SILVER WOLF EXPLORATION LTD.

Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2026 and 2025

(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 noticed indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Silver Wolf Exploration Ltd. for the 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.

Silver Wolf Exploration Ltd.
Condensed Consolidated Interim Statements of Financial Position
Expressed in Canadian Dollars - Unaudited

	Note		June 30, 2026		December 31, 2025
ASSETS					
Current Assets					
Cash and cash equivalents		$	1,141,042	$	1,870,085
Other receivables			59,108		96,432
			1,200,150		1,966,517
Non-Current Assets					
Investments	**4**		5,850		8,449
Exploration and evaluation assets	**5**		4,219,811		3,351,793
Property and equipment	**6,7**		16,346		18,230
TOTAL ASSETS		$	5,442,157	$	5,344,989
LIABILITIES					
Current Liabilities					
Trade and other payables		$	213,905	$	105,660
Current portion of lease liability	**7**		4,151		3,966
Due to related parties	**9**		438,507		392,839
			656,563		502,465
Non-Current Liabilities					
Lease liability	**7**		8,977		11,120
			665,540		513,585
EQUITY					
Share capital	**8**		10,029,290		10,029,290
Contributed surplus			1,643,061		1,398,311
Accumulated other comprehensive income			293,510		86,150
Deficit			(7,189,244)		(6,682,347)
			4,776,617		4,831,404
TOTAL LIABILITIES AND EQUITY		$	5,442,157	$	5,344,989

Note 1 – Nature of Operations and Going Concern

These consolidated financial statements are authorized for issue by the Board of Directors on August 28, 2026:

"David Wolfin" **Director** "Stephen Williams" **Director**

Silver Wolf Exploration Ltd.
Condensed Consolidated Interim Statements of Operations and Comprehensive Income (Loss)
Expressed in Canadian Dollars - Unaudited

	Note		For the six months ended June 30, 2026		June 30, 2025
General and Administrative Expenses					
Administrative benefits and salaries			5,042	$	6,667
Automobile			571		549
Depreciation			2,328		2,328
Foreign exchange (gain) loss			(6,952)		5,080
Interest and bank charges			(11,550)		8,266
Listing and filing fees			12,018		5,454
Office and miscellaneous			9,813		9,746
Professional fees			97,976		34,425
Shareholder information			141,917		32,778
Share-based compensation			244,750		-
Travel			1,869		-
Transfer agent fees			9,115		3,257
Net Loss for the Period			(506,897)		(108,550)
Other Comprehensive Income (Loss):					
Unrealized gain (loss) on investment securities			(2,600)		325
Currency translation differences			209,960		68,791
			207,360		69,116
Total Comprehensive Loss			(299,537)		(39,434)
Basic and Diluted Loss per Share		$	(0.01)	$	(0.00)
Weighted Average Number of Shares Outstanding			62,177,286		46,010,621

The accompanying notes are an integral part of the consolidated financial statements

Silver Wolf Exploration Ltd.
Condensed Consolidated Interim Statements of Changes in Equity
Expressed in Canadian Dollars - Unaudited

	Note	Number of Common Shares		Share Capital		Reserve		Accumulated Deficit		Accumulated Other Comprehensive Income (Loss)		Total Equity
Balance, January 1, 2025		**46,010,621**	**$**	**8,138,831**	**$**	**902,478**	**$**	**(6,480,484)**	**$**	**(58,461)**	**$**	**2,502,364**
Net loss for the year	8(e)	-		-		-		(108,550)		-		(108,550)
Other comprehensive income for the year		-		-		-		-		69,116		69,116
Balance, June 30, 2025		**46,010,621**	**$**	**8,138,831**	**$**	**902,478**	**$**	**(6,589,034)**	**$**	**10,655**	**$**	**2,462,930**
Balance, January 1, 2026		**62,177,286**	**$**	**10,029,290**	**$**	**1,398,311**	**$**	**(6,682,347)**	**$**	**86,150**	**$**	**4,831,404**
Share-based compensation expenses	8(d)					244,750						244,750
Net loss for the year	8(e)	-		-		-		(506,897)		-		(506,897)
Other comprehensive income for the year		-		-		-		-		207,360		207,360
Balance, June 30, 2026		**62,177,286**	**$**	**10,029,290**	**$**	**1,643,061**	**$**	**(7,189,244)**	**$**	**293,510**	**$**	**4,776,617**

The accompanying notes are an integral part of the consolidated financial statements

Silver Wolf Exploration Ltd.
Condensed Consolidated Interim Statements of Cash Flow
Expressed in Canadian Dollars - Unaudited

	For the six months ended June 30,	
	2026	**2025**
Cash and cash equivalents provided by (used in):		
Operating Activities		
Net loss	$ (506,897)	$ (108,550)
Items not involving cash in the year:		
Share-based compensation	244,750	-
Interest charges	347	445
Depreciation	2,328	2,328
Foreign exchange movements	(1,071)	(14,068)
Changes in non-cash working capital items:		
Other receivables	37,324	(41,442)
Trade and other payables	108,245	(254,639)
Due to related parties	45,668	220,830
	(69,306)	(195,096)
Investing Activities		
Additions to property and equipment	(1,087)	-
Exploration and evaluation expenditures	(656,344)	(133,840)
	(657,431)	(133,840)
Financing Activities		
Finance lease payments	(2,306)	(2,712)
	(2,306)	(2,712)
Change in cash and cash equivalents	(729,043)	(331,648)
Cash and cash equivalents, Beginning of Year	1,870,085	448,613
Cash and cash equivalents, End of Period	$ 1,141,042	$ 116,965
Cash and cash equivalents consisted of:		
Cash	$ 155,806	$ 116,965
Redeemable guaranteed investment certificate (“GIC”)	985,236	-
Total cash and cash equivalents, end of year	$ 1,141,042	$ 116,965

The accompanying notes are an integral part of the consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Silver Wolf Exploration Ltd. (“Silver Wolf” or the “Company”) was incorporated under the laws of the Province of British Columbia, Canada. It is in the exploration stage with regards to its business of the exploration and evaluation of mineral properties. The Company has an option on the Ana Maria and Laberinto properties in Durango, Mexico. The Company’s head office and principal place of business is Suite 900, 570 Granville Street, Vancouver, BC, Canada.

Silver Wolf is in the exploration stage and has not yet determined whether the properties contain ore reserves which are economically recoverable. The underlying carrying value of the mineral property interest and related exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, confirmation of Silver Wolf’s interest in the mineral claims, the ability of Silver Wolf to obtain necessary financing to complete the exploration and development, and future profitable production or proceeds from the sale of all or an interest in its mineral claims.

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at June 30, 2026, the Company accumulated losses of $7,189,244. The Company has not yet generated any revenues from its operations and requires financing through the sale of shares or issuance of debt to continue with its operations and to develop its mineral properties. Although management intends to secure additional financing, there is no assurance that management will be successful in its efforts to secure additional financing, or that it will ever develop a self- supporting business. These factors together form a material uncertainty that raises significant doubt about the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting under International Financial Reporting Standards issued by the International Accounting Standards Board (“IFRS Accounting Standards”). These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application as the most recent annual audited condensed consolidated interim financial statements of the Company. These unaudited condensed consolidated interim financial statements do not contain all of the information required for full annual financial statements. Accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s December 31, 2025, annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Significant Accounting Judgments and Estimates

The preparation of these condensed consolidated interim financial statements requires management to make judgements and estimates 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 judgements and estimates. The condensed consolidated interim financial statements include judgements and estimates, which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the condensed consolidated interim 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 may affect both current and future periods.

Functional Currency

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

Expressed in Canadian Dollars

Foreign Currency Translation

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the condensed consolidated interim statement of financial position. Non-monetary items that denominated in foreign currencies are translated at historical rates.

Basis of Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries:

- Cortez Gold Corp, a company incorporated on June 21, 2006 in Nevada, USA.
- Compania Minera Mexicana de Gray Rock, S.A. de C.V., a company incorporated under the Mexican United States law on July 21, 2020.

Inter-company balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Future Changes in Accounting Policies are effective as at June 30, 2026:

Certain new accounting standards and interpretations have been published that are either applicable in the current year, or are not mandatory for the current period and have not been early adopted. We have assessed these standards, and they are not expected to have a material impact on the Company in the current or future reporting periods.

During the six months ended June 30, 2026, the Company adopted amendments to IFRS 9 Financial Instruments and related amendments to IAS 7 Statement and of Cash Flows and IFRS 7 Financial Instruments: Disclosures, related to the settlement of financial assets and financial liabilities through electronic payment systems. The amendments clarify the timing of recognition and derecognition of financial assets and financial liabilities settled electronically and introduce and optional exception for certain electronic payment arrangements. We have assessed these amendments and the adoption of these amendments did not have a material impact on the Company's consolidated financial statements.

4. INVESTMENTS

Investments consist of the following:

	Number of Shares	Cost	Accumulated Unrealized Loss	June 30, 2026 Fair Value	December 31, 2025 Fair Value
Garibaldi Resources Corp	65,000	$ 202,800	$ (196,950)	$ 5,850	$ 8,449

Expressed in Canadian Dollars

5. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets consist of the following:

		Ana Maria & El Laberinto Option
Balance, January 1, 2025	$	2,640,183
Exploration costs incurred during the year:		
Field expenditures		112,288
Acquisition cost		280,000
Taxes and licensing		89,905
Changes in foreign exchange		229,417
Balance, December 31, 2025		3,351,793
Exploration costs incurred during the year:		
Field expenditures		608,893
Taxes and licensing		49,346
Changes in foreign exchange		209,779
Balance, June 30, 2026	$	4,219,811

Ana Maria Property

The Ana Maria property is located 21 kilometres (km) northwest of the City of Gómez Palacio and the adjacent City of Torreón, and 1 km north of the town of Dinamita, in the municipality of Gómez Palacio, Durango, Mexico. The claims are located in the Minitas mining district in the Guadalupe Victoria mining region. The property consists of 9 mining concessions encompassing 2,549 hectares (“ha”).

Laberinto Project

The Laberinto Project is located in the “Sierra de la Silla” northwest of the town of Francisco I. Madero in the municipality of Panuco de Coronado. It is approximately 60 kilometres northeast of the city of Durango City, México. The property consists of mining concession encompassing 91.7 ha.

Expressed in Canadian Dollars

6. PROPERTY AND EQUIPMENT

	Right of Use Asset (Note 8)	Office equipment, furniture, and fixtures	Computer equipment	Machinery and equipment	Total
	$	$	$	$	$
COST					
Balance at January 1, 2025	57,855	3,625	10,075	3,124	74,679
Additions / Transfers	-	-	-	-	-
Disposals / Impairments	-	-	-	-	-
Effect of movements in exchange rates	-	130	-	200	330
Balance at December 31, 2025	57,855	3,755	10,075	3,324	75,009
Additions / Transfers	-	-	1,088	-	1,088
Disposals / Impairments	-	-	-	-	-
Effect of movements in exchange rates	-	221	(165)	116	172
Balance at June 30, 2026	57,855	3,976	10,998	3,440	76,269
ACCUMULATED DEPLETION AND DEPRECIATION					
Balance at January 1, 2024	37,675	2,126	10,075	820	50,696
Additions / Transfers	4,657	747	-	679	6,083
Disposals / Impairments	-	-	-	-	-
Balance at December 31, 2025	42,332	2,873	10,075	1,499	56,779
Additions / Transfers	2,329	382	72	361	3,144
Effect of movements in exchange rates	-	-	-	-	-
Balance at June 30, 2026	44,661	3,255	10,147	1,860	59,923
NET BOOK VALUE					
At June 30, 2026	**13,194**	**721**	**851**	**1,580**	**16,346**
At December 31, 2025	**15,523**	882	**-**	**1,825**	**18,230**

Expressed in Canadian Dollars

7. LEASE LIABILITY & RIGHT-OF-USE ASSET

(a) Right-of-use asset

The Company shares office space with other companies related to it by virtue of certain directors and management in common (Note 9). In 2020, the Company recognized a right-of-use asset in relation to its share of office space lease allocated through Oniva International Services Corp. ("Oniva")

		June 30, 2026		December 31, 2025
Balance, beginning	$	15,523	$	20,180
Depreciation		(2,329)		(4,657)
Balance, ending	$	13,194	$	15,523

(b) Lease liability

The contractual maturities and interest charges in respect of the Company's lease obligations in connection with its share of the office lease are as follows:

		June 30, 2026		December 31, 2025
Not later than one year	$	4,695	$	4,611
Later than one year and not later than five years		9,374		11,764
Less: future interest charges		(941)		(1,289)
Present value of lease payments		13,128		15,086
Less: current portion		(4,151)		(3,966)
Non-current portion	$	8,977	$	11,120

During the year ended December 31, 2025, the Company and Oniva amended the long-term rental agreement and the share of rental expense allocated to Silver Wolf. As a result, the Company recognized a lease modification and adjusted the right-of-use asset and lease liability accordingly as noted above.

(c) Amounts Recognized in Statement of Operations and Comprehensive Loss

Payments relating to short-term leases recognized as an expense during the six months ended June 30, 2026, totaled $Nil (2025 - $Nil).

Amounts Recognized in Statement of Cash Flows

Cash payments relating to short-term leases during the six months ended June 30, 2026, totaled $Nil (2025 - $Nil).

Expressed in Canadian Dollars

8. SHARE CAPITAL

(a) Authorized: Unlimited common shares without par value.

(b) Issued:

(i) During the year ended December 31, 2025, the Company closed a non-brokered private placement which consisted of 14,166,665 units at a purchase price of $0.15 per unit for aggregate gross proceeds of $2,125,000. Each unit comprised of one common share of the Company and one half of a non-transferable share purchase warrant at an exercise price of $0.25 for each full warrant. The fair value of the common shares was estimated to be $1,629,167, or $0.115 per share, and the residual value of the share purchase warrants were determined to be $495,833, or $0.07 per share. The Company incurred $18,707 in issuance costs consisting of legal fees and finders fees.

On December 15, 2025, the Company issued 2,000,000 common shares at a price of $0.14 per common share with an estimate fair value of C$280,000, thereby completing all expenditure and option payment requirements to acquire a 100% interest in Ana Maria and El Laberinto properties in Mexico pursuant to the terms of the option agreement with Avino, see Note 6.

(ii) During the year ended December 31, 2024, the Company closed a non-brokered private placement which consisted of 6,666,667 units at a purchase price of $0.15 per unit for aggregate gross proceeds of $1,000,000. Each unit comprised of one common share of the Company and one half of a non-transferable share purchase warrant with an exercise price of $0.25. The residual value of the common shares were determined to be $700,000, or $0.105 per share, and the fair value of the share purchase warrants was estimated to be $300,000, or $0.045 per share. The Company incurred $38,685 in issuance costs consisting of legal fees and finders fees.

During the year ended December 31, 2024, the Company issued 3,365,000 common shares with an estimate fair value of $0.20 per share to settle an aggregate of $673,000 in indebtedness with two of its principal creditors; Oniva International Services Corp., a private company which provides administrative services to the Company and is controlled by David Wolfin, the Company's CEO, and Avino Silver & Gold Mines Ltd. for administrative expenses and exploration and evaluation services, which share common management and directors.

During the year ended December 31, 2024, the Company issued 150,000 common shares with an estimated fair value of $0.16 per share to settle a provision of accrued consulting fees to a non-arms length creditor, and recorded a gain on settlement of $36,000.

During the year ended December 31, 2024, the Company issued 65,455 common shares to a non-arms length creditor at a price of $0.15 per share for services provided of $8,000.

(c) Share purchase warrants

At June 30, 2026, the Company had 10,560,063 (December 31, 2025 – 10,560,063) share purchase warrants outstanding and exercisable. Continuity of share purchase warrants is as follows:

Continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, January 1, 2025	3,476,731	$0.25
Expired	(4,014,734)	$0.25
Issued	7,073,332	$0.25
Outstanding and exercisable, December 31, 2025 and June 30, 2026	10,560,063	$0.25

Expressed in Canadian Dollars

As at June 30, 2026, the weighted average remaining contractual life of warrants outstanding was 1.93 years (December 31, 2025 – 2.43 years).

The following table summarizes information about the Company's warrants outstanding at June 30, 2026:

Expiry Date	Exercise Price	Warrants Outstanding and Exercisable
June 14, 2027	$0.25	3,476,731
November 21, 2028	$0.25	7,083,332
		10,560,063

(d) Stock option plan

The Company established a stock option plan, under which it may grant stock options totalling in aggregate up to 10% of the Company's total number of shares issued and outstanding on a non-diluted basis, and to any one optionee in a 12 month period not to exceed 5% of the total number of shares issued and outstanding on a non-diluted basis. The stock option plan limits the options issuable within a one-year period to regular employees and persons providing investor-relation or consulting services to 5% and 2% respectively of the Company's total number of issued and outstanding shares on a non-diluted basis on the date of grant.

The stock options are fully vested on the date of grant. The option price must be greater or equal to the discounted market price on the grant date, and the option expiry date can not exceed five years after the grant date.

Continuity of stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, December 31, 2025	4,594,000	$0.18
Granted	2,245,000	$0.16
Cancelled	(845,000)	$0.20
Outstanding, and exercisable, December 31, 2025 and June 30, 2026	5,994,000	$0.16

Details of stock options outstanding and exercisable are as follows:

Expiry Date	Exercise Price	Options Outstanding and Exercisable
March 30, 2027	$0.20	1,735,000
August 8, 2027	$0.15	665,000
July 15, 2029	$0.15	1,369,000
Feb 18, 2031	$0.16	2,225,000
		5,994,000

As at June 30, 2026, the weighted average remaining contractual life of stock options outstanding was 2.76 years (December 31, 2025 – 1.76 years).

Option pricing requires the use of highly subjective estimates and assumptions including the expected stock price volatility. The expected volatility used in valuing stock options is based on volatility observed in historical periods. Changes in the underlying assumptions can materially affect the fair value estimates.

Expressed in Canadian Dollars

(e) Loss per share

The calculations for basic and diluted earnings per share are as follows:

		For the six months ended June 30, 2026		2025
Net loss for the year	$	(506,897)	$	(108,551)
Basic weighted average number of shares outstanding		62,177,286		46,010,621
Effect of dilutive share options and warrants (i)		-		-
Diluted weighted average number of shares outstanding		62,177,286		46,010,621
Basic and diluted loss per share	$	(0.01)	$	(0.00)

As the effect of dilutive stock options and warrants is anti-dilutive on loss per share, the diluted amounts presented are the same as the basic loss per share amounts.

9. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Key management compensation

The Company has identified its directors and certain senior officers as its key management personnel. The compensation costs for key management personnel are as follows:

		Six months ended June 30, 2026		2025
Consulting fees, wages and benefits	$	-	$	-
Share-based payments		-		-
	$	-	$	-

(b) Amounts due to related parties

In the normal course of operations, the Company transacts with companies related to its directors or officers. All amounts payable are non-interest bearing, unsecured, and due on demand. As at June 30, 2026 and December 31, 2025, the following amounts were due to related parties:

		June 30, 2026		December 31, 2025
Oniva International Services Corp.	$	103,234	$	85,659
Avino Silver and Gold Mines Ltd.		335,273		307,180
	$	438,507	$	392,839

(c) Related party transactions

During the six months ended June 30, 2026, $16,329 (June 30, 2025 - $17,350) was charged for office, occupancy, miscellaneous costs and salaries, and administrative services paid on behalf of the Company by Oniva. Further, the Company paid $408 of administrative fees during the six months ended June 30, 2026 (June 30, 2025 - $434) to Oniva.

The Company takes part in a cost-sharing arrangement to reimburse Oniva for a variable percentage of its overhead expenses, to reimburse 100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage fee based on the total overhead and corporate expenses. The arrangement may be terminated with one-month notice by either party.

Expressed in Canadian Dollars

10. FINANCIAL INSTRUMENTS

The fair values of the Company's cash and cash equivalent, trade and other payables, and amounts due to related party approximate their carrying values because of the short-term nature of these instruments. The fair value of the Company's investments is detailed in Note 4.

The Company's financial instruments are exposed to certain financial risks comprising credit risk, liquidity risk and market risk.

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company manages credit risk, in respect of cash and cash equivalent, by maintaining the majority of cash at high credit rated Canadian financial institutions. Concentration of credit risk exists with respect to the Company's cash, as the majority of the amounts are held with a single Canadian financial institution.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At June 30, 2026, the Company had cash and cash equivalents in the amount of $1,141,042 (December 31, 2025 - $1,870,085) in order to meet short-term business requirements. At June 30, 2026, the Company had current liabilities of $656,563 (December 31, 2025 – $502,465). Accounts payable have contractual maturities of approximately 30 to 90 days, or are due on demand and are subject to normal trade terms.

The maturity profiles of the Company's contractual obligations and commitments as at June 30, 2026, are summarized as follows:

	Total	Less Than 1 Year	1-5 years	More Than 5 Years
Trade and other payable	$ 213,905	$ 213,905	$ -	$ -
Finance lease obligations	13,128	4,151	8,977	-
Due to related parties	438,507	438,507	-	-
Total	$ 665,540	$ 656,563	$ 8,977	$ -

(c) Market Risk

Market risk consists of interest rate risk, foreign currency risk, and other price risk. These are discussed further below.

Interest Rate Risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash is currently held in highly liquid short-term investments and therefore management considers the interest rate risk to be minimal.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in Mexican pesos and US dollars:

	June 30, 2026		December 31, 2025	
	MXN	USD	MXN	USD
Cash and cash equivalents	$ 147,876	$ 684,995	$ 128,396	$ 139,503
Amounts receivable	-	-	-	-
Accounts payable and accrued liabilities	(1,532,763)	-	(4,449,667)	-
Net exposure	(1,384,887)	684,995	(4,321,271)	139,503
Canadian dollar equivalent	$ (112,369)	$ 973,377	$ (329,896)	$ 191,203

Based on the net Canadian dollar denominated asset and liability exposures as at June 30, 2026, a 10% fluctuation in the Canadian/Mexican and Canadian/US exchange rates would impact the Company's earnings for the six months ended June 30, 2026 by approximately $108,575 (year ended December 31, 2025 - $13,869). The Company has not entered into any foreign currency contracts to mitigate this risk.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

The Company is exposed to other price risk with respect to its investment in marketable securities, as they are carried at fair value based on quoted market prices.

(d) Classification of Financial instruments

IFRS 7 *'Financial Instruments: Disclosures'* establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Expressed in Canadian Dollars

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as at June 30, 2026 and 2025:

June 30, 2026		**Level 1**		**Level 2**		**Level 3**
Cash and cash equivalent	$	1,141,042	$	-	$	-
Investments		5,850		-		-
	$	1,146,892	$	-	$	-

December 31, 2025		**Level 1**		**Level 2**		**Level 3**
Cash and cash equivalent	$	1,870,085	$	-	$	-
Investments		8,449		-		-
	$	1,878,534	$	-	$	-