Candelaria Mining Corp.

Consolidated Financial Statements

Years Ended April 30, 2025 and 2024

(Expressed in thousands of Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Candelaria Mining Corp.

Opinion

We have audited the accompanying consolidated financial statements of Candelaria Mining Corp. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has cash of $8,000, a working capital deficit of $3,327,000 and an accumulated deficit of $78,961,000. For the year ended April 30, 2025, the Company incurred a net loss of $1,875,000. The Company will require additional financing, through various means including but not limited to equity financings, to continue with its exploration and development programs and meet its future obligations and administrative expenses. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year ended. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of Impairment Indicators or Impairment Reversal of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 8 to the consolidated financial statements, the carrying amount of the Company's E&E Assets (included in Assets held for sale) was $4,594,000 as of April 30, 2025. As more fully described in Note 3 and 8 to the consolidated financial statements, management assesses whether any indication of impairment or impairment reversal exists at the ending of each reporting period for the E&E Assets, including whether there are observable indications that the asset's value has declined, or that previous indicators have reversed, during the period. Management uses judgement when assessing whether there are indicators of impairment or impairment reversal.

The principal considerations for our determination that the assessment of impairment indicators or impairment reversal of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment reversal. For impairment reversal, an asset or CGU that has been previously impaired is tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. Where an impairment charge subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment or impairment reversal that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of indicators of impairment or impairment reversal.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing management's calculation of the recoverable amount of the Pinos Project.
- Obtaining, from legal counsel, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year ended and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Catherine Tai.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

October 24, 2025

Candelaria Mining Corp.
Consolidated Statements of Financial Position
(Expressed in thousands of Canadian dollars)

As at:	**Notes**	**April 30, 2025 ($)**	**April 30, 2024 ($)**
Assets			
Current assets:			
Cash		8	282
Other receivables and prepaids expenses	4	13	42
Assets held for sale	5	4,602	–
		4,623	324
Non-current assets:			
Other receivables – non-current	4	–	1,668
Exploration and evaluation assets	8	–	3,257
		–	4,925
Total assets		4,623	5,249
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities		2,236	1,995
Debenture	9	–	3,257
Caballo Blanco acquisition payable	8	1,769	1,031
Liabilities associated with assets held for sale	5	3,945	–
		7,950	6,283
Non-current liabilities:			
Caballo Blanco acquisition payable	8	–	646
Total liabilities		7,950	6,929
Shareholders' equity (deficiency)			
Share capital	10	60,983	60,983
Equity reserves		14,651	14,423
Deficit		(78,961)	(77,086)
Total shareholders' equity (deficiency)		(3,327)	(1,680)
Total liabilities and shareholders' equity (deficiency)		4,623	5,249

Nature of operations and going concern	1
Subsequent events	19

Approved by the Board of Directors on October 24, 2025, and signed on the Company's behalf by:

"Hector Gonzalez" Director

"Luis Chavez" Director

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

Candelaria Mining Corp.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in thousands of Canadian dollars, except share and per share amounts)

			Year ended April 30, 2025 ($)		2024 ($)
	Note				
General and administration expenses					
Exploration expense	15		264		679
Consulting and professional fees	12		411		437
General and administrative			4		156
Regulatory and filing fees			6		39
Stock-based compensation	11		–		(70)
			685		1,241
Other expense (income):					
Finance cost	8 & 9		637		1,245
Foreign exchange loss			381		95
Impairment (reversal) of exploration and evaluation assets	8		(1,337)		8,874
Impairment of equipment	7		–		615
Impairment of deposit for equipment in transit	7		–		1,087
Other expense, net of (income)	4 & 17		1,509		1,089
Net loss			1,875		14,246
Other comprehensive loss					
Items that may be reclassified subsequently to profit or (loss)					
Foreign currency translation adjustment			(228)		(1,051)
Total loss and comprehensive loss			1,647		13,195
Weighted average number of common shares outstanding					
Basic and diluted (000's)			149,873		149,873
Loss per share					
Basic and diluted loss per share	16	$	0.01	$	0.10

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

Candelaria Mining Corp.
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Amount expressed in thousands of Canadian dollars, except where indicated)

	Note	Number of common shares (000's)	Share capital ($)	Equity reserves ($)	Translation reserves ($)	Deficit ($)	Total ($)
Balance as at April 30, 2023		149,873	60,983	12,364	1,078	(62,840)	11,585
Stock based compensation	11	–	–	(70)	–	–	(70)
Foreign currency translation adjustment		–	–	–	1,051	–	1,051
Loss for the year		–	–	–	–	(14,246)	(14,246)
Balance as at April 30, 2024		149,873	60,983	12,294	2,129	(77,086)	(1,680)
Foreign currency translation adjustment		–	–	–	228	–	228
Loss for the year		–	–	–	–	(1,875)	(1,875)
Balance as at April 30, 2025		149,873	60,983	12,294	2,357	(78,961)	(3,327)

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

Candelaria Mining Corp.

Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian dollars)

	Note		Year ended April 30,
		2025	**2024**
		($)	**($)**
Cash (used in) provided by:			
Operating activities:			
Net loss for the year		(1,875)	(14,246)
Items not involving cash:			
Unrealized foreign exchange		337	27
Stock based compensation		–	(70)
Finance cost	9	552	1,245
Accretion	8	85	73
Impairment (reversal) of exploration and evaluation assets		(1,337)	8,874
Impairment of equipment		–	615
Impairment of deposit for equipment in transit		–	1,087
Impairment of other receivables and prepaid expenses		1,509	1,069
Changes in non-cash working capital:			
Other receivable and prepaid expense		4	147
Accounts payable and accruals		458	345
Cash used in operating activities		(267)	(834)
Cash – reclassified from assets held for sale		(7)	
Effect of foreign exchange rate changes on cash		–	27
Effect of foreign exchange rate changes on cash		–	27
Decrease in cash		(274)	(807)
Cash, beginning of the year		282	1,089
Cash, end of the year		8	282

During the year ended April 30, 2025 and 2024, the Company paid $nil and $nil in income taxes, and paid $nil and $nil in interest respectively.

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

1 Nature of Operations and Going Concern

Candelaria Mining Corp. ("Candelaria" or the "Company") is a British Columbia public company listed on the TSX Venture Exchange ("TSXV") under the trading symbol "CAND.H". The Company was incorporated under the Business Corporations Act of British Columbia on January 23, 2012. The Company's registered and records office is located at Suite 1200, 750 West Pender Street, Vancouver, BC, Canada, V6C 2T8. The address of the Company's head office is 410 - 1111 Melville Street, Vancouver, BC V6E 3V6.

The Company's principal business activities include the acquisition, exploration and development of resource properties in the Americas.

Going Concern

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future which is at least, but not limited to, twelve months from the end of the reporting year.

The Company has not yet generated income or cashflow from operations. As at April 30, 2025, the Company had cash of $8 (April 30, 2024 - $282), a working capital deficit of $3,327 (April 30, 2024 - $5,959) and an accumulated deficit of $78,961 (April 30, 2024 - $77,086). For the year ended April 30, 2025, the Company incurred a net loss of $1,875 (April 30, 2024 – loss of $14,246). The Company will require additional financing, through various means including but not limited to equity financings, to continue with its exploration and development programs and to meet its future obligations and administrative expenses. There is no assurance that the Company will be successful in raising the additional required funds.

These events and conditions indicate that a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2 Basis of Presentation

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The consolidated financial statements are presented in Canadian dollars.

The consolidated financial statements were authorized for issue on October 24, 2024, by the directors of the Company.

Basis of measurement

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

Presentation currency

The consolidated financial statements are presented in Canadian dollars; therefore, references to $ means Canadian dollars, US$ are to U.S. dollars and MXN$ to Mexican pesos.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS, requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Such estimates primarily relate to share-based transaction valuations, fair values of financial instruments and the recoverability of deferred income tax assets and exploration and evaluation assets. Actual results could differ from those estimates. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included below.

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment to determine whether it is likely that future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. The determination of a compliant resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred).

Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of such expenditures is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Management has determined that exploration and evaluation costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans. Management also applied judgment in determining when events or circumstances indicate that the estimates used to determine the recoverable amount have changed since the prior impairment loss was recognized.

Deferred taxes

The Company recognizes a deferred tax asset to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. To the extent that future cash flows and taxable profit differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

Share-based payments

The Company grants share-based awards as an element of compensation that includes stock options and restricted share units.

Share-based payments for stock options are determined using the Black-Scholes option pricing model based on estimated fair values at the date of grant and is expensed to profit or loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

Share-based payments for restricted share units are determined using the market price at the date of grant and is expensed to profit or loss over each award's vesting period.

Functional Currency

The functional currency is the currency of the primary economic environment in which an entity operates. This has been determined within each entity within the Company. The Company considers the functional currency for its Canadian entity to be the Canadian dollar. The functional currency for the entities operating in Mexico is the Mexican pesos.

For entities with a functional currency other than the presentation currency, foreign currency balances are translated as follows:

(Amounts expressed in thousands of Canadian dollars, except where otherwise noted and per share amounts)

- Assets and liabilities are translated at period end exchange rates;
- Revenue and expenses are translated using exchange rates approximating those in effect on the date transactions occurred; and
- Exchange gains and losses arising on translation are recorded to foreign currency translation reserve in other comprehensive income.

The individual financial statements of each of the Company's subsidiaries are presented in their functional currency, which is the currency of the primary economic environment in which the entity operates. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Basis of consolidation

These consolidated financial statements include the accounts of the Company, and the entities controlled by the Company (its subsidiaries), as follows:

Subsidiary	Place of Incorporation	Functional Currency	Beneficial Interest
Candelaria Mining Corp. (Parent company)	Canada	Canadian dollar	N/A
Grupo Minero Candelaria, S.A.P.I. de C.V.	Mexico	Mexican Peso	100%
Maquila de Minerales, S.A. de C.V.	Mexico	Mexican Peso	100%
Minera Apolo, S.A. de C.V. ("Apolo")*	Mexico	Mexican Peso	100%
Minera Catanava, S.A. de C.V. ("Catanava")*	Mexico	Mexican Peso	100%
Minera Caballo Blanco, S.A. de C.V.	Mexico	Mexican Peso	100%

Subsidiaries are entities over which the Company has control, either directly or indirectly. Control is achieved when the Company has the power to govern the financial and operating policies of an entity, typically through holding a majority of the voting rights. Subsidiaries are fully consolidated from the date on which control is obtained and are deconsolidated from the date on which control ceases. All intercompany transactions, balances, income, and expenses are eliminated on consolidation.

* Please refer to Note 19 – Subsequent Events for details regarding subsidiaries disposed of subsequent to April 30, 2025.

3 Material Accounting Policy Information

Basis of consolidation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. The policies set out below were consistently applied to all periods presented. These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash within ninety days of purchase. The Company did not have any cash equivalents as at April 30, 2025 and 2024.

Exploration and evaluation expenditures

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation activity includes, but is not limited to:

- Exploratory drilling and sampling

- Surveying transportation and infrastructure requirement
- Gathering exploration data through geophysical studies

The Company capitalizes all direct costs of acquiring resource property interests. Option payments are considered acquisition costs if the Company has the intention of exercising the underlying option.

Once the legal right to explore has been acquired, exploration and evaluation expenditures are charged to profit or loss as incurred, unless management concludes that a future economic benefit is more likely than not to be realized. These costs include materials used, surveying costs, drilling costs, and payments made to contractors. Any speculative acquisition costs are charged to profit or loss as incurred.

Exploration costs incurred prior to the determination of economically recoverable reserves are expensed as "exploration costs' in the consolidated statement of loss and comprehensive loss.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing historical characteristic of many properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge title to all of its properties are in good standing.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation assets costs in respect of that project are deemed to be impaired. As a result, those exploration and evaluation asset costs, in excess of the estimated recoverable amount, are written off to the consolidated statement of loss and comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined and a development decision made, the property is considered to be a mine under development. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

Equipment

Equipment is recorded at cost and carried net of accumulated depreciation and accumulated impairment losses. Costs of additions and improvements are capitalized. An item of equipment is derecognized upon disposal, or impaired when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss on disposal of the asset, determined as the difference between the proceeds and the carrying amount of the asset is recognized in profit or loss.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the equipment, which is estimated to be 3 – 4 years.

Provisions

Liabilities are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is certain that a reimbursement will be received, and the amount receivable can measured reliably.

Financial instruments

Financial assets are classified and measured at: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income (“FVOCI”) and amortized cost. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. Measurement and classification of financial assets is dependent on the Company’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset i.e. whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates;

Level 3: valuation based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The carrying value of cash, other receivables and accounts payable and accrued liabilities approximate their fair values because of their short-term nature.

The carrying values of debenture and Caballo Blanco acquisition payable approximate their fair values because they are carried at amortized cost using rates comparable to market interest rates.

Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met: the financial asset is held with the objective to collect contractual cash flows; and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (“SPPI”). This is referred to as the SPPI test.

Financial assets at amortized cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Interest received is recognized as part of finance income. Gains and losses are recognized when the asset is derecognized, modified or impaired. The Company’s financial assets at amortized cost include:

- cash, if any; and
- other receivables.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value i.e. fail the SPPI test. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss. An embedded derivative will often make a financial asset fail the SPPI test thereby requiring the instrument to be measured at FVTPL in its entirety. The Company does not have any financial assets carried at FVTPL.

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the Company has transferred substantially all the risks and rewards of ownership. On derecognition, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments. Gains or losses on financial liabilities at FVTPL are recognized in profit or loss. The Company does not have any financial liabilities carried at FVTPL.

Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and accounts payable and accrued liabilities, and related party balances are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of loss and comprehensive loss. Gains and losses are recognized when the financial liability is derecognized.

The Company's financial liabilities at amortized cost include:

- accounts payable and accrued liabilities;
- Caballo Blanco acquisition payable; and

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income or loss. The modification accounting also requires that gain or loss to be recognized in the statement of loss and comprehensive loss.

Financial liabilities are derecognized when the obligation specified in the underlying contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss, unless the financial liability is settled with the Company's shares, in which case it is recognized in profit or loss or equity.

Offsetting

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

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses ("ECL") on financial assets measured at amortized cost. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when:

• The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or

• The financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed for indicators of impairment at the end of each reporting period. If there are indicators of impairment, an evaluation is undertaken to determine whether the carrying amounts are in excess of their recoverable amounts. An asset's recoverable amount is determined as the higher of its fair value less costs to sell and its value-in-use. Such reviews are undertaken on an asset-by-asset basis, except where assets do not generate cash flows independent of other assets, in which case the assets are grouped together into the smallest group of assets that generate independent cash inflows and then a review is undertaken at the cash-generating unit level.

If the carrying amount of an individual asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recorded in profit or loss to reflect the asset at the lower amount. In assessing the value-in-use, the relevant future cash flows expected to arise from the continuing use of such assets and from their disposal are discounted to their present value using a pre-tax discount rate which reflects the current market's assessments of the time value of money and asset-specific risks for which the cash flow estimates have not been adjusted. Fair value less costs to sell is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

A reversal of a previously recognized impairment loss is recorded in profit or loss when events or circumstances indicate that the estimates used to determine the recoverable amount have changed since the prior impairment loss was recognized. The carrying amount is increased to the recoverable amount but not beyond the carrying amount net of amortization which would have arisen if the prior impairment loss had not been recognized. After such a reversal, the amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Assets Held-for-Sale

Non-current assets, or disposal group, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposals, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to financial assets or investment property, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognized in profit or loss.

Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the asset and 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. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Contingently issuable or returnable shares are excluded from the determination of the weighted average number of shares outstanding.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock option reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Restricted share units ("RSU")

RSUs issued to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the RSU reserve. The fair value of an RSU is determined using the trading price on the date of issuance of the RSU. The number of RSU's expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Share issuance costs

Share issue costs, which includes commissions, professional fees and regulatory fees, are charged directly to share capital.

Valuation of equity units issued in a private placement

Shares and warrants issued as private placement units are measured using the residual value method whereby value is first allocated to the common shares component based on its fair value with the residual value being attributed to the warrant unit.

The fair value of finder's warrants is calculated based on the Black-Scholes valuation model.

New accounting standards and interpretations adopted during the current year

As at May 1, 2024, the Company adopted amendments to IAS 1 Presentation of Financial Statements that provides a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date and does not impact the amount or timing of recognition. The adoption of this amendment did not have any material impact on the financial statements.

(Amounts expressed in thousands of Canadian dollars, except where otherwise noted and per share amounts)

New accounting standards and amendments not yet adopted

As at April 30, 2025, the following accounting standards and amendments are effective for future periods. The Company is in the process of assessing the potential impact upon adoption.

- IFRS 18 Presentation and Disclosure in Financial Statements – IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.
  - Three defined categories for income and expenses - operating, investing and financing – to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.
  - Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.
  - Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027.

4 Other Receivables and Prepaid Expenses

		April 30, 2025		April 30, 2024
Other receivables	$	13	$	17
IVA receivables*		-		1,668
Prepaid expenses		-		25
	$	13	$	1,710
Current portion	$	13	$	42
Non current portion	$	-	$	1,668

*IVA receivables are value added tax receivables in Mexico that generally apply to all imports, supplies of goods, and the provision of services by a taxable person unless specifically exempted by a particular law. The tax is imposed by the federal government of Mexico and ordinarily applies on each level of the commercialization chain. As at April 30, 2025, the Company determined that IVA receivable totalling $1,509 is not recoverable and recorded an allowance.

5 Assets held for sale and liabilities associated with assets held for sale

On March 6, 2025, the Company entered into an agreement with Goldgroup Mining Inc. ("Goldgroup") (Note 9) to transfer all of the issued and outstanding shares of its subsidiary, Minera Apolo, S.A. de C.V. ("Apolo"), to Goldgroup. Consequently, the assets and liabilities of Apolo and its wholly owned subsidiary, Minera Catanava, S.A. de C.V. ("Catanava"), have been reclassified as assets held for sale and liabilities associated with assets held for sale as at April 30, 2025. The carrying values are as follows:

		Amounts
Assets		
Cash	$	7
Other receivables		1
Exploration and Evaluation Assets		4,594
Total assets held-for-sale	$	4,602
Liabilities		
Accounts payable and accrued liabilities	$	124
Debenture		3,821
Total liabilities associated with assets held for sale	$	3,945

Please refer to Note 19 – Subsequent Events, for additional information.

6 Financial Instruments

As at April 30, 2025, the Company's financial instruments comprise cash, other receivables, accounts payable and accrued liabilities, debenture, and Caballo Blanco acquisition payable. The fair values of the Company's financial instruments approximate their carrying values due to their short-term maturity.

Fair value of financial instruments:

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly
- Level 3 – Inputs that are not based on observable market data.

The Company's activities expose it to financial risks of varying degrees of significance, which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are credit risk, liquidity risk and currency risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and other receivables. The Company's cash is held through large Canadian and Mexican financial institutions, while the Company's other receivables primarily consist of trade receivables that the Company continues to collect. These trade receivables are primarily with government agencies and are not subject to significant credit risk.

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. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures.

The Company ensures that sufficient funds are raised from equity offerings or debt financings to meet its operating requirements, after considering existing cash balances, expected exercise of share purchase warrants, and stock options. The Company's ability to continue as a going concern involves significant judgements and estimates while determining forecasted cashflows and is dependent on the Company's ability to obtain financing (Note 1). Most of the Company's financial liabilities have contractual maturities of 30 days or less and are subject to normal trade terms.

(Amounts expressed in thousands of Canadian dollars, except where otherwise noted and per share amounts)

Interest Rate Risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company currently has interest-bearing financial instruments in relation to debt (Note 9). The Company's exposure to interest rate risk is minimal as the interest rates are at a fixed percentage on the term of the loan.

Foreign Exchange Risk

The Company is exposed to currency risk by having balances and transactions in currencies that are different from its functional currency. The Company operates in foreign jurisdictions, which uses the Mexican pesos and U.S. dollars. The Company does not use derivative instruments to reduce upward, and downward risk associated with foreign currency fluctuations. The following are the Canadian dollar equivalents as at April 30, 2025.

	U.S. dollars	Mexican Peso
Cash	$ -	$ 11
Other receivables	-	2
Accounts payable and accrued liabilities	(966)	(974)
Debenture (included in liabilities associated with assets held for sale)	(3,821)	-
Caballo Blanco acquisition payable	(1,769)	-
Net financial (liabilities) assets	$ (6,556)	$ (961)

The following are the Canadian dollar equivalents as at April 30, 2024.

	U.S. dollars	Mexican Peso
Cash	$ -	$ 217
Accounts payable and accrued liabilities	(1,023)	(724)
Debenture	(3,257)	-
Caballo Blanco acquisition payable	(1,677)	-
Net financial (liabilities) assets	$ (5,957)	$ (507)

A 10% change in the U.S. dollar exchange rate relative to the Canadian dollar would change the Company's comprehensive loss by $198 (April 30, 2024 – $596). A 10% change in the Mexican peso exchange rate relative to the Canadian dollar would change the Company's comprehensive gain (loss) by ($96) (April 30, 2024 – ($51)).

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings 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.

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 of gold to determine the appropriate course of action to manage this risk.

(Amounts expressed in thousands of Canadian dollars, except where otherwise noted and per share amounts)

7 Equipment

		Cost		Depreciation		Net Book Value
Balance, April 30, 2023	$	575	$	-	$	575
Impairment		(615)		-		(615)
Foreign exchange movement		40		-		40
Balance, April 30, 2024 and April 30, 2025	$	-	$	-	$	-

As of April 30, 2025, the Company had paid deposits for equipment in transit totaling $nil (April 30, 2024 – $nil).

During the year ended April 30, 2024, management determined that the deposit for equipment in transit and equipment were impaired, and recorded impairment charges of $1,087 and $615, respectively.

8 Exploration and Evaluation Assets

		Pinos Mining Project
Balance, April 30, 2023	$	11,289
Impairment		(8,874)
Foreign exchange movement		842
Balance, April 30, 2024	$	3,257
Impairment reversal		1,337
Transfer to assets held for sale		(4,594)
Balance, April 30, 2025	$	-

Pinos Mining Project

On February 27, 2015, the Company, entered into an agreement (the "Agreement") with the shareholders of Apolo to acquire 60% of Apolo's issued and outstanding common shares. On December 5, 2018, the Company announced that it has agreed to issue 7,075,472 of the Company's common shares to the shareholder of Apolo to acquire the remaining 40% of the shares of Minera Apolo.

On July 31, 2020, the Company acquired the remaining 40% of Apolo. As consideration, the Company issued 7,075,472 shares with a fair value of $3,750. Additionally, the Company committed to pay an additional US$50 twelve months after achieving a production milestone of 250 tons per day, US$100 twenty-four months after, and US$150 thirty-six months after. The Company also incurred transaction costs of $16. Since there was no change in control of Apolo, a reversal of the non-controlling interest of $1,763 was recorded. The net impact of $2,003 was recognized as a deficit.

The Company granted a 1.5% NSR on the Apolo Property to the shareholders of Apolo. The Company will have a right of first refusal on the NSR.

On November 25, 2020, the Company sold a 0.5% net smelter return royalty ("NSR") on production from the Pinos Project to Empress Royalty Corp. ("Empress") for $974 (US$750). The Company can buy back 0.25% of this NSR, from Empress, for US$937.

Empress also purchased an additional 0.5% NSR from a previous royalty holder on the Pinos Project, for a total of a 1.0% NSR on the Pinos Project.

The Pinos Project, in total, is subjected to NSR royalties of 2.5%.

The rights holder of the Company's Debenture as disclosed in Note 9 was transferred to Goldgroup Mining Inc., ("Goldgroup"). On August 14, 2024, Goldgroup issued a notice to the Company regarding events of default under the Debenture. The difference between the carrying value of the Pinos Project and the Debenture constitutes an impairment indicator; consequently, an impairment of $8,874 was recorded for the Pinos Project as at April 30, 2024.

On March 6, 2025, the Company and Goldgroup entered into an agreement to suspend enforcement proceedings related to the debenture, which was secured by the shares of Minera Apolo, S.A. de C.V. ("Apolo"), the holder of the Pinos Project. Subsequent to year-end, on July 2, 2025, the Company completed the transfer of all of the issued and outstanding shares of Apolo to Goldgroup in full and final settlement of the debenture. In addition to the extinguishment of the debenture balance, the Company received consideration consisting of 716,667 common shares of Goldgroup and an initial cash payment of US$89. The remaining balance of US$89 is due on January 2, 2026.

Based on the consideration received and the extinguishment of the Debenture, the fair value less costs of disposal of the Pinos Project exceeded its carrying amount as at April 30, 2025. As a result, the Company reversed $1,337 of the previously recognized impairment loss on the Pinos Project, limited to the amount that would have been recognized had no impairment been recorded in prior periods, in accordance with IAS 36 Impairment of Assets.

Please refer to Note 19 – Subsequent Events, for additional details on the completion of the transaction with Goldgroup.

Mineral interest in Caballo Blanco

On May 11, 2016, the Company signed an agreement to acquire the Caballo Blanco Gold Project ("Caballo Blanco") in Veracruz, Mexico from Molimentales Del Noroeste, S.A. de C.V. ("Molimentales"), a subsidiary of Alamos Gold Inc. Pursuant to the terms of the agreement, the Company will pay Molimentales a total of US$12.5 million in cash and assume US$5 million in liabilities in exchange for the project and all related rights and assets.

Pursuant to the terms of the agreement, the Company will acquire the Caballo Blanco project in exchange for cash payments to be paid over a period of twelve months. The Company has fulfilled all of terms and payments except for US$750 ($1,036 as at April 30, 2025). This amount will be paid out to the vendor of Caballo Blanco when one of the concessions, which is currently under legal dispute, reaches legal settlement.

The Company agreed to assume a US$5.0 million payment obligation owing to Goldgroup. On August 18, 2016, the Company settled a US$5 million contingent payment to Goldgroup in exchange for US$3.1 million in payments. Pursuant to the settlement, the Company has paid US$2.5 million. This was paid directly from Credipresto; as a result, the Company issued a corresponding US$2.5 million convertible debenture. The remaining balance is US$531 ($733 as at April 30, 2025), to be paid upon SEMARNAT approval.

Caballo Blanco is subjected to two separate underlying royalty commitments as defined below:

a) Almaden Minerals Limited retains a 1.5% NSR
b) A 3rd party (arm's length) retains an NSR as follows:
    - 1.25% NSR up to 1,000 tonnes per day
    - 1.00% NSR from 1,001 to 1,500 tonnes per day
    - 0.75% NSR from 1,501 to 10,000 tonnes per day
    - 0.5% NSR from 10,001 or more tonnes per day

As at April 30, 2025, the Company expects the liability to be settled in one year (2024 – two years). The face value of US$600 is discounted over one year (2024 – two years) with the discount rate of 13%.

(Amounts expressed in thousands of Canadian dollars, except where otherwise noted and per share amounts)

		April 30, 2025		April 30, 2024
Opening balance	$	1,677	$	1,578
Accretion expense		85		73
Foreign exchange movement		7		26
	$	1,769	$	1,677
Current portion	$	1,769	$	1,031
Non - current portion		-		646

In connection with the Caballo Blanco property, the Company has received advances from a third party to cover expenditures related to Caballo Blanco. As at April 30, 2025, the total amount advanced was MXN$8.075 million (April 30, 2024 – MXN$5.727 million). This balance is included in accounts payable and accrued liabilities.

9 Debenture

On June 24, 2020, the Company closed a US$9,000 loan facility ("Debenture") with Accendo Banco, S.A., Institucion de Banca Multiple ("Accendo"). Funds advanced under the Debenture were used for financing construction of the Company's Pinos mining project and working capital purposes. The Debenture is secured by a trust agreement that holds the shares of Apolo, will bear interest at 13% per annum (default rate 26% per annum), and have a term of 60 months from the initial draw date. The Company withdrew US$1,500 upon execution of the Debenture, with the balance to be made available on completion of final loan documentation.

In connection with the Debenture, Accendo received a cash fee from the Company of 2% of the drawn amount of the Debenture, as well as 18 million non-transferable share purchase warrants (the "Bonus Warrants"). Each Bonus Warrant will entitle Accendo to purchase one common share of the Company at a price (the "Exercise Price") of $0.11 per share for a period of 60 months. The warrants and other transaction costs were determined to be prepayment for financing services in relation to the funds available under the Debenture. The transaction costs have been recorded as a deferred asset on the statement of financial position and was recognized against the liability and amortized into finance cost as amounts are drawn.

On September 28, 2021, the Mexican National Banking and Securities Commission notified Accendo of the revocation of its authorization to organize and operate as a multiple banking institution due to Accendo falling below the regulatory minimum levels of liquidity coverage ratio of the institution. The Company was not expecting to draw additional funds under the loan facility in the short term. Due to these events, the Company anticipates that its ability to draw any future funds may be impaired. As a result, the remainder of the transaction costs recorded as a deferred asset on the statement of financial position have been recognized in the statement of loss and comprehensive loss for the year ended April 30, 2022.

On August 13, 2024, Goldgroup Mining Inc. ("Goldgroup") entered into an agreement to acquire the Debenture. On August 14, 2024, the Company received a default notice from Goldgroup demanding repayment of the Debenture. In response to the default notice, the Company recognized the remaining unamortized transaction costs in the statement of loss and comprehensive loss and reclassified the Debenture as a current liability as at April 30, 2024.

On March 6, 2025, the Company reached an agreement with Goldgroup in which Candelaria will transfer all of the issued and outstanding shares of its subsidiary Apolo to Goldgroup. This transfer constitutes full and final satisfaction of the loan facility.

In addition, Goldgroup agreed to provide additional consideration to Candelaria, including cash payments and the issuance of common shares as follows:

- A cash payment of US$89 within five days of receipt of all necessary approvals from the Exchange required by Goldgroup and Candelaria to complete the transaction (received subsequent to April 30, 2025);

(Amounts expressed in thousands of Canadian dollars, except where otherwise noted and per share amounts)

- A cash payment of US$89 on the later of (i) the delivery of the Apolo shares to Goldgroup, or (ii) six months after receipt of the Exchange approvals, provided that the Apolo shares have been delivered to Goldgroup by such date; and
- Issue 716,667 common shares of Goldgroup to Candelaria (received subsequent to April 30, 2025).

Upon completion of the transaction, all claims against Candelaria related to the loan facility will be released.

As at April 30, 2025, the carrying value of the assets and liabilities related to Apolo and its wholly own subsidiary Catanava were classified as held for sale. This classification resulted in the reclassification of $4,602 of assets to assets held for sale and $3,945 of liabilities to liabilities associated with assets held for sale. The related transaction was completed on July 2, 2025. Please refer to Note 19 – Subsequent Events for additional information.

The following table is the carrying value of the Debenture as at April 30, 2025 and 2024:

		Amounts
Balance, April 30, 2023	$	2,018
Interest accrued		658
Accretion		587
Foreign exchange movement		(6)
Balance, April 30, 2024	$	3,257
Interest accrued	$	552
Reclassification to liabilities associated with assets held for sale		(3,821)
Foreign exchange movement		12
Balance, April 30, 2025	$	-

10 Share Capital

The Company’s authorized share capital consists of an unlimited number of common shares without par value.

There was no common share transactions during the years ended April 30, 2025 and 2024.

Share purchase warrants

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

	Warrants outstanding ('000)		**Weighted average exercise price**
Outstanding, April 30, 2023 and 2024	27,380	$	0.29
Issued	-		-
Expired	(9,380)		0.65
Exercised	-		-
Outstanding, April 30, 2025	18,000	$	0.11

There was no purchase warrants issued during the years ended April 30, 2025 and 2024.

Details of the Company share purchase warrants outstanding are as follows:

(Amounts expressed in thousands of Canadian dollars, except where otherwise noted and per share amounts)

	Outstanding			
Expiry date	Number of warrants ('000)		Exercise price	Remaining contractual life (years)
28-Jun-25	18,000	$	0.11	0.16
	18,000	$	0.11	

On June 28, 2025, a total of 18,000,000 share purchase warrants expired unexercised.

11 Stock Based Compensation

The Company has a share purchase option plan which provides for equity participation in the Company by its directors, officers, employees, consultants and consultant companies through the acquisition of common shares pursuant to the grant of options to purchase shares of the Company. The option plan is administered by the Board of Directors. Options may be granted on such terms as the Board may determine within the limitations of the option plan and subject to the rules and policies of applicable regulatory authorities. The maximum number of common shares reserved for issuance, in the aggregate, under the plan is 10% of the aggregate number of common shares issued and outstanding to be granted under certain restrictions. The exercise price for options granted may not be less than the market price of the shares on the day immediately preceding the date of the grant of the option. A stock option shall be exercisable during a period established by the Board, which shall commence on the date of the grant and shall terminate no later than ten (10) years after the date of grant of the award or such shorter period as the Board may determine.

The continuity of the number of stock options issued and outstanding are as follows:

	Number of stock options ('000)		Weighted average exercise price
Outstanding, April 30, 2023	8,035	$	0.25
Issued	-		0.00
Expired	(75)		1.00
Cancelled	(7,480)		0.25
Outstanding, April 30, 2024 and April 30, 2025	480	$	0.23

During the year ended April 30, 2025 and 2024, the Company did not grant stock options.

As at April 30, 2025, the number of stock options outstanding and exercisable were:

	Outstanding			Exercisable	
Expiry date	Number of stock options ('000)		Exercise price	Remaining contractual life (years)	Number of stock options
27-Jul-25	280	$	0.30	0.24	280
27-Apr-27	200		0.14	1.99	200
	480	$	0.23		480

During the year ended April 30, 2025, the Company recognized stock-based compensation expense related to stock options of

(Amounts expressed in thousands of Canadian dollars, except where otherwise noted and per share amounts)

$nil (April 30, 2024 – recapture of $70).

On July 27, 2025, a total of 280,000 stock options expired unexercised.

12 Related Party Transactions

The Company's related parties include its subsidiaries and key management personnel which consists of senior executive management and directors. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. Compensation provided to key management personnel is as follows:

		Year ended April 30,		
		2025		**2024**
Professional fees	$	179	$	116
Stock based compensation		-		(62)

Professional fees were paid and accrued to firms of which one of the partners has been the Chief Executive Officer, President or Chief Financial Officer of the Company.

As at April 30, 2025, the Company had amounts payable of $73 (April 30, 2024 – $12) to these parties. These amounts are unsecured and non-interest bearing, due on demand and included in accounts payable and accrued liabilities.

13 Capital Management

The capital of the Company consists of items included in shareholders' equity (deficiency). The Company's objectives for capital management are to safeguard its ability to support the Company's normal operating requirement on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The Company manages its capital structure and makes adjustments in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. As at April 30, 2025, the Company will require to raise additional capital resources to support its normal operating requirements, planned development and exploration of its mineral properties. There are no externally imposed capital requirements to which the Company has not complied.

There has been no change to the Company's approach to capital management during the year ended April 30, 2025.

14 Segment Disclosures

The Company operates in a single operating segment: mineral exploration in Mexico. Details of the investments in exploration and evaluation assets are disclosed in Note 8 and 15. The Company's non-current assets are located in Mexico.

15 Exploration Expenses

During the year ended April 30, 2025, the Company incurred exploration expenses related to general project investigations and evaluation expenses across various projects.

(Amounts expressed in thousands of Canadian dollars, except where otherwise noted and per share amounts)

	Caballo Blanco	Pinos	Total
Salary, consulting and administration	$ 109	$ 82	$ 191
Equipment maintenance and rental	1	70	71
Concessions and permitting	-	2	2
Year ended April 30, 2025	110	154	264
Project to date – April 30, 2025	$ 5,546	$ 4,385	$ 9,931

During the year ended April 30, 2024, the Company incurred exploration expenses related to general project investigations and evaluation expenses across various projects, as follows:

	Caballo Blanco	Pinos	Total
Salary, consulting and administration	$ -	$ 166	$ 166
Equipment maintenance and rental	-	6	6
Concessions and permitting	436	71	507
Year ended April 30, 2024	436	243	679
Project to date – April 30, 2024	$ 5,436	$ 4,231	$ 9,667

16 Loss Per Share

Basic loss per share amounts is calculated by dividing the net loss for the year by the weighted average number of common shares outstanding during the period.

	Year ended April 30, 2025	2024
Loss attributable to common shareholders	$ 1,875	$ 14,246
Weighted average number of shares ('000)	149,873	149,873
Basic and diluted loss per share	$ 0.01	$ 0.10

17 Other (Income) Expense

During the year ended April 30, 2025, the Company recorded other expenses totaling $1,509 (year ended April 30, 2024 – $1,089). In the current year, these expenses primarily related to the recognition of an allowance for unrecoverable value-added tax (“IVA”) receivables of $1,509. In the prior year, the Company recorded an allowance totaling $1,089, of which $545 related to IVA receivables and $544 to other current assets. In both years, the allowances were recorded as management determined that the likelihood of recovering these amounts was low, or that the balances no longer met the definition of an asset under IFRS.

18 Income Tax

The reconciliation of income tax provision computed at Canadian federal and provincial statutory tax rates to the reported income tax provision is:

(Amounts expressed in thousands of Canadian dollars, except where otherwise noted and per share amounts)

		Year ended April 30, 2025		2024
Net loss	$	1,875	$	14,246
Canadian basic statutory tax rate		27%		27%
Expected income tax recovery		(506)		(3,846)
Impact of tax rate changes and other		(44)		(104)
Non-deductible item		44		482
Other		1,049		(770)
Foreign exchange		1,338		2,066
Loss of tax attributes from assets held for sale		3,106		-
Change in deferred tax assets not recognized		(4,987)		2,172
Income tax recovery	$	-	$	-

		Year ended April 30, 2025		2024
Deferred income tax assets				
Evaluation and exploration asset	$	4,579	$	5,232
Share issuance cost and other		-		7
Non-capital losses		4,189		8,044
		8,768		13,283
Deferred tax assets not recognized		(8,768)		(13,283)
Deferred income tax assets	$	-	$	-

The Company has non-capital losses of approximately $10,424 (April 30, 2024 – $10,387) available to reduce future income taxes in Canada, which will expire between 2031 and 2045.

In Mexico, the Company has tax losses of approximately $4,500 (April 30, 2024 – $17,400) available to reduce future income taxes, which will expire between 2026 and 2036.

19 Subsequent Events

a) On July 2, 2025, the Company completed the transaction disclosed in Notes 5 and 9 with Goldgroup, pursuant to which all of the issued and outstanding shares of Apolo, along with subsidiary Catanava were transferred to Goldgroup. As consideration, the Company received cash of US$89, 716,667 common shares of Goldgroup, and is entitled to receive an additional US$89 in cash no later than January 2, 2026.

b) On May 30 and June 27, 2025, Catanava a subsidiary of the Company, received MXN$658 from Minas de Oroco Resources, S.A. de C.V., a subsidiary of Goldgroup, to cover expenditures related to the Pinos Project.

c) On June 28, 2025, a total of 18,000,000 share purchase warrants expired unexercised.

d) On July 27, 2025, a total of 280,000 stock options expired unexercised.