TIER ONE SILVER

(An exploration stage business)

TIER ONE SILVER INC.

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited)

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 Tier One Silver Inc. for the three months ended March 31, 2025, 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.

May 27, 2025

Tier One Silver Inc.

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

		As at March 31, 2025		As at December 31, 2024
Assets				
Current assets:				
Cash	$	**222,459**	$	171,294
Amounts receivable		**5,035**		31,562
Prepaid expenses, deposits and other (Note 3)		**140,466**		206,945
		367,960		409,801
Non-current assets:				
Equity investments (Note 5)		**99,926**		100,588
Mineral property interests (Note 4)		**1,447,772**		1,448,612
Total assets	$	**1,915,658**	$	1,959,001
Liabilities and Equity				
Current liabilities:				
Accounts payable and accrued liabilities (Note 6)	$	**1,192,556**	$	955,829
		1,192,556		955,829
Non-current liabilities:				
Accrued liabilities (Note 6)		**130,644**		106,143
Provision for site reclamation and closure		**399,266**		394,050
Total liabilities	$	**1,722,466**	$	1,456,022
Equity:				
Share capital (Note 7)	$	**31,933,862**	$	31,575,075
Shares to be issued (Note 7)		**-**		163,584
Equity reserves (Note 8)		**4,914,966**		4,900,424
Accumulated other comprehensive loss		**(105,047)**		(104,767)
Deficit		**(36,550,589)**		(36,031,337)
Total equity		**193,192**		502,979
Total liabilities and equity	$	**1,915,658**	$	1,959,001

Going concern (Note 1(c)), Commitment (Note 5), Subsequent events (Notes 2(c), 5, 8(b), 9(a) and (b))

Approved on behalf of the Board of Directors:

"Peter Dembicki"	*"Christy Strashek"*
President, CEO & Director	Director

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

Tier One Silver Inc.

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

	Three months ended March 31, 2025	2024
Operating expenses:		
Exploration and evaluation	**$ 129,750**	$ 133,818
Fees, salaries and other employee benefits	**227,351**	256,931
Legal and professional	**17,169**	20,413
Marketing and investor relations	**57,410**	96,510
Office and administration	**33,465**	57,634
Project investigation	**34,320**	34,850
Regulatory and transfer agent	**6,432**	30,948
Mineral property impairment (Note 4(ii))	**-**	881,622
Reversal of provision related to option termination (Note 4(ii))	**-**	(162,473)
	$ 505,897	$ 1,350,253
Other expenses (income):		
Accretion of provision for site reclamation and closure	**5,563**	2,670
Foreign exchange loss	**8,975**	1,136
Interest income	**(1,845)**	(8,207)
Loss from equity investments (Note 5)	**662**	1,098
Loss for the period	**$ 519,252**	$ 1,346,950
Other comprehensive loss (income):		
Unrealized currency loss (gain) on translation	**280**	(20,402)
Comprehensive loss for the period	**$ 519,532**	$ 1,326,548
Basic and diluted loss per share	**$ 0.00**	$ 0.01
Basic and diluted weighted average number of shares	**176,060,078**	159,945,923

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

Tier One Silver Inc.

Condensed Consolidated Interim Statements of Change in Equity
Unaudited (Expressed in Canadian dollars, except share amounts)

	Number of common shares	Share capital	Shares to be issued	Share option and warrant reserve	Accumulated other comprehensive (loss) income	Deficit	Total equity
Balance at December 31, 2023	159,945,923	$ 30,312,635	$ -	$ 4,557,384	$ (138,087)	$ (32,347,147)	$ 2,384,785
Share-based payments	-	-	-	69,102	-	-	69,102
Other comprehensive income	-	-	-	-	20,402	-	20,402
Loss for the period	-	-	-	-	-	(1,346,950)	(1,346,950)
Balance at March 31, 2024	**159,945,923**	**$ 30,312,635**	**$ -**	**$ 4,626,486**	**$ (117,685)**	**$ (33,694,097)**	**$ 1,127,339**
Balance at December 31, 2024	**171,049,523**	**$ 31,575,075**	**$ 163,584**	**$ 4,900,424**	**$ (104,767)**	**$ (36,031,337)**	**$ 502,979**
Share-based payments (Note 8(a))	**-**	**-**	**-**	**8,883**	**-**	**-**	**8,883**
Units issued pursuant to offering, net of issue costs (Note 7(b))	**5,183,333**	**364,446**	**(163,584)**	**-**	**-**	**-**	**200,862**
Warrants issued for finders' fees (Note 7 (b))	**-**	**(5,659)**	**-**	**5,659**	**-**	**-**	**-**
Other comprehensive loss	**-**	**-**	**-**	**-**	**(280)**	**-**	**(280)**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**(519,252)**	**(519,252)**
Balance at March 31, 2025	**176,232,856**	**$ 31,933,862**	**$ -**	**$ 4,914,966**	**$ (105,047)**	**$ (36,550,589)**	**$ 193,192**

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

Tier One Silver Inc.

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

	Three months ended March 31, 2025	2024
Operating activities:		
Loss for the period	**$ (519,252)**	$ (1,346,950)
Adjusted for:		
Interest income	**(1,845)**	(8,207)
Non-cash transactions:		
Mineral property impairment	**-**	881,622
Share-based payments	**8,883**	69,102
Depreciation	**-**	2,626
Accretion of provision for site reclamation and closure	**5,563**	2,670
Unrealized foreign exchange loss	**124**	467
Share of net loss from equity investments	**662**	1,098
Reversal of provisions related to option terminations	**-**	(162,473)
Changes in non-cash working capital:		
Amounts receivable	**26,468**	40,712
Prepaid expenses, deposits, and other	**66,366**	139,048
Accounts payable and accrued liabilities	**255,256**	62,363
Cash used in operating activities	**(157,775)**	(317,922)
Investing activities:		
Interest income received	**1,845**	8,207
Cash provided by investing activities	**1,845**	8,207
Financing activities:		
Proceeds from issuance of units, net of issue costs	**207,139**	-
Cash provided by financing activities	**207,139**	-
Effect of foreign exchange rate changes on cash	**(44)**	744
Change in cash	**51,165**	(308,971)
Cash, beginning of the period	**171,294**	825,589
Cash, end of the period	**$ 222,459**	$ 516,618

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

Tier One Silver Inc. (the "Company" or "Tier One") is incorporated under the British Columbia Business Corporations Act and is listed on the TSX Venture exchange ("TSXV"). The Company's common shares trade under the symbol TSLV in Canada and under the US symbol TSLVF on the OTCQB Venture Market. Tier One's registered and records office is located at 1500-1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

The Company is principally engaged in the acquisition and exploration of mineral resource property interests with a focus on South America.

(b) Nature of operations

The Company's primary asset is the 100% owned Curibaya property in southern Peru, which was originally staked by the Company's corporate predecessor in 2015 and has since been expanded through a combination of acquisitions and additional staking.

The Company has not yet determined whether its properties contain mineral reserves where extraction is both technically feasible and commercially viable. Tier One operates in one operating segment, being the acquisition and exploration of mineral resource properties in South America.

(c) Going concern

As at March 31, 2025, the Company had a net working capital deficit of $824,596 (December 31, 2024 – $546,028) and incurred a loss of $519,252 for the three months ended March 31, 2025 ($1,346,950 for the three months ended March 31, 2024). The Company has no operating revenue to date and no operating cash flows to support its activities. With no source of operating cash flow, there is no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. Although the Company has had success raising capital in the past, the ability to continue as a going concern remains dependent upon its continued ability to obtain the financing necessary to fund its mineral properties and exploration programs, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. These conditions create material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements ("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 financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with IFRS accounting standards as issued by the International Accounting Standards Board ("IASB"). The accounting policies followed in these financial statements are the same as those applied in the Company's annual audited consolidated financial statements for the year ended December 31, 2024.

These financial statements were approved and authorized for issuance on May 27, 2025, by the 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 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 financial statements from the date control commences until the date control ceases. The accounting policies of subsidiaries are changed where necessary to align them with the policies adopted by the Company. A summary of the Company's subsidiaries included in these financial statements as at March 31, 2025, is as follows:

Subsidiary	**Place of incorporation**	**Functional currency**	**Beneficial interest**
Corisur Peru, S.A.C. ("Corisur")	Peru	US$	100%
Magma Minerals, S.A.C. ("Magma")	Peru	US$	100%

These financial statements include a 50% investment in Universal Mineral Services Peru S.A.C. ("UMS Peru") and a 25% investment in Universal Mineral Services Ltd. ("UMS Canada") (Note 5). Having relinquished the Corisur claims in 2024, the Corisur entity was dormant until its dissolution in May 2025.

(d) Functional and presentation currency

The financial statements of the Company and each of its subsidiaries are prepared in its 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 subsidiaries is the United States dollar. These financial statements are presented in Canadian dollars, unless otherwise noted. Amounts denominated in United States dollars are denoted as US$.

(e) Critical accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates. The Company's critical accounting judgements and estimates were presented in Note 3 of the audited annual consolidated financial statements for the year ended December 31, 2024, and have been consistently applied in the preparation of these financial statements. No new estimates and judgements were applied for the period ended March 31, 2025.

Unaudited (Expressed in Canadian dollars)

(f) Application of new and revised accounting standards

On August 14, 2023, the IASB issued amendments to IAS 21 "Lack of Exchangeability" which contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments to IAS 21 are effective for annual periods beginning on or after January 1, 2025. 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 consolidated financial statements.

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, with early adoption permitted. The Company is currently assessing the impact, if any, of the amendments on the consolidated financial statements.

3. Prepaid expenses, deposits and other

The Company's prepaid expenses, deposits and other consist of the following:

		March 31, 2025		December 31, 2024
Community and surface agreements	**$**	**19,846**	$	43,389
Exploration and evaluation		**16,519**		29,705
General, administration and marketing		**9,326**		32,641
UMS Canada and UMS Peru (Note 9(a))		**94,775**		101,210
Total prepaid expenses, deposits and other	**$**	**140,466**	$	206,945

The Company makes short term advances to third parties in the normal course of business and to UMS Canada and UMS Peru in accordance with the respective service agreements (Note 5). Typically, such prepayments are made in relation to annual insurance policies, software renewals and marketing activities, such as conference fees, plus the working capital deposits held by UMS Canada and UMS Peru (Note 9(a)).

As a normal part of the exploration process, the Company enters into access and use agreements with the local communities which provide the Company with surface rights to the respective areas over the term of the agreement. On June 12, 2024, the Company renewed its surface rights agreement with the local community at the Curibaya project for a one-year period.

Unaudited (Expressed in Canadian dollars)

4. Mineral property interests

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

Mineral property interests	**Curibaya**	**Other**	**Total**
Balance as at December 31, 2023	**$ 1,376,162**	**$ 861,211**	**$ 2,237,373**
Mineral property impairment	-	(881,622)	(881,622)
Recognition of provision for site reclamation and closure	(2,969)	-	(2,969)
Currency translation adjustment	75,419	20,411	95,830
Balance as at December 31, 2024	**$ 1,448,612**	**$ -**	**$ 1,448,612**
Currency translation adjustment	**(840)**	**-**	**(840)**
Balance as at March 31, 2025	**$ 1,447,772**	**$ -**	**$ 1,447,772**

The Company's mineral property projects, located in southern Peru, are outlined below:

i) Curibaya

Curibaya is a wholly owned project that covers approximately 17,000 hectares ("ha") in southern Peru located approximately 48 kilometres ("km") from the provincial capital, Tacna. Within the Curibaya project, the Sambalay and Salvador concessions are subject to a 1.5% and 2.0% net smelter return royalty, respectively. In addition, the Salvador concessions are subject to a US$2.0 million production payment, payable at the time a production decision is made.

During the three months ended March 31, 2025, the Company incurred $125,963 of exploration and evaluation expenses on Curibaya ($133,913 for the three months ended March 31, 2024).

ii) Other

Corisur claims

The Corisur claims, covering approximately 1,300 ha, consisted of the Tacora, Tacora Sur and Andamarca concessions which are located in the Peru designated border zone, and as a result unconditional ownership could only be achieved in the future by obtaining a Supreme Decree.

During the three months ended March 31, 2024, the Company made the decision to relinquish the non-core Corisur project and recorded an impairment charge of $881,622 to write off all capitalized costs associated with these claims.

During the three months ended March 31, 2024, the Company reversed a provision and recorded an expense recovery in the amount of $162,473 (US$120,000). The provision had been recorded in 2021 in relation to anticipated final costs for the orderly closure of the Huilacollo option and permit, all of which have been completed. No further material costs are anticipated.

Coastal Batholith

Coastal Batholith is a wholly owned project on the Pacific Ocean coast of Peru acquired through staking and covers approximately 3,500 ha after relinquishing many of the concessions in each of 2022 and 2023 to retain only what the Company considers the most prospective areas. All costs related to the staking of the Coastal Batholith project were impaired in 2023 as the plan for this early stage, non-core asset was uncertain then, and still is, and therefore, as at March 31, 2025, the balance remains $nil.

Unaudited (Expressed in Canadian dollars)

Exploration and evaluation costs incurred on other properties

During the three months ended March 31, 2025, the Company incurred $3,787 of exploration and evaluation expenses on the Coastal Batholith claims in relation to the accrual of 2025 concession fees (cost recovery of $95 during the three months ended March 31, 2024, resulting from the reversal of the previously accrued 2023 Corisur concession fees after the Company made the decision to relinquish these claims).

5. Equity investments

Investment in Associate - UMS Canada

UMS Canada is located in Vancouver, BC, and provides administrative, geological, accounting and other advisory services to the Company and three other non-related companies on a cost recovery basis. In 2022, the Company acquired a 25% share interest in UMS Canada and accounts for this investment as an associate. UMS Canada is party to an office lease agreement with an initial term of ten years, for which certain rent expenses will be payable by the Company. As at March 31, 2025, UMS Canada had entered into a 3rd party sublease agreement, which reduces the Company's share of future lease payments to approximately $0.1 million in total for the remaining 6.25-year term of the lease.

Investment in Joint Venture - UMS Peru

UMS Peru is a company incorporated under Peruvian law, which in the past provided administrative and geological services to Magma, Corisur and the Peruvian subsidiary of a non-related company. In 2022, the Company acquired a 50% ownership of UMS Peru and accounts for this investment as a joint venture. UMS Peru charges its services at cost plus a markup of 5% for administrative services and 7% for geological services. UMS Peru is currently in the process of being wound up.

During Q4 2023, UMS Peru stopped providing services to the Company and at the time, the Company recorded an impairment in relation to its investment in UMS Peru, which included net assets and a working capital deposit held by UMS Peru, which was not expected to be recovered. As at December 31, 2024, based on the funds remaining in UMS Peru after the wind-up process had been substantially completed, the Company recorded an impairment reversal in the amount of $35,973 (US$25,000) for the year then ended. These funds were repaid by UMS Peru to the Company in April 2025.

Summarized financial information of UMS Canada and UMS Peru

The Company's share of net losses of UMS Canada and UMS Peru were as follows:

For the three months ended March 31, 2025		**UMS Canada**		**UMS Peru**
Cost recoveries	$	(651,563)	$	-
Geological services		195,460		-
Administrative services		458,749		-
Net loss for the period		2,646		-
Company's share of net loss	**$**	**662**	**$**	**-**

For the three months ended March 31, 2024		**UMS Canada**		**UMS Peru**
Cost recoveries	$	(952,104)	$	-
Geological services		330,717		-
Administrative services		625,778		-
Net loss for the period		4,391		-
Company's share of net loss	**$**	**1,098**	**$**	**-**

Unaudited (Expressed in Canadian dollars)

The carrying amounts of the Company's investments in UMS Canada and UMS Peru as at March 31, 2025, were as follows:

		UMS Canada		UMS Peru		Total
Carrying amount as at December 31, 2023	**$**	**121,991**	**$**	**-**	**$**	**121,991**
Company's share of net loss for the year		(21,403)		-		(21,403)
Carrying amount as at December 31, 2024	**$**	**100,588**	**$**	**-**	**$**	**100,588**
Company's share of net loss for the period		**(662)**		**-**		**(662)**
Carrying amount as at March 31, 2025	**$**	**99,926**	**$**	**-**	**$**	**99,926**

The Company's equity interest in net assets and liabilities of UMS Canada and UMS Peru as at March 31, 2025, were as follows:

		UMS Canada		UMS Peru
Current assets	$	871,807	$	49,212
Non-current assets		1,982,811		22,721
Current liabilities		(1,263,802)		(71,933)
Non-current liabilities		(1,191,112)		-
Net assets - 100%		399,704		-
Company's equity interest in net assets at March 31, 2025	**$**	**99,926**	**$**	**-**

6. Accounts payable and accrued liabilities

The Company records accounts payable and accrued liabilities that arise in the normal course of business, in relation to its exploration and evaluation, and other activities. More specifically, the Company makes accruals for annual concession and related penalty fees in the period to which they relate. Despite Peruvian rules allowing companies to defer payment of these fees, the Company does not have a practical ability to avoid such payments, as such avoidance would result in the loss of its mineral properties.

As at March 31, 2025, the Company has accrued a total provision of $326,683 for concession validity and penalty fees, of which $196,039 are due by June 30, 2025, and $130,644 are due by June 30, 2026 ($299,683 accrued as at December 31, 2024, payable by June 30, 2025, and June 30, 2026). As at March 31, 2025, the Company also has $195,593 owing to UMS Canada and $369,614 to key management personnel ($157,109 and $242,752, respectively, as at December 31, 2024) as discussed in Note 9.

7. Share capital

(a) Authorized

Unlimited common shares without par value.

(b) Common share issuances

For the three months ended March 31, 2025:

On January 3, 2025, the Company closed a non-brokered private placement (the "January 2025 Placement") by issuing 5,183,333 units at a price of $0.075 per unit for gross proceeds of $388,750, of which $167,500 was received in December 2024, and was recorded on the statement of financial position within equity, net of costs of $3,916, as shares to be issued as at December 31, 2024. Each unit consisted of a common share and a share purchase warrant which entitles the holder to purchase one common share of the Company at a price of $0.15 at any time on or before January 3, 2028. Share issuance costs, including customary referral fees, amounted to $24,304.

Unaudited (Expressed in Canadian dollars)

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 $nil to the warrants issued.

In relation to the January 2025 Placement the Company issued 171,000 non-transferable finders' warrants, ("January Finders' Warrants") to the agents with a fair value of $5,659, and these were treated as a cost of share issuance. Each January Finders' Warrant entitles the holder thereof to acquire one common share of the Company at an exercise price of $0.15 until January 3, 2028. The Company used the Black-Scholes option valuation model to determine the fair value of the January Finders' Warrants, applying an expected share price volatility of 91.88% and a risk-free interest rate of 2.87%.

During the three months ended March 31, 2025, there were no share purchase options exercised.

For the three months ended March 31, 2024:

There were no common share issuances during the three months ended March 31, 2024.

8. Equity reserves

(a) Equity incentive awards

On June 11, 2024, the Company's Board of Directors approved the adoption of a Long-Term Incentive Plan ("LTI Plan") which was subsequently approved by shareholders of the Company at the August 7, 2024, Annual General Meeting. The LTI Plan replaces the Company's previous rolling share option plan and provides for the awarding of share options, performance share units, restricted share units and deferred share units (collectively "equity awards"). The number of shares reserved for issuance under the LTI Plan, together with all other security-based compensation arrangements of the Company, is limited to 10% of the issued and outstanding common shares at the time of grant and sets a maximum term of five years for all awards. Vesting terms of all equity awards are determined at the discretion of the Board. The Company may grant equity awards from time to time to its directors, officers, employees, and other service providers. Only share options have been granted to date.

The following is a continuity of the number of share options issued and outstanding as at March 31, 2025:

	Number of share options	Weighted average exercise price
Outstanding, December 31, 2023	10,343,750	$ 0.78
Granted	1,300,000	0.15
Exercised	(500,000)	0.10
Expired	(1,183,750)	0.96
Forfeited	(65,000)	0.30
Outstanding, December 31, 2024, and March 31, 2025	**9,895,000**	**$ 0.71**

Unaudited (Expressed in Canadian dollars)

As at March 31, 2025, the number of share options outstanding and exercisable was:

	Outstanding			Exercisable		
Expiry date	**Number of options**	**Exercise price**	**Remaining contractual life (years)**	**Number of options**	**Exercise price**	**Remaining contractual life (years)**
April 8, 2026	5,580,000	$ 1.00	1.02	5,580,000	$ 1.00	1.02
April 29, 2026	200,000	1.00	1.08	200,000	1.00	1.08
June 22, 2026	125,000	1.44	1.23	125,000	1.44	1.23
September 15, 2028	2,895,000	0.30	3.46	2,895,000	0.30	3.46
December 28, 2028	295,000	0.30	3.75	258,125	0.30	3.75
January 23, 2029	500,000	0.10	3.82	500,000	0.10	3.82
July 2, 2029	300,000	0.30	4.26	150,000	0.30	4.26
	9,895,000	**$ 0.71**	**2.06**	**9,708,125**	**$ 0.72**	**2.02**

The Company uses the Black-Scholes option valuation model to determine the fair value for all share-based payments to directors, officers, employees, and other service providers. During the three months ended March 31, 2025, the Company did not grant share options; 1,000,000 share options were granted to a marketing service provider for the three months ended March 31, 2024. The weighted average fair value per option of the share options granted during the three months ended March 31, 2024, was calculated as $0.07 using the Black-Scholes option valuation model at the grant date with the following weighted average assumptions:

	Three months ended March 31, 2024
Risk-free interest rate	4.06%
Expected dividend yield	Nil
Share price volatility	87.91%
Expected forfeiture rate	0%
Expected life in years	1.00

During the three months ended March 31, 2025, and 2024, the Company recognized share-based payments expense net of forfeiture recovery as follows:

	Three months ended March 31,	
	2025	2024
Exploration and evaluation	**$ 669**	$ 6,962
Fees, salaries, and other employee benefits	**3,731**	37,500
Marketing and investor relations	**3,883**	19,819
Project investigation	**600**	4,821
	$ 8,883	$ 69,102

(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, 2023	34,626,106	$ 0.48
Issued	10,925,291	0.25
Outstanding, December 31, 2024	**45,551,397**	**$ 0.42**
Issued	5,354,333	0.15
Outstanding, March 31, 2025	**50,905,730**	**$ 0.40**

Unaudited (Expressed in Canadian dollars)

A summary of the Company's warrants issued and outstanding as at March 31, 2025, is as follows:

Expiry date	**Warrants outstanding**	**Exercise price**
April 21, 2025*	10,840,840	$ 0.35
April 24, 2025*	5,530,619	0.25
April 30, 2025*	5,394,672	0.25
May 31, 2025	13,736,026	0.75
December 8, 2025	5,092,240	0.25
December 15, 2025	4,957,000	0.25
January 3, 2028	5,354,333	0.15
	50,905,730	**$ 0.40**

*Warrants expired unexercised subsequent to period end.

9. Related party transactions

Related party transactions are those with entities over which the Company has control or significant influence, and with key management personnel, being those having the authority and responsibility for planning, directing, and controlling the Company. A summary of the Company's related party transactions for the period ended March 31, 2025, and 2024, is as follows:

(a) UMS Canada and UMS Peru

All transactions have occurred in the normal course of operations. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

	Three months ended March 31,			
		2025		2024
Exploration and evaluation	**$**	**(10,072)**	$	(670)
General and administration		**86,183**		97,699
Project investigation		**6,418**		1,033
Total transactions for the period	**$**	**82,529**	$	98,062

As at March 31, 2025, $195,593 (December 31, 2024 - $157,109) was included in accounts payable and accrued liabilities and $58,835 (December 31, 2024 - $65,237) 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 $13,242 with UMS Canada as at March 31, 2025, which is below the deposit required by the UMS service agreement of up to three months expected expenditures, currently set for the Company at $73,806.

As at March 31, 2025, the Company had a working capital deposit with UMS Peru in the amount of $67,855 (US$47,200). The full amount had been written down to $nil as at December 31, 2023, as it was not expected to be recovered, however, $35,940 (US$25,000) of the working capital deposit has been reinstated and included on the statement of financial position as at March 31, 2025, based on the funds available in UMS Peru after the wind-up process had been substantially completed. These funds were repaid to the Company in April 2025.

Unaudited (Expressed in Canadian dollars)

(b) Key management compensation

In addition to the transactions disclosed above, the Company provided or accrued the following compensation to key management members, being its three executives, of which one is a Board Director, and five (six until August 7, 2024) non-executive independent directors:

	Three months ended March 31,			
		2025		2024
Salary and benefits provided to executives	**$**	**149,751**	$	152,535
Non-executive directors' fees		**40,245**		48,238
Share-based payments		**3,588**		37,964
Total for the period	**$**	**193,584**	$	238,737

The Company's Chief Financial Officer provides services, on a less than full-time basis, under a secondment employment arrangement between the Company and UMS Canada. As at March 31, 2025, the Company had an accounts payable balance with all key management personnel of $369,614 ($242,752 as at December 31, 2024), of which $37,500 was paid on April 30, 2025.

The Company grants options to certain UMS employees, including key management personnel of the Company. The Company recognized share-based payments of $1,311 for the three months ended March 31, 2025, in respect of share options granted to UMS employees ($14,290 for the three months ended March 31, 2024).

10. Supplemental cash flow information

	Three months ended March 31,			
		2025		2024
Changes in liabilities arising from financing activities:				
Private placement share issuance costs	**$**	**6,277**	$	(12,968)
Other cash flow disclosures				
Income taxes paid	**$**	**-**	$	-
Interest paid	**$**	**-**	$	-

11. Financial instruments

The Company's financial instruments consist of cash, amounts receivable, deposits, accounts payable and accrued liabilities. The fair values of the current financial instruments approximate their carrying values, unless otherwise noted.

The following summarizes the fair value hierarchy under which the Company's financial instruments are valued:

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

As at March 31, 2025, and December 31, 2024, there were no financial instruments measured at fair value.

The Company's financial instruments are exposed to liquidity risk, credit risk and market risk, which includes currency risk. As at March 31, 2025, 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 March 31, 2025, the Company did not have sufficient cash on hand to discharge its financial liabilities as they become due and will require additional funding to continue operations for the current year.

As at March 31, 2025, the Company had current liabilities, due to be paid within 12 months, consisting of accounts payable and accrued liabilities totaling $1,192,556 which include 2024 Curibaya government concession fees and 2023 penalty fees, due by June 30, 2025, totaling $196,039. Penalties are legislated fees payable to the government, in the event that the Company does not expend the government mandated minimum investment amount on exploration properties. In the case that adequate amounts are expended on the exploration properties and the minimum investment is met, penalty fees are eliminated. In each of 2023 and 2024; the Company did not meet the minimum investment expenditures in three of its concessions and therefore, penalties have been accrued in relation to those concessions in those years.

The Company has non-current accrued liabilities related to 2024 concession penalty fees associated with its Curibaya project totaling $130,644 which are due by June 30, 2026. In addition, the Company has a non-current reclamation and closure provision of $399,266.

(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 deposit. 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 sales taxes receivable from the Government of Canada and Peru, and the deposit is held by UMS Canada and UMS Peru, the latter which has been written down to its estimated recoverable value.

(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 subsidiary is exposed to Peruvian soles ("PEN") foreign currency risk with the US$ functional currency. As at March 31, 2025, the Company's foreign currency exposure related to its financial assets and liabilities held in US$ and PEN is as follows:

		March 31, 2025		December 31, 2024
PEN expressed in C$				
Period end exchange rate C$ per PEN		**0.3919**		0.3823
Financial assets	**$**	**1,719**	**$**	23,847
Financial liabilities		**(374,531)**		(316,005)
Net exposure	**$**	**(372,812)**	**$**	(292,158)
		March 31, 2025		December 31, 2024
US$ expressed in C$				
Period end exchange rate C$ per US$		**1.4376**		1.4389
Financial assets	**$**	**603**	**$**	3,812
Financial liabilities		**(9,132)**		(11,342)
Net exposure	**$**	**(8,529)**	**$**	(7,530)

A 10% increase or decrease in either the US dollar or Peruvian sol exchange rate would not have a material impact on the Company's net loss.

12. Segmented information

The Company operates in one reportable segment, being the exploration and evaluation of unproven exploration and evaluation assets. The Company's non-current assets primarily consist of its mineral property interests which are located in Peru, and the 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 new shares, sell assets to settle liabilities or issue debt instruments. 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 mineral resource properties in which the Company currently has an interest are in the exploration stage and are 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 of the Company, is reasonable. The Company is not subject to any capital restrictions and the Company's approach to capital management has not changed from the prior year.