AVRUPA MINERALS

AVRUPA MINERALS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2025, 2024 AND 2023

AVRUPA MINERALS LTD.

Contents

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Avrupa Minerals Ltd.,

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Avrupa Minerals Ltd. ('the Company'), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years ended December 31, 2025, 2024 and 2023, and the related notes and schedules (collectively referred to as the 'consolidated financial statements'). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024 and its financial performance and its cash flows for the years ended December 31, 2025, 2024 and 2023, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 in the consolidated financial statements, it will be necessary for the Company to obtain additional financing and while it has been successful in the past, there can be no assurance that it will be able to do so in the future. These conditions, along with other matters as set forth in Note 1, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The principal considerations for our determination that the going concern uncertainty was a critical audit matter were: (i) that the formal reporting of such uncertainty involves a significant disclosure, the absence of which could constitute a material misstatement to a financial statement reader and, (ii) that, at the same time, it involves on our part the use of a high level of subjective judgement as we are required to consider the possible impact of future events that cannot currently be known and which in all likelihood will not be directly linked to any particular current or future financial results and reporting, or the lack thereof.

Addressing this matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures also included, among others, (i) obtaining and evaluating management's assessment of the Company's ability to remain a going concern; (ii) determining based on all other evidence available to us whether management's assessment appeared to be fair and reasonable in the circumstances and, (iii) considering whether the resultant disclosure of these matters herein was consistent with the foregoing, in the context of the Company's overall business activities, objectives and financial history.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ('PCAOB') and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement, whether due to fraud or error. The Company is not required to have, nor were we engaged to perform, an audit of internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (i) relates to accounts or disclosures that are material to the consolidated financial statements; and (ii) involved, on our part, especially challenging, subjective, or complex judgements. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating this critical audit matter, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
April 30, 2026

We have served as the Company's auditor since 2008.

AVRUPA MINERALS LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31
(Presented in Canadian Dollars)

	Note		2025		2024
Assets					
Current assets					
Cash		$	493,359	$	141,011
Prepaid expenses and advances			78,358		5,894
Due from optionee	5		-		34,267
Sales tax receivables			21,113		9,986
Other receivables			17,247		10,897
			610,077		202,055
Non-current assets					
Property deposit	5, 6		160,890		-
Advance to related party	9		242,004		154,292
Tax deposits	6		41,201		41,201
Exploration and evaluation assets	5		167,920		167,920
Equipment	4		3,393		-
Investment in PorMining	5		-		765
Investment in AVU Kosova LLC	5, 7		1		-
Advance to Akkerman Finland OY	7		491,938		491,938
Investment in Akkerman Finland OY	7		122,175		190,706
			1,229,522		1,046,822
Total assets		$	1,839,599	$	1,248,877
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities		$	142,778	$	50,071
Due to related parties	9		150,330		75,244
			293,108		125,315
Non-current liabilities					
Due to Sandfire MATSA	5		160,890		-
			160,890		-
Shareholders' equity					
Share capital	8		11,469,934		11,167,907
Reserves	8		8,013,771		7,778,743
Deficit			(18,098,104)		(17,823,088)
			1,385,601		1,123,562
Total shareholders' equity and liabilities		$	1,839,599	$	1,248,877

Event after the reporting period (Note 6)

These consolidated financial statements are authorized for issue by the Board of Directors on April 30, 2026. They are signed on the Company's behalf by:

/s/Paul W. Kuhn
Director

/s/Mark T. Brown
Director

AVRUPA MINERALS LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31
(Presented in Canadian Dollars)

	Note	2025	2024	2023
Mineral exploration expenses				
Mineral exploration expenses	5	$ 279,349	$ 61,616	$ 66,492
Reimbursements from optionees	5, 9	(71,740)	(448,031)	(482,452)
		(207,609)	386,415	415,960
General administrative expenses				
Bank charges		-	-	699
Bad debt (recovery)		-	(17,091)	12,934
Consulting fees, wages and benefits	9	182,297	192,547	180,854
Depreciation	4	-	1,464	1,775
Investor relations		36,630	51,798	52,615
Listing and filing fees		14,621	7,441	8,925
Office and administrative fees		17,128	15,828	21,092
Professional fees	9	97,944	107,035	133,099
Rent	9	11,400	11,622	10,200
Transfer agent fees		6,921	6,005	4,786
Travel		24,613	15,972	11,477
		(391,554)	(392,621)	(438,456)
Other items				
Foreign exchange loss		(67)	(172)	(5,747)
Interest income		-	5	491
Loss on investment in Akkerman Finland OY	7	(68,531)	(40,257)	(27,569)
Loss on derecognition of a former subsidiary	7	(6,967)	-	-
Gain on acquiring PorMining	5	399,712	-	-
Write-down of property deposits		-	-	(1,460)
		324,147	(40,424)	(34,285)
Net loss for the year		(275,016)	(46,630)	(56,781)
Exchange difference arising on the translation of foreign subsidiaries		(5,968)	2,405	1,144
Comprehensive loss for the year		$ (280,984)	$ (44,225)	$ (55,637)
Basic and diluted loss per share	10	$ (0.00)	$ (0.00)	$ (0.00)

AVRUPA MINERALS LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN (DEFICIENCY) / EQUITY
(Presented in Canadian Dollars)

	Share capital		Reserves						
	Number of shares	Amount	Warrants	Finder's options	Equity-settled employee benefits	Exchange	Subtotal	Deficit	Total shareholders' equity
Balance as at December 31, 2022	**54,674,754**	**$ 10,990,255**	**$ 5,959,577**	**$ 297,734**	**$ 1,396,595**	**$ (12,173)**	**$ 7,641,733**	**$ (17,719,677)**	**$ 912,311**
Comprehensive loss	-	-	-	-	-	1,144	1,144	(56,781)	(55,637)
Balance as at December 31, 2023	54,674,754	10,990,255	5,959,577	297,734	1,396,595	(11,029)	7,642,877	(17,776,458)	856,674
Share issues:									
Shares issued for private placements	10,000,000	216,539	133,461	-	-	-	133,461	-	350,000
Share issue costs	-	(38,887)	-	-	-	-	-	-	(38,887)
Comprehensive loss	-	-	-	-	-	2,405	2,405	(46,630)	(44,225)
Balance as at December 31, 2024	64,674,754	11,167,907	6,093,038	297,734	1,396,595	(8,624)	7,778,743	(17,823,088)	1,123,562
Share issues:									
Shares issued for private placement	11,400,000	329,004	240,996	-	-	-	240,996	-	570,000
Share issue costs	-	(26,977)	-	-	-	-	-	-	(26,977)
Comprehensive loss	-	-	-	-	-	(5,968)	(5,968)	(275,016)	(280,984)
Balance as at December 31, 2025	**76,074,754**	**$ 11,469,934**	**$ 6,334,034**	**$ 297,734**	**$ 1,396,595**	**$ (14,592)**	**$ 8,013,771**	**$ (18,098,104)**	**$ 1,385,601**

AVRUPA MINERALS LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(Presented in Canadian Dollars)

	2025	2024	2023
Cash flows from operating activities			
Net loss for the year	$ (275,016)	$ (46,630)	$ (56,781)
Items not involving cash:			
Depreciation	2,901	1,464	1,775
Bad debt (recovery)	-	(17,091)	12,934
Gain on acquiring PorMining	(399,712)	-	-
Loss on derecognition of a former subsidiary	6,967	-	-
Loss on investment in Akkerman Finland OY	68,531	40,257	27,569
Write-down of property deposits	-	-	1,460
Changes in non-cash working capital items:			
Sales tax receivables	184,341	(5,773)	(586)
Due from optionee	34,267	(2,728)	(18,532)
Advance to related party	(87,712)	(82,208)	(49,761)
Prepaid expenses and advances	(24,453)	(3,195)	6,677
Other receivables	22,715	6,623	(2,846)
Accounts payable and accrued liabilities	(6,962)	(4,584)	(48,534)
Due to related parties	67,086	19,002	(60,264)
Exchange difference arising on the translation of foreign subsidiaries	(6,128)	2,399	1,103
Net cash (used in) operating activities	(413,175)	(92,464)	(185,786)
Cash flows from investing activities			
Advance to Akkerman Finland OY	-	(209,538)	-
Investment in PorMining	(789)	-	-
Net cash from acquisition of PorMining	220,712	-	-
Loss on cash from derecognition of a former subsidiary	(3,164)	-	-
Purchase of equipment	-	(604)	-
Net cash provided by (used in) investing activities	216,759	(210,142)	-
Cash flows from financing activities			
Proceeds from issuance of common shares	570,000	350,000	-
Share issue costs	(21,236)	(28,128)	-
Net cash provided by financing activities	548,764	321,872	-
Change in cash for the year	352,348	19,266	(185,786)
Cash, beginning of the year	141,011	121,745	307,531
Cash, end of the year	$ 493,359	$ 141,011	$ 121,745

Supplemental disclosure with respect to cash flows (Note 12)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Avrupa Minerals Ltd. (the "Company") was incorporated on January 23, 2008 under the Business Corporations Act of British Columbia and its registered office is 1111 W Hastings Street, 15th Floor, Vancouver, BC V6E 2J3. The Company changed its name on July 7, 2010 and began trading under the symbol "AVU" on the TSX Venture Exchange (the "Exchange") on July 14, 2010. On September 20, 2012, the Company listed in Europe on the Frankfurt Stock Exchange under the trading symbol "8AM". The Company is primarily engaged in the acquisition and exploration of mineral properties in Europe.

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. There are material uncertainties that cast significant doubt about the appropriateness of the going concern assumption.

If the Company is to advance or develop its mineral properties further, it will be necessary to obtain additional financing and while it has been successful in the past, there can be no assurance that it will be able to do so in the future. Failure to raise sufficient funds would result in the Company's inability to make future required property payments, which would result in the loss of those property options.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance and compliance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of preparation

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

These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are effective as at December 31, 2025.

3. MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of consolidation

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

	% of ownership	Jurisdiction	Nature of operations
MAEPA Empreendimentos Mineiros e Participacoes Lda	100%	Portugal	Exploration
PorMining, Unipessoal Lda	100%	Portugal	Exploration
Innomatik Exploration Kosovo LLC	100%	Kosovo	Exploration
AVU Kosova LLC [(1)]	49%	Kosovo	Exploration
Akkerman Finland OY [(1)]	49%	Finland	Exploration

[(1)] This company is accounted for using the equity method.

All subsidiaries are entities that are controlled, either directly or indirectly. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when the Company has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. All of the intra-group balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated in full. For subsidiaries that the Company controls, but does not own 100% of, the net assets and net profit attributable to outside shareholders are presented as amounts attributable to non-controlling interests in the consolidated statements of financial position and consolidated statements of comprehensive loss.

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

b) Interests in Joint Arrangements

A joint arrangement can take the form of a joint venture or joint operation. All joint arrangements involve a contractual arrangement that establishes joint control, which exists only when decisions about the activities that significantly affect the returns of the investee require unanimous consent of the parties sharing control. A joint operation is a joint arrangement in which the Company has rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement in which the Company has rights to only the net assets of the arrangement.

Joint ventures are accounted for in accordance with the policy "Investments in Associates and Joint Ventures." Joint operations are accounted for by recognizing the Company's share of the assets, liabilities, revenue, expenses and cash flows of the joint operation in the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

c) Investments in Associates and Joint Ventures

Investments over which the Company exercises significant influence and which it does not control or jointly control are associates. Investments in associates are accounted for using the equity method, except when classified as held for sale. Investments in joint ventures as determined in accordance with the policy "Interests in Joint Arrangements" are also accounted for using the equity method.

The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for the Company's proportionate share of the profit or loss, other comprehensive income or loss and any other changes in the associate's or joint venture's net assets.

The Company's proportionate share of the associate's or joint venture's profit or loss and other comprehensive income or loss is based on its most recent financial statements. Adjustments are made to align any inconsistencies between the Company's accounting policies and the associate's or joint venture's policies before applying the equity method. Adjustments are also made to account for depreciable assets based on their fair values at the acquisition date of the investment and for any impairment losses recognized by the associate or joint venture.

If the Company's share of the associate's or joint venture's losses equals or exceeds the investment in the associate or joint venture, recognition of further losses is discontinued. After the Company's interest is reduced to zero, additional losses will be provided for and a liability recognized only to the extent that the Company has incurred legal or constructive obligations to provide additional funding or make payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

At each statement of financial position date, management considers whether there is objective evidence of impairment in associates and joint ventures. If there is such evidence, management determines if there is a need to record an impairment in relation to the associate or joint venture.

d) Foreign currencies

The Company assesses functional currency on an entity by entity basis based on the related fact pattern; however, the presentation currency used in these consolidated financial statements is determined at management's discretion.

The currency of the parent company, and the presentation currency applicable to these consolidated financial statements, is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of the 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 each reporting date. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The Company has determined that the functional currency of its wholly-owned subsidiaries in Europe is the Euro. Exchange differences arising from the translation of the subsidiaries' functional currencies into the Company's presentation currency are taken directly to the exchange reserve.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

d) Foreign currencies *(Continued)*

Subsidiaries

The results and financial position of the Company's subsidiaries that have a functional currency different from the Company's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date;
- Income and expenses are translated at average exchange rates for the period;
- Equity is translated using historical rates; and
- All resulting exchange differences are recognized in Reserves.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to the foreign exchange reserve, included in Reserves. When a foreign operation is sold, such exchange differences are recognized in the statement of loss as part of the gain or loss on sale.

e) Exploration and evaluation assets and expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are expensed as incurred except for expenditures associated with the acquisition of exploration and evaluation assets through a business combination or asset acquisition which are recognized as assets. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the consolidated statement of comprehensive loss.

Capitalized costs, including general and administrative costs, are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest where they are considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

f) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares are issued. If the Company issues units as part of financing, consisting of both common shares and common share purchase warrants, the fair value of the warrants is determined using the Black-Scholes pricing model, and fair value of the common shares is determined using market price. The allocation of value is proportionally based on their fair value.

g) Share-based payment transactions

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense 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.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis 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 each statement of financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

h) Warrants

Warrants with the right to acquire common shares in the Company are typically issued through the Company's equity financing activities. Where finders' warrants are issued on a stand-alone basis, their fair values are measured on their issuance date using the Black-Scholes option pricing model and are recorded as both an increase to reserves and as a share issue cost.

When warrants are exercised, the cash proceeds along with the amount previously recorded in equity reserves are recorded as share capital.

i) Earnings (Loss) per share

The Company presents the basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the income (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. In the Company's case, diluted earnings (loss) per share is the same as basic earnings (loss) per share as the effects of including all outstanding options and warrants would be anti-dilutive.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

j) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout these consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

<u>Significant judgments</u>

1. The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent, management considered both the funds from financing activities and the currency in which goods and services are paid. The functional currency of its wholly-owned subsidiaries in Europe is the Euro as management considered the currencies which mainly influence the cost of providing goods and services in those subsidiaries. The Company chooses to report in Canadian dollar as the presentation currency;
2. The assessment of indications of impairment of each mineral property and related determination of the net realized value and write-down of those properties where applicable;
3. The determination that the Company will continue as a going concern for the next year; and
4. The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company’s control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting.
    - The Company’s interest in AFOy is less than 50%, therefore it does not have the current ability to control the key operating activities of the company. However, pursuant to the Share Purchase Agreement entered into by the companies, the board of directors of AFOy is comprised of one director appointed by the Company and one director by AEBv. Despite the operator being AEBv, the Company provides the necessary funding as part of the earn-in and therefore can influence AFOy’s annual budgets and exploration programs. Management has determined that the Company has significant influence over AFOy and accordingly, the investment in AFOy is accounted for as an investment in associate (Note 7).
    - The Company’s interest in AVU Kosova LLC is less than 50%, therefore it does not have the current ability to control the key operating activities of the company. Management has determined that the Company has significant influence over AVU Kosova LLC and accordingly, the investment in AVU Kosova LLC is accounted for as an investment in associate (Note 7).

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

j) Significant accounting judgments and estimates *(Continued)*

Significant estimates

The estimate that 50% of the tax deposits will be recovered within one to two years.

k) Provisions

Provisions are recognized in the consolidated statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

l) Financial instruments

The following financial assets are classified as measured at amortized cost - cash, due from optionee, advance to related party, and certain other receivables.

The following financial liabilities are classified as measured at amortized cost – accounts payable and accrued liabilities and due to related parties.

The classification of financial assets is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Transaction costs with respect to financial instruments classified as fair value through profit or loss are recognized as an adjustment to the cost of the underlying instruments.

The Company's financial assets are classified into one of the following two measurement categories:

Financial assets held within a business model for the purpose of collecting contractual cash flows ("held to collect") that represent solely payments of principal and interest ("SPPI") are measured at amortized cost. Financial assets held within a business model where assets are both held for the purpose of collecting contractual cash flows or sold prior to maturity and the contractual cash flows represent solely payments of principal and interest are measured at FVPL.

m) Impairment of non-financial assets

The carrying amount of the Company's long-lived assets (which include exploration and evaluation assets) is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

m) Impairment of non-financial assets *(Continued)*

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately as a charge in the statement of comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a recovery in the statement of comprehensive loss for the period.

n) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted that are expected to apply when temporary differences are expected to settle.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(Presented in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

o) New accounting standards and interpretations

The following new standards and amendments to standards have been issued but are not effective for the year ended December 31, 2025:

- Presentation and Disclosure in Financial Statements

IFRS 18 was issued in April 2024 and applies to an annual reporting period beginning on or after January 1, 2027. IFRS 18 will replace IAS 1. IFRS requires all companies using IFRS Standards to provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The Company is currently assessing the impact of this new accounting standard on its financial statements.

4. EQUIPMENT

	Furniture and other equipment	Vehicles	Other assets	Total
Cost				
As at January 1, 2024	$ 119,231	$ -	$ -	$ 119,231
Additions during the year	-	-	604	604
Exchange adjustment	2,462	-	-	2,462
As at December 31, 2024	121,693	-	604	122,297
Additions on acquisition of PorMining	3,859	2,275	-	6,134
Exchange adjustment	9,736	3,443	1,780	14,959
As at December 31, 2025	$ 135,288	$ 5,718	$ 2,384	$ 143,390
Accumulated depreciation				
As at January 1, 2024	$ 118,377	$ -	$ -	$ 118,377
Depreciation for the year	865	-	599	1,464
Exchange adjustment	2,451	-	5	2,456
As at December 31, 2024	121,693	-	604	122,297
Depreciation for the year	1,747	1,154	-	2,901
Exchange adjustment	9,633	3,386	1,780	14,799
As at December 31, 2025	$ 133,073	$ 4,540	$ 2,384	$ 139,997
Net book value				
As at January 1, 2024	$ 854	$ -	$ -	$ 854
As at December 31, 2024	$ -	$ -	$ -	$ -
As at December 31, 2025	$ 2,215	$ 1,178	$ -	$ 3,393

(Presented in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES

	Portugal		Kosovo		Others	
	Alvalade	Others	Slivova	Others		Total
Exploration and evaluation assets						
Acquisition costs						
As of January 1, 2025	$ 167,920	$ -	$ -	$ -	$ -	$ 167,920
As of December 31, 2025	$ 167,920	$ -	$ -	$ -	$ -	$ 167,920
Mineral exploration expenses for the year ended December 31, 2025						
Depreciation	$ 2,901	$ -	$ -	$ -	$ -	$ 2,901
Geological salaries and consulting	197,944	-	-	-	-	197,944
Insurance	3,261	-	-	-	-	3,261
Office and administrative fees	6,685	-	-	-	-	6,685
Rent	53,146	-	-	-	-	53,146
Site costs	11,330	-	-	-	-	11,330
Travel	4,082	-	-	-	-	4,082
Reimbursements from optionees	(71,740)	-	-	-	-	(71,740)
	$ 207,609	$ -	$ -	$ -	$ -	$ 207,609
Cumulative mineral exploration expenses since acquisition						
Assaying	$ -	$ -	$ 297,975	$ 65,936	$ 10,846	$ 374,757
Concession fees and taxes	361,864	693,608	23,469	206,975	4	1,285,920
Depreciation	20,079	98,722	-	-	-	118,801
Drilling	610,197	472,513	1,180,217	-	-	2,262,927
Geological salaries and consulting	6,812,295	6,317,147	170,571	720,879	12,359	14,033,251
Geology work	-	32,377	891,582	402,515	364,525	1,690,999
Insurance	29,236	52,112	14,604	15,007	-	110,959
Legal and accounting	1,020	1,244	58,158	13,958	-	74,380
Office and administrative fees	260,957	279,739	83,665	101,624	68,446	794,431
Rent	659,230	596,896	53,787	88,221	20,560	1,418,694
Report	-	-	39,999	-	-	39,999
Site costs	207,167	244,377	189,450	194,582	8,865	844,441
Travel	250,376	247,277	63,047	22,478	15,326	598,504
Trenching and road work	-	-	34,339	-	-	34,339
Reimbursements from optionees	(9,830,189)	(4,890,826)	(3,022,135)	(45,158)	-	(17,788,308)
	$ (617,768)	$ 4,145,186	$ 78,728	$ 1,787,017	$ 500,931	$ 5,894,094

(Presented in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES *(Continued)*

	Portugal		Kosovo		Others	
	Alvalade	Others	Slivova	Others		Total
Exploration and evaluation assets						
Acquisition costs						
As of January 1, 2024	$ 167,920	$ -	$ -	$ -	$ -	$ 167,920
As of December 31, 2024	$ 167,920	$ -	$ -	$ -	$ -	$ 167,920
Mineral exploration expenses for the year ended December 31, 2024						
Concession fees and taxes	$ -	$ -	$ 2,964	$ -	$ -	$ 2,964
Geological salaries and consulting	28,881	-	12,884	-	-	41,765
Insurance	506	-	-	-	-	506
Rent	-	-	11,629	-	-	11,629
Site costs	1,474	-	879	-	-	2,353
Travel	2,399	-	-	-	-	2,399
Reimbursements from optionees	(418,539)	-	(29,492)	-	-	(448,031)
	$ (385,279)	$ -	$ (1,136)	$ -	$ -	$ (386,415)
Cumulative mineral exploration expenses since acquisition						
Assaying	$ -	$ -	$ 297,975	$ 65,936	$ 10,846	$ 374,757
Concession fees and taxes	361,864	693,608	23,469	206,975	4	1,285,920
Depreciation	17,178	98,722	-	-	-	115,900
Drilling	610,197	472,513	1,180,217	-	-	2,262,927
Geological salaries and consulting	6,614,351	6,317,147	170,571	720,879	12,359	13,835,307
Geology work	-	32,377	891,582	402,515	364,525	1,690,999
Insurance	25,975	52,112	14,604	15,007	-	107,698
Legal and accounting	1,020	1,244	58,158	13,958	-	74,380
Office and administrative fees	254,272	279,739	83,665	101,624	68,446	787,746
Rent	606,084	596,896	53,787	88,221	20,560	1,365,548
Report	-	-	39,999	-	-	39,999
Site costs	195,837	244,377	189,450	194,582	8,865	833,111
Travel	246,294	247,277	63,047	22,478	15,326	594,422
Trenching and road work	-	-	34,339	-	-	34,339
Reimbursements from optionees	(9,758,449)	(4,890,826)	(3,022,135)	(45,158)	-	(17,716,568)
	$ (825,377)	$ 4,145,186	$ 78,728	$ 1,787,017	$ 500,931	$ 5,686,485

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES *(Continued)*

Portugal

Licenses have varying required work commitments and carry a 3% Net Smelter Return ("NSR") payable to the government of Portugal.

Alvalade:

On November 19, 2019, the Company and MAEPA (collectively the "Company") and Minas de Aguas Teñidas, S.A. ("Sandfire MATSA" or "MATSA") and its wholly-owned subsidiary Sandfire Mineira Portugal,Unipessoal Lda. ("SMP"), formerly "EUL", collectively "Sandfire MATSA" entered into an Earn-In Joint Venture Agreement (the "Agreement") with respect to the Alvalade Project. Pursuant to the Agreement, PorMining, Unipessoal Lda. ("PorMining") was incorporated on December 17, 2019 to hold assets and develop mineral rights (both as defined) and SMP can earn up to an 85% interest in PorMining. The earning of this interest, subsequent arrangements that may be entered into to explore the assets and, if warranted, the development of one or more projects are referred to as the "Transaction".

On March 27, 2020, MAEPA and SMP entered into a Quota Transfer Agreement pursuant to which MAEPA split its 100% interest in the share capital of PorMining into two quotas, representing 51% and 49% of the company's share capital, and sold the 51% quota to SMP for the nominal value of €510.

On March 27, 2020, the Company, MAEPA, Sandfire MATSA and SMP entered into the PorMining Lda. Shareholders' Agreement (the "Agreement"). Pursuant to the Agreement:

- PorMining has five directors. From the effective date until the second option exercise date, three will be nominated by SMP and two by MAEPA. Thereafter, four will be nominated by SMP and one will be nominated by MAEPA. Upon the occurrence of the 51/49 Phase and thereafter, SMP is entitled to nominate three directors and MAEPA two directors. In the event of dilution of the interest of SMP or MAEPA, each will be entitled to proportional representation (as described) equal to its then interest;
- In the event that SMP and/or MAEPA wish to sell or transfer their shares in PorMining, PorMining has a right of first refusal to purchase all or a portion of the shares. To the extent that PorMining does not exercise its right of first refusal to all the shares, each of SMP and/or MAEPA has a right of first refusal; and
- The Agreement will terminate at such time as there is a final decision regarding the dissolution and liquidation of PorMining, the parties mutually agree on the termination of the Agreement or as provided for under the Earn-In Joint Venture Agreement.

The effective date of the Transaction was June 15, 2020, the date that PorMining received the mineral rights in its name from the General Directorate of Energy and Geology of Portugal ("DGEG"). The Transaction comprised of few phases whereas SMP completed Phase I – First Option and was working on Phase II – Second Option before SMP terminated the Agreement in February 2025.

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES *(Continued)*

Alvalade: *(Continued)*

During Phase I, MAEPA granted SMP the sole and exclusive right to hold an undivided 51% interest in PorMining (the first option) for at least three years from June 15, 2020 of the Experimental Exploitation License (the "EEL") by DGEG to PorMining. SMP's right to maintain its 51% interest was conditional upon Sandfire MATSA:

- Paying €400,000 to the Company on or before the effective date (€200,000 was received in December 2019 and the remaining €200,000 was received in June 2020);
- Funding or providing the necessary financial instrument to cover the guarantee, which will be returned to Sandfire MATSA following the release of the guarantee by DGEG (funded €100,000 in June 2020); and
- Funding expenditures (the first option expenditures) on the mineral rights in an aggregate amount of €2,400,000 (€1,200,000 within the first 12 months following the effective date [met] and €1,200,000 in the next 24 months [met]) on or before three years from the effective date or the issue of the EEL.

Effectively in March 2022, Sandfire MATSA completed the Phase I First Option by funding a total of €2,500,000 on the Alvalade project, including the €100,000 guarantee with DGEG, and SMP unconditionally earned the 51% interest in PorMining.

During Phase I, MAEPA acted as the operator of the mineral rights with PorMining paying MAEPA an operator's fee equal to €100,000 per year, paid monthly starting June 16, 2020, funded by Sandfire MATSA and which formed part of the first option expenditures.

Upon the completion of Phase I, Sandfire MATSA and PorMining continued with having MAEPA acting as the operator and PorMining continued paying the operator's fee until December 31, 2024. In January 2025, SMP notified the Company that it intended to transfer its interests in the project back to the Company. During the year ended December 31, 2025, MAEPA received the final operator's fee of €8,333 ($13,151) (2024 - €100,000 ($148,180)) where the fund was included in reimbursements from optionee.

Prior to SMP terminating the Agreement in February 2025, as of December 31, 2024, Sandfire MATSA funded €5,221,000 towards Phase II – Second Option, but it did not complete this Phase II – Second Option earn-in and paid an additional amount of €159,900 to cover the final planned and wrap up costs for the Alvalade Project.

On February 27, 2025, SMP and the Company signed the termination agreement and for a nominal fee of €510, the Alvalade project and the portion of the share capital of the joint venture entity PorMining held by SMP (51%) was transferred to MAEPA, resulting in the Company owning 100% of PorMining and began consolidating PorMining effective April 1, 2025. As a result of this transfer, the Company recognized a gain of $399,712 in the statement of comprehensive loss.

Upon DGEG releaing the guarantee of $160,890 (€100,000) that Sandfire MATSA put in as part of the Phase I – First Option obligation, this amount will be returned to Sandfire MATSA. As a result, the Company recorded such amount in both the non-current asset (Property deposit) and non-current liability (Due to Sandfire MATSA). See also Note 6(a).

(Presented in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES *(Continued)*

Alvalade: *(Continued)*

	December 31, 2025	December 31, 2024
Due from optionee		
Alvalade - PorMining	$ -	$ 34,267
	$ -	$ 34,267

Kosovo

Slivova (formerly Slivovo) license:

Byrnecut International Limited ("Byrnecut") earned an 85% interest in the Slivovo property after forwarding $2,834,986 (€2,000,000) for the Slivovo property to the Company and completing a Preliminary Feasibility Study ("PFS") by April 10, 2017. Byrnecut and the Company set up a joint venture entity known as Peshter Mining J.S.C. ("Peshter Mining") to reflect the 85:15 ownership and transferred the Slivovo license into Peshter Mining with Byrnecut being the operator. Avrupa's interest in Peshter Mining was subsequently diluted to below 10%, resulting in the Company's interest in Peshter Mining being converted into a 2% Net Smelter Return.

On December 31, 2019, the Company wrote down its interest in Slivovo by $143,154 to $1 as the Company was in negotiations with the Kosovo Mining Bureau, along with Byrnecut and Peshter Mining as to how to possibly extend the life of this license. During fiscal 2020, Byrnecut decided not to proceed with advancing Slivovo. Rather than dropping the license and potentially allowing a third party to stake the open land, Innomatik Exploration Kosovo LLC ("IEK"), Byrnecut and Peshter Mining entered into a binding term sheet (the "TS") whereby the parties set out the terms on which Peshter Mining would surrender the existing tenements, thereby enabling IEK to apply, as sole beneficial owner, for one or more tenements over the entirety of the tenement area. The license was officially released back to the government. As of December 31, 2020, the Company wrote off $1. On November 2, 2023, Peshter Mining was deregistered and dissolved.

In March 2021, the Company incorporated a wholly-owned subsidiary, AVU Kosova LLC, to apply for a new Slivovo exploration permit. In May 2022, the Company received a seven-year exploration permit known as the Slivova license.

As consideration for Byrnecut ensuring that Peshter Mining complies with its obligations under the TS, IEK must pay to Byrnecut milestone cash payments totaling €375,000 and milestone gold payments totaling 850 troy ounces of gold (together known as "Success Payments") as follows:

Cash

- €125,000 within 30 days of the first to occur of the completion of a positive bankable feasibility study or the board of directors of IEK making a decision to proceed with the development of a commercial mining operation in respect of all or any part of the tenement area;
- €125,000 within 30 days of issue of a mining license in respect of all or any party of the tenement area; and
- €125,000 within 30 days of commencement of construction of a mine within the tenement area.

(Presented in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES *(Continued)*

Kosovo *(Continued)*

Slivova (formerly Slivovo) license: *(Continued)*

Gold

- 100 troy ounces within 30 days of commencement of commercial production ("CCP");
- 175 troy ounces within 30 days of the one-year anniversary of CCP;
- 250 troy ounces within 30 days of the two-year anniversary of CCP; and
- 325 troy ounces within 30 days of the three-year anniversary of CCP.

On August 24, 2022, and subsequently confirmed via a Definitive Agreement (the "Agreement") on May 2, 2023, the Company and Western Tethyan Resources ("WTR") entered into an agreement in respect of the Slivova project. WTR is a private exploration company and is 75% owned by London AIM-listed Ariana Resources PLC. Pursuant to the Agreement, WTR can earn up to an 85% interest in the Slivova project.

The terms of the Agreement are as follows:

Date/Period	Expenditures	Option Payment	Earn-In %
On September 1, 2022 (Effective Date)	None	€35,000 (received)	
On or before March 1, 2023	€100,000 (spent)	None	
On March 1, 2023	None	€35,000 (received)	
On or before September 1, 2023	€150,000 (spent)	€30,000 (received)	
On or before December 31, 2024 *	€650,000 (spent)	None	51% (Stage 1)
On or before December 31, 2025 **	€1,000,000	None	75% (Stage 2)

*In June 2024, the Agreement was amended and the completion date for the expenditure of €650,000 was extended from September 1, 2024 to December 31, 2024.
**The Company and WTR are working with the Kosovo government to renew the Slivova license and once the Kosovo government has approved such, the two parties will amend the earn-in date for Stage 2 of the Agreement.

During Stage 1, the expenditures will be in respect of payments for exploration, drilling, baseline environmental and social surveys, and other payments to landowners. As of December 31, 2024, WTR completed the Stage 1 by funding a total of €819,014 on the Slivova project and unconditionally earned the 51% interest in AVU Kosova LLC. On January 31, 2025, 51% interest was transferred to WTR, leaving the Company recognizing $1 as its 49% interest in AVU Kosova LLC as "Investment in AVU Kosova LLC" (See Note 7).

During Stage 2, the expenditures will be in respect of payments for a NI 43-101 resource estimation, commencement of full Environmental Impact Statement ("EIS"), and other exploration expenses.

During fourth and fifth year from the Effective Date (Stage 3), WTR must complete the EIS, Feasibility Study ("FS"), and Mining License application to earn-in 85% interest in the project.

During Stage 4, WTR will complete the Success Payments to the previous JV partner, Byrnecut (see "TS" above).

During Stage 5, the Company will participate in the mine build or dilute to 1% Net Smelter Return ("NSR").

6. TAX DEPOSITS

(a) Property deposit:

As of December 31, 2025, the Company had a total of $160,890 (€100,000) (December 31, 2024: $Nil (€Nil)) of cash pledged for its Alvalade exploration license in Portugal. This advance to the Portuguese regulatory authorities is refundable to the Company, subject to completion of the work obligations described in the exploration license application.

(b) Tax deposits:

In November 2018, MAEPA paid €56,505 ($88,201) in lieu of bank guarantees of €77,918 ($121,625) to the Directora de Finanças de Braga in Portugal. This amount was comprised of €51,920 ($81,044) in respect of stamp tax and €4,585 ($7,157) in respect of VAT. The stamp tax portion relates to the interpretation that intercompany advances received by MAEPA are financing loans and, accordingly, are subject to stamp tax. The VAT portion relates to certain invoices for vehicle usage and construction services. As of December 31, 2019, the Company estimated that the judicial review process would take approximately one year for the VAT claim and three to five years for the stamp tax claim and that the likelihood of success for each was 50%. As a result, tax deposits were written down by $41,200 (€28,252) during the year ended December 31, 2019. During 2020, the judicial review ruled that approximately €1,971 VAT remained to be paid while the rest were annulled. The Company accepted this ruling. On April 8, 2026, the trial regarding the stamp tax was held and the Company filed the written material on April 28, 2026.

7. ADVANCE, DEPOSIT AND INVESTMENT IN AKKERMAN FINLAND OY

(a) On February 25, 2022, the Company signed a Share Purchase Agreement with Akkerman Exploration B.V. (“AEbv”) to acquire up to a 100% ownership interest in Akkerman Finland OY (“AFOy”), an entity holding certain mineral rights (the “Property”) in Finland.

The acquisition terms are as follows:

- The Company can earn an initial 49% interest in AFOy in Stage One by issuing 1,470,000 common shares (issued at a value of $95,550), paying €150,000 ($211,800) into AFOy for the purpose of paying existing shareholder loans (paid), and depositing €200,000 ($282,400) into a dedicated account (paid), to be spent on exploration expenditures during the period between the completion of Stage One and the completion of Stage Two. The €200,000 ($282,400) was recorded as an advance to AFOy as of December 31, 2023. As of December 31, 2025, the Company advanced a total of $491,938 to AFOy (December 31, 2024 - $491,938).

- As a Stage Two earn-in, the Company had the option, for a period of 12 months from the date of completion of Stage One, to acquire the remaining 51% interest in AFOy, bringing their total interest to 100%. The option to acquire the additional 51% interest expired on March 3, 2023.

The Company and AEbv formed a technical committee comprising of one representative from each party, with AEbv’s representative having the casting vote.

As at December 31, 2025, the Company holds a 49% interest in AFOy (December 31, 2024 – 49%). The investment in associate was assessed for impairment indicators relating to the underlying assets of AFOy in accordance with IAS 36 and IFRS 6.

(Presented in Canadian Dollars)

7. ADVANCE, DEPOSIT AND INVESTMENT IN AKKERMAN FINLAND OY *(Continued)*

The year ended December 31, 2025 and 2024 calculation for the Investment in AFOy is as follows:

Investment in AFOy as at January 1, 2024	$	230,963
Loss on investment in AFOy		(40,257)
Investment in AFOy as at December 31, 2024		190,706
Loss on investment in AFOy		(68,531)
Investment in AFOy as at December 31, 2025	$	122,175

The Company's share of AFOy's loss for the years ended December 31, 2025 and 2024 has been calculated as follows:

		2025		2024
AFOy's net loss	$	139,860	$	82,157
The Company's ownership %		49%		49%
Share of loss of an associate	$	68,531	$	40,257

The following table illustrates the summarized financial information of AFOy:

		December 31, 2025		December 31, 2024
Current assets	$	34,930	$	100,737
Non-current assets		309,027		549,172
Current liabiities		35,081		21,344
Non-current liabilities		821,022		850,896
Loss for the year		139,860		82,157

(b) During fiscal 2025, the Company transferred 51% ownership of AVU Kosova LLC to WTR as WTR completed earning in Stage 1 (Note 5). As a result of this transfer of 51% ownership, the Company recognized $6,967 in "loss on derecognition of a former subsidiary", leaving $1 as "investment in AVU Kosova LLC". Since the investment in AVU Kosova LLC has a minimal value, the Company will not be recognizing its proportionate interest in AVU Kosova LLC's net loss for the year.

The year ended December 31, 2025 calculation for the Investment in AVU Kosova LLC is as follows:

Investment in AVU Kosova LLC as at February 7, 2025	$	6,968
Loss on derecognization of a former subsidary		(6,967)
Investment in AVU Kosova LLC as at December 31, 2025	$	1

The following table illustrates the summarized financial information of AVU Kosova LLC:

		December 31, 2025
Current assets	$	2,332
Non-current assets		7,487
Current liabiities		355,722
Loss for the year		290,034

(Presented in Canadian Dollars)

8. CAPITAL AND RESERVES

(a) Authorized:

At December 31, 2025, the authorized share capital was comprised of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(b) Share issuances:

i. On September 5, 2024, the Company completed a non-brokered private placement by issuing 10,000,000 units (“Unit”) at a price of $0.035 per Unit for gross proceeds of $350,000. Each Unit consists of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.10 per common share until September 5, 2027. The warrants were ascribed a value of $133,461. The Company incurred share issue costs in the amount of $38,887 in connection with the financing.

ii On December 29, 2025, the Company completed a non-brokered private placement by issuing 11,400,000 units (“Unit”) at a price of $0.05 per Unit for gross proceeds of $570,000. Each Unit consists of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.075 per common share until December 29, 2028. The warrants were ascribed a value of $240,996. The Company incurred share issue costs in the amount of $26,977 in connection with the financing.

(c) Share Purchase Option Compensation Plan:

The Company has established a stock option plan whereby the Company may grant options to directors, officers, employees and consultants of up to 10% of the common shares outstanding at the time of grant. The exercise price, term and vesting period of each option are determined by the board of directors within regulatory guidelines.

Stock option transactions and the number of stock options for the year ended December 31, 2025 are summarized as follows:

Expiry date	Exercise price	December 31, 2024	Granted	Exercised	Expired/ cancelled	December 31, 2025
March 14, 2027	$0.08	1,575,000	-	-	-	1,575,000
Options outstanding		1,575,000	-	-	-	1,575,000
Options exercisable		1,575,000	-	-	-	1,575,000
Weighted average exercise price		$0.08	$Nil	$Nil	$Nil	$0.08

As of December 31, 2025, the weighted average contractual remaining life is 1.20 years (December 31, 2024 – 2.20 years).

Stock option transactions and the number of stock options for the year ended December 31, 2024 are summarized as follows:

Expiry date	Exercise price	December 31, 2023	Granted	Exercised	Expired/ cancelled	December 31, 2024
January 7, 2024	$0.20	45,750	-	-	(45,750)	-
March 14, 2027	$0.08	1,575,000	-	-	-	1,575,000
Options outstanding		1,620,750	-	-	(45,750)	1,575,000
Options exercisable		1,620,750	-	-	(45,750)	1,575,000
Weighted average exercise price		$0.08	$Nil	$Nil	$0.20	$0.08

(Presented in Canadian Dollars)

8. CAPITAL AND RESERVES *(Continued)*

(c) Share Purchase Option Compensation Plan: *(Continued)*

Stock option transactions and the number of stock options for the year ended December 31, 2023 are summarized as follows:

Expiry date	Exercise price	December 31, 2022	Granted	Exercised	Expired/ cancelled	December 31, 2023
March 14, 2023	$0.40	450,000	-	-	(450,000)	-
March 26, 2023	$0.40	10,000	-	-	(10,000)	-
January 7, 2024	$0.20	45,750	-	-	-	45,750
March 14, 2027	$0.08	1,575,000	-	-	-	1,575,000
Options outstanding		2,080,750	-	-	(460,000)	1,620,750
Options exercisable		2,080,750	-	-	(460,000)	1,620,750
Weighted average exercise price		$0.15	$Nil	$Nil	$0.40	$0.08

(d) Finder's Options:

The continuity of finder's options for the year ended December 31, 2023 is as follows:

Expiry date	Exercise price	December 31, 2022	Issued	Exercised	Expired	December 31, 2023
August 28, 2023	$0.075	412,500	-	-	(412,500)	-
Outstanding		412,500	-	-	(412,500)	-
Weighted average exercise price		$0.075	$Nil	$Nil	$0.075	$Nil

(e) Warrants:

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

Expiry date	Exercise price	December 31, 2024	Issued	Exercised	Expired	December 31, 2025
February 28, 2025	$0.125	16,666,667	-	-	(16,666,667)	-
September 5, 2027	$0.100	10,000,000	-	-	-	10,000,000
December 29, 2028	$0.075	-	11,400,000	-	-	11,400,000
Outstanding		26,666,667	11,400,000	-	(16,666,667)	21,400,000
Weighted average exercise price		$0.116	$0.075	$Nil	$0.125	$0.087

As of December 31, 2025, the weighted average contractual life is 2.38 years (December 31, 2024 – 1.11 years).

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

Expiry date	Exercise price	December 31, 2023	Issued	Exercised	Expired	December 31, 2024
February 28, 2025	$0.125	16,666,667	-	-	-	16,666,667
September 5, 2027	$0.100	-	10,000,000	-	-	10,000,000
Outstanding		16,666,667	10,000,000	-	-	26,666,667
Weighted average exercise price		$0.125	$0.10	$Nil	$Nil	$0.116

(Presented in Canadian Dollars)

8. CAPITAL AND RESERVES *(Continued)*

(e) Warrants: *(Continued)*

The continuity of warrants for the year ended December 31, 2023 is as follows:

Expiry date	Exercise price	December 31, 2022	Issued	Exercised	Expired	December 31, 2023
October 23, 2023	$0.20	4,219,641	-	-	(4,219,641)	-
February 28, 2025	$0.125	16,666,667	-	-	-	16,666,667
Outstanding		20,886,308	-	-	(4,219,641)	16,666,667
Weighted average exercise price		$0.14	$Nil	$Nil	$0.20	$0.125

The weighted average assumptions used to estimate the fair value of warrants for the years ended December 31, 2025, 2024 and 2023 were:

	2025	2024	2023
Risk-free interest rate	2.71%	2.86%	n/a
Expected life	3 years	3 years	n/a
Expected volatility	146.03%	137.47%	n/a
Expected dividend yield	nil	nil	n/a

9. RELATED PARTY TRANSACTIONS AND BALANCES

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the year ended December 31, 2025

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Other expenses	Share-based payments	Total
Paul W. Kuhn [(b)] Chief Executive Officer, Director	$ 150,000	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ 150,000

For the year ended December 31, 2024

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Other expenses	Share-based payments	Total
Paul W. Kuhn [(b)] Chief Executive Officer, Director	$ 150,000	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ 150,000

For the year ended December 31, 2023

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Other expenses	Share-based payments	Total
Paul W. Kuhn [(b)] Chief Executive Officer, Director	$ 150,000	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ 150,000

(Presented in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

Related party liabilities

		Years ended			Amounts due to:	
	Services / Advances	December 31, 2025	December 31, 2024	December 31, 2023	As at December 31, 2025	As at December 31, 2024
Pacific Opportunity Capital Ltd. [a]	Rent, loan, management, accounting, marketing and financing services	$ 115,400	$ 122,400	$ 111,700	$ 147,794	$ 74,864
Paul W. Kuhn [b]	Consulting and share-based payment	$ 150,000	$ 150,000	$ 150,000	$ Nil	$ Nil
Mark T. Brown [d]	Expense reimbursement	$ Nil	$ Nil	$ Nil	$ 2,535	$ 380
TOTAL:		$ 265,400	$ 272,400	$ 261,700	$ 150,329	$ 75,244
					Amounts due from:	
Paul W. Kuhn [b]	Consulting services	$ Nil	$ Nil	$ Nil	$ 242,004 [c]	$ 154,292 [c]

(a) Pacific Opportunity Capital Ltd., a company controlled by a director of the Company.

(b) On June 1, 2019, the Company entered into a Contract for Services (the “Contract”) with a contractor to serve as the Company’s president and chief executive officer. The contractor is responsible for providing technical oversight and guidance, establishing corporate goals and objectives and setting and implementing corporate strategies. Pursuant to the Contract:
- The contractor will receive a fee of $12,500 per month and a rent allowance of €4,000 for the first four months;
- If the Company is substantially sold or has a change of control (as defined), the contractor will receive a payment equal to two years of fees; and
- The contract remains effective until terminated in writing by either the Company or the contractor. The Company may terminate the contract at any time without notice or payment in lieu thereof for cause or at any time without cause by providing six months’ written notice or by paying the contractor in lieu of notice. The contractor may terminate the contract at any time by providing the Company with three months’ written notice.

(c) This amount relates to PorMining paying Paul Kuhn for his technical services consulting in excess of the Contract (defined above in Note 9(b)). Such amount will be used to offset and reduce the Company's monthly fee payable to Paul Kuhn per the Contract.

(d) Mark T. Brown is a director of the Company.

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of the consideration established and agreed to by the related parties. The amounts due to related parties are unsecured, non-interest bearing and payable on demand.

10. LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2025 was based on the loss attributable to common shareholders of $275,016 (2024 – $46,630; 2023 – $56,781) and a weighted average number of common shares outstanding of 64,737,200 (2024 – 57,871,475; 2023 – 54,674,754).

Diluted loss per share did not include the effect of 1,575,000 share purchase options and 21,400,000 warrants outstanding at year end (2024 - 1,575,000 share purchase options and 26,666,667 warrants; 2023 - 1,620,750 share purchase options and 16,666,667 warrants) as they are anti-dilutive.

11. FINANCIAL INSTRUMENTS

The fair values of the Company's cash, other receivables, advance to related party, due from optionee, accounts payables and accrued liabilities and due to related parties approximate their carrying values because of the short-term nature of these instruments.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest risk, equity market price risk and currency risk.

(a) Credit risk

Credit risk exposure primarily arises with respect to the company's cash, amounts receivable from an optionee and a related party. The risk exposure is limited because the Company places its instruments in banks of high credit worthiness in Canada, Portugal and Kosovo and continuously monitors the collection of other receivables.

(b) 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 manages liquidity risk through the management of its capital structure.

As at December 31, 2025, the Company had cash of $493,359 (December 31, 2024 - $141,011), sales tax receivables of $21,113 (December 31, 2024 - $9,986) and other receivables of $17,247 (December 31, 2024 - $10,897) to settle current liabilities of $293,108 (December 31, 2024 - $125,315).

Accounts payable and accrued liabilities are due within the current operating period.

(c) Interest rate risk

Interest rate risk is not material as the Company does not have any significant financial assets or liabilities subject to fluctuation in interest rates.

(d) Equity market price risk

The Company is exposed to price risk with respect to equity market prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to finance due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

(e) Currency risk

The Company's property interests in Portugal, Finland and Kosovo make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary assets of $13,700 dominated in Euros. A 1% change in the absolute rate of exchange in US dollars and Euros would affect its net loss by $5,100.

11. FINANCIAL INSTRUMENTS *(Continued)*

IFRS 7 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).

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The non-cash transactions during the years ended December 31, 2025, 2024 and 2023 were as follows:

- As at December 31, 2025, a total of $16,500 (2024 - $10,759; 2023 - $ Nil) in share issue costs were included in accounts payable and accrued liabilities and due to related parties.

13. MANAGEMENT OF CAPITAL RISK

The Company manages its cash, common shares, warrants and share purchase options as capital (see Note 8). The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents held.

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry out its exploration or operations in the near term.

(Presented in Canadian Dollars)

14. INCOME TAX

A reconciliation of income taxes at statutory rates is as follows:

	2025	2024	2023
Net loss	$ (275,016)	$ (46,630)	$ (56,781)
Expected income tax recovery	$ (74,000)	$ (13,000)	$ (15,000)
Effect of foreign tax rate	27,000	(5,000)	(18,000)
Deductible and non-deductible items	(116,000)	-	(5,000)
Deferred tax assets on acquisition of PorMining	(1,814,000)	-	-
True up of prior year amounts	(101,000)	(1,867,000)	(235,000)
Unrecognized benefit of deferred tax assets	2,708,000	1,885,000	273,000
	$ -	$ -	$ -

The significant components of the Company's deferred income tax assets are as follows:

	2025	2024
Deferred income tax assets		
Non-capital loss carryforwards	$ 6,428,000	$ 4,357,000
Allowable capital losses	52,000	45,000
Share issue costs	15,000	15,000
	6,495,000	4,417,000
Valuation allowance	(6,495,000)	(4,417,000)
Net deferred income tax assets	$ -	$ -

The Company has available for deduction against future taxable income Canadian non-capital losses of approximately $9,177,000 in Canada (2024 - $8,836,000). These losses, if not utilized, will expire through to 2045. Tax benefits which may arise as a result of these non-capital losses have not been recognized in these consolidated financial statements and have been offset by a valuation allowance.

(Presented in Canadian Dollars)

14. INCOME TAX *(Continued)*

The following table shows the non-capital losses in Canada:

Year of Origin	Year of Expiry	Non-capital losses
2008	2028	$ 10,500
2009	2029	45,000
2010	2030	38,500
2010	2030	325,000
2011	2031	51,500
2012	2032	798,000
2013	2033	606,000
2014	2034	921,000
2015	2035	837,000
2016	2036	1,007,000
2017	2037	854,000
2018	2038	657,000
2019	2039	504,000
2020	2040	476,000
2021	2041	444,000
2022	2042	495,000
2023	2043	416,500
2024	2044	350,000
2025	2045	341,000
		$ 9,177,000

15. SEGMENTED FINANCIAL INFORMATION

The Company operates in one industry segment, being the acquisition and exploration of mineral properties. Geographic information is as follows:

	December 31, 2025	December 31, 2024
Non-current assets		
Portugal	$ 390,609	$ 209,886
Kosovo	1	-
Finland	614,113	682,644
Canada	224,799	154,292
	$ 1,229,522	$ 1,046,822

	Years ended	
	December 31, 2025	December 31, 2024
Mineral exploration expenses		
Portugal	$ 279,349	$ 33,260
Kosovo	-	28,356
	$ 279,349	$ 61,616