Coppernico Metals Inc.

Condensed Consolidated Interim Financial Statements
(Unaudited)

For the three and six months ended June 30, 2026 and 2025

Notice of no auditor review of condensed consolidated interim financial statements

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

The accompanying unaudited condensed consolidated interim financial statements of Coppernico Metals Inc. for the three and six months ended June 30, 2026, have been prepared by and are the responsibility of the Company's management.

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

August 11, 2026

Coppernico Metals Inc.

Condensed Consolidated Interim Statements of Financial Position
Unaudited (Expressed in Canadian dollars)

		As at June 30, 2026		As at December 31, 2025
Assets				
Current assets:				
Cash	**$**	**5,052,929**	$	2,892,441
Amounts receivable		**16,813**		16,838
Prepaid expenses, deposits and other		**431,605**		536,974
	$	**5,501,347**	$	3,446,253
Non-current assets:				
Equipment		**50,699**		54,456
Mineral property interests (Note 3)		**10,588,984**		10,065,923
Deferred acquisition costs (Note 3(b))		**29,891**		-
Equity investments (Note 4)		**99,008**		101,310
Total assets	**$**	**16,269,929**	$	13,667,942
Liabilities and Equity				
Current liabilities:				
Accounts payable and accrued liabilities (Note 11)	**$**	**1,445,792**	$	1,337,616
Non-current liabilities:				
Accrued liabilities		**-**		216,130
Provision for site reclamation and closure (Note 5)		**2,764,703**		2,690,630
Total liabilities	**$**	**4,210,495**	$	4,244,376
Equity				
Share capital (Note 6)		**39,126,680**		34,365,403
Equity reserves (Note 7)		**4,302,618**		3,863,695
Accumulated other comprehensive income		**542,173**		306,110
Deficit		**(31,912,037)**		(29,111,642)
Total equity		**12,059,434**		9,423,566
Total liabilities and equity	**$**	**16,269,929**	$	13,667,942

Going concern (Note 1(c)), Subsequent event (Note 6(b))

Approved on behalf of the Board of Directors:

"Ivan Bebek"
Chair and Chief Executive Officer

"Jeffrey Mason"
Director

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

Coppernico Metals Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
Unaudited (Expressed in Canadian dollars, except share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Operating expenses:				
Exploration and evaluation (Note 8)	**$ 608,999**	$ 637,948	**$ 1,220,715**	$ 3,144,581
Fees, salaries and other employee benefits	**249,876**	354,679	**516,391**	757,801
Legal and professional	**46,951**	42,542	**80,388**	76,894
Marketing and investor relations	**383,863**	202,064	**741,368**	514,479
Office and administration	**37,389**	51,785	**84,936**	104,414
Project investigation	**41,059**	50,931	**52,619**	55,259
Regulatory and transfer agent	**44,751**	45,786	**65,297**	67,348
	1,412,888	1,385,735	**2,761,714**	4,720,776
Other expenses:				
Accretion of provision for site reclamation and closure	**28,896**	3,345	**55,613**	6,480
Foreign exchange loss (gain)	**18,385**	7,707	**(842)**	27,582
Interest income	**(4,713)**	(58,130)	**(18,392)**	(146,377)
Loss from equity investments (Note 4)	**2,201**	2,780	**2,302**	3,442
Loss for the period	**$ 1,457,657**	$ 1,341,437	**$ 2,800,395**	$ 4,611,903
Other comprehensive (income) loss				
Unrealized currency (gain) loss on translation	**(125,883)**	326,468	**(236,063)**	338,115
Comprehensive loss for the period	**$ 1,331,774**	$ 1,667,905	**$ 2,564,332**	$ 4,950,018
Basic and diluted loss per share	**$ 0.01**	$ 0.01	**$ 0.02**	$ 0.03
Basic and diluted weighted average number of shares	**177,995,586**	177,304,848	**177,652,125**	177,304,848

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

Coppernico Metals Inc.
Condensed Consolidated Interim Statements of Changes in Equity
Unaudited (Expressed in Canadian dollars, except share amounts)

	Number of common shares		Share capital		Equity reserves		Accumulated other comprehensive income (loss)		Deficit		Total equity
Balance at December 31, 2024	**177,304,848**	**$**	**34,365,403**	**$**	**3,447,891**	**$**	**603,338**	**$**	**(20,779,179)**	**$**	**17,637,453**
Share-based payments	-		-		292,863		-		-		292,863
Other comprehensive loss	-		-		-		(338,115)		-		(338,115)
Loss for the period	-		-		-		-		(4,611,903)		(4,611,903)
Balance at June 30, 2025	**177,304,848**	**$**	**34,365,403**	**$**	**3,740,754**	**$**	**265,223**	**$**	**(25,391,082)**	**$**	**12,980,298**

Balance at December 31, 2025	**177,304,848**	**$**	**34,365,403**	**$**	**3,863,695**	**$**	**306,110**	**$**	**(29,111,642)**	**$**	**9,423,566**
Securities issued pursuant to June 2026 LIFE Offering, net of issue costs	15,714,286		4,866,994		314,286		-		-		5,181,280
Warrants issued for finders’ fees	-		(105,717)		105,717		-		-		-
Share-based payments	-		-		18,920		-		-		18,920
Other comprehensive income	-		-		-		236,063		-		236,063
Loss for the period	-		-		-		-		(2,800,395)		(2,800,395)
Balance at June 30, 2026	**193,019,134**	**$**	**39,126,680**	**$**	**4,302,618**	**$**	**542,173**	**$**	**(31,912,037)**	**$**	**12,059,434**

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

Coppernico Metals Inc.

Condensed Consolidated Interim Statements of Cash Flows
Unaudited (Expressed in Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Operating activities:				
Loss for the period	**$ (1,457,657)**	$ (1,341,437)	**$ (2,800,395)**	$ (4,611,903)
Reclamation expenditures	**-**	(91,570)	**-**	(91,570)
Adjusted for:				
Interest income	**(4,713)**	(58,130)	**(18,392)**	(146,377)
Non-cash transactions:				
Net unrealized foreign exchange (gain) loss	**(7,013)**	45,577	**(7,583)**	41,746
Loss from equity investments	**2,201**	2,780	**2,302**	3,442
Accretion of provision for site reclamation and closure	**28,896**	3,345	**55,613**	6,480
Share based compensation	**-**	117,963	**18,920**	292,863
Depreciation	**2,806**	2,806	**5,585**	5,716
Changes in non-cash working capital:				
Amounts receivable	**15,445**	10,105	**25**	9,065
Prepaid expenses, deposits and other	**156,738**	4,926	**107,673**	273,035
Accounts payable and accrued liabilities	**(81,724)**	(1,331,413)	**(416,771)**	(1,375,822)
Cash used in operating activities	**(1,345,021)**	(2,635,048)	**(3,053,023)**	(5,593,325)
Investing activities:				
Interest income	**4,713**	58,130	**18,392**	146,377
Purchase of equipment	**-**	-	**-**	(68,644)
Mineral property additions	**(53,019)**	(8,805)	**(251,594)**	(203,067)
Cash (used in) provided by investing activities	**(48,306)**	49,325	**(233,202)**	(125,334)
Financing activities:				
Proceeds from private placements, net of share issuance costs	**5,443,654**	-	**5,443,654**	-
Cash provided by financing activities	**5,443,654**	-	**5,443,654**	-
Effect of foreign exchange on cash	**741**	(23,698)	**3,059**	(25,753)
Change in cash	**4,051,068**	(2,609,421)	**2,160,488**	(5,744,412)
Cash, beginning of the period	**1,001,861**	8,090,083	**2,892,441**	11,225,074
Cash, end of the period	**$ 5,052,929**	$ 5,480,662	**$ 5,052,929**	$ 5,480,662

Supplemental cash flow information (Note 10)

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

1. Business Overview

a) Corporate information

Coppernico Metals Inc. (the "Company" or "Coppernico") was incorporated under the British Columbia Business Corporations Act. The Company's common shares trade on the Toronto Stock Exchange ("TSX") under the symbol "COPR" and on the OTCQB Venture Market under the symbol "CPPMF" and are listed in the Unofficial Market of the Frankfurt Stock Exchange under the symbol "9I3". The registered and records office of Coppernico is located at Suite 3500, 1133 Melville St, Vancouver, BC, V6E 4E5.

The Company is principally engaged in the acquisition and exploration of mineral property interests.

b) Nature of operations

The Company's key mineral property asset is the Sombrero copper-gold project ("Sombrero Project") located in southern Peru. The Sombrero Project covers approximately 57,000 hectares (570 square kilometres) in which it holds, through its wholly owned, private Peruvian subsidiary, Sombrero Minerales S.A.C., direct and indirect interests through a combination of staking and option agreements. The Company has not yet determined whether the property contains mineral reserves where extraction is both technically feasible and commercially viable. The Company is also pursuing a mineral property acquisition in the US.

c) Going concern

As at June 30, 2026, the Company had net working capital of $4,055,555 (December 31, 2025 – $2,108,637) while it incurred a net loss of $2,800,395 for the six months ended June 30, 2026 (June 30, 2025 - $4,611,903). The Company has incurred operating losses to date and does not generate operating revenue to support its activities; hence, it primarily relies on equity financing. Although the Company has had success raising capital in the past, and recently closed two equity financings on each of June 26, and August 6, 2026 (see Note 6(b)), the ability to continue as a going concern remains dependent upon its ability to continue to obtain the financing, if available, to fund exploration and maintenance of its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. These conditions create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements (the "financial statements") have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations.

These financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of preparation

a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. Because these interim financial statements do not include all disclosures required for complete annual financial statements, they should be read in conjunction with the audited annual financial statements and notes thereto for the year ended December 31, 2025.

These financial statements were approved and authorized for issuance on August 11, 2026, by Coppernico's Board of Directors.

b) Basis of presentation

These financial statements have been prepared on a historical cost basis. In addition, except for cash flow information, these financial statements have been prepared using the accrual method of accounting.

c) Basis of consolidation

These financial statements include the financial information of the Company and the entities controlled by the Company. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. The accounting policies of subsidiaries are changed where necessary to align with the policies adopted by the Company.

A summary of the Company's subsidiaries included in these financial statements is as follows:

Subsidiary	Place of incorporation	Functional Currency	Beneficial Interest
Sombrero Minerales, S.A.C.	Peru	US$	100%
Allpa Kamay S.A.C.	Peru	US$	100%
Coppernico USA Inc.	USA	US$	100%

Allpa Kamay is a private Peruvian company incorporated on December 17, 2025, pursuant to Peru's General Law of Companies. Allpa Kamay is owned by two Peruvian nationals who have entered into an option agreement with the Company's wholly owned subsidiary, Sombrero Minerales, pursuant to which the Company has the option to acquire 100% of the shares of Allpa Kamay for non-material consideration. Allpa Kamay has not conducted material operations as at June 30, 2026.

On June 14, 2026, the Company incorporated Coppernico USA Inc., a wholly owned subsidiary, under the laws of the state of Nevada, United States ("U.S.").

These financial statements include a 25% investment in Universal Mineral Services Ltd. ("UMS Canada"), a private, shared service entity (Note 4).

d) Functional and presentation currency

The financial statements of the Company and its subsidiaries are prepared in the respective entity's functional currency determined on the basis of the primary economic environment in which such entities operate. The Company's functional and presentation currency is the Canadian dollar while the functional currency of its Peruvian and U.S. subsidiaries is the U.S. dollar. These financial statements are presented in Canadian dollars, unless otherwise noted. Amounts denominated in U.S. dollars are denoted as US$.

e) Significant accounting judgments and estimates

The Company's significant accounting judgements and estimates were presented in Note 3 of the annual audited consolidated financial statements for the year ended December 31, 2025, and have been consistently applied in the preparation of these financial statements.

Unaudited (Expressed in Canadian dollars)

f) Application of new and revised accounting standards

On May 30, 2024, the IASB issued Amendments IFRS 9 and IFRS 7 which clarify the date of initial recognition or derecognition of financial liabilities, including financial liabilities that are settled in cash using an electronic payment system. The amendments also introduce additional disclosure requirements to enhance transparency regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. These amendments are effective for annual periods beginning on or after January 1, 2026. The adoption of the new standard did not have an impact on the financial statements of the Company.

g) Standards issued but not yet effective

On April 9, 2024, the IASB issued a new standard, IFRS 18 Presentation and Disclosure in Financial Statements, to improve the reporting of financial performance. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. IFRS 18 replaces IAS 1 Presentation of Financial Statements and will be effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is in the process of assessing the impact of this new accounting standard on the financial statements but recognizes that it will have an impact on the presentation of its statements of loss and comprehensive loss, and cash flows. At this time, the Company has not identified any management-defined performance measures that will require disclosure.

3. Mineral property interests

A continuity of the Company's mineral property interests is as follows:

		Sombrero Project
Balance as at December 31, 2024	**$**	**7,895,956**
Mineral property additions		221,620
Recognition of provision for Fierrazo site reclamation and closure		2,337,969
Change in estimate of provision for site reclamation and closure		21,100
Currency translation adjustment		(410,722)
Balance as at December 31, 2025	**$**	**10,065,923**
Mineral property additions		**234,919**
Change in estimate of provision for site reclamation and closure		**(78,945)**
Currency translation adjustment		**367,087**
Balance as at June 30, 2026	**$**	**10,588,984**

a) Sombrero Project

The Sombrero copper-gold project, located in Southern Peru, covers approximately 57,000 hectares (570 square kilometres). The Sombrero mineral concessions are held through a combination of direct government granted concessions made on application and on option agreements from underlying concession owners.

i. Sombrero Project – Mollecruz Option

During the six months ended June 30, 2026, there have been no material changes or developments in relation to the Company's option agreement to acquire a 100% interest over the Mollecruz concessions (the "Mollecruz Option"). The Mollecruz Option remains paused under force majeure thereby deferring all property payments and work expenditure requirements, other than a payment of US$5,000 due annually in September, until access to the concessions is achieved by the Company.

Unaudited (Expressed in Canadian dollars)

ii. Sombrero Project - Aceros Option

During the six months ended June 30, 2026, there have been no material changes or developments in relation to the series of agreements (the "Aceros Option") the Company has in place with Corporacion Aceros Arequipa S.A. ("Aceros"). The Aceros Option gives the Company the right to option three mineral concessions which, if exercised, would result in the formation of a joint venture in which the Company would hold an 80% interest (Aceros – 20%). The joint venture would combine the 600 hectares of Aceros concessions plus 4,600 hectares of the Company's Sombrero land position.

As of June 30, 2026, the Company has incurred approximately US$496,941 of the remaining US$3,812,544 work expenditures required by December 31, 2029. This satisfies the Company's current year requirement to spend US$150,000 by December 13, 2026.

During the six months ended June 30, 2026, the Company paid the annual US$118,000 holding payment required under the terms of the Aceros Option.

iii. Sombrero Project – Horizonte Option

On March 18, 2026, the Company entered a mining assignment and option agreement with Exploraciones Horizonte Gold S.A.C ("Horizonte") over two mineral concessions aggregating 600 hectares (the "Horizonte Option"). Under the Horizonte Option, the Company may acquire, through a combination of work expenditures and cash payments, a 100% interest in the Horizonte concessions, subject to a 1% net smelter return ("NSR") royalty. The NSR can be reduced to 0.5% by the Company making a payment of US$1.0 million at any time within 10 years of the NSR being established.

In relation to the Horizonte Option, the Company recorded $19,318 (US$14,083) of mineral property additions encompassing costs that were directly attributable to obtaining the legal right to explore the Horizonte concessions, including transaction costs and on May 7, 2026, the Company made the first option payment of $37,500.

Agreement Dates	Property Payment / Work Expenditure Status	Property Payments[1] (in US$)	Work Expenditures (in US$)
April 8, 2026	Completed	$37,500	$ -
April 8, 2027	Outstanding	37,500	150,000
April 8, 2028	Outstanding	112,500	150,000
April 8, 2029	Outstanding	187,500	500,000
April 8, 2030	Outstanding	512,500	700,000
April 8, 2031	Outstanding	1,112,500	1,500,000
Total		**$2,000,000**	**$3,000,000**

(1) All property payments are due within 30 days of the agreement dates, with the exception of the final payment which is due upon exercise of the option and legal transfer of the Horizonte concessions to the Company.

b) Deferred Acquisition Costs

As at June 30, 2026, the Company was in the process of acquiring mineral properties in the U.S. In accordance with the Company's accounting policy, certain acquisition costs incurred to obtain the legal right to explore have been deferred on the statement of financial position as at June 30, 2026. Once the legal right is granted, such costs will be reclassified to mineral property interests.

Unaudited (Expressed in Canadian dollars)

4. Equity investments

Investment in Associate Company - UMS Canada

The Company holds a 25% equity interest in UMS Canada, a private company located in Vancouver, BC, which provides geological, financial and transactional advisory services as well as administrative services to the Company and three other companies on a cost recovery basis. The Company accounts for this investment using the equity method. There were no material changes to the nature of the investment or to the associate's operations during the six months ended June 30, 2026. For the three and six months ended June 30, 2026, the Company recognized its share of net loss of $2,201 and $2,302, respectively (three and six months ended June 30, 2025: $2,780 and $3,442, respectively). The carrying amount of the Company's investment in UMS Canada was $99,008 as at June 30, 2026 (December 31, 2025: $101,310).

5. Provision for site reclamation and closure

The Company has recorded a provision for site reclamation and closure at the Sombrero Project in relation both to its drill program conducted between July 2024 and March 2025, and the historical Fierrazo disturbance assumed in connection with the Aceros Option. During the six months ended June 30, 2026, there have been no material changes to the disturbances or to Management's best estimates of the future cash flows that are anticipated to complete the reclamation work in accordance with the Company's drill permit.

Inputs and Assumptions

As at June 30, 2026, the Company applied the following key assumptions in calculating the present value of the future estimated cash outflows of $2,764,703 (US$1,945,604):

- Expected timing of future cash outflows is December 2028, based on anticipated permit requirements and management's current intentions for exploration and related closure programs (no change from December 31, 2025);
- Projected Peruvian inflation rate of 2.60% (3.39% at December 31, 2025);
- Discount rate of 3.88% based on the Peruvian government bond yield (4.09% at December 31, 2025); and
- Peruvian soles to U.S. dollar exchange rate of 0.2939 and U.S. dollar to Canadian dollar exchange rate of 1.4210 (0.2968 and 1.3706, respectively, at December 31, 2025).

The following is a continuity of the liability provision for site reclamation and closure:

Closing balance as at December 31, 2024	**$ 444,378**
Addition of provision for reclamation of Fierrazo disturbance	2,337,969
Reclamation expenditures	(91,570)
Accretion of provision	34,843
Change in estimate	21,100
Currency translation adjustment	(56,090)
Closing balance as at December 31, 2025	**$ 2,690,630**
Accretion of provision	**55,613**
Change in estimate	**(78,945)**
Currency translation adjustment	**97,405**
Closing balance as at June 30, 2026	**$ 2,764,703**

6. Share capital

a) Authorized - unlimited common shares without par value.

Unaudited (Expressed in Canadian dollars)

b) Common share issuances

Six months ended June 30, 2026, the Company had the following share capital transactions:

On June 26, 2026, the Company closed a non-brokered listed issuer financing exemption ("LIFE") private placement for total gross proceeds of $5,500,000 in which 15,714,286 units were issued at a price of $0.35 per unit (the "June 2026 LIFE Offering"). Each unit consisted of one common share of the Company and one share purchase warrant. Each unit warrant entitles the holder to purchase one Share at a price of C$0.50 until June 26, 2028. Share issuance costs, including customary referral fees, amounted to $318,720, of which $56,346 had been paid as at June 30, 2026.

The Company applied the residual value approach to allocate the proceeds received from the unit offering to their respective components (shares and warrants). Using this approach, the Company attributed a residual value of $314,286 to the warrants issued, which is recorded within equity reserves.

In connection with the closing of the June 2026 LIFE Offering, the Company issued 805,747 finders' warrants, with a fair value of $105,717 and these were treated as a cost of share issuance. Each finder's warrant is exercisable on the same terms as the unit warrants. The Company used the Black-Scholes option valuation model to determine the fair value of the finders' warrants, applying an expected volatility of 92.99% and a risk-free interest rate of 2.75% and attributed $105,717 to the finders' warrants, which is recorded within equity reserves.

Subsequent to June 30, 2026, the Company completed a non-brokered private placement financing for aggregate gross proceeds of $995,350. Under the offering, the Company issued 2,843,856 units on substantially the same terms as the June 2026 LIFE Offering, with each warrant exercisable to acquire one common share at $0.50 until August 6, 2028. There were no finders' fees paid in connection with the offering.

There were no share capital transactions during the six-month period ended June 30, 2025

c) Weighted average shares for basic and diluted loss per share calculation

All of the outstanding share options and share purchase warrants at June 30, 2026, and 2025, were antidilutive for the periods then ended as the Company was in a loss position.

7. Equity reserves

(a) Equity incentive awards

During the six months ended June 30, 2026, there were no changes to the Company's Long-Term Incentive Plan ("LTI Plan"), which provides for the awarding of share options, performance share units ("PSUs"), restricted share units ("RSUs") and deferred share units ("DSUs"), and no awards issued under the LTI Plan (nil for the six months ended June 30, 2025). The following table outlines the number of share options outstanding and exercisable as at June 30, 2026, which are the only awards that have been issued under the LTI Plan.

	Outstanding and Exercisable		
Expiry date	**Number of options**	**Exercise price**	**Remaining contractual life (years)**
August 6, 2029	7,795,000	$0.50	3.10

Unaudited (Expressed in Canadian dollars)

During the three and six months ended June 30, 2026 and 2025, the Company recognized share-based payments expense net of forfeiture recovery as follows:

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Exploration and evaluation	$ **-**	$ 23,440	$ **2,749**	$ 70,882
Fees, salaries, and other employee benefits	**-**	81,527	**15,096**	200,942
Marketing and investor relations	**-**	4,896	**440**	12,326
Project investigation	**-**	8,100	**635**	8,713
Total for the period	$ **-**	$ 117,963	$ **18,920**	$ 292,863

(b) Share purchase warrants

The continuity of the share purchase warrants issued and outstanding is as follows:

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2024, and 2025	36,145,312	$ 0.55
Expired	(20,229,929)	0.74
Issued	16,520,033	0.50
Outstanding, June 30, 2026	**32,435,416**	**$ 0.40**

A summary of the Company's share purchase warrants issued and outstanding as at June 30, 2026, is as follows:

Expiry date	Warrants outstanding	Exercise price
January 29, 2027	120,000	$ 0.15
June 26, 2028	16,520,033	0.50
August 13, 2029	15,795,383	0.30
	32,435,416	**$ 0.40**

8. Exploration and evaluation

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Surface exploration	**$ 226,207**	$ 255,111	**$ 515,154**	$ 456,353
Exploration drilling	**-**	51,244	**-**	1,718,474
Concession holding costs (recoveries)	**81,587**	(139,352)	**138,042**	20,372
Community and environmental	**239,896**	361,121	**443,974**	707,229
Project support	**61,309**	86,384	**120,796**	171,271
Share-based compensation	**-**	23,440	**2,749**	70,882
Total for the period	**$ 608,999**	$ 637,948	**$ 1,220,715**	$ 3,144,581

Unaudited (Expressed in Canadian dollars)

9. Related party transactions

a) UMS Canada and UMS Peru

Due to the Company having an ownership interest in UMS Canada it is classified as a related party. All transactions with UMS Canada during the three and six months ended June 30, 2026, and 2025, have occurred in the normal course of operations and are summarized in the table below. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Exploration and evaluation	**$ 49,896**	$ 67,920	**$ 124,213**	$ 225,932
Project investigation	**30,466**	37,952	**49,313**	38,086
Marketing and investor relations	**662**	-	**4,073**	-
General and administration	**155,312**	158,688	**326,621**	369,946
Total for the period	**$ 236,336**	$ 264,560	**$ 504,220**	$ 633,964

As at June 30, 2026, $83,772 (December 31, 2025 - $108,149) was included in accounts payable and accrued liabilities and $178,032 (December 31, 2025 - $169,205) in prepaid expenses, deposits and other relating to transactions with UMS Canada. Including the initial deposit of $150,000 advanced to UMS Canada for working capital purposes, the Company had a net deposit balance of $244,260 with UMS Canada as at June 30, 2026.

b) Key management compensation

The Company provided the following compensation to key management and Board members, being its four executives, of which one, the CEO, is a director, and five, effective September 15, 2025 onwards, are non-executive independent directors:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Salaries and other employee benefits provided to executives	**$ 208,479**	$ 197,981	**$ 421,695**	$ 412,296
Fees paid to non-executive independent directors	**22,402**	39,701	**44,803**	77,696
Share-based compensation	**-**	77,866	**6,496**	196,658
Total for the period	**$ 230,881**	$ 315,548	**$ 472,994**	$ 686,650

As at June 30, 2026, the Company had an outstanding accounts payable balance with key management personnel of $171,797 (December 31, 2025 - $170,715) which is primarily related to accrued short-term incentive compensation awarded in relation to key corporate objectives achieved in 2025. Payment of these awards is deferred until the Company has raised a minimum of $7 million of which approximately $6.5 million has been raised to date.

Unaudited (Expressed in Canadian dollars)

10. Supplemental cash flow information

	Six months ended June 30, 2026	2025
Changes in liabilities arising from financing and investing activities:		
Mineral property acquisition costs	$ **(16,675)**	$ (24,463)
Deferred acquisition costs	**29,891**	-
Share issuance costs	**262,374**	-
Other cash flow disclosures:		
Income taxes paid	**-**	-
Interest paid	**-**	-

11. Financial instruments

The Company's financial instruments consist of cash, amounts receivable, deposits, as well as accounts payable and accrued liabilities, which are classified as and measured at amortized cost. The fair values of the current financial instruments approximate their carrying values due to their short-term nature and there were no financial instruments measured at fair value as at June 30, 2026, and December 31, 2025.

The Company's financial instruments are exposed to liquidity risk, credit risk and market risk, which includes currency risk. As at June 30, 2026, the primary risks were as follows:

a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common shares or debt as required. As at June 30, 2026, the Company had sufficient cash on hand to discharge its financial liabilities as they become due but will require additional funding to continue operations for the next twelve months and execute on its planned exploration, including Phase 2 drilling, and other activities.

As at June 30, 2026, the Company has total current liabilities of $1,445,792 due to be paid within twelve months, which include Sombrero Project government concession fees, due by June 30, 2027 totaling $331,202.

The Company has a non-current reclamation and closure liability provision of $2,764,703 which has been calculated based on the current assumption that it will be incurred in 2028.

The Company's contingent liabilities were presented in Note 15(a) of the annual audited consolidated financial statements for the year ended December 31, 2025, and, other than changes caused by fluctuations in the applicable foreign exchange rates, there have been no changes during the three and six months ended June 30, 2026.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet an obligation under contract. Credit risk exposure arises with respect to the Company's cash, amounts receivable and deposits. The risk exposure is limited because the Company's cash is held with highly rated financial institutions in interest-bearing accounts, the amounts receivable consist of value-added taxes receivable from the Government of Canada, and the deposit is held by UMS Canada. The carrying amount of the Company's financial assets of $5,247,774 (of which $5,052,929 is cash), represents the maximum exposure to credit risk.

c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Canadian parent company is exposed to U.S. dollar (US$) foreign currency risk with the Canadian dollar ("C$") functional currency, and the Peruvian subsidiaries are exposed to Peruvian sol (PEN) foreign currency risk with the US$ functional currency. As at June 30, 2026, the Company's foreign currency exposure related to its financial assets and liabilities held in US$ and PEN is as follows:

		June 30, 2026		December 31, 2025
PEN expressed in C$				
Financial assets	**$**	**26,307**	$	27,430
Financial liabilities		**(577,973)**		(717,750)
Net exposure	**$**	**(551,666)**	$	(690,320)

A 10% change in the Peruvian sol to U.S. dollar exchange rate would not have a material impact on the Company's net liabilities exposed to the Peruvian sol.

		June 30, 2026		December 31, 2025
US$ expressed in C$				
Financial assets	**$**	**2,155**	$	353,756
Financial liabilities		**(97,693)**		(119,246)
Net exposure	**$**	**(95,538)**	$	234,510

A 10% change in the U.S. dollar to Canadian dollar exchange rate would not have a material impact on the Company's net assets exposed to the U.S. dollar.

12. Segmented information

The Company operates in one reportable segment, being the exploration and evaluation of unproven exploration and evaluation mineral property assets. The Company's non-current assets primarily consist of its mineral property interests and equipment, which are located in Peru, deferred acquisition costs in the U.S., and the remaining balance relates to its equity investment located in Canada. The Company, as a consequence of being in the exploration and evaluation stage, has no reportable segment revenues or operating results.

13. Management of capital

The Company considers capital to include items within shareholders' equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and evaluation of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue additional shares. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

The property in which the Company currently has an interest is in the exploration stage and is not positive cash-flow generating; as such, the Company has historically relied on the equity markets to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size and stage of the Company, is reasonable. The Company is not subject to any capital restrictions and the Company's approach to capital management has remained unchanged from the prior year.