Blue Sky Uranium Corp.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in Canadian Dollars)

Crowe

Crowe MacKay LLP
1400 - 1185 West Georgia Street
Vancouver, BC V6E 4E6
Main +1 (604) 687-4511
Fax +1 (604) 687-5805
www.crowemackay.ca

Independent Auditor's Report

To the Shareholders of Blue Sky Uranium Corp.

Opinion

We have audited the consolidated financial statements of Blue Sky Uranium Corp. (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2025 and December 31, 2024 and the consolidated statements of loss and comprehensive loss, changes in shareholders' (deficiency) equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

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 Group 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 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended December 31, 2025. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be a key audit matter to be communicated in our report. 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.

Accounting for the investment in Ivana Minerals S.A. and the related earn-in and option agreements
We draw attention to Notes 2 and 4 to the consolidated financial statements. which describes a set of inter-related transactions entered into during the year involving Abatare Spain, S.l. ("COAM") and Ivana Minerals S.A. ("JVCo"). The transaction involved a shareholders’ agreement, earn-in agreement, and option agreement, resulting in the transfer of certain mineral property interests to JVCo.

Why the matter was determined to be a key audit matter

These transactions required significant management judgment in determining that the Group does not control or jointly control JVCo, but has significant influence and therefore accounts for its interest as an investment in associate under IAS 28. Judgment was also required in accounting for the contribution and derecognition of mineral property interests and in assessing the accounting implications of the earn-in and option arrangements. Given the complexity of the arrangements and the significance of the judgments involved, we determined this matter to be a key audit matter.

How the matter was addressed in our audit

In responding to the key audit matter, we performed the following audit procedures:

- Reviewed the related agreements to understand the rights and obligations of the parties;
- Evaluated management's assessment of whether the Group controls, jointly controls, or has significant influence over JVCo by assessing governance arrangements, decision-making authority, board representation, funding provisions, and exposure to variable returns against the requirements of IFRS;
- Assessed the accounting for the contribution and derecognition of mineral property interests and the initial recognition of the investment in associate;
- Evaluated management's assessment of the accounting implications of the earn-in and option arrangements in determining the loss of control of JVCo and the application of the equity method, including the measurement of financial liabilities arising from COAM contributions; and
- Assessed the adequacy of the related disclosures in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, 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 as issued by the International Accounting Standards Board, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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 Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the 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 Pejman Mahlooji.

Crowe MacKay LLP

Chartered Professional Accountants
Vancouver, Canada
April 30, 2026

Blue Sky Uranium Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	December 31, 2025 $	December 31, 2024 $
ASSETS			
Current assets			
Cash and cash equivalents	14	1,925,396	219,294
Accounts receivable		36,634	20,436
Prepaid expenses		141,535	127,835
Total current assets		2,103,565	367,565
Non-current assets			
Investment in associate	4	1	-
Mineral property interests	3	604,878	335,572
Total non-current assets		604,879	335,572
Total Assets		2,708,444	703,137
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	1,047,814	2,040,864
Loans payable	5, 7	-	180,000
Total Liabilities		1,047,814	2,220,864
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	6	47,357,988	43,481,262
Reserves	6	17,574,397	13,995,562
Deficit		(63,271,755)	(58,994,551)
Total shareholders' equity (deficiency)		1,660,630	(1,517,727)
Total Liabilities and Shareholders' Equity (Deficiency)		2,708,444	703,137

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENTS (Note 12)

CONTINGENCY (Note 13)

SUBSEQUENT EVENTS (Note 16)

These audited consolidated financial statements are authorized for issue by the Board of Directors on April 29, 2026. They are signed on the Company's behalf by:

"Nikolaos Cacos", Director

"David Terry", Director

Blue Sky Uranium Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Year ended December 31, 2025 $	2024 $
Expenses			
Accounting and audit		127,900	51,063
Corporate development and investor relations		771,600	499,402
Exploration	3	380,803	2,217,189
Management fees	7	60,000	56,400
Office and sundry	7	410,959	57,717
Professional fees		512,934	927,545
Rent, parking and storage		30,045	37,573
Salaries and employee benefits	7	402,571	320,986
Share-based compensation	6,7	818,779	-
Transfer agent and regulatory fees		123,840	68,845
Travel		39,366	35,589
Loss before other income (loss)		(3,678,797)	(4,272,309)
Other income (loss)			
Foreign exchange gain		40,884	4,198
Loss on investment in associate	4	(669,999)	-
Gain on sale of marketable securities	9	26,542	273,749
Interest expense		(524)	-
Interest income		4,690	9,501
Other income (loss)		(598,407)	287,448
Loss and comprehensive loss for the year		(4,277,204)	(3,984,861)
Basic and diluted loss per common share ($)	8	0.01	0.01

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

Blue Sky Uranium Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended December 31,	
	2025	2024
	$	$
Operating activities		
Loss for the year	(4,277,204)	(3,984,861)
Loss on investment in associate	669,999	-
Share-based compensation	818,779	-
	(2,788,426)	(3,984,961)
Change in non-cash working capital items:		
Increase in accounts receivable	(16,198)	(6,865)
Increase in prepaid expenses	(13,700)	(68,948)
(Decrease) increase in accounts payable and accrued liabilities	(993,050)	1,116,407
Net cash used in operating activities	(3,811,374)	(2,944,267)
Investing activities		
Expenditures on mineral property interests	(294,306)	(133,195)
Transaction costs for the investment in associate	(645,000)	-
Net cash used in investing activities	(939,306)	(133,195)
Financing activities		
Issuance of commons shares and warrants	6,902,558	2,146,080
Share issue costs	(406,550)	(98,189)
Loans received	146,000	180,000
Repayment of loans	(326,000)	-
Warrants exercised	140,774	18,000
Net cash received from financing activities	6,456,782	2,245,891
Net increase (decrease) in cash and cash equivalents	1,706,102	(831,571)
Cash and cash equivalents at beginning of year	219,294	1,050,865
Cash and cash equivalents at end of year	1,925,396	219,294

SUPPLEMENTARY CASH FLOW INFORMATION (Note 14)

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

Blue Sky Uranium Corp.

Consolidated Statements of Changes in Shareholders' (Deficiency) Equity

(Expressed in Canadian Dollars)

	Share capital		Reserves				
	Number of Shares	Amount $	Contributed Surplus $	Equity Settled Share-based Payments $	Warrants $	Deficit $	Total $
Balance at December 31, 2023	259,654,806	42,192,552	6,754,306	1,117,768	5,346,307	(55,009,690)	401,243
Private placements	39,267,999	1,418,462	-	-	727,618	-	2,146,080
Share issue costs	-	(98,189)	-	-	-	-	(98,189)
Agents' warrants granted	-	(56,758)	-	-	56,758	-	-
Warrants exercised	360,000	25,195	-	-	(7,195)	-	18,000
Warrants and agents' warrants expired	-	-	873,296	-	(873,296)	-	-
Comprehensive loss for the year	-	-	-	-	-	(3,984,861)	(3,984,861)
Balance at December 31, 2024	299,282,805	43,481,262	7,627,602	1,117,768	5,250,192	(58,994,551)	(1,517,727)
Private placements	132,208,633	4,223,276	-	-	2,679,282	-	6,902,558
Share issue costs	-	(406,550)	-	-	-	-	(406,550)
Agents' warrants granted	-	(141,375)	-	-	141,375	-	-
Share-based compensation	-	-	-	818,779	-	-	818,779
Warrants exercised	2,739,728	201,375	-	-	(60,601)	-	140,774
Warrants and agents' warrants expired	-	-	1,410,018	-	(1,410,018)	-	-
Comprehensive loss for the year	-	-	-	-	-	(4,277,204)	(4,277,204)
Balance at December 31, 2025	434,231,166	47,357,988	9,037,620	1,936,547	6,600,230	(63,271,755)	1,660,630

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Blue Sky Uranium Corp. (the "Company") was incorporated under the Business Corporation Act of British Columbia on November 30, 2005 as Mulligan Capital Corp. On May 18, 2006, the Company received final receipts for a prospectus and became a reporting issuer in British Columbia and Alberta. On June 27, 2006 the Company completed its initial public offering and on June 28, 2006 the Company listed its common shares on the TSX Venture Exchange (the "TSX-V") as a capital pool company. On February 7, 2007, the Company completed its qualifying transaction and was upgraded to Tier II status on the TSX-V. The Company also changed its name to Blue Sky Uranium Corp. to reflect its business as a junior uranium exploration company. The address of the Company's registered office is Suite 411 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6.

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in Argentina. 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. Consequently, the Company considers itself to be an exploration stage company.

The amounts shown as mineral property interests represent acquisition costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral property interests is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to advance the properties beyond the exploration stage, and the future profitability of the properties.

These audited consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to consolidated 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 $63,271,755 and shareholders' equity of $1,660,630 at December 31, 2025. In addition, the Company has a working capital of $1,055,751 at December 31, 2025 and negative cash flow from operating activities of $3,811,374. 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. These factors create material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and commitments and to attain profitable operations. Management's plan in this regard is to 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 economic global 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 audited consolidated 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

Statement of compliance

The Company's audited consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with IFRS issued by the IASB, effective for the Company's reporting for the year ended December 31, 2025. These consolidated financial statements were approved by the Board of Directors of the Company on April 29, 2026.

Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

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

	Place of Incorporation	Principal Activity
Blue Sky Uranium Holdings Corp.	BC, Canada	Holding company
Minera Cielo Azul S.A. (Argentina)	Argentina	Exploration company
Desarrollo de Inversiones S.A. (Argentina)	Argentina	Exploration company
Viento de Oro S.A. de C.V. (Mexico)	Mexico	Exploration company

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

Financial instruments

i. Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

2. MATERIAL ACCOUNTING POLICIES (continued)

The following table summarizes the classification and measurement of the Company's financial assets and liabilities:

Financial assets/liabilities	Classification and Measurement
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Marketable securities	FVTPL
Loans payable	Amortized cost

ii. Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

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

iii. Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

Foreign currencies

The presentation and functional currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange gains and losses are recognized in profit or loss.

Exploration, Evaluation and Development Expenditures

Exploration and evaluation expenditures are expensed as incurred, until the property reaches the development stage. The development stage is considered to begin once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. All direct costs related to the acquisition of resource property interests are capitalized. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.

2. MATERIAL ACCOUNTING POLICIES (continued)

Proceeds received for farm-out arrangements or recoveries of costs are credited against the cost of the related claims. The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount. Mineral property acquisition costs include cash costs and the fair market value of common shares issued, based on the trading price of the shares issued for mineral property interests, pursuant to the terms of the related property agreements. Payments related to a property acquired under an option or joint venture agreement are made at the sole discretion of the Company, and are recorded as mineral property acquisition costs upon payment. Mineral property interests are classified as intangible assets.

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company places its deposits with financial institutions with high credit ratings.

Investment in Associates

The Company accounts for its investments in affiliated companies over which it has significant influence using the equity basis of accounting, whereby the investment is initially recorded at cost, and adjusted to recognize the Company's share of earnings or losses. The consolidated statement of loss reflects the share of the results of operations of the associated company from the acquisition date forward. Where there has been a change recognized directly in the equity of the associated company, the Company recognizes its share of any changes. Unrealized gains and losses resulting from transactions between the Company and the associated company are eliminated to the extent of the interest in the associated company.

The Company assesses its equity investments for impairment at each reporting date if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the equity investment and that the event or events has an impact on the estimated future cash flow of the investment that can be reliably estimated. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in profit or loss. Upon loss of significant influence over the associated company, the Company measures and recognizes any remaining investment at its fair value. Any difference between the carrying amount of the associated company upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss.

Impairment

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the period.

Mineral property interests are assessed for impairment in accordance with IFRS 6 – *Exploration for and Evaluation of Mineral Resources* when facts and circumstances indicate that the carrying amount may exceed its recoverable amount. Indicators of impairment include, but are not limited to:

i. The period for which the entity has the right to explore in the area has expired or is expected to expire soon, with no expectation of renewal;

2. MATERIAL ACCOUNTING POLICIES (continued)

ii. Substantive expenditure on further exploration and evaluation is neither budgeted nor planned;

iii. Exploration and evaluation activities have not resulted in the discovery of commercially viable resources, and the entity has decided to discontinue such activities; or

iv. Sufficient data indicates that, although development in the area is likely, the carrying amount is unlikely to be fully recovered through development or sale.

Where impairment indicators exist, the carrying amount of the asset is reviewed, and any impairment loss is recognized in profit or loss to reduce the asset to its recoverable amount. In addition, at the end of each reporting period the Company reviews whether there is any indication that a previously recorded impairment should be reversed. If the recoverable amount of an asset is estimated to be greater than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the previous impairment loss is reversed in the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Valuation of equity units issued in private placements

The Company follows a pro rata allocation method with respect to the measurement of shares and warrants issued as private placement units. This values each component at fair value and allocates total proceeds received between shares and warrants based on the pro rata relative values of the components. The fair value of the common shares is based on the closing price on the issue date and the fair value of the common share purchase warrants is determined at the issue date using the Black-Scholes pricing model. The fair value attributed to the warrants is recorded in warrants reserve.

Share-based Payment Transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for stock options and warrants that have expired are transferred to contributed surplus. Charges for stock options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (continued)

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss. The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable. The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date are minimal.

Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

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 judgement 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.

2. MATERIAL ACCOUNTING POLICIES (continued)

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.

iv. The Company applied significant judgement in assessing the appropriate accounting treatment for its interests in Ivana Minerals S.A. ("JVCO") and the related shareholder, earn-in and option agreements entered into with Abatare Spain, S.L. ("COAM"). In determining whether the Company controls, jointly controls, or has significant influence over JVCO, the Company considered the substance of the contractual arrangements, including governance provisions, board composition, decision-making rights, funding obligations, and the rights of the parties during the various phases of the agreements. This assessment required judgement in identifying the activities that most significantly affect JVCO's returns and evaluating which party has the current ability to direct those activities. Although the Company holds a significant economic interest through a majority of the shares in JVCO, the Company concluded that it does not have control as defined in IFRS 10, as it does not have unilateral power to direct the relevant activities of JVCO, with decisions over the relevant activities of the JVCO being preliminary determined through the contractual agreements rather than voting rights.

The agreements also grant COAM staged earn-in rights to acquire an increased ownership interest in JVCO through the funding of exploration and development activities, subject to defined spending thresholds, corporate guarantees, and termination rights. There was no consideration paid to the Company on transfer of mineral property to JVCO and no gain/(loss) was recorded on the initial transfer after evaluation of the amount of initial retained interest in JVCO by the Company on the transfer. Management applied judgement in determining that the interest in JVCO should be accounted for as an investment in associate through the equity method. In applying the equity method Management applied judgement in evaluating the nature of the equity pick-up from JVCO arising from its arrangements with COAM. As COAM has sole responsibility for the initial funding commitments under the JVCO during the current phase of the earn-in arrangement, the Company applied judgement to determine that it is not responsible for funding losses of the JVCO during the current exploration and evaluation activities and accordingly the Company has not picked up losses beyond amounts applied to reduce the initial carrying value of the associate to a nominal amount. In accounting for the JVCO through the equity method Management applied judgment to determine the extent to which these arrangements result in financial assets, financial liabilities, or derivatives for JVCO. Contributions by COAM are accounted for by JVCO as financial liabilities based upon the contributions received until settled through the issuance of equity by JVCO – the resulting financial liabilities of JVCO for COAM contributions are not remeasured for changes in fair value as there is an absence of a determinable economic basis or observable inputs to reliably remeasure such amounts given the early-stage nature of the JVCO mineral properties and the preliminary stage of the earn-in and option arrangements.

Critical accounting estimate

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)

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

Amendments to IAS 21, Lack of Exchangeability (effective January 1, 2025) requires companies to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. The amendments respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies. The amendments will help companies and investors by addressing a matter not previously covered in the accounting requirements for the effects of changes in foreign exchange rates. These amendments will require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and when it cannot, in determining the exchange rate to use and the disclosures to provide. 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 year ended December 31, 2025 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.

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. The Company has not yet assessed the impact of these amendments on the Company's consolidated financial statements.

3. MINERAL PROPERTY INTERESTS

The schedules below summarize the acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company holds title to and is continuing to explore as at December 31, 2025:

(Expressed in Canadian Dollars Unless Otherwise Noted)

3. MINERAL PROPERTY INTERESTS (continued)

Acquisition Costs

	Argentina			
	Ivana $	**Corcovo** $	**Regalo** $	**Total** $
Balance – December 31, 2023	177,377	-	25,000	202,377
Additions				
Option payments, staking costs, land payments and acquisition costs	119,498	13,697	-	133,195
Balance – December 31, 2024	296,875	13,697	25,000	335,572
Additions				
Option payments, staking costs, land payments and acquisition costs	162,518	131,788	-	294,306
Transfer to investment in associate	(25,000)	-	-	(25,000)
Balance – December 31, 2025	434,393	145,485	25,000	604,878

Ivana Property

The Company owns an interest in the Ivana uranium property in the San Jorge Basin, Province of Rio Negro, located in the Northern Patagonia region of Argentina. The Ivana property forms the southeastern portion of the Amarillo Grande Project (See also Note 4).

Corcovo Property

On May 8, 2024, the Company entered into an option agreement to acquire 100% interest in two adjacent properties in the Neuquén basin of Mendoza Province. Terms of the option include payment of US$405,000 in five installments over 3 years, and a US$500,000 payment if the project achieves commercial production. The vendor retains a 1% Net Smelter Royalty ("NSR") on both properties which can be purchased by the Company for US$500,000.

Option Payment US$	Year
10,000 (paid)	2024
31,000 (paid)	2025
64,000 (paid)	2025
100,000 (not due)	2026
200,000 (not due)	2027
405,000	

Chihuidos Property

The Company acquired a 100% interest in the Chihuidos properties comprised of six exploration property units located 60 km west of Añelo city.

Regalo Property

The Company owns a 100% interest in the Regalo property located northwest of the Cerro Solo Uranium District in the province of Chubut Argentina.

(Expressed in Canadian Dollars Unless Otherwise Noted)

3. MINERAL PROPERTY INTERESTS (continued)

Exploration Expenditures

	Argentina		
	Amarillo Grande		
	Ivana $	Other* $	Total $
Cumulative exploration costs December 31, 2024	24,485,661	7,525,372	32,011,033
Expenditures during the year:			
Office	147,866	-	147,866
Salaries and contractors	162,824	1,536	164,360
Social and community	19,472	-	19,472
Statutory taxes	35,067	-	35,067
Transportation	14,038	-	14,038
	379,267	1,536	380,803
Cumulative exploration costs December 31, 2025	24,864,928	7,526,908	32,391,836

*Other includes Corcovo, Chihuidos, Anit, Santa Barbara, Regalo, and Sierra Colonia.

	Argentina		
	Amarillo Grande		
	Ivana $	Other* $	Total $
Cumulative exploration costs December 31, 2023	22,268,472	7,525,372	29,793,844
Expenditures during the year:			
Geophysics	107,852	-	107,852
Office	329,162	-	329,162
Salaries and contractors	1,587,887	-	1,587,887
Social and community	3,759	-	3,759
Statutory taxes	87,721	-	87,721
Supplies and equipment	25,977	-	25,977
Transportation	74,831	-	74,831
	2,217,189	-	2,217,189
Cumulative exploration costs December 31, 2024	24,485,661	7,525,372	32,011,033

*Other includes Corcovo, Anit, Santa Barbara, Regalo, and Sierra Colonia.

4. INVESTMENT IN ASSOCIATE

Earn-In Agreement

On November 29, 2024, the Company entered into a definitive earn-in agreement (the “Earn-In Agreement”) with COAM and ACI Capital S.à r.l, as guarantor (the “Guarantor”), pursuant to which the Company and its subsidiaries Minera Cielo Azul S.A. (“MCA”) and JVCO and together with MCA and the Company (the “BSK Entities”), have granted to COAM the sole and exclusive right to acquire up to an 80% indirect interest in the Ivana Uranium-Vanadium Deposit located in the Province of Rio Negro, Argentina (the “Property”), to be effected by way of an 80% equity interest in JVCO, subject to the terms and conditions set forth in the Earn-In Agreement (the “Transaction”).

4. INVESTMENT IN ASSOCIATE (continued)

The initial closing of the Transaction was subject to the Company obtaining all necessary: (i) regulatory approvals, including, the conditional approval of the TSX-V, and (ii) corporate approvals, including the approval of the shareholders of the Company, in connection with the transactions contemplated herein, within 120 days following the effective date of the Earn-In Agreement.

Under the terms of the Earn-In Agreement, COAM has been granted (i) a right (the "P&E Ownership Interest") to acquire a 49.9% indirect equity interest in the Property by funding cumulative expenditures of US$35 million and (ii) upon completion of a feasibility study, a right (the "Development Earn-In Right") to acquire up to an 80% equity interest in JVCO by funding the costs and expenditures to develop and construct the project to commercial production, subject to the terms and conditions in the Earn-In Agreement.

Pursuant to the Earn-In Agreement:

i. to acquire the P&E Ownership Interest, COAM must make capital contributions to JVCO in the aggregate amount equal to US$35,000,000 within 36 months (the "P&E Earn-In Period") including a minimum funding of (i) US$3,000,000 in the first year (ii) US$5,000,000 in the second year; (iii) US$7,000,000 in the third year; and (iv) non-interest bearing irrevocable capital contributions of US$20,000,000 (the "Exploration Contribution") over the P&E Earn-In Period.

ii. during the P&E Earn-In Period, unfunded minimum annual commitments are subject to annual corporate guarantees;

iii. to exercise the Development Earn-In Right:

   a. COAM must on or before the expiry of the P&E Earn-In Period, deliver to MCA a commitment (the "Development Commitment") to develop and construct the project to either (i) large-scale commercial production as set out in the NI 43-101 Feasibility Study (a "Feasibility Decision") or (ii) small-scale commercial production, provided it is economics positive as supported by a NI 43-101 Feasibility Study (an "Initial Start Decision"); and

   b. the Guarantor must deliver to JVCO a corporate guarantee (i) in the event COAM makes an Initial Start Decision, with respect to the costs and expenses for development and construction to reach small-scale commercial production at the project and (ii) in the event COAM makes a Feasibility Decision, with respect to COAM's commitment to contribute the costs and expenses for development and construction to reach large-scale commercial production at the project (the "Development Feasibility Amount"), in each case, not to exceed US$160,000,000, through capital contributions to JVCO; and

   c. upon making the Development Commitment and delivering the corporate guarantee, COAM will acquire a 50.1% equity interest in JVCO.

iv. COAM will acquire an 80% equity interest in JVCO upon the earlier of: (i) making capital contributions to JVCO equal to the Development Feasibility Amount and (ii) the commencement of large-scale commercial production at the project (the "Commencement of Commercial Production (Feasibility)"); and

4. INVESTMENT IN ASSOCIATE (continued)

v. until the Commencement of Commercial Production (Feasibility) (the "Development Sole Contribution Period"), JVCO and the project will be funded (i) by COAM through capital contributions to JVCO, up to US$160,000,000 and (ii) to the extent additional funding is required, through disbursements under debt financing to be provided or procured by COAM on arms' length terms to fund JVCO and the Property until the Commencement of Commercial Production (Feasibility).

During the year ended December 31, 2025, the Company's shareholders voted in favor of the Earn-In Agreement and the Company completed the initial closing of the Earn-In transaction. As part of the initial stage of the Earn-In Agreement, JVCO received US$650,000, and the Company received the first corporate guarantee of US$2,350,000 for a combined total of US$3,000,000 from COAM, corresponding to the first-year minimum funding commitment. Total contributions from COAM were US$3,800,000 ($5,328,775) during the year ended December 31, 2025. JVCO and MCA entered into the Call Option Agreement and the Shareholders' Agreement.

Shareholders' Agreement

The parties entered into a shareholders' agreement (the "Shareholders' Agreement") that will govern the relationship among the parties in respect of JVCO and the Property, including, among other things:

a. the governance of JVCO and the management of the Property;
b. the funding obligations of COAM and MCA in respect to JVCO and the Property;
c. rights of first offer, share transfer restrictions, pre-emptive rights and tag-along rights in respect to the shares of JVCO; and
d. if MCA's equity interest is diluted to less than 10%, there is an automatic surrender of MCA's interest in exchange for a 2% royalty on the Property.

On February 26, 2025, the MCA transferred certain rights to the Property to JVCO and optioned the remaining mineral rights, in exchange for 99.07% ownership interest in JVCO. Although the Company initially holds a majority of the economic ownership interest in JVCO, ownership interest alone does not determine control under IFRS. Control requires substantive rights that give the current ability to direct the activities that most significantly affect an investee's returns. Under the shareholders' and earn-in agreements, key value-driving activities of JVCO, including exploration programs, drilling strategy, feasibility studies, and decisions to advance or expand the project, are directed by COAM, owner of the remaining 0.93%, and COAM has board majority representation. While the Company retains board representation and approval rights over certain exceptional matters, these rights are protective in nature and do not provide the Company with the power to direct JVCO's relevant activities. Notwithstanding the absence of control, the Company retains board representation and participates in selected financial and operating policy decisions, providing the Company with significant influence. Accordingly, the Company accounts for its interest in JVCO as an investment in associate using the equity method (see also Note 2).

The investment was initially recognized at the cost of the mineral property interests transferred to JVCO with a carrying value of $25,000. The Company also capitalized $645,000 in financial advisory fees it paid in connection with the transaction (see Note 12). During the year ended December 31, 2025, the Company's share of JVCO's loss exceeded the carrying value of the investment in associate. The Company recognized a loss on investment in associate of $669,999 and reduced the investment in associate carrying value to the nominal value of $1.

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. INVESTMENT IN ASSOCIATE (continued)

The continuity of the Company's investment in associate for the years ended December 31, 2025, and 2024 is as follows:

	2025	2024
Balance, beginning of year	$ -	$ -
Mineral property interests transferred to investment in associate	25,000	-
Transaction costs	645,000	-
Company's share of net loss	(669,999)	-
Balance, end of year	$ 1	$ -

The following table summarizes the financial information of JVCO for the years ended December 31, 2025, and 2024:

	2025	2024
Current assets	$ 582,498	-
Non-current assets	$ 149,323	-
Current liabilities	$ (376,247)	-
Non-current liabilities	$ (5,328,775)	-
Net loss	$ 4,949,054	-
Other comprehensive loss	$ 24,146	-
Loss allocated to MCA	$ 669,999	-

As the Company is not responsible for funding the JVCO during the initial term of the earn-in arrangement with COAM it ceased to recognize the losses after the application of losses eliminated the carrying value of the investment in associate. JVCO recognizes contributions from COAM under the earn-in option arrangement as financial liabilities until the liabilities are settled through the issuance of shares by JVCO.

Call Option Agreement

JVCO and MCA also entered into a call option agreement (the "Call Option Agreement") whereby MCA will grant JVCO the exclusive right and option (the "Call Option") to acquire 100% of MCA's undivided registered and beneficial interest in part of certain exploration targets owned by MCA (the "Exploration Targets"), subject to:

(i) JVCO incurring minimum annual expenditure amounts at the Exploration Targets during the six-year term of the Call Option;

Annual Expenditure Amount US$	Year
1,000,000	2026
1,500,000	2027
1,337,500	2028
1,337,500	2029
1,337,500	2030
1,337,500	2031
7,850,000	

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. INVESTMENT IN ASSOCIATE (continued)

(ii) JVCO paying the relevant exercise price determined by multiplying (x) the average daily sport price of Uranium, as published on UxC LLC data base or any successor or replacement publication, for the six calendar months immediately preceding the date of the Norice of Exercise, (y) the quantity of mineral resources (expressed in pounds) in respect of the Purchased Exploration targets, as verified by a reputable mining resources evaluation firm, appointed jointly by the Parties, in the form of a Technical Report and (z) the applicable percentage based on the resource classification and project stage as specified below; and

Resource/Stage	Pre-PEA	PEA	PFS	FS
Inferred Mineral Resources	0.75%	1.00%	1.25%	1.50%
Indicated Mineral Resources	1.50%	2.00%	2.50%	3.00%
Measured Mineral Resources	2.50%	3.00%	3.50%	4.00%

(iii) JVCO granting MCA a 2.0% royalty on the Exploration Targets acquired under the Call Option.

5. LOANS PAYABLE

At December 31, 2025, the Company did not have any loans payable. During the year ended December 31, 2025, the Company entered into loan agreements with the Company's CEO in the amount of $116,000, and with an employee in the amount of $30,000 that were non-arm's length, unsecured, non-interest bearing and used for working capital purposes. The Company repaid $326,000 for all of the Company's outstanding loans during the year ended December 31, 2025 (see also Note 7).

At December 31, 2024, the Company had the following loans payable:

	December 31, 2024		
	Maturity	Currency	Amount
Unsecured, non-interest bearing (1)	On demand	Canadian dollar	$ 105,000
Unsecured, non-interest bearing (2)	On demand	Canadian dollar	75,000
			$180,000

(1) $105,000 Unsecured, non-interest bearing

On December 17, 2024, the Company entered into a loan agreement with the Company's CEO, a non-arm's length lender. The principal amount of the loan is $105,000 and is to be used for working capital purposes and is unsecured and, non-interest bearing. The principal balance of the loan shall become due and payable in full on demand.

(2) $75,000 Unsecured, non-interest bearing

On December 17, 2024, the Company entered into a loan agreement with an employee of the Company, an arm's length lender. The principal amount of the loan is $75,000 and is to be used for working capital purposes and is unsecured, and non-interest bearing. The principal balance of the loan shall become due and payable in full on demand.

6. SHARE CAPITAL AND RESERVES

Authorized Share Capital

The Company's authorized share capital comprises 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 2025

On November 19, 2025, the Company completed the brokered LIFE private placement announced on October 30, 2025, consisting of 70,000,000 units at a price of $0.05 per unit for gross proceeds of $3,500,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.07 per share for five years from the date of issue. Finders' fees paid were $373,167 cash and 4,077,212 non-transferable warrants exercisable into common shares at $0.05 for five years from the date of issue with a fair value of $119,213. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following weighted average variables: risk-free interest rate – 2.75%; expected stock price volatility – 101.20%; dividend yield – 0%; and expected warrant life – 5 years.

On August 15, 2025, the Company completed the third and final tranche of the non-brokered private placement announced on June 5, 2025, consisting of 1,851,000 units at a price of $0.06 per unit for gross proceeds of $111,060. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.075 per share for three years from the date of issue. Finders' fees paid were $714 cash and 11,900 non-transferable warrants exercisable into common shares at $0.06 for three years from the date of issue with a fair value of $350. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following weighted average variables: risk-free interest rate – 2.93%; expected stock price volatility – 98.52%; dividend yield – 0%; and expected warrant life – 3 years.

On June 25, 2025, the Company completed the second tranche of the non-brokered private placement announced on June 5, 2025, consisting of 6,828,300 units at a price of $0.06 per unit for gross proceeds of $409,698. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.075 per share for three years from the date of issue. Finders' fees paid were $4,109 cash and 68,481 non-transferable warrants exercisable into common shares at $0.06 for three years from the date of issue with a fair value of $2,342. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 2.86%; expected stock price volatility – 95.65%; dividend yield – 0%; and expected warrant life – 3 years.

On June 12, 2025, the Company completed the first tranche of the non-brokered private placement announced on June 5, 2025, consisting of 20,533,333 units at a price of $0.06 per unit for gross proceeds of $1,232,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.075 per share for three years from the date of issue. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 2.89%; expected stock price volatility – 95.78%; dividend yield – 0%; and expected warrant life – 3 years.

6. SHARE CAPITAL AND RESERVES (continued)

On April 16, 2025, the Company completed the second and final tranche of the non-brokered private placement announced on March 27, 2025, consisting of 8,660,000 units at a price of $0.05 per unit for gross proceeds of $433,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.07 per share for four years from the date of issue. Finders' fees paid were $3,500 cash and 70,000 non-transferable warrants exercisable into common shares at $0.05 for four years from the date of issue with a fair value of $2,438. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 2.64%; expected stock price volatility – 99.43%; dividend yield – 0%; and expected warrant life – 4 years.

On April 7, 2025, the Company completed the first tranche of the non-brokered private placement announced on March 27, 2025, consisting of 24,336,000 units at a price of $0.05 per unit for gross proceeds of $1,216,800. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.07 per share for four years from the date of issue. Finders' fees paid were $25,060 cash and 501,200 non-transferable warrants exercisable into common shares at $0.05 for four years from the date of issue with a fair value of $17,032. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 2.59%; expected stock price volatility – 95.84%; dividend yield – 0%; and expected warrant life – 4 years.

Details of Issues of Common Shares in 2024

On September 5, 2024, the Company completed the non-brokered private placement announced on August 14, 2024 and amended on August 28, 2024, consisting of 21,000,000 units at a price of $0.05 per unit for gross proceeds of $1,050,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.05 per share for four years from the date of issue. Finders' fees paid were $47,202 cash and 944,048 non-transferable warrants exercisable into common shares at $0.05 for four years from the date of issue with a fair value of $31,430. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 2.82%; expected stock price volatility – 92.70%; dividend yield – 0%; and expected warrant life – 4 years.

On May 6, 2024, the Company completed the non-brokered private placement announced on April 17, 2024, consisting of 18,267,999 units at a price of $0.06 per unit for gross proceeds of $1,096,080. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.09 per share for two years from the date of issue. Finders' fees paid were $50,987 cash and 849,777 non-transferable warrants exercisable into common shares at $0.06 for two years from the date of issue with a fair value of $25,328. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 4.23%; expected stock price volatility – 89.85%; dividend yield – 0%; and expected warrant life – 2 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.

(Expressed in Canadian Dollars Unless Otherwise Noted)

6. SHARE CAPITAL AND RESERVES (continued)

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 Venture Exchange. Share purchase options vest immediately on grant, are subject to a four-month hold period and are exercisable for a period of ten years unless otherwise noted.

Options

The continuity of share purchase options for the year ended December 31, 2025 is as follows:

Expiry date	Exercise Price	December 31, 2024	Granted	December 31, 2025	Options Exercisable
January 29, 2026(1)	$0.25	11,750,000	-	11,750,000	11,750,000
December 19, 2030	$0.10	-	29,250,000	29,250,000	29,250,000
		11,750,000	29,250,000	41,000,000	41,000,000
Weighted average exercise price ($)		0.25	0.10	0.14	0.14
Weighted average contractual remaining life (years)		1.08	5.00	3.57	3.57

(1) Refer to Note 16 for further information.

The continuity of share purchase options for the year ended December 31, 2024 is as follows:

Expiry date	Exercise Price	December 31, 2023	Granted	December 31, 2024	Options Exercisable
January 29, 2026	$0.25	11,750,000	-	11,750,000	11,750,000
		11,750,000	-	11,750,000	11,750,000
Weighted average exercise price ($)		0.25	-	0.25	0.25
Weighted average contractual remaining life (years)		2.08	-	1.08	1.08

The Company recorded $818,779 in share-based compensation for share purchase options granted during the year ended December 31, 2025 (2024 - $Nil). The weighted average fair value of share purchase options granted during the year ended December 31, 2025 is $0.03 per option (2024 - $Nil).

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Year ended December 31,	
	2025	2024
Risk-free interest rate	2.93%	-
Expected option life in years	5.00	-
Expected share price volatility(1)	96.68%	-
Grant date share price	$0.045	-
Expected dividend yield	Nil	-

(1) Expected volatility was estimated based on historical trading price.

(Expressed in Canadian Dollars Unless Otherwise Noted)

6. SHARE CAPITAL AND RESERVES (continued)

Warrants

The continuity of warrants for the year ended December 31, 2025 is as follows:

Expiry date	Exercise Price	December 31, 2024	Granted	Exercised	Expired	December 31, 2025
June 7, 2025	$0.25	5,863,097	-	-	(5,863,097)	-
June 14, 2025	$0.25	6,348,100	-	-	(6,348,100)	-
June 22, 2025	$0.25	2,396,170	-	-	(2,396,170)	-
July 21, 2025	$0.25	8,613,750	-	-	(8,613,750)	-
July 30, 2025	$0.25	4,264,000	-	-	(4,264,000)	-
August 5, 2025	$0.25	338,339	-	-	(338,339)	-
January 11, 2026(1)	$0.25	22,144,154	-	-	-	22,144,154
January 26, 2026(1)	$0.25	16,446,500	-	-	-	16,446,500
May 6, 2026	$0.09	18,267,999	-	-	-	18,267,999
May 6, 2026	$0.06	849,777	-	(316,960)	-	532,817
June 19, 2026	$0.12	13,472,301	-	-	-	13,472,301
June 19, 2026	$0.075	640,985	-	-	-	640,985
July 12, 2026	$0.12	7,861,032	-	-	-	7,861,032
July 12, 2026	$0.075	534,172	-	-	-	534,172
October 4, 2026	$0.12	13,333,333	-	-	-	13,333,333
October 4, 2026	$0.075	865,620	-	-	-	865,620
October 13, 2026	$0.12	7,133,333	-	-	-	7,133,333
October 13, 2026	$0.075	431,620	-	(24,708)	-	406,912
December 2, 2027	$0.20	16,780,000	-	-	-	16,780,000
December 19, 2027	$0.20	1,381,000	-	-	-	1,381,000
June 13, 2028	$0.075	-	20,533,333	-	-	20,533,333
June 26, 2028	$0.075	-	6,828,300	-	-	6,828,300
June 26, 2028	$0.06	-	68,481	-	-	68,481
August 16, 2028	$0.075	-	1,851,000	-	-	1,851,000
August 16, 2028	$0.06	-	11,900	-	-	11,900
September 5, 2028	$0.05	21,584,048	-	(2,398,060)	-	19,185,988
April 8, 2029	$0.07	-	24,336,000	-	-	24,336,000
April 8, 2029	$0.05	-	501,200	-	-	501,200
April 16, 2029	$0.07	-	8,660,000	-	-	8,660,000
April 16, 2029	$0.05	-	70,000	-	-	70,000
November 19, 2030	$0.07	-	70,000,000	-	-	70,000,000
November 19, 2030	$0.05	-	4,077,212	-	-	4,077,212
		169,549,330	136,937,426	(2,739,728)	(27,823,456)	275,923,572
Weighted average exercise price ($)		0.17	0.07	0.05	0.25	0.11
Weighted average contractual remaining life (years)		1.68	3.98	-	-	2.42

(1) Refer to Note 16 for further information.

(Expressed in Canadian Dollars Unless Otherwise Noted)

6. SHARE CAPITAL AND RESERVES (continued)

The continuity of warrants for the year ended December 31, 2024 is as follows:

Expiry date	Exercise Price	December 31, 2023	Issued	Exercised	Expired	December 31, 2024
January 11, 2024	$0.25	91,903	-	-	(91,903)	-
January 26, 2024	$0.25	552,300	-	-	(552,300)	-
June 4, 2024	$0.25	2,159,850	-	-	(2,159,850)	-
July 11, 2024	$0.25	2,043,332	-	-	(2,043,332)	-
October 23, 2024	$0.35	4,760,000	-	-	(4,760,000)	-
December 2, 2024	$0.20	587,300	-	-	(587,300)	-
December 19, 2024	$0.20	30,520	-	-	(30,520)	-
June 7, 2025	$0.25	5,863,097	-	-	-	5,863,097
June 14, 2025	$0.25	6,348,100	-	-	-	6,348,100
June 22, 2025	$0.25	2,396,170	-	-	-	2,396,170
July 21, 2025	$0.25	8,613,750	-	-	-	8,613,750
July 30, 2025	$0.25	4,264,000	-	-	-	4,264,000
August 5, 2025	$0.25	338,339	-	-	-	338,339
January 11, 2026	$0.25	22,144,154	-	-	-	22,144,154
January 26, 2026	$0.25	16,446,500	-	-	-	16,446,500
May 6, 2026	$0.09	-	18,267,999	-	-	18,267,999
May 6, 2026	$0.06	-	849,777	-	-	849,777
June 19, 2026	$0.12	13,472,301	-	-	-	13,472,301
June 19, 2026	$0.075	640,985	-	-	-	640,985
July 12, 2026	$0.12	7,861,032	-	-	-	7,861,032
July 12, 2026	$0.075	534,172	-	-	-	534,172
October 4, 2026	$0.12	13,333,333	-	-	-	13,333,333
October 4, 2026	$0.075	865,620	-	-	-	865,620
October 13, 2026	$0.12	7,133,333	-	-	-	7,133,333
October 13, 2026	$0.075	431,620	-	-	-	431,620
December 2, 2027	$0.20	16,780,000	-	-	-	16,780,000
December 19, 2027	$0.20	1,381,000	-	-	-	1,381,000
September 5, 2028	$0.05	-	21,944,048	(360,000)	-	21,584,048
		139,072,711	41,061,824	(360,000)	(10,225,205)	169,549,330
Weighted average exercise price ($)		0.20	0.07	0.05	0.29	0.17
Weighted average contractual remaining life (years)		1.87	2.59	-	-	1.68

(Expressed in Canadian Dollars Unless Otherwise Noted)

7. RELATED PARTY BALANCES AND TRANSACTIONS

Grosso Group Management Ltd.

On April 1, 2010, the Company entered into a Management Services Agreement ("Agreement") with Grosso Group Management Ltd. ("Grosso Group") to provide services and facilities to the Company. Grosso Group is owned by Joseph Grosso. 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 fee is reviewed and adjusted quarterly based on the level of services required. The Agreement expires on December 31, 2026 and is automatically renewed for a period of two years pursuant to the terms of the Agreement.

The 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.

	Year ended December 31,	
Transactions	2025 $	2024 $
Services rendered:		
Grosso Group Management Ltd.		
Management fees	60,000	56,400
Office & sundry	9,000	9,600
Total for services rendered	69,000	66,000

Key management personnel compensation

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

	Year ended December 31,	
Transactions	2025 $	2024 $
Share-based compensation	475,871	-
Salaries and employee benefits to key management or their consulting corporations:		
President/CEO/Director	72,337	70,307
CFO	38,870	33,290
Directors	156,281	154,868
Total for services rendered	743,359	258,465

(Expressed in Canadian Dollars Unless Otherwise Noted)

7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Balances	December 31, 2025 $	December 31, 2024 $
Amounts owed to related parties		
Payable to Golden Arrow Resources Corp.(1)	118,773	79,569
Payable to Argentina Lithium and Energy Corp.(1)	109,495	-
Payable to Grosso Group Management Ltd. (2)	382,199	346,808
Payable to Oxbow International Marketing Ltd.(2)	-	21,326
Payable and Loan Payable to CEO	-	117,362
Total shared costs included in accounts payable and loans payable	610,467	565,065

(1) A company related through common directors that receives reimbursement for shared office costs and overhead.
(2) A company owned by Joseph Grosso, Director of Blue Sky Uranium Corporation.

Balances are unsecured, non-interest bearing and has no specific terms of repayment.

The Company borrowed $116,000 from the CEO of the Company during the year ended December 31, 2025 (year ended December 31, 2024 - $105,000), for working capital purposes and was non-interest bearing. During the year ended December 31, 2025, the Company repaid the principal balances of $221,000 for all of the Company's loans received from the CEO. See also Note 5.

During the year ended December 31, 2025, the Company recovered $170,085 (2024 - $Nil) in share service fees received from Argentina Lithium and Energy Corp., and $90,633 (2024 - $143,173) in share service fees received from Golden Arrow Resources Corp., which has been recorded in exploration, see also Note 3.

8. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2025, and 2024 was based on the following:

	Year ended December 31, 2025	Year ended December 31, 2024
Loss attributable to common shareholders ($)	4,277,204	3,984,861
Weighted average number of common shares outstanding	349,860,386	278,404,314

Diluted loss per share did not include the effect of 41,000,000 (December 31, 2024 – 11,750,000) common share purchase options and 275,923,572 (December 31, 2024 – 169,549,330) common share purchase warrants as they are anti-dilutive. Diluted loss per share is rounded to the nearest cent.

9. MARKETABLE SECURITIES

From time to time, the Company may acquire and transfer marketable 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 year ended December 31, 2025, the Company realized a gain of $26,542 (December 31, 2024 – $273,749) from the favorable foreign currency impact.

10. OPERATING SEGMENTS

The Company is primarily involved in mineral exploration activities in Argentina. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the year ended December 31, 2025.

The Company's total non-current assets are segmented geographically as follows:

	December 31, 2025	
	Argentina $	Total $
Investment in associate	1	1
Mineral property interests	604,878	604,878
	604,879	604,879

	December 31, 2024	
	Argentina $	Total $
Mineral property interests	335,572	335,572
	335,572	335,572

11. INCOME TAXES

The provision for income taxes reported differs from the amounts computed by applying statutory Canadian federal and provincial tax rates to the loss before tax due to the following:

(Expressed in Canadian Dollars Unless Otherwise Noted)

11. INCOME TAXES (continued)

	2025	2024
	$	$
Loss before income taxes	(4,277,204)	(3,984,861)
Income tax recovery at statutory rate	(1,154,845)	(1,075,912)
Non-deductible temporary differences	342,667	(56,962)
Rate differential and other	9,441	42,898
Foreign exchange movement and true-up	738,216	118,024
Change in unrecognized tax benefits	64,521	971,952
Income tax recovery	-	-
Statutory tax rate	27.00%	27.00%

Temporary Differences Not Recognized

The Company has unrecognized deductible temporary differences aggregating $38,569,680 (2024 - $37,582,595), noted below that are available to offset future taxable income. The potential benefit of these deductible temporary differences has not been recognized in these consolidated financial statements as it is not considered probable that sufficient future taxable profit will allow the temporary differences to be recovered. Due to fluctuations in the underlying currency of the foreign affiliate(s) relative to that of reported consolidated financial statements, it is expected that from time to time potential true ups will occur in the rate reconciliation to account for such exchange rate and related differences along with its various tax attributes.

	December 31, 2025	Expiry dates	December 31, 2024
Non-capital losses	32,267,924	2026 – 2045	29,859,048
Resource deductions	5,124,092	No expiry	7,402,088
Property and equipment	43,741	No expiry	43,741
Investment in associate	644,999	No expiry	-
Financing costs	488,924	2025-2029	277,718
Total	38,569,680		37,582,595

At December 31, 2025, the Company has accumulated non-capital losses in Canada aggregating $32,256,049 (2024 – $29,847,550) which expire over the period between 2026 and 2045, available to offset future taxable income in Canada.

At December 31, 2025, the Company has available resource deductions in Argentina of approximately $1,763,627 (2024 – $4,041,623).

12. COMMITMENTS

Financial Advisory Services Agreement

On August 1, 2023, the Company entered into an agreement (the “ACP Agreement”) with ACP Capital Markets LLC (“ACP”) to provide financial advisory services. In consideration for the services, the Company has paid US$50,000, and a progress fee of US$50,000 is payable on the date of letter of intent. Upon closing of a transaction with a purchaser identified by ACP, the Company was to pay a success fee of 2.5% of the consideration received no less than US$450,000. The Company and ACP are unrelated and unaffiliated entities. The agreement remains in effect until terminated by one of the parties. The success fee is also payable to ACP in the event of closing of a transaction within 12 months after termination of this agreement.

(Expressed in Canadian Dollars Unless Otherwise Noted)

12. COMMITMENTS (continued)

On September 20, 2023, the Company entered into an agreement (the "SCP Agreement") with Yaderay S.A. ("SCP") to provide financial advisory services for a term of 12 months. The Company and SCP are unrelated and unaffiliated entities. In consideration for the services, the Company was to pay 5% of the gross proceeds received from purchasers identified by SCP, subject to TSX-V approval.

The Company engaged ACP and SCP as joint financial advisors in connection with the Earn-In Agreement (see also Note 4). On January 7, 2025, the Company entered into a new fee agreement (the "Fee Agreement") with ACP and SCP that replaced the ACP Agreement and SCP Agreement. The compensation terms of the Fee Agreement are:

i. Pay a US$225,000 advisory fee to each of ACP and SCP on initial closing of the Earn-In Agreement;

ii. Upon each subsequent closing during the P&E Earn-In Period (each, a "P&E Subsequent Closing"), a cash payment equal to 2.5% of COAM's contributions (including Exploration Contributions as defined below) capitalized at such P&E Subsequent Closing, provided that such fee shall only apply to aggregate contributions in excess of US$9,000,000;

iii. A cash payment equal to 2.5% of COAM's contributions towards acquiring, exploring, and developing the Exploration Targets ("Exploration Contributions") incurred after the P&E Earn-In Period; and

iv. Upon each closing following the P&E Earn-In Period (each, a "Development Closing"), a cash payment equal to 1.50% of the contributions (excluding Exploration Contributions) capitalized by COAM at such Development Closing and the amount of any disbursements to JVCO pursuant to any debt financing provided or procured by COAM pursuant to the Shareholders' Agreement.

The Fee Agreement and its terms were approved by the TSX-V and the Company paid US$225,000 ($322,500) each to ACP and SCP during the year ended December 31, 2025 which were capitalized to investment in associate (Note 4). No amounts relating to the P&E Subsequent Closing, Exploration Contribution, or Development Closing fees were due or payable during the year ended December 31, 2025.

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 $3,000 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.

	1 Year $	2 Years $	3 Years $	4-5 Years $	More than 5 Years $
Management Services Agreement	36,000	-	-	-	-

The Company has a consulting agreement with its Chairman of the Board (the "Chairman Agreement"). The termination provisions of the Chairman 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 Chairman would receive an amount equal to 24 months' compensation. As of December 31, 2025, the Company would have to pay $120,562 to the Chairman in the event of termination without cause or a change of control.

(Expressed in Canadian Dollars Unless Otherwise Noted)

12. COMMITMENTS (continued)

The Company has a consulting agreement with its President and CEO (the “CEO Agreement”). The termination provisions of the CEO 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 CEO would receive an amount equal to 24 months’ compensation. As of December 31, 2025, the Company would have to pay $144,675 to the CEO 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 December 31, 2025, the Company would have to pay $106,426 to the CFO 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 December 31, 2025, the Company would have to pay $127,711 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 December 31, 2025, the Company would have to pay $51,069 to the Controller in the event of termination without cause or a change of control.

13. CONTINGENCY

A former consultant to the Company is claiming to be owed severance in Argentina. The Company believes the amount of severance being claimed by the 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.

14. SUPPLEMENTARY CASH FLOW INFORMATION

	Year ended December 31,	
	2025 $	2024 $
Non-cash investing and financing activities:		
Share issue cost – issuance of warrants to agents	141,375	56,758
Warrants and agents’ warrants expired	1,410,018	873,296
Cash and cash equivalents		
Cash	1,858,655	178,791
Cash equivalents	66,741	40,503

15. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company thoroughly 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 instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments consist of cash and cash equivalents, marketable securities, accounts payable and accrued liabilities, and loans payable. Cash and cash equivalents, and marketable securities are measured at fair value through profit or loss using level 1 inputs.

(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. The Company has reduced its credit risk by depositing its cash and short-term 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 to fund exploration programs and may require doing so again in the future. See Note 1 for further information.

Market risk

(i) Currency risk

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

15. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $2,000.

- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $4,000.

(ii) ***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. The fair value of cash and cash equivalents approximates its carrying value due to the immediate or short-term maturity of this financial instrument. Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing or have prescribed interest rates.

(c) Capital Management

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves and deficit. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

To effectively manage the entity's capital requirements, 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 to develop its mineral projects and may require doing so again in the future. The Company is monitoring market conditions to secure funding at the lowest cost of capital. The Company is exposed to various funding and market risks which could curtail its access to funds. The Company is not subject to any external covenants. There were no changes in the Company's approach to capital management during the year ended December 31, 2025.

16. SUBSEQUENT EVENTS

Warrants Expiry

- 22,144,154 warrants at an exercise price of $0.25 expired unexercised on January 11, 2026.
- 16,446,500 warrants at an exercise price of $0.25 expired unexercised on January 26, 2026.

Stock Option Expiry

On January 29, 2026, 11,750,000 stock options at an exercise price of $0.25 expired unexercised.

Resignation of Director

Subsequent to year end, a director of the Company resigned and entered into an agreement with the Company to receive $5,000 per month for advisory services for a period of three years.