Candelaria Mining Corp.

Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended October 31, 2025 and 2024

Prepared by Management

(Expressed in thousands of Canadian dollars)

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<u>NOTICE OF NO AUDITOR REVIEW</u>

The accompanying unaudited interim condensed consolidated financial statements of Candelaria Mining Corp, (the "Company") have been prepared by and are the responsibility of Company's management and approved by the Company's Audit Committee and Board of Directors.

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

We hereby give notice that the Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

December 30, 2025

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

As at:	Notes	October 31, 2025 ($)	April 30, 2025 ($)
Assets			
Current assets:			
Cash		1	8
Marketable securities	4	882	–
Other receivables and prepaids expenses	5	140	13
Assets held for sale	6	–	4,602
		1,023	4,623
Total assets		1,023	4,623
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities		2,425	2,236
Caballo Blanco acquisition payable	8	1,829	1,769
Liabilities associated with assets held for sale	6 & 9	–	3,945
		4,254	7,950
Total liabilities		4,254	7,950
Shareholders' deficiency			
Share capital	10	60,983	60,983
Equity reserves		14,941	14,651
Deficit		(79,155)	(78,961)
Total shareholders' deficiency		(3,231)	(3,327)
Total liabilities and shareholders' deficiency		1,023	4,623
Nature of operations and going concern	1		

Approved by the Board of Directors on December 30, 2025, and signed on the Company's behalf by:

"Hector Gonzalez" — Director

"Luis Chavez" — Director

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

Candelaria Mining Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

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

		Three months ended October 31,		Six months ended October 31,	
		2025	2024	2025	2024
	Note	($)	($)	($)	($)
General and administration expenses					
Exploration expense	15	1	47	137	100
Consulting and professional fees	12	17	73	89	135
General and administrative		25	19	98	37
Regulatory and filing fees		4	1	5	4
Legal and professional fees		35	0	35	–
		82	140	364	276
Other expense (income):					
Finance cost	9	24	159	119	318
Foreign exchange loss (gain)		25	533	(101)	503
Impairment (reversal) of exploration and evaluation asset	8	56	–	(51)	–
Other (income), net of expense		(121)	–	(165)	–
Loss on sale of disposal of subsidiaries	6 & 9	35	–	28	–
Net loss		101	832	194	1,097
Other comprehensive loss (income)					
Items that may be reclassified subsequently to profit or (loss)					
Foreign currency translation adjustment		194	(216)	1,686	(399)
Comulative foreign currency translation adjustment reclassified as a result of disposal of foreing	6	(262)	–	(1,976)	–
Total loss and comprehensive loss (income)		33	616	(96)	698
Weighted average number of common shares outstanding					
Basic and diluted (000's)		149,873	149,873	149,873	149,873
Loss per share					
Basic and diluted loss per share	16	$ 0.00	$ 0.01	$ 0.00	$ 0.01

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

Candelaria Mining Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Unaudited - 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, 2024		149,873	60,983	12,294	2,129	(77,086)	(1,680)
Foreign currency translation adjustment		–	–	–	399	–	399
Loss for the period		–	–	–	–	(1,097)	(1,097)
Balance as at October 31, 2024		149,873	60,983	12,294	2,528	(78,183)	(2,378)
Balance as at April 30, 2025		149,873	60,983	12,294	2,357	(78,961)	(3,327)
Foreign currency translation adjustment		–	–	–	(1,686)	–	(1,686)
Reclassification of foreign currency translation adjustment on disposal of subsidiaries	6	–	–	–	1,976	–	1,976
Loss for the period		–	–	–	–	(194)	(194)
Balance as at October 31, 2025		149,873	60,983	12,294	2,647	(79,155)	(3,231)

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

Candelaria Mining Corp.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - Expressed in thousands of Canadian dollars)

	Note	Six months ended October 31, 2025 ($)	2024 ($)
Cash (used in) provided by:			
Operating activities:			
Net gain (loss) for the year		(194)	(1,097)
Items not involving cash:			
Unrealized foreign exchange		70	–
Loss on sale of disposal of subsidiaries	6 & 9	28	–
Finance cost	9	90	277
Accretion	8	30	44
Unrealized gain on investments		(166)	
Impairment (reversal) of exploration and evaluation assets	6	(51)	–
Changes in non-cash working capital:			
Other receivable and prepaid expense		(3)	11
Accounts payable and accruals		189	210
Cash used in operating activities		(7)	(555)
Effect of foreign exchange rate changes on cash		–	302
Effect of foreign exchange rate changes on cash		–	302
Decrease in cash		(7)	(253)
Cash, beginning of the period		8	282
Cash, end of the period		1	29

During the three and six months ended October 31, 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 condensed interim 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 condensed interim 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 July 31, 2025, the Company had cash of $1 (April 30, 2025 - $8), a working capital deficit of $3,231 (April 30, 2024 - $3,327) and an accumulated deficit of $79,155 (April 30, 2025 - $78,961). For the six months ended October 31, 2025, the Company recorded a net loss of $194 (October 31, 2024 – net loss of $1,097). 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 condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of measurement

These condensed interim 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.

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

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 condensed interim consolidated financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The Company's critical accounting judgements and estimates were presented in Note 2 of the annual audited consolidated financial statements as at April 30, 2025 and have been consistently applied in the preparation of these condensed interim consolidated financial statements. No new estimates and judgements were applied for the period ended October 31, 2025.

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 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.

3 Material Accounting Policy Information

These condensed interim consolidated financial statements do not include all note disclosures required by IFRS for annual financial statements and, therefore, should be read in conjunction with the audited annual financial statements for the year ended April 30, 2025. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three and six months ended October 31, 2025, are not necessarily indicative of the results that may be expected for the year ending April 30, 2026.

The following new standards and amendments to standards and interpretations, which become effective for current periods.

- IFRS 18 – Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company is currently evaluating the impact of IFRS 18 adoption on the Company's consolidated financial statements.

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

4 Marketable securities

As at October 31, 2025, the Company held 716,667 common shares of Goldgroup Mining Inc., a publicly traded company, measured at fair value through profit or loss. The fair value of these shares at October 31, 2025 was $882 (Level 1 of the fair value hierarchy) (April 30, 2025 – $nil). During the three and six months ended October 31, 2025, the Company recognized an unrealized gain of $122 and $165 respectively in profit or loss (three and six months ended October 31, 2024 – $nil and $nil).

5 Other Receivables and Prepaid Expenses

		October 31, 2025		April 30, 2025
Other receivables	$	140	$	13
Prepaid expenses		-		-
	$	140	$	13

6 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"), including its wholly owned subsidiary, Minera Catanava, S.A. de C.V. ("Catanava").

On July 2, 2025, the Company completed the transaction disclosed in Notes 9, whereby it transferred all issued and outstanding shares of Apolo and Catanava 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.

The fair value of consideration received at the disposal date was $959, comprising the fair value of the Goldgroup shares and cash received and receivable.

As a result of the transaction, the Company recognized a net loss on disposal of $28 in profit or loss for the six months ended October 31, 2025, calculated as follows:

Description		**Amounts**
Fair value of consideration received	$	959
Less: Net assets of subsidiaries disposed		2,907
Preliminary loss on disposal before cumulative translation adjustment reclassification		(1,948)
Less: Reclassification of cumulative translation adjustment from equity to profit or loss		(1,976)
Loss on disposal of subsidiaries recognized in profit or loss	$	28

Prior to the disposal, Apolo and Catanava were considered foreign operations with a functional currency of the Mexican peso. The Company had accumulated a cumulative foreign currency translation adjustment of $1,976 in other comprehensive income, which reflected the translation of these subsidiaries' net assets into the Company's presentation currency over the life of the investment. In accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates, the Company reclassified this amount from other comprehensive income to profit or loss as part of the overall loss on disposal.

Upon completion of the transaction, the assets and liabilities of Apolo and Catanava classified as assets held for sale and liabilities associated with assets held for sale were fully derecognized from the Company's consolidated statement of financial position.

As at April 30, 2025, the assets held for sale and liabilities associated with assets held for sale were 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

7 Financial Instruments

As at October 31, 2025, the Company's financial instruments comprise cash, marketable securities, other receivables, accounts payable and accrued liabilities, 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 financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and the Company's exposure to such risk arises primarily from cash and other receivables. The Company's cash is held with major Canadian and Mexican financial institutions, which management believes present a low credit risk. Other receivables consist primarily of trade receivables that continue to be collected in the normal course of business and are primarily due from government agencies and a publicly traded company; accordingly, management does not consider these receivables to represent a significant concentration of credit risk and does not consider any allowance for expected credit losses to be material as at the reporting date.

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

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.

Interest Rate Risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company currently has no interest-bearing financial instruments.

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 October 31, 2025.

	U.S. dollars	Mexican Peso
Cash	$ -	$ -
Other receivables	125	5
Accounts payable and accrued liabilities	(980)	(974)
Caballo Blanco acquisition payable	(1,829)	-
Net financial liabilities	$ (2,684)	$ (969)

The following are the Canadian dollar equivalents as at April 30, 2025.

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

A 10% change in the U.S. dollar exchange rate relative to the Canadian dollar would change the Company's comprehensive loss by $268 (April 30, 2025 – $198). A 10% change in the Mexican peso exchange rate relative to the Canadian dollar would change the Company's comprehensive loss by $97 (April 30, 2025 – $96).

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.

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

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.

8 Exploration and Evaluation Assets

		Pinos Mining Project
Balance, April 30, 2024	$	3,257
Impairment reversal		1,337
Transfer to assets held for sale		(4,594)
Balance, April 30, 2025	$	-
Impairment reversal		51
Transfer to assets held for sale		(51)
Balance, October 31, 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. On July

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

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.

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 October 31, 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 October 31, 2025, the Company expects the liability to be settled within the current year. The liability has a face value of US$600 and is measured at its present value, discounted over a twelve-month period using a discount rate of 13%.

	October 31, 2025	April 30, 2025
Opening balance	$ 1,769	$ 1,677
Accretion expense	30	85
Foreign exchange movement	30	7
	$ 1,829	$ 1,769

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 October 31, 2025, the total amount advanced was MXN$8.075 million (April 30, 2025 – MXN$8.075 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);
- 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).

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

As at April 30, 2025, the carrying amounts of the assets and liabilities of Apolo and its wholly owned subsidiary, Catanava, were classified as held for sale. As a result of this classification, assets with a carrying value of $4,602 were reclassified to assets held for sale and liabilities with a carrying value of $3,945 were reclassified to liabilities associated with assets held for sale. The related transaction was completed on July 2, 2025 (Note 6), and upon completion, the assets and liabilities of Apolo and Catanava that had been classified as held for sale were fully derecognized from the Company’s consolidated statement of financial position.

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

The following table is the carrying value of the Debenture as at October 31, 2025:

		Amounts
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	$	-
Interest accrued	$	89
Reclassification to liabilities associated with assets held for sale		(89)
Foreign exchange movement		-
Balance, October 31, 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 three and six months ended October 31, 2025 and year ended April 30, 2025.

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, 2024	27,380	$	0.29
Expired	(9,380)		0.65
Outstanding, April 30, 2025	18,000	$	0.11
Expired	(18,000)		0.11
Outstanding, October 31 2025	-	$	-

There was no purchase warrants issued during the three and six months ended October 31, 2025 and year ended April 30, 2025.

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.

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

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, 2024 and 2025	480	$	0.23
Issued	-		
Expired	(280)		0.30
Cancelled	-		
Outstanding, October 31, 2025	200	$	0.14

During the three and six months ended October 31, 2025 and year ended April 30, 2025, the Company did not grant stock options.

As at October 31, 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-Apr-27	200		0.14	1.49	200
	200	$	0.14		200

During the three and six months ended October 31, 2025, the Company recognized stock-based compensation expense related to stock options of $nil and $nil respectively (three and six months ended October 31, 2024 – $nil and $nil respectively).

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:

	Three months ended October 31,				Six months ended October 31,			
		2025		**2024**		**2025**		**2024**
Professional fees	$	30	$	41	$	66	$	83

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.

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

As at October 31, 2025, the Company had amounts payable of $105 (April 30, 2025 – $73) 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' 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 October 31, 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 three and six months ended October 31, 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.

15 Exploration Expenses

During the period ended October 31, 2025, the Company incurred exploration expenses related to general project investigations and evaluation expenses across various projects.

	Caballo Blanco	Pinos	Total
Salary, consulting and administration	$ 109	$ 20	$ 129
Equipment maintenance and rental	1	55	56
Concessions and permitting	(48)	-	(48)
Period ended October 31, 2025	62	75	137
Project to date – October 31, 2025	$ 5,608	$ 4,460	$ 10,068

During the period ended October 31, 2024, the Company incurred exploration expenses related to general project investigations and evaluation expenses across various projects, as follows:

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

	Caballo Blanco	Pinos	Total
Salary, consulting and administration	$ -	$ 44	$ 44
Concessions and permitting	56	-	56
Period ended October 31, 2024	56	44	100
Project to date – October 31, 2024	$ 5,492	$ 4,275	$ 9,767

16 Loss Per Share

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

	Three months ended October 31,		Six months ended October 31,	
	2025	2024	2025	2024
Loss attributable to common shareholders	$ 101	$ 832	$ 194	$ 1,097
Weighted average number of shares ('000)	149,873	149,873	149,873	149,873
Basic and diluted loss per share	$ 0.00	$ 0.01	$ 0.00	$ 0.01