are classified as measured at:

i. Amortized cost;
ii. Fair value through other comprehensive income ("FVTOCI"); and
iii. Fair value through profit or loss ("FVTPL").

Financial assets 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.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method.

The Company does not have any financial assets classified at amortized cost.

ii. FVTOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest method.

The Company does not have any financial assets classified at FVTOCI.

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a financial asset that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period in which it arises.

The Company's cash is classified at FVTPL.

iv. Impairment

There is a three-stage expected credit loss ("ECL") model for determining impairment of financial assets. The expected credit loss model does not require the occurrence of a triggering event before the Company recognizes credit losses. The Company is required to recognize ECLs upon initial recognition of a financial asset and to update the quantum of ECLs at the end of each reporting period to reflect changes to credit risk of the financial asset.

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

The Company classifies its accounts payable and accrued liabilities, loan payable and share subscriptions received at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

g) Exploration and evaluation assets

Pre-exploration costs are expensed in the period in which they are incurred. All costs related to the acquisition, exploration and development of mineral properties are capitalized.

Exploration and evaluation assets are reviewed for indicators of impairment at each reporting date. An exploration and evaluation asset is deemed to have an indicator of impairment if the period for which the Company has the right to explore the property has expired or is not expected to be renewed, substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned, exploration and evaluation activities have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities for the specific property, or if sufficient data exists to indicate that development of a specific property would be unlikely to recover the carrying amount of the associated capitalized exploration and evaluation expenditures.

If there is an indication of impairment, and the Company determines the recoverable amount of the specific exploration and evaluation asset as the greater of the asset's value in use or fair value less costs of disposal, and comparing this to the carrying amount as at the reporting date. If the carrying amount exceeds the recoverable amount, those exploration and evaluation assets, in excess of estimated recoveries, are written off to profit or loss as an impairment loss.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as a 'mine under construction'. Exploration and evaluation assets are tested for impairment before the assets are transferred to mine under construction. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Exploration and evaluation assets are classified as intangible assets.

h) Functional Currency

The functional currency is the currency of the primary economic environment in which an entity operates and may differ from the currency in which the entity enters transactions. The reporting currency of the Company is the Canadian dollar. The functional currency of the Company and its subsidiaries is the Canadian dollar.

Transactions in currencies other than the functional currency are translated to the functional currency at exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in currencies other than the functional currency are translated to the functional currency using the exchange rate prevailing on the date of the consolidated statement of financial position, while non-monetary assets and liabilities are translated at historical rates.

Exchange gains and losses arising from the translation of foreign currency-denominated transactions or balances are recorded in profit or loss in the period in which they occur.

(Expressed in Canadian dollars unless otherwise stated)

i) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lessees are permitted to make an election for leases with a term of 12 months or less, or where the underlying asset is of low value, and not recognize lease assets and lease liabilities. For short term leases, the Company has elected to use this election, and has recognized rent expense associated with these lease of premises on a straight-line basis over the lease term within profit or loss as occupancy costs.

j) Recently issued but not yet effective accounting standards

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements but carries forward many of the requirements from IAS 1. The standard introduces new defined subtotals to be presented in the Company's statement of loss and comprehensive loss, disclosure of any management-defined performance measures related to the statement of loss and comprehensive loss and requirements for grouping of information. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted, and will apply retrospectively. The Company is currently in the process of assessing the impact of IFRS 18 (and applicable amendments to other standards) on the consolidated financial statements and notes to the consolidated financial statements.

4. EXPLORATION AND EVALUATION ASSETS

	Porter Property	Concordia Property	Total
Acquisition Costs			
Balance, February 29, 2024	$ 102,000	$ -	$ 102,000
Additions - cash	8,000	-	8,000
Balance, February 28, 2025	110,000	-	110,000
Additions (Note 7)	-	3,065,117	3,065,117
Balance, February 28, 2026	110,000	3,065,117	3,175,117
Exploration Costs			
Balance, February 29, 2024	$ 209,967	$ -	$ 209,967
Geological consulting	468	-	468
Balance, February 28, 2025	210,435	-	210,435
Assaying	-	443	443
Camp costs	-	22,814	22,814
Geological consulting	-	344,470	344,470
Equipment	-	4,969	4,969
Taxes, duties, and fees	-	29,140	29,140
Travel and transportation	-	3,814	3,814
Balance, February 28, 2026	210,435	405,650	616,085
Impairment	(320,435)	-	(320,435)
Balance, February 28, 2026	**-**	**3,470,767**	**3,470,767**

Porter Property option

On March 24, 2021, the Company entered into a Purchase Option Agreement (the "Agreement") with an arms-length party (the "Optionor"). Pursuant to the Agreement, the Company has an option to acquire 100% interest in five mineral claims known as Porter Property located near Port Alberni on Vancouver Island, British Columbia, Canada (the "Claims") from the Optionor.

Under the terms of the Agreement, the Optionor has granted the Company the option to acquire all rights, title and interest within five kilometers of the five mineral claims. In addition, the Claims are subject to Net Smelter Return Royalty of 1.5% which can be purchased at any time for $1,500,000 by the Company.

Under the Agreement, the Company will make cash payments totaling $40,000 and issue 300,000 common shares as follows:

a. make a cash payment of $6,000 (the “Initial Payment”) (paid) upon execution and delivery of the Agreement;
b. make a further cash payment of $6,000 (paid) and issue 300,000 (issued) common shares on November 9, 2022, the date upon which the common shares are listed on a stock exchange in Canada (“Listing date”);
c. make a further cash payment of $8,000 (paid) within 18 months of the Listing date (as renegotiated); and
d. make a further cash payment of $20,000 on or before December 18, 2025 (unpaid).

As at February 28, 2026, the Company did not intend on continuing with its Porter property option and consequently impaired the property to $Nil and recognized an impairment of $320,435.

Concordia Property option

The Concordia Property comprises the Copalito and Zamora projects. On October 17, 2025, the Company, through its acquisition of Concordia (Note 7), obtained an option agreement (the “Option Agreement”) in respect of the Copalito project. The Zamora project is wholly owned by the Company.

Under the Option Agreement, the Company will make cash payments as follows:

a. make a cash payment of US$50,000 once the main contract has been registered in the Public Mining Registry (paid)
b. make a further cash payment of US$100,000 on the first anniversary of the date of registration (unpaid)
c. make a further cash payment of US$300,000 on the second anniversary of the date of registration (unpaid)
d. make a further cash payment of US$550,000 on the third anniversary of the date of registration (unpaid)
e. make a further cash payment of US$700,000 on the fourth anniversary of the date of registration (unpaid)
f. make a further cash payment of US$800,000 on the fifth anniversary of the date of registration (unpaid)

US$500,000 will be reserved from the payments of any taxes or any liability to keep the mining concessions current.

5. SHARE CAPITAL

a) Authorized: Unlimited number of common shares without par value.

b) Issued and outstanding as at: 75,914,251 (February 28, 2025 – 32,204,001) common shares, of which Nil were held in escrow (February 28, 2025 – 750,001).

<u>Year ended February 28, 2026</u>

The Company issued 6,300,000 common shares at a fair value of $0.175 per common share as part of the acquisition of Concordia (Note 7). An amount of $1,102,500 has been recorded as acquisition costs and capitalized to exploration and evaluation assets on the consolidated statement of financial position.

On November 28, 2025, the Company issued 27,990,000 units at a price of $0.20 per unit for gross proceeds of $5,598,000. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable to purchase one common share at a price of $0.35 per share for a period of three years from the date of issuance. In connection with this closing, the Company paid cash finder's fees of $215,045 and issued 1,074,500 broker warrants. The residual value of the warrants attached to the units was determined to be $nil. Each broker warrant will entitle the holder to purchase one common share of the Company at a price of $0.35 per share for a period of three years from the date of issuance. The broker's warrants were fair valued at $271,465 using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate – 3.75%; expected volatility – 194%; expected dividend yield – 0.0%; expected warrant life in years – 3.

On December 4, 2025, the Company issued 5,025,000 units at a price of $0.20 per unit for gross proceeds of $1,005,000. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable to purchase one common share at a price of $0.35 per share for a period of three years from the date of issuance. In connection with this closing, the Company paid cash finder's fees of $73,850 and 351,750 broker warrants. The residual value of the warrants attached to the units was determined to be $nil. Each broker warrant will entitle the holder to purchase one common share of the Company at a price of $0.35 per share for a period of three years from the date of issuance. The broker's warrants were valued at $121,098 using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate – 3.75%; expected volatility – 195.82%; expected dividend yield – 0.0%; expected warrant life in years – 3.

The Company issued 4,095,250 common shares, pursuant to the exercise of warrants, with exercise prices ranging from $0.05 to $0.15 per share for gross proceeds of $265,988. The weighted average share price during the year was $0.28 per share.

The Company issued 300,000 common shares, pursuant to the exercise of stock options, at a price of $0.10 per share for gross proceeds of $30,000. The weighted average share price during the year was $0.28 per share.

The Company received $185,000 in share subscriptions prior to year-end. The shares relating to these subscriptions were not issued subsequent to year-end and the proceeds were returned. Accordingly, it has been classified as a financial liability.

<u>Year ended February 28, 2025:</u>

On May 22, 2024, the Company issued 4,616,000 units at a price of $0.0377 for gross proceeds of $174,023. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.05 per share until May 22, 2025. The warrants had a value of $Nil using the residual value method.

(Expressed in Canadian dollars unless otherwise stated)

On December 23, 2024, the Company issued 8,105,000 units at a price of $0.10 per unit for gross proceeds of $810,500. Each unit is comprised of one common share and one half of one common share purchase warrant exercisable at $0.15 per share until December 23, 2026. The warrants had a value of $Nil using the residual value method. In connection with this issuance, the Company paid cash finders' fees of $18,235 and issued 147,350 agent warrants. The agent's warrants were fair valued at $12,576 using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate – 3.03%; expected volatility – 217.66%; expected dividend yield – 0.0%; expected warrant life in years – 2.

During the year, the Company issued 1,958,000 common shares, pursuant to the exercise of warrants, at a price of $0.05 per share for gross proceeds of $97,900.

c) Warrants

A Summary of the Company's warrants are as follows:

	Share Purchase Warrants	
	Number	Weighted average exercise price
		$
Balance, February 29, 2024	1,195,000	0.06
Issued	8,815,850	0.10
Exercised	(1,958,000)	0.05
Expired	(320,000)	0.10
Balance, February 28, 2025	7,732,850	0.10
Issued	17,582,000	0.35
Exercised	(4,095,250)	0.06
Expired	(50,000)	0.05
Balance, February 28, 2026	21,169,600	0.32

The following table summarizes information about warrants outstanding at February 28, 2026:

Expiry date	Warrants		Exercise Price
December 23, 2026	3,587,600	$	0.15
November 28, 2028	15,069,500		0.35
December 4, 2028	2,512,500		0.35
	21,169,600	$	0.32

The weighted average remaining contractual life of the warrants is 2.42 years.

d) Stock Options

The Company adopted a stock option plan, which authorizes the Board of Directors to grant stock options to acquire up to 10% of the issued and outstanding common shares of the Company. The exercise price of the options will not be less than the closing market price of the Company's shares at the date of grant. The options can be granted for a maximum of 5 years, and the vesting of the options will be determined by the Board of Directors.

(Expressed in Canadian dollars unless otherwise stated)

On October 17, 2025, the Company granted 350,000 stock options to consultants of the Company. The stock options vest immediately and have an exercise price of $0.17 per stock option and expire 3 years from the date of grant. The stock options were fair valued at $56,053 using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate – 2. 38%; expected volatility – 196.24%; expected dividend yield – 0.0%; expected stock option life in years – 3.

On October 22, 2025, the Company granted 500,000 stock options to consultants of the Company. The stock options vest immediately and have an exercise price of $0.18 per stock option and expire 3 years from the date of grant. The stock options were fair valued at $91,806 using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate – 2.39%; expected volatility – 196.02%; expected dividend yield – 0.0%; expected stock option life in years – 3.

On December 4, 2025, the Company granted 3,785,000 stock options to directors, officers, and consultants of the Company. The stock options vest immediately and have an exercise price of $0.38 per stock option and expire 5 years from the date of grant. The stock options were fair valued at $1,262,616 using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate – 2.45%; expected volatility – 140.34%; expected dividend yield – 0.0%; expected stock option life in years – 5.

On January 15, 2025, the Company granted 2,130,000 stock options to directors, officers, and consultants of the Company. The stock options vest immediately and have an exercise price of $0.10 per stock option and expire 5 years from the date of grant. The stock options were fair valued at $209,841 using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate – 3.14%; expected volatility – 215.38%; expected dividend yield – 0.0%; expected stock option life in years – 5. The expected volatility assumption is based on the volatility of stock prices for comparable early-stage public companies due to limited trading history.

A Summary of the Company's stock options is as follows:

	Stock Options	
	Number	Weighted average exercise price
		$
Balance, February 29, 2024	-	-
Granted	2,130,000	0.10
Balance, February 28, 2025	2,130,000	0.10
Granted	4,635,000	0.34
Exercised	(300,000)	0.10
Balance, February 28, 2026	6,465,000	0.27
Exercisable, February 28, 2026	6,465,000	0.27

(Expressed in Canadian dollars unless otherwise stated)

The following table summarizes information about stock options outstanding at February 28, 2026:

Expiry date	Options		Exercise Price
October 17, 2028	350,000		0.17
October 22, 2028	500,000		0.18
January 15, 2030	1,830,000	$	0.10
December 4, 2030	3,785,000		0.38
	6,465,000	$	0.27

The weighted average remaining contractual life of the stock options is 4.24 years.

6. RELATED PARTY TRANSACTIONS AND BALANCES

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. 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. Key management includes directors and officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

	For the years ended			
		February 28, 2026		February 28, 2025
Management Fees				
Chief Executive Officer	$	144,000	$	32,000
Former Chief Executive Officer		-		38,500
Chief Financial Officer		24,000		-
Former Chief Financial Officer		40,000		10,000
VP - Business Development		96,000		-
Former Director		-		24,000
Total Management Fees	$	304,000	$	104,500
Share-based payments		567,094		152,701
Total	$	871,094	$	257,201

Included in accounts payable and accrued liabilities is $51,401 (February 28, 2025 - $52,658) owed to the directors and officers of the Company. These amounts are non-interest bearing with no specific terms of repayment.

The Company also received a loan in the amount of $100,000 from a shareholder of the Company. The loan is non-interest bearing with no specific terms of repayment. The loan was repaid subsequent to year end.

(Expressed in Canadian dollars unless otherwise stated)

7. ACQUISITION OF CONCORDIA

On September 26, 2025, the Company entered into a definitive agreement (the "Agreement") with Concordia Silver Company S.A. de C.V. ("Concordia"), an arm's-length party. Pursuant to the Agreement, the Company acquired all of the issued and outstanding shares of Concordia and its underlying property rights in Mexico (the "Transaction") (Note 4) for US$105,000 and the issuance of 6,000,000 common shares to the vendors. The Company will issue a further 2,000,000 common shares to the vendors on the first anniversary of the closing date and a further 2,000,000 common shares to the vendors on the second anniversary of the closing date for a total fair value of $700,000 representing shares to be issued. The Considerations Shares are subject to restrictions on resale from which they will be released in four equal tranches, every six months over a 24-month period. The Company also issued 300,000 common shares at a fair value of $52,500 to an arms-length third party who introduced the Transaction to the Company.

The Company completed the Transaction on October 17, 2025. Accordingly, Concordia became a wholly-owned subsidiary of the Company. As at the date of the acquisition, October 17, 2025, Concordia did not meet the definition of a business and as such, the acquisition does not qualify to be accounted for as a business combination under IFRS 3, Business Combinations. Accordingly, the transaction was accounted for as an asset acquisition. The asset acquisition method was applied whereby certain assets and liabilities acquired were first recorded at their fair value based on the applicable IFRS standard, and the excess of the consideration paid over the net liabilities assumed was attributed to the exploration and evaluation assets.

Share consideration issued (Note 5)	**$**	**1,050,000**
Cash consideration		**145,950**
Deferred share consideration		**700,000**
Loan previously advanced		**289,854**
Transaction costs (Note 5)		**52,500**
		2,238,304
Cash		25,307
Amounts receivable		82,635
Prepaid expenses		7,111
Exploration and evaluation assets (Note 4)		3,065,117
Accounts payable		(652,012)
Loan payable		(289,854)
Net assets acquired	**$**	**2,238,304**

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the identification, exploration and evaluation of mineral properties. The Company does not have any externally imposed capital requirements to which it is subject.

The Company's capital structure consists of the components of shareholders' equity which totalled $8,201,194 as at February 28, 2026 (2025 - $949,357). 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 common shares or dispose of assets or adjust the amount of cash. The Company's approach to the management of capital has not changed from the prior year.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Fair value of financial instruments

Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, accounts payable and accrued liabilities, loan payable and share subscriptions received. The carrying amounts of accounts payable and accrued liabilities, and loan payable approximate their respective fair values due to the short-term to maturity of these financial instruments. Cash is measured at fair value based on Level 1 of the fair value hierarchy.

Financial risk management objectives and policies

The Company's financial instruments include cash, accounts payable and accrued liabilities, loan payable and share subscriptions received. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the Company is not exposed to material currency risk, interest rate risk or other price risk. The Company's exposure to and management of market risk has not changed materially from that of the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit-quality financial institution. The Company's exposure to and management of credit risk has not changed materially from that of the prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at February 28, 2026, the Company has cash of $5,712,088, to settle current liabilities of $1,411,625 all due within 30 days of receiving the invoice including the loan payable of $100,000 that has no repayment terms but was repaid subsequent to year-end. The Company's management of liquidity risk has not changed materially from that of the prior year.

(Expressed in Canadian dollars unless otherwise stated)

10. SUPPLEMENTAL CASH FLOW INFORMATION

February 28,		**2026**		**2025**
Interest received (paid)	$	10,662	$	-
Income taxes received (paid)		-		-

Non-cash investing and financing activities

February 28,		**2026**		**2025**
Shares issued for exploration and evaluation assets	$	1,102,500	$	-
Shares to be issued for exploration and evaluation assets		700,000		-
Share issue costs - agent warrants		392,563		12,576
Exploration and evaluation assets included in accounts payable and accrued liabilities		109,102		8,000

11. REPORTABLE SEGMENTS

The Company primarily operates in one reportable segment, being the exploration and evaluation of mineral resource properties. As at February 28, 2026, the Company's exploration and evaluation asset balance relates to expenditures incurred in Mexico including equipment. As at February 28, 2025, the Company's exploration and evaluation asset balance relates to expenditures incurred in Canada.

12. CONTINGENCIES

The Company is committed to making severance payments amounting to approximately $168,000 to certain officers and directors of the Company in the event that there is a change in control. Change in control is generally defined as follows: the acquisition by any unrelated party between 30% to 50% of the Company's shares, the change of 51% or more of the directors, the sale of all or substantially all of the assets of the Company, and/or a reorganization, merger or other transaction. As payment is contingent on a change in control, the amount and timing of any payment are uncertain and no provision has been recognized as at February 28, 2026.

13. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

		2026		**2025**
Loss for the year	$	(2,571,230)	$	(518,191)
Expected income tax loss	$	(694,230)	$	(139,910)
Differences arising from:				
Non-deductible amounts and other		383,230		56,830
Share issue costs		(78,000)		(4,920)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses		-		2,000
Change in unrecognized deferred tax assets		389,000		86,000
Income tax expense (recovery)	**$**	**-**	**$**	**-**

(Expressed in Canadian dollars unless otherwise stated)

Deferred tax assets and liabilities consist of the following:

		2026		2025
Deferred Tax Assets (liabilities)				
Exploration and evaluation assets	$	10,000	$	(74,000)
Share issue costs		72,000		18,000
Non-capital losses available for future period		501,000		250,000
		583,000		194,000
Unrecognized deferred tax assets		(583,000)		(194,000)
Net deferred tax assets	**$**	**-**	**$**	**-**

As at February 28, 2026, the Company had approximately $1,854,700 (February 29, 2025 - $926,400) in non-capital losses available to reduce taxable income for future years. The non-capital losses expire between 2042 and 2045.

14. SUBSEQUENT EVENTS

Events subsequent to February 28, 2026, which are not disclosed elsewhere, are as follows:

(a) The Company issued 37,500 common shares for gross proceeds of $5,625 upon the exercise of 37,500 warrants.