Rio Silver Inc.
Condensed Interim Consolidated Financial Statements
For the Three Months Ended
March 31, 2026 and 2025
(Expressed in Canadian dollars)

Notice to Shareholders of Rio Silver Inc.

In accordance with National Instrument 51-102, Part 4, subsection 4.3 (3) (a), we report that the accompanying unaudited condensed interim consolidated financial statements of the Company 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 Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

RIO SILVER INC.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at		March 31, 2026		December 31, 2025
ASSETS				
Current Assets				
Cash	$	4,340,573	$	1,136,266
Other receivable (Note 10)		88,294		62,227
Share subscription receivable		84,500		10,000
Government taxes receivable		28,597		19,078
Prepaid expense		38		22,658
Investments at fair value through profit or loss (Note 6)		282,780		654,654
		4,824,782		1,904,883
Other receivable (Note 10)		136,661		131,354
Equipment (Note 7)		42,023		45,902
		5,003,466		2,082,139
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities	$	486,679	$	731,331
Due to related parties (Note 8)		13,037		15,288
Deferred royalty income (Note 10)		136,695		-
		636,411		746,619
Accounts payable		163,381		156,818
		799,792		903,438
SHAREHOLDERS' EQUITY (DEFICIT)				
Share capital (Note 9)		19,957,404		16,566,898
Share to be issued		-		-
Contributed surplus (Note 9)		8,012,396		7,015,420
Accumulated deficit		(23,766,126)		(22,403,616)
		4,203,674		1,235,161
	$	5,003,466	$	2,082,139

NATURE OF OPERATION (Note 1)
BASIS OF PRESENTATION AND GOING CONCERN (Note 2)
SUBSEQUENT EVENTS (Note 15)

APPROVED ON BEHALF THE BOARD:

"Chris Verrico" Director
Chris Verrico

"Christopher Hopton" Director
Christopher Hopton

RIO SILVER INC.
Condensed Interim Consolidated Statements of Comprehensive Loss
(Unaudited)
(Expressed in Canadian dollars)

		Three Months Ended March 31, 2026		Three Months Ended March 31, 2025
Expenses				
Consulting fees	$	173,823	$	20,500
Exchange loss		(55,597)		1,483
Exploration and evaluation expenditures (Note 9)		94,549		84,057
Filling fees		48,526		6,520
Management fees (Note 7)		107,000		22,500
Office and administration		35,281		8,175
Professional fees		140,830		13,499
Rent		1,800		1,800
Stock based compensation		612,816		-
		(1,159,028)		(158,534)
Other income				
Disposition gain for mining concession		-		40,000
Gain or loss on fair value of derivative liability (Note 10)		-		(3,405)
Gain or loss on disposal of portfolio investment		67,851		-
Unrealized gain or loss on portfolio investment		(319,499)		-
Gain or loss on debt extinguishment		49,060		-
Interest expenses		(894)		(21,694)
		(203,482)		14,899
Income (loss) for the year before income taxes	$	(1,362,510)	$	(143,635)
Net income (loss) and comprehensive income (loss) for the period	$	(1,362,510)	$	(143,635)
Net loss per share - basic and diluted	$	(0.03)	$	(0.01)
Weighted average number of common shares-basic and diluted		45,060,643		16,966,569

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

RIO SILVER INC.
Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency
(Unaudited)
(Expressed in Canadian dollars, except share number)

	Issued Common Shares Number	Issued Common Shares Amount	Contributed Surplus	Accumulated Deficit	Total Equity (Deficit)
		$	$	$	$
Balance, December 31, 2024	16,966,572	13,393,167	4,175,693	(18,279,593)	(710,733)
Share-based payments (Note 9d)	-	-	806,172	-	806,172
Shares issued for cash (Note 9b(i))	22,000,000	267,803	1,861,277	-	2,129,080
Shares issued for cash - exercise of options (Note 9b (ii) and (iiii))	115,000	52,144	(21,994)	-	30,150
Share issued for convertible debenture	133,333	38,666	-	-	38,666
Share issued for assets acquisition	3,999,999	2,399,999	-	-	2,399,999
Shares issued for debt settlement (Note 9b(iii))	1,396,428	415,119	194,272	-	609,391
Net loss	-	-	-	(4,124,023)	(4,124,023)
Balance, December 31, 2025	44,611,332	16,566,898	7,015,420	(22,403,616)	1,178,702
Share-based payments (Note 9d)	-	-	612,816	-	612,816
Shares issued for cash (Note 9b(i))	8,571,429	1,534,538	1,465,462	-	3,000,000
Shares issued for cash - exercise of options (Note 9b (ii) and (iiii))	1,770,000	603,599	(247,049)	-	356,550
Shares issued for cash - exercise of warrants (Note 9b (ii) and (iiii))	2,787,440	1,252,369	(834,253)	-	418,116
Net loss	-	-	-	(1,362,510)	(1,362,510)
Balance, March 31, 2026	57,740,201	19,957,404	8,012,396	(23,766,126)	4,203,674

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

RIO SILVER INC.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	March 31, 2026	March 31, 2025
	$	$
Operating Activities		
Net loss for the period	(1,362,510)	(143,635)
Items not requiring use of cash:		
Exploration and evaluation expenditures	3,879	-
Gain or loss on fair value of derivative liability	-	3,405
Gain or loss on debt extinguishment	(49,060)	-
Unrealized gain or loss on portfolio investment	319,499	-
Unrealized gain or loss on portfolio investment	(67,851)	-
Interest accretion	-	709
Share-based payments	612,816	-
Changes in operating assets and liabilities:		
Government taxes receivable	(9,519)	(1,612)
Other receivable	(31,373)	33,226
Prepaid expenses and other assets	22,621	76
Trade and other payables	(189,030)	58,603
Deferred royalty income	136,695	-
Cash provided (used) in operating activities	(613,833)	(49,228)
Investing activities		
Proceed from investment at fair value through profit or loss	120,225	-
Cash generated from/(used in) investing activities	120,225	
Financing Activities		
Due to related parties	(2,251)	55,000
Shares issued for cash, net of share issuance costs	2,930,000	-
Option and warrants exercised	770,166	-
Cash provided (used) by financing activities	3,697,915	55,000
Increase (Decrease) in cash	3,204,307	5,772
Cash, beginning of period	1,136,266	15,879
Cash, end of period	4,340,573	21,652

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

1. NATURE OF OPERATIONS

Rio Silver Inc. (the “Company” or “Rio Silver”) is listed on the TSX Venture Exchange (“TSXV”) under the symbol “RYO”. It is incorporated in Canada under the Canada Business Corporations Act. The Company’s corporate office and principal place of business is Suite 1600 – 595 Burrard Street, Vancouver, BC, V7X 1L4. The Company’s principal business activity is the acquisition, evaluation and development of mineral properties in the Americas.

2. BASIS OF PRESENTATION AND GOING CONCERN

Statement of compliance
These condensed interim consolidated financial statements for the three months period ended March 31, 2026 have been prepared in accordance with IAS34 Interim Financial Reporting.

These condensed interim consolidated financial statements should be read in conjunction with the Company’s 2023 annual consolidated financial statements which have been prepared in accordance with IFRS® Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the Company’s 2024 annual consolidated financial statements except for the adoption of new and amended standards as set out below.

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

Going concern
The Company is in the process of exploring and evaluating its mineral properties. On the basis of information to date, it has not yet determined whether those properties contain economically recoverable mineral deposits. The business of mining and exploration involves a high degree of risk and there can be no assurances that the Company’s exploration programs will result in profitable mining operations. Until it is determined that a property contains mineral reserves or resources that can be economically mined, it is classified as an exploration property. The Company’s continued existence is dependent upon receiving funding, the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its properties, and making the required payments pursuant to mineral property option agreements.

The Company raised funds throughout the prior fiscal years and utilized these funds for working capital and capital expenditures requirements. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

These consolidated financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. If the going concern assumption was not used then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these consolidated financial statements. Accordingly, these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern.

As at March 31, 2026, the Company had no revenues, had a working capital of $4,188,371 (2025 –$1,158,264), had an accumulated deficit of $23,766,126 (2025 - $22,403,616) and expects to incur further losses in the development of its business, all of which indicate a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. The Company will require additional financing in order to conduct its planned work programs on mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

Basis of presentation
These consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments to fair value.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements.

Principles of consolidation
The consolidated financial statements of the Company consolidate the accounts of the following subsidiaries:

Company	Location	Ownership	Principal Activity
Rio Silver Exploration Ltd.	Canada	100%	Exploration company
Minera Rio Plata S.A.C.	Peru	100%	Exploration company
Mamanina Exploraciones S.A.C	Peru	100%	Exploration company

The results of the subsidiaries are included in the consolidated statements of loss and comprehensive loss and consolidated statements of cash flows from the effective date of acquisition. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Functional currency and foreign operation
IFRS requires that the functional currency of each entity in the consolidated group be determined separately in accordance with the indicators as per IAS 21 – Foreign exchange and should be measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The parent and subsidiaries’ functional currency is the Canadian dollar for operations in both Peru and Canada. The consolidated financial statements are presented in Canadian dollars, which is the parent and subsidiaries’ presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Financial instruments
Financial assets

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Subsequent to initial recognition, all financial assets are classified and subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or through profit or loss (FVTPL). Interest income is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of cash.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments held for trading are classified as FVTPL. For all other equity investments that are not held for trading, the Company, on initial recognition, may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

The Company reclassifies debt instruments only when its business model for managing those financial assets has changed. Reclassifications are applied prospectively from the reclassification date and any previously recognized gains, losses or interest are not restated.

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for accounts receivable that do not contain a significant financing component. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof. The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Financial liabilities

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value less transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method, unless they must be measured at FVTPL (such as derivatives) or if the Company elects to measure them at FVTPL. Interest, gains and losses relating to a financial liability are recognized in profit or loss. Financial liabilities measured at FVTPL are comprised of derivative liabilities. Financial liabilities measured at amortized cost are comprised of accounts payable and accrued liabilities, convertible debentures and due to related parties. The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Interest

Interest income and expense are recognized in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets.

The 'amortized cost' of a financial asset or financial liability is the amount at which the instrument is measured on initial recognition minus principal repayments, plus or minus any cumulative amortization using the effective interest method of any difference between the initial amount and maturity amount and adjusted for any expected credit loss allowance. The 'gross carrying amount' of a financial asset is the amortized cost of a financial asset before adjusting for any expected credit losses.

Interest income and expense is calculated by applying the effective interest rate to the gross carrying amount of the financial asset (when the asset is not credit-impaired) or the amortized cost of the financial liability.

Where a financial asset has become credit-impaired subsequent to initial recognition, interest income is calculated in subsequent periods by applying the effective interest method to the amortized cost of the financial asset. If the asset subsequently ceases to be credit-impaired, calculation of interest income reverts to the gross basis.

Offsetting

Financial assets and financial liabilities are offset, with the net amount presented in the statement of financial position, when, and only when, the Company has a current and legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or when arising from a group of similar transactions if the resulting income and expenses are not material.

Equipment

Equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Depreciation is provided using the following terms and methods:

Assets	**Method**	**Term**
Motor Vehicles	Straight Line	5 years

An asset's residual value and useful life are reviewed at each reporting date and adjusted if appropriate. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of the equipment and are recognized in profit or loss.

Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include property option payments and other property acquisition and preservation costs and exploration and evaluation activities. The Company records property option payments and government assistance received on account of exploration and evaluation activities on a net basis against expenditures.

Convertible debentures

Upon issuance, convertible debentures are allocated between derivative liabilities and host debt on initial recognition with transaction cost attributable to the derivative liability expensed in the period. The host debt is net of attributable transaction costs. Transaction costs are allocated based on proportion to the allocation of proceeds. The derivative liability is measured at fair value through profit and loss using the Black Scholes pricing model. On initial recognition, host debt is the residual of total proceeds less the fair value of the derivative liability, net of transaction costs. The host debt is subsequently carried at amortized cost using the effective interest rate method; the liability is accreted to the face value over the term of the convertible debt. Accretion is expensed to the consolidated statements of loss and comprehensive loss.

Share-based payment transactions

The fair value of share options granted to directors, officers, employees, and consultants is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Share-based payments incorporates an expected forfeiture rate.

Fair value of the warrants issued with common shares

Proceeds from unit placements are allocated between common shares and warrants issued using the residual method. The proceeds are first attributed to the warrants according to the fair market value at the time of issuance with the residual amount allocated to the common shares. The Company uses the Black-Scholes pricing model to determine the fair value of the warrants issued based on their relative fair values of equity instruments at the date of issuance.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.
Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Earnings (Loss) per share
Basic earnings (loss) per share is calculated by dividing the net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include the effects of all dilutive common shares including convertible debentures, options and warrants, if dilutive. In a year when the Company reports a loss, the effect of potential issuances of shares under options and warrants outstanding would be anti-dilutive and, therefore basic and diluted loss per shares are the same.

Significant accounting judgements and estimates
The preparation of these consolidated financial statements requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual outcomes could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting judgments
The critical judgments that the Company's management has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

Evaluation of the Company's ability to continue as a going concern
The continuation of the Company as a going concern is dependent upon its ability to execute its strategy and finance the operations through achieving positive cash flow from operations by obtaining additional funding through debt or equity financing involves judgments. Management routinely plans future activities including forecasting future cash flows. Management has reviewed their plan with the directors and has collectively formed a judgement that the Company has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least for the next 12 months. In arriving at this judgment, Management has prepared the cash flow projections of the Company. Directors have reviewed this information provided by management and have considered the financial resources available to the Company. The expected cash flows have been modeled based on anticipated debt and equity funding programmed into the model and reducing over time.

Management has assessed and concluded that the going concern assumption is appropriate for a period of at least twelve months following the end of the reporting period. Management applied significant judgement in arriving at this conclusion by considering the following:

- The amount of cash on hand as of year end;
- The ability to source new debt and equity financing to provide sufficient cash flow to continue to fund operations and other committed expenditures; and
- The ability to delay the payment for the due to related parties balance in order to manage cash flows.

Considering the above, Management and Directors continue to adopt the going concern basis in preparing the consolidated financial statements.

Given the judgement involved, actual results may lead to a materially different outcome.

Determination of functional currency of the Company
The functional currency for each of the Company and its subsidiary is the currency of the primary economic environment in which each entity operates. The determination of each entity's functional currency requires analyzing facts that are considered primary factors, and if the result is not conclusive, the secondary factors. The analysis requires management to apply significant judgment since primary and secondary factors may be mixed. In determining its functional currency, management analyzed both the primary and secondary factors, including the currency of each entity's operating cash flow, and sources of financing.

Assets acquisition
Judgement is used in determining whether an acquisition is a business combination or an asset acquisition. The fair value of consideration to acquire the Company in the transaction comprised common shares and cash. Common shares were valued on the date of issuance. The Company applied IFRS 2 Share-based Payment in accounting for the transaction because the accounting acquiree did not constitute a business as of the acquisition date under IFRS 3 Business Combinations.

<u>Key sources of estimation uncertainty</u>

Fair value measurement of other receivable
The determination of the fair value of the other receivable on initial recognition required management to impute an appropriate incremental interest rate as the receivable is non-interest bearing in nature. Management used its best estimate in determining the discount rate and considered many factors, including the credit risk and history with the third party.

Deferred taxes
The calculation of deferred tax is based on assumptions, which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. Deferred tax recorded is also subject to uncertainty regarding the magnitude on non-capital losses available for carry forward and of the balances in various tax pools.

Share-based payment transactions and fair value of warrants issued with common shares
The fair value of share-based payment and fair value of warrants are determined using the Black-Scholes option pricing model. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Company's stock options and warrants issued with common shares.

Adoption of New Accounting Standards and Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2026. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

Amendments to IFRS 9 and IFRS 7, issued in May 2024, clarify the date of recognition and derecognition of financial assets and financial liabilities, including that a financial liability is derecognized on the settlement date. The amendments introduce a voluntary election permitting the derecognition of some financial liabilities settled through an electronic cash transfer system before the settlement date, provided specific conditions are met. They also provide further guidance for assessing whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement including those that contain contingent features, non-recourse features or are investments in contractually linked instruments. The amendments also add new disclosure requirements for certain instruments with contractual terms that include a contingent feature and for investments in equity instruments designated at fair value through other comprehensive income.

(Expressed in Canadian dollars unless otherwise noted)

The amendments are effective for annual periods beginning on or after January 1, 2026. The Company does not expect these amendments to have a material impact on its consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
IFRS 18, issued in April 2024, replaces *IAS 1 Presentation of Financial Statements*, and introduces three primary changes:

- Income and expenses must be classified into five defined categories in the Statement of Profit or Loss and specified totals and subtotals must be presented;
- Management-defined performance measures must be disclosed in a single note to the financial statements, along with accompanying explanations and reconciliations; and
- Enhanced requirements for grouping information in the financial statements.

IFRS 18 will not impact the recognition or measurement of items in the financial statements.

In addition, entities must use the operating profit or loss subtotal as the starting point for reporting cash flows from operating activities under the indirect method in the statement of cash flows, and the accounting policy choice about how to classify cash inflows and outflows related to interest and dividends paid and received has been eliminated.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027, including for interim financial statements, and is required to be applied retrospectively. The Company is currently assessing the impact of this standard on its consolidated financial statements.

4. CAPITAL MANAGEMENT

The Company considers its cash and share capital as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

When managing capital, the Company's objective is to ensure continuance as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

The properties in which the Company currently has interests are in the exploration stage; as such, the Company is dependent on external financing to fund its activities (see note 2). In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire interests in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the year ended March 31, 2026. The Company is not subject to externally imposed capital requirements.

5. FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks. The Company's overall business strategies, tolerance of risk and general risk management philosophy are determined by the directors in accordance with prevailing economic and operating conditions.

The Company has the following financial instruments as of March 31, 2026 and December 31 2025:

	Categories
Financial assets	
Cash	Amortized cost

Other receivable	Amortized cost
Investments at fair value through profit or loss	FVTPL
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Fair value of financial instruments

The Company classifies its fair value measurements in accordance with the three level fair value hierarchies as follows:

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

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

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

The fair value of cash, accounts payable and accrued liabilities, and due to related parties approximate their carrying values due to the short-term nature of these instruments. The difference between the fair value and carrying amount is minimal. Other receivable are accounted for at amortized cost using the effective interest rate method, which approximates their fair value based on current interest rate for instruments with similar terms and remaining maturities. The fair value of the derivative liabilities was based on Level 3 inputs.

Financial risk management objectives and policies

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's credit risk is attributable to cash. Cash is held with a reputable financial institution, from which management believes the risk of credit loss to be minimal.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash available to meet liabilities when they become due and payable. As at March 31, 2026, the Company had cash of $4,340,573 (December 31, 2025 - $1,136,266) to settle current liabilities of $636,411 (December 31, 2025 - $746,619) (see note 2). All of the Company's financial liabilities have contractual maturities of 30 days or less and are subject to normal trade terms except the long-term accounts payable (note 11) and convertible debentures (note 12).

The long-term accounts payable are classified as non-current liabilities, as they are not contractually due within the next 12 months. These balances are subject to contractual repayment terms extending beyond one year.

Based on the Company's current cash position and expected cash flows, management believes that the Company has sufficient liquidity to meet its short-term obligations as they fall due. The Company's ability to meet its long-term obligations is dependent on its ability to generate sufficient cash flows from operations and/or obtain additional financing, if required.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as foreign currencies and commodity and equity prices.

Foreign currency risk
Foreign 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 Company's functional currency, and that of all its subsidiaries, is the Canadian dollar. Some of the operational and other expenses incurred outside of Canada are paid in US dollars or Peruvian Nuevo Sol. All assets and liabilities of the Company are recorded in Canadian dollars and as a result, fluctuations in the US dollar or Peruvian Nuevo Sol vis-à-vis the Canadian dollar result in foreign exchange gains/losses. The Company currently has no plans for hedging its foreign currency transactions.

The Company has net financial liabilities of approximately $28,412 (2025 - $63,630) that are denominated in US dollars. A 10% change in the US dollars to the Canadian dollar exchange rate would impact the Company's profit or loss by $2,841 (2025- $6,363).

The Company has net financial assets of approximately $40,394 (2025 - net financial liabilities of approximately of $119,179) that are denominated in Peruvian Nuevo Sol. A 10% change in the Peruvian Nuevo Sol to the Canadian dollar exchange rate would impact the Company's profit or loss by $4,038 (2025 - $11,918).

Commodity and equity price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to base and precious metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken by the Company.

6. Investments at fair value through profit or loss

As at year ended March 31, 2026, the Company held publicly traded equity securities as below. These investments are classified as financial assets at fair value through profit or loss (FVTPL).

The fair value of the investments is determined based on quoted market prices in active markets. Any unrealized gains or losses arising from changes in fair value are recognized in profit or loss during the period. Please refer to note 10.

	March 31, 2026	December 31, 2025
	$	$
Fair value of investments		
Beginning balance	654,654	-
Investment additions	-	312,500
Proceeds on disposal	(120,226)	(99,854)
Net realized gain (loss)	67,851	36,104
Net change in unrealized gain (loss)	(319,499)	405,904
	282,780	654,654

(Expressed in Canadian dollars unless otherwise noted)

7. Equipment

	Motor vehicle $
Cost	
As at 31 December, 2024	-
Additions	46,060
Exchange difference	(158)
As at December, 31, 2025	45,902
Additions	
Exchange difference	(992)
As at March, 31, 2026	44,910
Accumulated depreciation and impairment	
As at 31 December, 2024	-
Charge for the year	-
Exchange difference	-
As at December, 31, 2025	-
Charge for the year	(2,931)
Exchange difference	43
As at March, 31, 2026	(2,887)
Carrying amount	
As at December, 31, 2025	45,902
As at March, 31, 2026	42,023

8. Related Party Transactions

The Company defines key management as its Board of Directors, President and Chief Executive Officer and Chief Financial Officer. Remuneration of key management personnel is the following:

	March 31, 2026	March 31, 2025
	$	$
Management fees	27,000	22,500
Accounting fees	18,000	13,500
Bonus	130,000	-
Rent	1,800	1,800
Share-based payments	327,196	-
	503,996	37,800

The Company's related parties consist of its Directors, Chief Executive Officer, and Chief Financial Officer. The following is a summary of the Company's related party transactions and balances during the year:

(a) Due to related parties includes $6,380(December 31, 2025 - $4,695) payable to Company's CEO and a private company owned by the Company's CEO; $6,657 (December 31, 2025 - $9,742) payable to the Company's CFO; $769 (December 31, 2025 - $851) payable to the Company's director.

These transactions, occurring in the normal course of operations, are measured at the exchanged amount, which is the amount of consideration established and agreed to by the related parties.

9. Share Capital and Reserves

(a) Authorized

Unlimited number of voting common shares without par value.

Unlimited number of non-voting preferred shares issuable in a series. The directors may determine the number of shares of each series and fix the designation, privileges, rights, restrictions and conditions attaching to each series subject to the filing of Articles of Amendment.

(b) Share transactions:

Issued: As of March 31, 2026, 57,740,201 (December 31, 2025: 44,611,332) common shares were issued and outstanding.

i. On March 30, 2026, the Company completed a non-brokered private placement (the “Offering”) whereby the Company issued 8,571,429 units of the Company (the “Units”) at a price of $0.35 per Unit for gross proceeds of $3,000,000. Each Unit is comprised of one common share and one-half of a common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.50 per common share for a period of two years from the date of issue, subject to early expiry in the event that the closing price of the common shares of the Company is $0.75 or higher for fifteen consecutive trading days at any time after the closing of the offering, upon which the warrants will expire thirty calendar days after notice to warrant holders through the Company’s announcement with respect to the early expiry date. The proceeds was allocated pro-rata to the common shares and warrants based on their relative fair value. The common shares had an implied fair value of $1,534,538 and the combined fair value of the warrants is $1,465,462.

   The fair value warrant was estimated on the date they were granted using the Black-Scholes option pricing model with the following assumptions: share price of $0.43; exercise price of $0.50; expected dividend yield of 0%; risk-free interest rate of 2.82%; volatility of 183% and an expected life of 2 years.

ii. During the period ended March 31, 2026, 1,770,000 stock options were exercised for a total proceeds of $356,550. In relation to the exercise of the stock options, the proportionate fair value of $247,049 was reclassified from contributed surplus to share capital.

iii. During the period ended March 31, 2026, 2,787,440 stock warrants exercised for a total proceeds of $418,116 In relation to the exercise of the warrants the proportionate fair value of $834,253 was reclassified from contributed surplus to share capital.

iv. On November 12, 2025, the Company completed a non-brokered private placement (the “Offering”) whereby the Company issued 22,000,000 units of the Company (the “Units”) at a price of $0.10 per Unit for gross proceeds of $2,200,000. Each Unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.15 per common share for a period of three years from the date of issue, subject to early expiry in the event that the closing price of the common shares of the Company is $0.25 or higher for fifteen consecutive trading days at any time after the closing of the offering, upon which the warrants will expire thirty calendar days after notice to warrant holders through the Company’s announcement with respect to the early expiry date. The proceeds was allocated pro-rata to the common shares and warrants based on their relative fair value. The common shares had an implied fair value of $550,978 and the combined fair value of the warrants is $1,649,022.

   The fair value warrant was estimated on the date they were granted using the Black-Scholes option pricing model with the following assumptions: share price of $0.32; exercise price of $0.15; expected dividend yield of 0%; risk-free interest rate of 2.44%; volatility of 190% and an expected life of 3 years.

(Expressed in Canadian dollars unless otherwise noted)

In connection with the Offering, the Company has paid finders' fees $70,920 in cash and 709,200 warrants (the "Finder's Warrants"). Each Finder's Warrant has the same terms as the Warrants issued under the Offering.

v. During the year ended December 31, 2025, 115,000 stock options were exercised for a total proceeds of $30,150. In relation to the exercise of the stock options, the proportionate fair value of $12,071 was reclassified from contributed surplus to share capital.

vi. During the year ended December 31, 2025, the Company issued 133,333 common shares in connection with the early conversion of a convertible debenture with a principal amount of $20,000.

vii. On December 12, 2025, the Company issued 3,999,999 shares with a fair value of $2,399,999 for the acquisition of 100% ownership of Mamanina Exporaciones S.A.C (the “Mamanina”) (note 10).

viii. During the year ended December 31, 2025, the Company entered into shares for debt settlement agreements to settle $293,250 of debt with 1,396,428 of the Company’s shares and 420,238 common share purchase warrants of the Company. As a result of the settlement, the Company recognized a loss on debt settlement of $316,141 in the consolidated statement of loss and comprehensive loss.

On July 3, 2025, the Company completed a five-to-one share consolidation. All references to options, warrants, conversions, share and per share amounts in the consolidated financial statements and accompanying notes to the consolidated financial statements have been retroactively restated to reflect the five-to-one share consolidation.

(c) Warrants

The following is a summary of the changes in warrants:

	Number of Warrants	Weighted average exercise price	Weighted average remaining contractual life (year)
Balance, December 31, 2024	**1,597,600**	**0.08**	**0.30**
Expired	(1,597,600)	0.80	**-**
Exercised	-	0.15	**-**
Granted	23,129,438	0.15	**2.87**
Balance, December 31, 2025	**23,129,438**	**0.15**	**2.87**
Expired	-	0.80	**-**
Exercised	(2,787,440)	0.15	**-**
Granted	4,285,714	0.50	**2.00**
Balance, March 31, 2026	**24,627,712**	**0.21**	**2.52**

Warrants granted during the years ended March 31, 2026 and December 31, 2025:

i. On March 30, 2026, as part of the non-broker private placement, the Company issued 4,285,714 warrants which were valued at $1,465,462.

ii. During the period ended March 31, 2026, 2,787,440 stock warrants exercised for a total proceeds of $418,116 In relation to the exercise of the warrants the proportionate fair value of $834,253 was reclassified from contributed surplus to share capital.

(Expressed in Canadian dollars unless otherwise noted)

iii. On November 12, 2025, as part of the non-broker private placement, the Company issued 22,709,200 warrants which were valued at $1,861,277.

iv. During the year ended December 31, 2025, as part of debt settlement, the Company issued 420,238 warrants which were valued at $194,272. The fair value of these warrants was estimated on the date they were granted using the Black-Scholes option pricing model with the following assumptions: share price of $0.50; expected dividend yield of 0%; risk-free interest rate of 2.57%; volatility of 187% and an expected life of 3 years.

v. During the year ended December 31, 2025, 1,597,600 warrants expired unexercised.

(d) Stock Options

The Company has adopted an incentive stock option plan for employees, consultants, officers and directors. The number of common shares reserved for issue under the stock option plan may not exceed 10% of the number of issued and outstanding common shares of the Company at any given time. The term of options granted under the stock option plan may not exceed ten years from the date of the grant. The Board of Directors will determine the vesting period within the exercisable term and options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than ¼ of such options vesting in any 3-month period. The option exercise price, also determined by the Board of Directors of the Company, may not be less than the lower of the market price for the common shares at the grant date.
A summary of changes in common stock options outstanding is presented below:

Expiry Date	Exercise Price	Number of Options as of December 31, 2025	Granted During the year	Exercised During the year	Expired/ Cancelled During the year	Number of Options as of March 31, 2026
December 23, 2026	0.250	4,300	-	-	-	4,300
May 1, 2026	0.250	40,000	-	-	-	40,000 *
September 15, 2026	0.125	1,000,000	-	(850,000)	-	150,000 **
November 14, 2026	0.290	1,060,000	-	(650,000)	-	410,000 ***
September 15, 2027	0.125	140,000	-	(100,000)	-	40,000
November 14, 2027	0.290	60,000	-	-	-	60,000
December 17, 2027	0.500	497,000	-	-	-	497,000
March 31, 2028	0.430	-	820,000	-	-	820,000
July 18, 2028	0.250	310,000	-	-	-	310,000
May 1, 2029	0.250	120,000	-	-	-	120,000
November 14, 2030	0.290	1,090,000	-	(170,000)	-	920,000
March 31, 2031	0.430	-	800,000	-	-	800,000
		4,321,300	**1,620,000**	**(1,770,000)**	**-**	**4,171,300**

*stock options expired subsequent to March 31, 2026.
** 50,000 stock options exercised subsequent to March 31, 2026.
*** 200,000 stock options cancelled and 100,000 stock options exercised subsequent to March 31, 2026.

(Expressed in Canadian dollars unless otherwise noted)

Expiry Date	Exercise Price	Number of Options as of December 31, 2024	Granted During the year	Exercised During the year	Expired/ Cancelled During the year	Number of Options as of December 31, 2025
February 10, 2025	0.300	490,000	-	-	(490,000)	-
May 1, 2025	0.250	120,000	-	-	(120,000)	-
July 18, 2025	0.250	90,000	-	-	(90,000)	-
May 1, 2026	0.250	80,000	-	(40,000)	-	40,000
September 15, 2026	0.125	-	1,000,000	-	-	1,000,000
November 14, 2026	0.290	-	1,060,000	-	-	1,060,000
December 23, 2026	0.250	4,300	-	-	-	4,300
September 15, 2027	0.125	-	140,000	-	-	140,000
November 14, 2027	0.290	-	60,000	-	-	60,000
December 17, 2027	0.500	-	497,000	-	-	497,000
July 18, 2028	0.250	350,000	-	-	(40,000)	310,000
May 1, 2029	0.250	200,000	-	(40,000)	(40,000)	120,000
November 14, 2030	0.290	-	1,125,000	(35,000)	-	1,090,000
	0.27	**1,334,300**	**3,882,000**	**(115,000)**	**(780,000)**	**4,321,300**

The weighted average contractual life remaining of all stock options as at March 31, 2026 is 2.95 years (December 31, 2025: 2.19 years).

i. On March 31, 2026, the Company granted 1,620,000 common share purchase options exercisable at $0.43 per share to the directors, officers and consultants of the Company. 820,000 common share purchase options will expire on March 31, 2028 and 800,000 common share purchase options will expire on March 31, 2031, respectively. The options were vested immediately. The Company recorded a share-based payment amount of $285,620 and $327,196, respectively. The Company used the Black-Scholes Option Pricing Model to estimate the fair value of the options using the following assumptions: risk free interest rate of 2.82% to 3.09%; dividend yield of 0%; expected volatility of 173% to 183%; and expected option life of 2 to 5 years.

ii. During the period ended March 31, 2026, 1,770,000 stock options were exercised for a total proceeds of $356,550. In relation to the exercise of the stock options, the proportionate fair value of $247,049 was reclassified from contributed surplus to share capital.

iii. On December 17, 2025, the Company granted 497,000 common share purchase options exercisable at $0.50 per share to the officers of the Company. The share purchase options will expire on December 17, 2027. The Company recorded a share-based payment amount of $201,435. The Company used the Black-Scholes Option Pricing Model to estimate the fair value of the options using the following assumptions: risk free interest rate of 2.60%; dividend yield of 0%; expected volatility of 184; and expected option life 2 years.

iv. On November 14, 2025, the Company granted 2,245,000 common share purchase options exercisable at $0.29 per share to the directors, officers and consultants of the Company. 1,060,000 common share purchase options will expire on November 14, 2026; 60,000 common share purchase options will expire on November 14, 2027 and 1,125,000 common share purchase options will expire on November 14, 2030, respectively. The options were vested immediately. The Company recorded a share-based payment amount of $190,702, $13,453 and $298,088, respectively. The Company used the Black-Scholes Option Pricing Model to estimate the fair value of the options using the following assumptions: risk free interest rate of 2.47% to 2.80%; dividend yield of 0%; expected volatility of 171% to 185%; and expected option life of 1 to 5 years.

v. On September 15, 2025, the Company granted 1,140,000 common share purchase options exercisable at $0.125 per share to the officers and consultants of the Company. 1,000,000 common share purchase options will expire on September 15, 2026 and 140,000 common share purchase options will expire on September 15, 2027, respectively. The options were vested immediately. The Company recorded a share-based payment amount of $87,347 and $15,147, respectively. The Company used the Black-Scholes Option Pricing Model to estimate the fair value of the options using the following assumptions: risk free interest rate of 2.50%; dividend yield of 0%; expected volatility of 191% to 192%; and expected option life of 1 to 2 years.

(Expressed in Canadian dollars unless otherwise noted)

vi. On May 1, 2024, the Company granted 120,000, 80,000, and 200,000 common share purchase options exercisable at $0.25 per share to the officers and consultants of the Company. The common share purchase options will expire on May 1, 2025, May 1, 2026, and May 1, 2029, respectively. The options were vested immediately. The Company recorded a share-based payment amount of $10,400, $9,296 and $28,053, respectively. The Company used the Black-Scholes Option Pricing Model to estimate the fair value of the options using the following assumptions: risk free interest rate of 3,81% to 4.40%; dividend yield of 0%; expected volatility of 171% to 193%; and expected option life of 1 to 5 years.

10. Exploration and Evaluation Expenditures

Accumulated costs/ expenditures	Niñobamba Peru	Palta Dorada Peru	Gerow Lake	Maria Norte	Total
Balance, December 31, 2024	3,750,529	-	876,633	-	4,627,162
Acquisition costs and annual fees	-	-	-	2,762,535	2,762,535
Expenditures	-	470,957	-	12,292	483,249
Disposition gain for mining concession	(572,500)	-	-	-	(572,500)
Balance, December 31, 2025	3,178,029	470,957	876,633	2,774,827	7,300,446
Expenditures	-	9,915	-	84,634	94,549
Balance, March 31, 2026	3,178,029	480,872	876,633	2,859,461	7,394,995

Niñobamba, Peru

The Niñobamba concession is located in the Department of Ayacucho, Peru and is owned 100% by the Company's wholly owned Peruvian subsidiary, Minera Rio Plata S.A.C., and is not subject to any royalties or exploration expenditures commitments.

On January 21, 2025, the Company entered into an option agreement (the "Option Agreement") with an arm's length party, African Energy Metals Inc. ("African Energy Metals") for African Energy Metals to earn a 100% undivided interest in the Niñobamba project (the "Project"). Per the terms of the Option agreement, African Energy Metals has the right to earn a 100% interest in the Project upon the full exercise of the option under the Option Agreement.

The Option Agreement requires a payment of CAD$260,000 during the first year of the Option Agreement and further payments of up to US$2,000,000, US$500,000 of which are advance payments on any royalties payable under the royalty agreement, pursuant to which a net smelter return royalty of 2% is granted to Rio Silver. African Energy Metals retains the right to buy back 1% of the NSR for US$1,000,000 prior to commercial production on the Project. The Option Agreement also requires the issuance to the Company of a total of 2,500,000 common shares of African Energy Metals upon receipt of regulatory approval and a further 2,500,000 common shares on the earlier of the date that is one year from the receipt of the Exchange's approval and May 15, 2026. Except for the payment totalling $260,000 which shall be paid in cash, African Energy Metals has the right but not the obligation to issue African Energy Metals shares in lieu of 50% of any cash payment obligation. African Energy Metals paid a deposit of $10,000 on a non-refundable basis to the Company when the Option Agreement was executed. The Company will provide operational support and use of the Company's facilities in Peru for a minimum of one year at the Company's cost. The share issuances and payments under the Option Agreement are subject to the approval of the TSX Venture Exchange and the NEX Exchange.

During the year ended December 31, 2025, the Company received $260,000 payment for the Option Agreement and 2,500,000 common shares of African Energy Metals valued at $312,500. During the year ended December 31, 2025, African Energy Metals changed its name to Magma Silver Corp. On March 16, 2026, the Company received $136,695 (US$100,000) advance payments on royalties payable. Subsequent to March 31, 2026, the Company received 2,500,000 common shares of Magma Silver Corp valued at $500,000.

Palta Dorada, Peru

On October 30, 2019, the Company closed a Transfer Agreement dated September 3, 2019, pursuant to which the Company acquired 100% rights of two mining concessions ("Palta Dorada" or "Property") located in Moro district of Santa province, Ancash, Peru.

During the year ended December 31, 2020, the Company signed a Memorandum of Understanding ("MOU") with Peruvian Metals Corp ("Peruvian Metals") to jointly explore the Palta Dorada by initially conducting a detailed sampling and mapping program along with a bulk sampling campaign and processing the mineral at Peruvian Metals' 80% owned Aguila Norte Processing Plant ("Aguila Norte or Plant").

The Property is located in the Ancash Mining Department in Northern Peru and covers an area of approximately 1,200 hectares. The MOU establishes a joint effort to explore and develop the property. Any sales from metal concentrates produced from the bulk sampling activity and all operational expenses will be shared between companies. Peruvian Metals' 80% owned Plant will charge the joint effort commercial mineral processing rates on a similar basis to its other clients for processing the bulk samples. Peruvian Metals will also have the option to earn a 50% ownership in the Property. Equal ownership will occur once Peruvian Metals has matched Rio Silver's acquisition price of the project of USD $250,000 by assuming all capital and exploration expenditures. As at December 31, 2021, Peruvian Metals completed its earn-in requirement by investing USD $250,000 into the project, as result, the Company deemed to equally own Palta Dorada with Peruvian Metals.

As at December 31, 2023, Peruvian Metals has spent USD$684,527 (2022: USD$547,573) toward the Property and has an excess of USD$434,527(2022: USD$297,573). The excess investment contribution is considered as the loan. The loan will charge a 12% interest annually on the amount of exceeding the USD $250,000 from the proposed joint venture to be formed between the Company and Peruvian Metals and will be paid back from the cash flow of sales of concentrates or oxide gold after all operation expenses are paid. 50% of any positive cash flow will be paid to the loan and remaining 50% will be divided equally by the Company and Peruvian Metals. The Company has accrued $Nil on this loan and interest as at March 31, 2026 because the proposed joint venture has not been formed.

During the year ended December 31, 2024, the Company sold its 50% interest in the Palta Dorada Property to Peruvian Metals. The consideration for the sale is $343,113 (USD$250,000) with the Company retaining a 3% Net Smelter Royalty ("NSR" or Royalty"). Total payments from the NSR will be capped at US$2 million while the Company is guaranteed USD$250,000 in minimum royalty payments over the next five years, which will be paid semi-annually having a guaranteed minimum semi-annual payment amount of USD$25,000 starting December 2024.

During the year ended December 31, 2024, the Company recognized $642,999 gain from disposal Palta Dorada Property, of which $343,113 (USD$250,000) has been received as at December 31, 2024.

During the year ended December 31, 2025, the Company has received USD$75,000 guaranteed royalty payments.

(Expressed in Canadian dollars unless otherwise noted)

As of March 31, 2026, the Company recognized an other receivable for the royalty payments at its fair value of $201,401, with $64,741 as the current portion and $136,660 as the long-term portion. This valuation was calculated by discounting the guaranteed minimum royalty payments using an effective interest rate of 10% over the five-year term.

Gerow Lake, Canada

The Gerow Lake property is a base metal project located in northwestern Ontario. The Company has a 100% interest subject to a 2.5% NSR applicable to 40% of the revenue generated from 14 of the 36 mineral claims (the Company having the right to purchase 1% of the NSR for $1,000,000) and, a 2% NSR on 100% of the claims (the Company having the right to purchase the NSR for $200,000).

Maria Norte, Peru

On March 26, 2025, the Company signed a definitive agreement for the acquisition of the Minas Maria Norte ("Maria Norte" or the "Property") high grade polymetallic silver, exploitation property, from Peruvian Metals Corp. ("Peruvian") (TSX-V PER) being subject to regulatory approval. On June 25, 2025, August 12, 2025 and September 17, 2025, the agreement was amended.

Under the amended terms of the agreement, the Company will acquire from Peruvian its wholly own 100% ownership interest of Mamanina Exporaciones S.A.C (the "Mamanina"), a Peruvian corporation, which holds mining rights in Maria Norte project located in Peru. Consideration includes a cash downpayment of $15,000 (paid) and US$12,500 (C$17,238), cash payment for the concessions of US$10,000 (C$13,800) (paid) and the issuance of lesser 3,999,999 common shares (issued) representing 9.27% of the issued and outstanding common shares of the Company. Cash payments totaling US$250,000 (C$292,191) will be also payable over a 5 year period (US$50,000 paid).

As of March 31, 2026, the Company recognized an accounts payable for the cash payments of US$200,000 at its fair value of $229,813, with $66,432 as the current portion and $163,381 as the long term portion. This valuation was calculated by discounting the cash payments using an effective interest rate of 10% over the five-year term.

The acquisition Mamanina does not constitute a business combination because this entity does not meet the definition of a business under IFRS3: Business Combination. As a result, the transaction has been measured at the fair value of equity consideration issued to acquire these entities. The fair value of the consideration paid was determined based on the fair value of the assets received as determined based on IFRS2: Share Based Payments.

The following table summarizes the consideration paid and the allocation to the assets and liabilities acquired as at the date of acquisition:

Purchase Price	$
Common shares	2,399,999
Cash	338,229
Total consideration paid	2,738,228

Identifiable net assets acquired:	
Cash	10,057
Government taxes recoverable	1,362
Equipment	46,060
Mineral exploration properties	4,336
Accounts payable	(86,122)
Net assets acquired	(24,307)
Excess value attributable to E&E assets	2,762,535

The fair value of total consideration paid has been determined using level one inputs.

(Expressed in Canadian dollars unless otherwise noted)

11. Accounts payable and accrued liabilities

The breakdown of accounts payable and accrued liabilities comprises is as follows:

	2026 $	2025 $
Accounts payables and accrued liabilities	561,271	799,360
Taxes payables	88,789	88,789
Total accounts payables and accrued liabilities	650,060	888,149
Less long-term portion (Note 10)	(163,381)	(156,818)
Current portion	486,679	731,331

12. Segmented Information

The Company as one reportable operating segment: mineral exploration and development in two geographic locations being Peru and Canada.

The Company's consolidated net profit (loss) by geographic locations for the periods ended March 31, 2026 and December 31, 2025 are as follows:

	2026 $	2025 $
Consolidated net profit (loss)		
Canada	(1,324,282)	(407,547)
Peru	(38,228)	405,584
	(1,362,510)	(1,963)

The Company's total assets by geographic locations for the years ended December 31, 2025 and 2024 are as follows:

	2026 $	2025 $
Total assets		
Canada	4,921,010	13,867
Peru	82,456	329,200
	5,003,466	343,067

13. Subsequent Events

a) Subsequent to the period ended March 31, 2026, 1,00,000 stock options were exercised for a total proceeds of $27,000.

b) Subsequent to the period ended March 31, 2026, 1,359,000 warrants were exercised for a total proceeds of $203,850.

c) Also see note 9(d) and 10.