Pecoy Copper Corp.

(formerly Priyanka Capital Inc.)

Consolidated financial statements
For the year ended April 30, 2026 and for the 38-day period ended April 30, 2025

(Expressed in Canadian dollars)

Crowe

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Independent Auditors' Report

To the Shareholders of Pecoy Copper Corp.

Opinion

We have audited the consolidated financial statements of Pecoy Copper Corp. (the "Group"), which comprise the consolidated statements of financial position as at April 30, 2026 and April 30, 2025 and the consolidated statements of loss and comprehensive loss, cash flows and changes to shareholders' equity for the year ended April 30, 2026 and the 38-day period ended April 30, 2025, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at April 30, 2026 and April 30, 2025, and its consolidated financial performance and its consolidated cash flows for the periods 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group'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 period. 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. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- 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 identified above 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 the other information prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. 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 as issued by the International Accounting Standards Board, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes 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 period 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 auditors' report is Kevin Kwan.

Crowe MacKay LLP

Chartered Professional Accountants
Vancouver, Canada
August 21, 2026

Pecoy Copper Corp.

Consolidated statements of financial position

(in Canadian dollars, except otherwise noted)

	As at April 30, 2026	As at April 30, 2025
Assets	$	$
Current assets		
Cash and cash equivalents (Note 7)	22,450,343	703,915
Short term investments (Note 7)	19,073,600	–
Other receivable (Note 7)	921,651	–
Prepaid expenses	301,226	–
Advance to Pembrook Copper Corp. (Note 6)	–	400,000
Total current assets	42,746,820	1,103,915
Non-current assets		
Deferred acquisition and share issuance costs	–	62,842
Property and equipment	84,380	–
Exploration and evaluation assets (Note 8)	69,102,700	–
Total non-current assets	69,187,080	62,842
Total assets	111,933,900	1,166,757
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	5,222,069	108,193
Amount payable to a dissenting shareholder (Note 6, 18)	1,163,386	–
Minandex acquisition payable (Note 8)	4,087,200	–
Due to a shareholder	–	4,000
Total current liabilities	10,472,655	112,193
Non-current liabilities		
Balance of purchase price (Note 6)	200,784	–
Total liabilities	10,673,439	112,193
Shareholders’ equity		
Common shares (Note 9)	109,897,331	1,093,977
Warrants (Note 9)	4,815,614	–
Contributed surplus (Note 10)	2,762,858	–
Accumulated other comprehensive loss	(157,830)	–
Deficit	(16,057,512)	(39,413)
Total shareholders’ equity	101,260,461	1,054,564
Total liabilities and shareholders’ equity	111,933,900	1,166,757

Description of business and liquidity risk (Note 1)
Contingency and commitments (Note 18)
Subsequent events (Note 19)

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

Approved on behalf of the Board

(signed) Vincent Metcalfe *(signed)* Paul Matysek

Pecoy Copper Corp.

Consolidated statements of loss and comprehensive loss

(in Canadian dollars, except otherwise noted)

	For the year ended April 30, 2026	For the 38-day period ended April 30, 2025
	$	$
Operating expenses		
Professional fees (Note 9 and 12)	2,594,500	–
Listing expenses (Note 6 and 14)	2,405,020	–
Share-based compensation (Note 10 and 12)	1,477,728	–
Exploration expenses (Note 14)	6,822,012	–
General and administrative expenses (Note 12 and 14)	2,846,197	39,129
Total operating expenses	16,145,457	39,129
Other expenses (income)		
Interest (income) expense, net	(580,130)	284
Foreign exchange loss	407,851	–
Total other (income) expenses	(172,279)	284
Loss before income taxes	**15,973,178**	**39,413**
Income taxes expense (Note 11)	44,921	–
Net Loss	**16,018,099**	**39,413**
Other comprehensive loss		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	157,830	–
Comprehensive loss	**16,175,929**	**39,413**
Net loss per share – Basic and diluted (Note 13)	0.11	0.00

The net loss and comprehensive loss are solely attributable to Pecoy Copper Corp.'s shareholders.

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

Pecoy Copper Corp.
Consolidated statements of cash flows
(in Canadian dollars, except otherwise noted)

	For the year ended April 30, 2026	For the 38-day period ended April 30, 2025
	$	$
Operating activities		
Net loss	(16,018,099)	(39,413)
Items not affecting cash and cash equivalents:		–
Professional fees settled through issuance of warrants (Note 9)	2,214,191	–
Listing expenses (Note 6)	2,085,765	–
Share-based compensation (Note 10)	1,477,728	–
Foreign exchange loss	439,567	–
Accretion of interests on balance of purchase price	19,949	–
Changes in other assets and liabilities		–
Other receivable	(492,803)	–
Prepaids expenses	(262,665)	–
Accounts payable and accrued liabilities	(4,196,464)	39,328
Net cash used in operating activities	(14,732,831)	(85)
Investing activities		
Acquisition of short-term investments	(23,651,055)	–
Redemption of short-term investments	4,141,915	–
Acquisition of Pembrook Copper Corp. (Note 6)	(1,955,104)	–
Acquisition of Copper X Mining Corp. (Note 6)	(155,105)	–
Cash of entities acquired (Note 6)	329,213	–
Acquisition of Exploration and evaluation assets (Note 8)	(3,962,510)	–
Acquisition of Property, plant and equipment	(78,058)	–
Net cash used in investing activities	(25,330,704)	–
Financing activities		
Proceeds on issuance of subscription receipts (Notes 6 and 9)	63,480,000	–
Proceeds on issuance of common shares (Notes 6 and 9)	2,000,000	704,000
Subscription receipts and share issuance costs (Notes 6 and 9)	(3,671,348)	–
Cash acquired from RTO (Note 6)	49,097	–
Warrants issuance costs (Note 9)	(8,610)	–
Reimbursement of shareholder's loan	(4,000)	–
Net cash provided by financing activities	61,845,139	704,000
Net increase in cash and cash equivalents	**21,781,604**	**703,915**
Effect of foreign exchange on cash and cash equivalents	(35,176)	–
Cash at beginning of the period	**703,915**	–
Cash and cash equivalents at end of the period	**22,450,343**	**703,915**

Additional cash flows information (Note 15)

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

Pecoy Copper Corp.

Consolidated Statements of Changes in Shareholders' Equity

(in Canadian dollars, except otherwise noted)

	Number of common shares outstanding	Common shares	Warrants	Contributed Surplus	Accumulated other comprehensive loss	Deficit	Total
		$	$	$	$	$	$
Balance as at May 1, 2025	**18,333,331**	**1,093,977**	**–**	**–**	**–**	**(39,413)**	**1,054,564**
Net loss and comprehensive loss	–	–	–	–	(157,830)	(16,018,099)	(16,175,929)
Deemed issuance to shareholders of Pecoy Copper Corp. as part of the RTO (Note 6)	3,000,000	1,800,000	–	–	–	–	1,800,000
Private placements (Note 9):							
– Issuance of common shares	6,666,669	2,000,000	–	–	–	–	2,000,000
– Issuance of subscription receipts	105,800,000	63,480,000	–	–	–	–	63,480,000
Asset acquisitions (Note 6):							
– Pembrook Copper Corp. and the Minority shareholders	47,127,689	28,276,614	684,777	–	–	–	28,961,391
– Copper X Mining Corp.	21,666,664	12,999,998	1,925,256	1,285,130	–	–	16,210,384
Acquisition of Minandex (Note 8)	6,894,500	4,156,200	–	–	–	–	4,156,200
Warrants issued as professional services (Note 9)	–	–	2,214,191	–	–	–	2,214,191
Share-based compensation	–	–	–	1,477,728	–	–	1,477,728
Share and warrants issuance costs (Note 9)	–	(3,909,458)	(8,610)	–	–	–	(3,918,068)
Balance as at April 30, 2026	**209,488,853**	**109,897,331**	**4,815,614**	**2,762,858**	**(157,830)**	**(16,057,512)**	**101,260,461**

As at April 30, 2026, accumulated other comprehensive loss includes only items that may be recycled to the consolidated statements of loss.

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

Pecoy Copper Corp.

Consolidated Statements of Changes in Shareholders' Equity

(in Canadian dollars, except otherwise noted)

	Number of common shares outstanding	Common shares	Warrants	Contributed Surplus	Accumulated other comprehensive loss	Deficit	Total
		$	$	$	$	$	$
Balance as at March 24, 2025	–	–	–	–	–	–	–
Net loss and comprehensive loss	–	–	–	–	–	(39,413)	(39,413)
Private placements (Note 9):							
– Issuance of common shares	18,333,331	1,100,000	–	–	–	–	1,100,000
Share issuance costs	–	(6,023)	–	–	–	–	(6,023)
Balance as at April 30, 2025	**18,333,331**	**1,093,977**	–	–	–	**(39,413)**	**1,054,564**

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

Note 1 – Description of business and liquidity risk

Pecoy Copper Corp. ("Pecoy" or the "Corporation") was incorporated on October 16, 2014 under the name of Priyanka Capital Inc. It changed its name to Pecoy Copper Corp. on July 23, 2025. Pecoy is domiciled in Canada and is incorporated under the *Business Corporations Act* (British Columbia). The address of the Corporation's registered office is 1055-1500 West Georgia Street, Vancouver, British Columbia, Canada.

On July 3, 2025, the Corporation, its subsidiary Pecoy Copper Subco and Pecoy Copper Limited ("SPV") entered into a business combination agreement (the "Agreement") under the *Business Corporation Act* (Ontario). The Agreement provided for a three-cornered amalgamation whereby Pecoy Copper Subco and SPV would amalgamate and continue as one corporation named Pecoy Copper (Ontario) Ltd. Under the terms of the Agreement, the Corporation issued shares to the former shareholders of SPV in exchange for all issued and outstanding securities of SPV constituting a reverse take-over transaction ("RTO") of Pecoy by the former shareholders of SPV, whereby SPV was deemed to have acquired control of Pecoy. The RTO was completed on September 3, 2025 and is described in Note 6. Consequently, these consolidated financial statements reflect only the assets, liabilities, operations and cash flows of SPV for dates and periods prior to September 3, 2025 and include Pecoy's assets and liabilities since September 3, 2025. The Corporation's common shares commenced trading on the TSX Venture Exchange on September 8, 2025 under the symbol "PCU".

The Corporation, an exploration stage company, is primarily focused on advancing exploration of the Pecoy Copper-Gold-Molybdenum-Silver Project (the "Pecoy Project"), comprising the Pecoy and Minandex properties, located in Condesuyos Province, Arequipa, Peru. The Corporation also holds an interest in the Tororume property.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. As at April 30, 2026, the Corporation has a working capital of $32,274,165 which includes a cash and cash equivalents balance of $22,450,343. The Corporation has an accumulated deficit of $16,057,512 and a net loss of $16,018,099 for the year ended April 30, 2026.

Management of the Corporation believes that it has sufficient funds to pay its ongoing general and administrative expenses and exploration expenses and to meet its liabilities, obligations and existing commitments for the ensuing 12 months as they fall due. The Corporation's ability to continue future operations beyond twelve months and fund its exploration expenses is dependent on management's ability to secure additional financing in the future, which may be completed in a number of ways, including, but not limited to, the issuance of debt or equity instruments. Management will pursue such additional sources of financing when required, and while management has been successful in securing financing in the last 12 months, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation. Failure to secure future financing may impact and/or curtail the planned activities for the Corporation, which may include, but are not limited to, the suspension of certain exploration activities.

Management is aware of material uncertainties related to events and conditions that may cast significant doubt on the Corporation'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, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

(in Canadian dollars, except otherwise noted)

Note 2 – Basis of presentation and statement of compliance

These consolidated financial statements include the accounts of the Corporation and its subsidiaries and are a continuation of the financial statements of SPV. The comparative figures are those of SPV.

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies, methods of computation and presentation applied in the preparation of these consolidated financial statements have been consistent throughout the period.

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances.

These consolidated financial statements were authorized for issue by the Board of Directors of the Corporation on August 21, 2026.

Note 3 – Material accounting policies

Principles of consolidation

These consolidated financial statements include the accounts of the Corporation and its following subsidiaries. Intercompany balances, transactions, revenues and expenses have been eliminated.

Entity	Jurisdiction	% ownership	Functional currency
Pecoy Copper (Ontario) Ltd.	Ontario	100%	Canadian dollars
Copper X Mining Corp.	British Columbia	100%	Canadian dollars
Copper X Peru S.A.C.	Peru	100%	Canadian dollars
Pembrook Copper Corp.	British Columbia	100%	Canadian dollars
Pecoy Sociedad Minera S.A.C.	Peru	100%	U.S. dollars
Pembrook Copper S.A.C.	Peru	100%	U.S. dollars
Torion Mining S.A.C.	Peru	100%	U.S. dollars
Orion Exploraciones S.A.C.	Peru	100%	U.S. dollars
Compania Minera Tororume S.A.C.	Peru	100%	U.S. dollars

A subsidiary is an entity controlled by the Corporation. Control is achieved where the Corporation is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. This occurs when the Corporation has existing rights that give it the current ability to direct the relevant activities, is exposed, or has rights, to variable returns from its investment with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance and the ability to use its power over the investee to affect the amount of the investor's returns.

Functional and presentation currency

Items included in the financial statements of each subsidiary of the Corporation are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Corporation's functional currency is the Canadian dollar and the Corporation's presentation currency is the Canadian dollar. The functional currency of each subsidiary is set out in the table above.

Assets and liabilities of the subsidiaries that have a functional currency other than the Canadian dollar are translated into Canadian dollars at the exchange rate in effect on the consolidated statement of financial position date and income and expenses are translated at the average exchange rate over the reporting period. Gains and losses from these translations are recognized as currency translation adjustment in other comprehensive income or loss.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the entity, using the exchange rate prevailing at the dates of the applicable transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and the remeasurement of monetary items are recognized in net loss. Non-monetary items measured at historical cost are translated into the functional currency using the exchange rate at the dates of the applicable transactions.

Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership.

Financial assets and financial liabilities are initially measured at fair value.

Measurement after initial recognition depends on the classification of the financial instrument. The Corporation has classified its financial instruments in the following categories depending on the purpose for which the instruments were acquired and their characteristics.

Financial assets

Cash and cash equivalents, short-term investments and other receivables are classified as and measured subsequently at amortized cost.

Financial liabilities

Financial liabilities are recognized initially at fair value, net of transaction costs. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method.

Accounts payable and accrued liabilities, Amount payable to a dissenting shareholder, Minandex acquisition payable and Balance of purchase price are classified as and measured subsequently at amortized cost.

Impairment of financial assets

At each reporting date, the Corporation assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in the credit risk (investments in debt instruments measured at amortized cost) or if a simplified approach has been selected. To the extent that a debt instrument at amortized cost is considered to have low credit risk, which corresponds to a credit rating within the investment grade category and the credit risk has not increased significantly, the loss allowance is determined on the basis of 12-month expected credit losses. If the credit risk has increased significantly, the lifetime expected credit losses are recognized.

Cash and cash equivalents

Cash equivalents include highly liquid investments with original maturities of three months or less or cashable at any time without penalties.

Exploration and evaluation expenditures

Expenditures incurred on activities that preceded exploration and evaluation activities, being all expenditures incurred prior to securing the legal rights to explore an area, are expensed as incurred on the consolidated statement of loss and comprehensive loss.

Rights in mining properties, option payments and costs associated with acquiring an exploration and evaluation asset, paid or acquired through a business combination or an acquisition of assets, are capitalized as exploration and evaluation assets. They are subsequently measured at cost, less accumulated impairment.

Annual maintenance costs, being the fees paid by the Corporation to maintain the mining rights and concessions in good standing, are expensed as incurred on the consolidated statement of loss and comprehensive loss.

Any option payments or proceeds from the sale of royalty interests received by the Corporation are credited to the capitalized cost of the related exploration and evaluation asset. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the period received.

Once the legal right to explore a property has been acquired, expenditures directly related to exploration and evaluation activities (“E&E”), are recognized and expensed in the year they are incurred until a prefeasibility or a feasibility study has been completed and development is sanctioned.

Exploration expenditures include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore like topographical, geological, geochemical and geophysical studies.

Evaluation expenditures include the cost of establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body, determining the optimal methods of extraction and metallurgical and treatment processes, studies related to surveying, transportation and infrastructure requirements, permitting activities and economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and feasibility studies.

In addition, exploration and evaluation expenditures include overhead expenses directly attributable to the related activities.

Impairment of non-financial assets

The carrying value of non-financial assets is reviewed regularly and whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (“cash-generating units” or “CGUs”). The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount.

The Corporation evaluates impairment losses at each reporting date for potential reversals when events or circumstances warrant such consideration.

Provisions

A provision is recognized when the Corporation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the provision is measured at the present value of the expected expenditures and the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where an outflow of economic resources is not probable, or the amount of the obligation cannot be measured reliably, no provision is recognized and the matter is disclosed as a contingent liability unless the possibility of an outflow is remote (Note 18).

Common shares

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from the proceeds in shareholders' equity in the period where the transaction occurs.

Warrants

Common share purchase warrants are classified as shareholders' equity. Incremental costs directly attributable to the issuance of common share purchase warrants are recognized as a deduction from the proceeds in equity in the period where the transaction occurs. Upon exercise, the original consideration is reallocated from warrants to common shares. Upon expiry, the original consideration is reallocated from warrants to contributed surplus.

Share-based compensation

The Corporation offers a share option plan to its directors, officers, employees and consultants. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

Any consideration paid on exercise of share options is credited to share capital. The contributed surplus resulting from share-based compensation is transferred to share capital when the options are exercised. Upon expiry or forfeiture of vest share options, the related amount remains in contributed surplus.

Income taxes

The income tax expense includes current and deferred tax. Current tax and deferred tax are recognized in the statement of loss, except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax laws enacted or substantively enacted at the reporting date in the jurisdictions where the Corporation operated, and any adjustment to tax payable in respect of previous periods.

The Corporation uses the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss or give rise to equal taxable and deductible temporary differences. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates (and laws) that apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are presented as non-current and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Segment reporting

The operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer who fulfills the role of the chief operating decision-maker. The Chief Executive Officer is responsible for allocating resources and assessing performance of the Corporation's operating segments.

The Corporation has one operating segment, the exploration of mineral properties, and one geographical segment, with all current exploration activities being conducted in Peru. As of April 30, 2026, substantially all the non-current assets of the Corporation are located in Peru.

Net loss per share

The Corporation presents basic and diluted loss per share ("EPS") data for its common shares issued. Basic EPS is calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares, which could comprise warrants and share options granted to directors and employees. The computation of diluted EPS assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share.

Note 4 – Critical accounting estimates, assumptions and judgements

The preparation of the consolidated financial statements in accordance with IFRS requires the Corporation to make judgement, estimates and assumptions concerning the future. The Corporation's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events and expected economic conditions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

The most significant judgements, estimates and assumptions in applying the Corporation's Financial Statements include the following:

Assessment of the Corporation's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

The assessment of the Corporation's ability to continue as a going concern involves judgement as it relies on the Corporation's estimation of future cash flows for the 12-month period from the financial statement date, the availability of funds to meet those cash flow requirements and the probability to enter into capital transactions. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events and budgeted expenditures that are believed to be reasonable under the circumstances (Note 1).

Recoverability of the carrying value of exploration and evaluation assets.

Assessment of impairment of exploration and evaluation assets requires the use of judgements when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Corporation's exploration and evaluation assets. Factors which could trigger an impairment review include, but are not limited to, an expiry of the right to explore in the specific area during the period or will expire in the near future, and is not expected to be renewed; substantive exploration and evaluation expenditures in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources; sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount is unlikely to be recovered in full from successful development or by sale; significant negative industry or economic trends; interruptions in exploration and evaluation activities; and a significant decrease in current or forecast commodity prices. Changes in the judgments used in determining the fair value of exploration and evaluation properties could impact the impairment analysis.

Asset acquisitions and business combinations

The assessment of whether an acquisition meets the definition of a business, or whether assets are acquired is an area of significant judgement. This assessment requires the use of judgement when assessing whether an acquisition includes inputs and a significant process that together significantly contribute to the ability to create outputs. In addition, IFRS 3 *Business Combinations* also propose a screening test that determines that a set of activities and assets is not considered a business if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. This screening test involves the use of judgement. Changes in the judgement used in determining if an acquisition meets the definition of a business could impact the amounts recorded in the consolidated financial statements at the time of the acquisition.

Note 5 – New accounting standards and amendments

The Corporation has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than April 30, 2026. These standards, interpretations to existing standards and amendments, other than IFRS 18 Presentation and Disclosure in Financial Statements and the amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, which are presented below, are not expected to have any significant impact on the Corporation or are not considered material and are therefore not discussed herein.

Amendments – IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7, which respond to recent questions arising in practice. The amendments were issued to:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows; and
- update disclosures for equity instruments designated at fair value through other comprehensive income.

The new requirements will apply from May 1, 2026. These amendments are not expected to have a significant impact on the consolidated financial statements.

New standard – IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. IFRS 18 was issued in response to investors' concerns about the comparability and transparency of entities' performance reporting. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how "operating profit or loss" is defined. The new disclosures required for some management-defined performance measures will also enhance transparency. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its "operating profit or loss".

IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. Management is currently assessing the impact that this new standard will have on its consolidated financial statements.

(in Canadian dollars, except otherwise noted)

Note 6 – Reverse takeover and concurrent transactions

Reverse takeover

On September 3, 2025, the Corporation completed the RTO described in Note 1. As per the Agreement, the Corporation acquired all the issued and outstanding common shares of SPV and issued in return 85,461,020 common shares at a price of $0.60 per share. The RTO resulted in a reverse takeover of Pecoy by SPV, whereby SPV was deemed to have acquired control of Pecoy through the deemed issuance of 3,000,000 common shares to Pecoy's shareholders.

This transaction constitutes a reverse takeover of the Corporation, but Pecoy did not constitute a business as defined under IFRS 3 *Business Combinations*. Accordingly, the deemed acquisition is accounted for as an acquisition of assets and assumption of liabilities, with the application of IFRS 2 *Share-based Payment* to the extent that equity instruments were issued to non-shareholder counterparties.

The acquisition of Pecoy by SPV has been accounted for as follows:

Consideration deemed paid for the deemed acquisition of Pecoy:	**$**
3,000,000 common shares of SPV deemed issued to Pecoy 's existing shareholders(1)	1,800,000
Transaction costs, paid in cash	319,255
	2,119,255
Fair value of the assets deemed acquired and liabilities deemed assumed:	
Cash	49,097
Other assets	181,291
Accounts payable and accrued liabilities	(478,060)
Due to Copper X Mining Corp.	(31,500)
Due to SPV	(6,593)
	(285,765)
Listing expenses	2,405,020

(1) Based on the 3,000,000 Pecoy common shares outstanding as at September 3, 2025. The fair value of the Pecoy common shares was based on the pricing of the Concurrent Private Placement as defined herein.

Concurrent transactions

Immediately prior to the completion of the RTO, the Corporation closed a series of acquisitions and transactions as follows:

a) *Private placement*

On July 8, 2025, the Corporation completed a private placement of 105,800,000 subscription receipts at a price of $0.60 per subscription receipt for a gross proceed of $63,480,000 (the "Concurrent Private Placement"). Each subscription receipt entitled the holder to receive one common share of the Corporation. Upon completion of the RTO described above, each subscription receipt was converted, for no additional consideration, into one Pecoy share. Gross proceeds were held in escrow until the time of completion of the RTO. Net proceeds received from the subscription receipts were $59,935,467 after deducting agents' fees and other expenses. A portion of the net proceeds was used to fund the cash component of the consideration payable to acquired Pembrook as described in the section Acquisitions below.

(in Canadian dollars, except otherwise noted)

b) Acquisitions

The Agreement also involved the acquisition of 100% of the outstanding shares of Copper X Mining Corp. ("Copper X") and Pembrook Copper Corp. ("Pembrook") as well as the minority shareholders of its Peruvian subsidiary, Pecoy Sociedad Minera S.A.C ("Pecoy Peru"). Consequently, immediately prior to the completion of the RTO, the Corporation closed a series of acquisitions and option transactions including 100% of Pembrook together with the two minority shareholders of Pecoy Peru namely Camila Carlessi Vargas ("CCV") and Carlos Mauricio Carlessi Vargas ("MCV") (together, the "Minority shareholders") and Copper X.

Acquisition of Pembrook and the Minority shareholders of Pecoy Peru

Prior to the RTO, SPV entered into an acquisition agreement with Pembrook. Pursuant to the terms and conditions of the Pembrook acquisition agreement, the Corporation acquired 100% of the issued and outstanding common shares in the capital of Pembrook by issuing to the shareholders of Pembrook 29,314,356 common shares of the Corporation and 454,675 replacement options. In regard to this transaction, the Corporation has also issued 8,333,333 common shares and 4,166,667 warrants to one convertible note holder of Pembrook.

In addition, SPV entered into an acquisition agreement with CCV (the "CCV Acquisition Agreement"). Pursuant to the terms and conditions of the CCV Acquisition Agreement, the Corporation acquired 3,971,781 shares in the capital of Pecoy Peru held by CCV, representing 10.273% of the outstanding shares of Pecoy Peru, for cash consideration of $1,800,000 and an additional post-closing cash payment of $350,000.

SPV also entered into an option agreement with MCV (the "MCV Option Agreement"). Pursuant to the terms and conditions of the MCV Option Agreement, the Corporation acquired an option to acquire the 5,158,152 shares in the capital of Pecoy Peru held by MCV, representing 13.342% of the outstanding shares of Pecoy Peru, during the period from January 2 to January 31, 2026 in exchange for 9,480,000 common shares of the Corporation. The option was duly exercised in January 2026.

The acquisition of Pembrook and the Minority shareholders of Pecoy Peru has been accounted for as follows:

	$
Consideration paid:	
29,314,356 common shares issued to Pembrook's existing shareholders[(1)]	17,588,614
8,333,333 common shares issued to one of Pembrook convertible note holders[(2)]	5,000,000
454,675 replacement options issued to Pembrook's existing option holders[(3)]	–
Cash payment and balance of purchase price to CCV[(4)]	1,980,835
9,480,000 common shares issued to MCV[(5)]	5,688,000
4,166,667 warrants issued to one of Pembrook convertible notes holder[(6)]	684,777
Transaction costs, paid in cash	155,104
	31,097,330
Fair value of assets acquired and liabilities assumed:	
Cash	45,014
Other receivables	387,303
Prepaid expenses	38,561
Property and equipment	6,322
Exploration and evaluation assets	41,062,222
Accounts payable and accrued liabilities	(3,327,536)
Amount payable to a dissenting shareholder[(1)]	(1,163,386)
Convertible debenture and notes payable	(3,853,803)
Due to SPV[(7)]	(2,097,367)
	31,097,330

(1) The 29,314,356 common shares issued to the Pembrook shareholders are based on an exchange ratio of 0.14667, excluding the common shares held by one dissenting shareholder. The value of the common shares issued is based on the pricing of the Concurrent Private Placement. The common shares held by the dissenting shareholder have not been paid yet and a liability of $1,163,386 is presented in the purchase price allocation as a liability assumed at the date of the acquisition. This liability has no terms of repayment.

(2) A total of 8,333,333 common shares were issued to one Pembrook convertible note holder. The fair value of the common shares issued is based on the pricing of the Concurrent Private Placement.

(3) A total of 454,675 Pembrook replacement share options were issued to Pembrook option holders. The fair value of the 454,675 replacement options was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: weighted average exercise price of $6.17, risk-free interest rate of 2.63%, weighted average expected volatility of 51%, dividend yield of 0%, average expected life of common share options of 90 days and a share price of $0.60. The share price is based on the pricing of the Concurrent Private Placement.

(4) A cash consideration of $1,800,000 was paid for the acquisition of 3,971,781 shares of Pecoy Peru held by CCV, representing 10.273% of its outstanding common shares. An additional post-closing cash payment of $350,000 is payable in two equal instalments: 50% on the earlier of (a) 5 years, or (b) the announcement of an initial resource estimate on the Tororume project; and 50% on the earlier of (a) 5 years, or (b) the announcement of a preliminary economic assessment on the Pecoy Project. The present value of the post-closing payment is estimated to be $180,835, using a 17% discount rate and an estimated term of 3.5 to 5 years. This amount is recorded as a *Balance of purchase price* in the consolidated statement of financial position. The outstanding amounts will accrete interest at 17% until repaid.

(5) A total of 9,480,000 common shares were issued to MCV for the acquisition of 5,158,152 shares of Pecoy Peru, representing 13.342% of its outstanding common shares. These shares have been issued at the acquisition date but are held in escrow, with release scheduled for January 2026. The initial fair value of the escrowed shares was $5,688,000 and was estimated using the pricing from the Concurrent Private Placement. The shares were released as planned in January 2026.

(6) A total of 4,166,667 warrants were issued to one Pembrook convertible note holder. The warrants have an exercise price of $1.00 and a term of 36 months. The fair value of the warrants was estimated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 2.85%, expected volatility of 60%, dividend yield of 0%, expected life of 3 years and a share price of $0.60. The share price is based on the pricing of the Concurrent Private Placement. The warrants contain an acceleration provision whereby, if the closing price of the Corporation's common shares equals or exceeds $1.50 per share for a period of 20 consecutive trading days, the Corporation may, at its option, accelerate the expiry date of the warrants.

(7) This amount includes $400,000 in loans outstanding between the companies as of April 30, 2025. This amount is eliminated upon consolidation.

(in Canadian dollars, except otherwise noted)

Acquisition of Copper X

Prior to the RTO, SPV entered into an acquisition agreement with Copper X and each of the shareholders of Copper X (the "Copper X Acquisition Agreement"). Pursuant to the terms and conditions of the Copper X Acquisition Agreement, the Corporation acquired 100% of the issued and outstanding common shares in the capital of Copper X by issuing to the shareholders of Copper X 21,666,664 common shares of the Corporation, 6,000,000 replacement warrants and 3,750,000 options.

The acquisition of Copper X has been accounted for as follows:

Consideration paid:	**$**
21,666,664 common shares issued to Copper X's existing shareholders(1)	12,999,998
6,000,000 replacement warrants issued to Copper X existing warrants holders(2)	1,925,256
3,750,000 replacement options issued to Copper X existing options holders(3)	1,285,130
Transaction costs, paid in cash	155,105
	16,365,489
Fair value of asset acquired and liabilities assumed:	
Cash	284,199
Other receivables	41,545
Advance from Pecoy Copper Corp.	31,500
Exploration and evaluation assets	16,100,040
Accounts payable and accrued liabilities	(91,795)
	16,365,489

(1) A total of 21,666,664 common shares were issued to Copper X shareholders. The fair value of the common shares issued is based on the pricing of the Concurrent Private Placement.

(2) A total of 6,000,000 replacement warrants were issued to the warrant holders of Copper X. The warrants have an exercise price of $0.75 and expire on September 3, 2030. The fair value of the warrants was estimated using the Black-Scholes option pricing model based on the following weighted assumptions: risk-free interest rate of 2.85%, expected volatility of 68%, dividend yield of 0%, average expected life of 5 years and a share price of $0.60. The share price is based on the pricing of the Concurrent Private Placement.

(3) To record the fair value of the 3,750,000 replacement options issued to the option holders of Copper X. The options have an exercise price of $0.60 and expire on May 27, 2030. The fair value of the options was estimated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 2.85%, expected volatility of 68%, dividend yield of 0%, average expected life of 5 years and a fair value of common shares of $0.60. The fair value of the shares is based on the pricing of the Concurrent Private Placement.

(in Canadian dollars, except otherwise noted)

Note 7 – Cash and cash equivalents and short-term investments

As at April 30, 2026, cash and cash equivalents include $10,000,000 held in guaranteed investment certificates bearing annual interest rate of prime rate minus 2% with maturity dates in October 2026 (April 30, 2025 – nil). These guaranteed investment certificates are redeemable on demand. The accrued interest receivable as at April 30, 2026 is $150,944 (April 30, 2025- nil) and is included as Other receivable on the Consolidated statement of financial position.

As at April 30, 2026, short-term investments include $19,073,600 (US$14,000,000) held in guaranteed investment certificates bearing annual interest rate between 3.75% and 3.87% with maturity dates between May to December 2026 (April 30, 2025 – nil). The accrued interest receivable as at April 30, 2026 is $327,041 (April 30, 2025- nil) and is included as Other receivable on the Consolidated statement of financial position.

Note 8 – Exploration and evaluation assets

	For the year ended April 30, 2026
	$
Opening balance – May 1, 2025	–
Acquisition of assets (Note 6)	57,162,262
Second installment on Minandex paid in cash	3,802,062
Third installment on Minandex settled in shares	4,156,200
Minandex acquisition payable	4,156,200
Additions	21,658
Currency translation impact	(195,682)
Ending balance – April 30, 2026	**69,102,700**

Pecoy property

A subsidiary of the Corporation, Pecoy Sociedad Minera S.A.C. ("Pecoy Peru") has entered into an agreement with Trafigura Pte Ltd. ("Trafigura") dated August 28, 2013 (the "Offtake Agreement"). Pursuant to the terms and conditions of the Offtake Agreement, Pecoy Peru has agreed to sell, and Trafigura has agreed to purchase, 50% of the total production of the copper concentrates, dore and/or other products obtained from certain claims. The Offtake Agreement has a term commencing at the start of production on the certain claims and continues thereafter for the life of the mine.

The Corporation has a 99.99% interest in the Pecoy property. In connection with a prior share purchase agreement relating to the acquisition by its subsidiary, Pembrook Copper Corp., of a partial interest in the property, the Corporation is subject to contingent consideration of up to US$11.0 million, payable based on copper price thresholds and project development milestones. Certain of these contingent payments remain outstanding as at April 30, 2026.

Tororume property

Pembrook, a wholly-owned subsidiary of the Corporation, acquired from Compaňia de Inversiones Olimpo S.A.C. ("Olimpo") 100% interest in the Tororume property in 2013, subject to a 1.5% net smelter royalty ("NSR") by completing payments of advance royalty payments of US$1,500,000. On September 1, 2025, the agreement was renegotiated such that the total advance royalty obligation is US$2,000,000, payable in annual instalments of US$100,000. As at April 30, 2026, US$1,000,000 of advance royalty payments had been made, leaving 10 remaining annual instalments of US$100,000 (US$1,000,000 in total).

(in Canadian dollars, except otherwise noted)

The Corporation has the option to buy back the NSR by paying Olimpo US$7,500,000 if the option is exercised before September 2030, or US$12,000,000 thereafter.

Minandex property

On February 7, 2025, Copper X Peru entered into an option agreement with Minera Andina De Exploraciones S.A.A. and S.M.R.L. Rosita N° 1 De Arequipa to acquire 13 mining concessions (the "Concessions") located near Arequipa, in Peru (the "Option Agreement"). The option can only be exercised by Copper X Peru for the 13 mining concession as a whole, that is, it may not be exercised only over certain concessions.

Under the Option Agreement, Copper X Peru may acquire a 100% interest in the Concessions, subject to the following main conditions: (i) total consideration of US$9,249,000, payable in five installments through a combination of cash payments and issuance of common shares of the Parent Corporation (Pecoy Copper Corp.), and (ii) the establishment of a NSR royalty, through the subscription and formalization of the deed of establishment.

During the term of the option, Copper X Peru is required to make the following payments:

	Cash payments	**Common Shares**
	US$	US$
First installment (completed)	199,000	—
Second installment (completed)	3,050,000	—
Third Installment (completed)	—	3,000,000
Fourth installment	1,500,000	—
Fifth installment	—	1,500,000
Total	**4,749,000**	**4,500,000**

The first three installments are paid as a prerequisite for exercising the mining option. The first installment of US$199,000 ($286,716) was paid in cash on February 10, 2025. The second and third installments having a value of US$3,050,000 ($3,802,062) and US$3,000,000 (representing 6,894,500 common shares with a value of $4,156,200 at issuance date), respectively, were completed concurrently with the RTO and the option was exercised in September 2025.

Also in September 2025, the Corporation established a net smelter return ("NSR") royalty in connection with the Minandex property. Under the terms of the NSR agreement, the royalty holder is entitled to receive 2% of the net smelter returns derived from the production and sale of minerals extracted from the Minandex property. The Corporation has the right to repurchase 1% of the NSR royalty at any time upon payment of US$10,000,000.

The fourth and fifth installments consist respectively of an additional cash payment of US$1,500,000 and US$1,500,000 of the Corporation common shares for a total amount of US$3,000,000 ($4,087,200) payable originally in one year from the date the option is exercised. On December 26, 2025, the date of the payment of the fourth and fifth installment was modified and postponed to October 15, 2026. The amount related to the fourth and fifth installments is recorded as Minandex acquisition payable in the consolidated statement of financial position.

Note 9 – Common shares, Subscription receipts and Warrants

Authorized Share Capital

The Corporation is authorized to issue an unlimited number of common shares and preferred shares without par value.

Private placements

In May and June 2025, the Corporation completed private placements through the issuance of 6,666,669 common shares at a price of $0.30 per share for a total consideration of $2,000,000. Share issuance costs of $24,779 were incurred in connection with the private placements.

In March and April 2025, the Corporation completed a private placement through the issuance of 18,333,331 common shares at a price of $0.06 per share for a total consideration of $1,100,000. Of this amount, the Corporation received gross cash proceeds of $704,000 and settled $396,000 of amounts due to shareholders through the issuance of shares. Share issuance costs of $6,023 were incurred in connection with the private placement.

Subscription receipts

On July 8, 2025 and in connection with the RTO, the Corporation completed a private placement of 105,800,000 subscription receipts at a price of $0.60 per subscription receipt, for aggregate gross proceeds of $63,480,000. As described in Note 6, the Corporation's common shares underlying the subscription receipts were exchanged on a one-for-one basis for common shares at the completion of the RTO (Note 6).

Issuance of shares for the acquisition of Pembrook and the minority shareholders of Pecoy Peru and Copper X

In connection with the acquisition of Pembrook and the minority shareholders of Pecoy Peru, the Corporation issued an aggregate of 47,127,689 common shares. Furthermore, the Corporation issued 21,666,664 common shares pursuant to the acquisition of Copper X (Note 6).

Issuance of shares for the settlement of the third installment for Minandex

As described in Note 8, on September 10, 2025, the Corporation issued 6,894,500 shares with a value of $4,156,200 to satisfy the third installment of US$3,000,000 for Minandex described in Note 8. The number of shares issued was determined in accordance with the terms of the purchase agreement.

Other information

As of April 30, 2026, the Corporation had outstanding shares subject to voluntary lock-up restrictions, which will be released on a gradual basis through September 3, 2027.

Common share purchase warrants

On May 19, 2025, the Corporation issued 6,000,000 warrants to founders and shareholders in consideration for services having an exercise price of $0.75, and an expiry date five years following the completion of the RTO which took place on September 3, 2025. The warrants have a term of 60 months. The fair value of the warrants of $2,214,191 is recorded under Professional fees in the Statement of loss and comprehensive loss for the year ended April 30, 2026. The fair value was estimated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 2.98%, expected volatility of 80%, dividend yield of 0%, expected life of 5 years and a fair value of common share of $0.60. Warrants issuance costs of $8,610 were incurred in connection with the issuance of the warrants.

(in Canadian dollars, except otherwise noted)

As part of the acquisitions of Pembrook and Copper X, the Corporation issued 4,166,667 warrants to the holder of a convertible debenture of Pembrook and 6,000,000 replacement warrants to the warrant holders of Copper X. The fair values of the warrants were $684,777 and $1,925,256 respectively and have been recorded as part of the consideration transferred for the acquisitions of Pembrook and Copper X (Note 6).

As at April 30, 2026, all warrants are vested.

The following table presents a summary of warrants outstanding and exercisable:

	Number of warrants	Exercise price	Expiry date
		$	
Outstanding – May 1, 2025	–	–	–
Granted for services	6,000,000	0.75	September 3, 2030
Granted as part of the acquisition of Pembrook (Note 6)	4,166,667	1.00	September 3, 2028
Granted as part of the acquisition of Copper X (Note 6)	6,000,000	0.75	September 3, 2030
Outstanding – April 30, 2026	**16,166,667**		
Exercisable – April 30, 2026	**16,166,667**		

Capital management
The Corporation's primary objectives when managing capital are to maintain a sufficient capital base in order to meet its short-term obligations and to fund its corporate activities. The Corporation defines capital as its total equity. Changes in capital are depicted on the Statement of changes to shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Corporation's management to sustain future development of the business.

In order to pay for ongoing general and administrative expenses, the Corporation will use existing working capital and expects to raise additional amounts through related parties or private placements as needed. Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Corporation, is reasonable. The Corporation is not subject to material externally imposed capital requirements. There were no changes in the Corporation's approach to capital management during the year.

Note 10 – Share-based compensation

Adoption of an Omnibus Equity Incentive Plan

Effective September 3, 2025, the Corporation established an Omnibus Equity Incentive Plan (the "Omnibus plan") to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and other consultants and advisors of the Corporation. The Omnibus plan is also intended to reward those participants who are granted awards by the Board of Directors for their contributions to the Corporation's long-term objectives and to encourage and enable them to acquire common shares in the Corporation's capital as a long-term investment.

In respect of the share options granted under the Omnibus plan, the exercise price, term, and any vesting conditions of share options are determined at the discretion of the Corporation's Board of Directors at the time of grant, provided that no share option may have a term exceeding ten years from its grant date. The maximum number of options that may be granted under the Omnibus plan, at any given time, shall not exceed 10% of the Corporation's outstanding common shares.

(in Canadian dollars, except otherwise noted)

Issuance of share options during the year

On May 27, 2025, the Corporation granted 3,750,000 incentive share options to certain directors, officers and consultants of the Corporation. The options vested immediately and are exercisable at a price of $0.60 until May 27, 2030.

On April 22, 2026, the Corporation granted 105,000 incentive share options to a director and an employee of the Corporation. The options vest over a three-year period and are exercisable at a price of $1.79 until April 22, 2031.

The fair value of share options granted on May 27, 2025 and on April 22, 2026, and principal assumptions used in applying the Black-Scholes option pricing model are as follows:

	May 27, 2025	**April 22, 2026**
Black-Scholes assumptions		
Share price	$0.60	$1.79
Exercise price	$0.60	$1.79
Expected volatility	80%	65%
Risk-free interest rate	2.98%	3.08%
Expected option life, in years	5.0	5.0
Expected dividend	Nil	Nil
Fair value per option granted	$0.39	$1.02

Issuance of share options as part of the acquisition of Pembrook and Copper X

In connection with the acquisition of Pembrook and Copper X the Corporation granted 454,675 replacement options to the option holders of Pembrook and 3,750,000 replacement options to the option holders of Copper X (Note 6). The Pembrook replacement options have all expired as at April 30, 2026 without being exercised.

The Corporation expenses the fair value of the share options that are expected to vest, over the vesting period, using the Black-Scholes option pricing model to estimate the fair value at the date of grant. The model requires the use of subjective assumptions, including expected share price volatility. Expected volatility is determined by benchmarking comparable situations for companies that are similar to the Corporation.

The following table presents a summary of share options outstanding and exercisable:

	Number of options	**Exercise price**	**Expiry date**
		$	
Outstanding – May 1, 2025	-	-	-
Granted on May 27, 2025	3,750,000	0.60	May 27, 2030
Granted on April 22, 2026	105,000	1.79	April 22, 2031
Granted – Acquisition of Pembrook (Note 6)	184,802	2.73	December 2, 2025
Granted – Acquisition of Pembrook (Note 6)	269,873	8.52	December 2, 2025
Granted – Acquisition of Copper X (Note 6)	3,750,000	0.60	May 27, 2030
Expired – Acquisition of Pembrook (Note 6)	(184,802)	2.73	December 2, 2025
Expired – Acquisition of Pembrook (Note 6)	(269,873)	8.52	December 2, 2025
Outstanding – April 30, 2026	**7,605,000**	0.62	
Exercisable – April 30, 2026	**7,500,000**	0.60	

(in Canadian dollars, except otherwise noted)

Note 11 – Income taxes

The expense (recovery) for income taxes differs from the amount that would arise using the statutory income tax rate applicable to loss before income taxes of the Corporation, as a result of the following:

	For the year ended April 30, 2026	For the 38-day period ended April 30, 2025
	$	$
Loss before income taxes	(15,973,178)	(39,413)
Statutory tax rate	26.5%	26.5%
Expected income tax recovery at statutory tax rate	(4,232,892)	(10,444)
Increase in income taxes resulting from:		–
Non-deductible expenses and permanent difference	1,076,966	–
Higher effective rate in foreign jurisdiction	(241,046)	–
Changes in unrecognized deferred tax assets	3,392,510	12,040
Other	49,383	(1,596)
	44,921	**–**

The components that give rise to deferred income tax assets and liabilities are as follows:

	As at April 30, 2026	As at April 30, 2025
	$	$
Deferred tax assets, net:		
Non-capital losses	13,588,508	10,478
Share and deferred financing expense	1,326,839	–
Mineral properties	2,362,738	–
Capital losses	98,766	–
Other	85,530	–
	17,462,381	**10,478**

The deductible temporary differences, unused tax losses, and unused tax credits giving rise to unrecognized deferred tax assets are attributable to the following:

	As at April 30, 2026	As at April 30, 2025
	$	$
Non-capital losses	49,169,785	39,540
Share and deferred financing expense	5,006,938	–
Mineral properties	8,021,300	–
Capital losses	372,700	–
Other	316,442	–
	62,887,165	**39,540**

Deferred tax assets and liabilities have been offset as they relate to income taxes levied by the same taxation authority and the Corporation has the legal right and intent to offset. The net deferred tax assets have not been recognized as there is no assurance that future taxable profit will be available against which the Corporation can utilize the benefits therefrom.

The Corporation has Canadian tax losses of $34,240,129 available to offset future taxable income. The losses expire between 2029 and 2046. The Corporation has also Peruvian tax losses of $14,929,657 with no expiration date. Tax attributes are subject to review and potential adjustments by tax authorities.

(in Canadian dollars, except otherwise noted)

Note 12 – Related party transactions

Key management personnel include those individuals who have authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that key management personnel consist of directors as well as the officers of the Corporation.

The compensation paid and payable to key management personnel is as follows:

	For the year ended April 30, 2026	For the 38-day period ended April 30, 2025
	$	$
Salaries and benefits	876,042	–
Share-based compensation	1,476,297	–
Total	**2,352,339**	**–**

The Corporation has entered into employment agreements with certain officers of the Corporation which provide for termination benefits in the event of a change of control of the Corporation (commonly referred to as "golden parachute" provisions). Under these agreements, if the employment of an officer is terminated without cause, or the officer resigns for good reason, within a specified period following a change of control, the officer is entitled to a lump-sum payment based on a multiple of the officer's annual base salary and target annual bonus, together with the accelerated vesting of any unvested equity-based awards. No amounts have been recognized in these consolidated financial statements in respect of these arrangements, as no change of control has occurred and the related payments are not considered probable as at April 30, 2026.

The Corporation had the other following transactions with key management personnel and other related parties for the year ended April 30, 2026 and the 38-day period ended April 30, 2025:

	For the year ended April 30, 2026	For the 38-day period ended April 30, 2025
	$	$
Reimbursement of expenses paid to key management personnel (General and administrative expenses)	290,760	13,633
Professional fees paid to a company with common directors and officers	287,292	–
Professional fees paid to key management personnel	172,500	–
Professional fees for services rendered by shareholders and settled by the issuance of share purchase warrants (Note 9)	2,214,191	–
Rent and other expenses paid to a company with common directors and officers	63,324	–

The Corporation had the following balances with key management personnel and other related parties as at April 30, 2026 and 2025:

	As at April 30, 2026	As at April 30, 2025
	$	$
Accounts payable and accrued liabilities due to key management personnel (no terms of repayment and non-interest bearing)	510,715	13,633
Accounts payable and accrued liabilities due to a company with common directors and officers	87,417	4,000

(in Canadian dollars, except otherwise noted)

Key management personnel and other related parties participated in the private placements under the same terms as other investors for an amount of $3,015 (2025 - $816,000). Refer to Note 9 for the detailed consideration for each private placement completed during the year ended April 30, 2026 and the 38-day period ended April 30, 2025.

Note 13 – Net loss per share

The calculation of basic and diluted net loss per share for the year ended April 30, 2026 was based on the net loss attributable to shareholders of $16,018,099 (2025 – $39,413) and the weighted average number of common shares outstanding of 145,867,107 (2025 – 14,464,035).

Excluded from the calculation of the diluted loss per share for the year ended April 30, 2026 are 16,166,667 warrants (nil in 2025) and 7,605,000 share options (nil in 2025), as their effect would be anti-dilutive.

Note 14 – Expenses by nature

	For the year ended April 30, 2026	For the 38-day period ended April 30, 2025
	$	$
Compensation and employers' contributions	2,071,676	–
Legal fees	539,734	3,847
Accounting fees	417,349	5,250
Travel and accommodations	221,930	29,695
Meals and entertainment	34,784	–
Communication, IT environment, website	119,318	–
Subscription and licenses	77,165	–
Rent and office expenses	117,616	–
Filing fees and investors relations expenses	309,256	–
Listing expenses	2,085,765	–
Drilling	2,189,290	–
Assay and sample management	655,201	–
Camp operations, supplies and infrastructure	455,153	–
Community relations	233,215	–
Contractors	615,737	–
Maintenance fees	1,663,238	–
Technical studies	64,514	–
Transportation and logistics	194,617	–
Other expenses	7,671	337
	12,073,229	**39,129**

(in Canadian dollars, except otherwise noted)

The expenses by nature presented above are included in the following line items of the consolidated statement of loss and comprehensive loss:

	For the year ended April 30, 2026	For the 38-day period ended April 30, 2025
	$	$
Listing expenses	2,405,020	–
Exploration expenses	6,822,012	–
General and administrative expenses	2,846,197	39,129
Total	**12,073,229**	**39,129**

Note 15 – Additional cash-flows information

Non-cash investing and financing activities

The following table summarizes the Corporation's additional cash flows information for the year ended April 30, 2026 and the 38-day period ended April 30, 2025:

	For the year ended April 30, 2026	For the 38-day period ended April 30, 2025
	$	$
Additions to exploration and evaluation assets included in Common shares	4,156,200	–
Additions to exploration and evaluation assets included in Minandex acquisition payable	4,156,200	–
Share issuance costs included in Accounts payable and accrued liabilities	–	6,023
Additions of deferred acquisition costs included in accounts payable and accrued liabilities	–	62,842
Settlement of amounts due to shareholders through the issuance of common shares	–	396,000

For additional non-cash transactions, please refer to Note 6 as the three acquisitions described therein include various non-cash transactions.

Note 16 – Fair Value Measurements

Fair Value measurement

Cash and cash equivalents, Short-term investments, Other receivable, Accounts payable and accrued liabilities, Amount payable to a dissenting shareholder, and Minandex acquisition payable are financial instruments whose fair value approximates their carrying value due to their short-term maturity and due to market interest rates.

The carrying value of the Balance of purchase price approximates their fair value. No significant changes in market conditions or credit risk were identified.

Note 17 – Financial Risk Management

The Corporation's activities expose it to a variety of financial risks: market risks, credit risk and liquidity risk. Management designs strategies for managing some of these risks, which are summarized below. The Corporation's executive management ensures that its financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Corporation's policies approved by the Board of Directors and risk appetite.

Market Risk

Market risk is the risk that changes in market factors, such as foreign exchange rates, interest rates or other price risk, will affect the value of the Corporation's financial instruments. The Corporation is exposed to the following market risks:

Foreign Exchange Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation operates internationally and is exposed to currency risks arising from its operating activities denominated in US dollars and Peruvian Sol as well as from its net assets in foreign operations. These risks are partially offset by purchases and operating expenses incurred in these currencies.

The Corporation has investments in foreign operations, whose net assets are exposed to foreign currency risk. The exchange gains or losses on the net equity investment of these operations are reflected in the accumulated other comprehensive income account in shareholders' equity, as part of the currency translation adjustment.

The exposure of the Corporation's financial assets and liabilities to currency risk is as follows, as at April 30, 2026 and April 30, 2025:

Financial instruments with foreign exchange exposure	Currency denomination	April 30, 2026	April 30, 2025
		$	$
Cash and cash equivalents	US$	4,749,331	–
Cash and cash equivalents	Sol	15,371	–
Short-term investments	US$	19,073,600	–
Accounts receivable	Sol	257,855	–
Accounts payable and accrued liabilities	US$	24,679	–
Accounts payable and accrued liabilities	Sol	685,424	–
Minandex acquisition payable	US$	4,087,200	–

Taking into account the amounts denominated in foreign currencies and presuming that all of the other variables remain unchanged, a fluctuation in exchange rates would have an impact on the Corporation's net loss and comprehensive loss. Management believes that a 5% change in exchange rates could be reasonably possible. The table below summarizes the impacts on net loss and other comprehensive loss of a 5% weakening or strengthening in exchange rates against the Canadian dollar or US$ (which is the functional currency of the subsidiaries in Peru).

	US$/CAN	Sol/US$
	$	$
Net loss	1,396,740	45,650

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash-flows associated with the instrument will fluctuate due to changes in market interest rates.

The Corporation's interest rate risk on financial assets is primarily related to cash and cash equivalents and short-term investments, where $10,000,000 is in guaranteed investment certificates and bears interest at variable rates. A 0.5% increase in interest rates would increase the Corporation's annual interest income by approximately $50,000, and a 0.5% decrease would reduce it by approximately the same amount.

As at April 30, 2026, none of the Corporation's other financial assets and liabilities bear interest.

Other Price Risk

The Corporation is not exposed to any other price risk as at April 30, 2026.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation's primary exposure to credit risk is on its Cash and cash equivalents and Short-term investments held at a bank, and its Other receivables. The Corporation's maximum exposure to credit risk, defined as the sum of its cash and cash equivalents, short-term investments and other receivables, is $42,445,594 (2025 - $703,915).

Cash is deposited in bank accounts held mainly with one bank in Canada; consequently, there is a concentration of credit risk. Cash equivalents and short-term investments are also held with the same bank in Canada. This risk is managed by dealing only with a major bank that rating agencies consider to be a high credit quality financial institution. Other receivables consist mainly of amounts recoverable from government authorities in relation to sales taxes and income taxes, which are considered to have negligible credit risk due to the government's strong credit standing. Accordingly, management believes that the Corporation's overall exposure to credit risk is minimal.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. The Corporation manages the liquidity risk by continuously monitoring actual and projected cash flows, considering the requirements related to transactions and matching the maturity profile of financial assets and liabilities. The Board of Directors reviews and approves any material transaction out of the ordinary course of business in accordance with the delegation of authority in place. Financial liabilities as at April 30, 2026 consist of accounts payable and accrued liabilities, amount payable to a dissenting shareholder, Minandex acquisition payable and balance of purchase price. The Corporation estimates that with its liquidity position as at April 30, 2026, it has enough funds available to meet its financial liabilities for the next year.

The following table summarizes the timing associated with the Corporation's remaining contractual payments relating to its financial liabilities as at April 30, 2026. The table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the Corporation can be required to pay (assuming that the Corporation is in compliance with all of its obligations).

(in Canadian dollars, except otherwise noted)

As at April 30, 2026	Carrying amount	Maturity	Undiscounted cash flow
Financial liabilities	$		$
Accounts payable and accrued liabilities	5,222,069	Within 90 days	5,222,069
Amount payable to a dissenting shareholder	1,163,386	On-demand	1,163,386
Minandex acquisition payable (Note 8)	4,087,200	October 2026	4,087,200
Balance of purchase price (Note 6)	200,784	Between 3 to 5 years	350,000
	10,673,439		**10,822,655**

Note 18 – Contingency and commitments

a) Contingency

In the normal course of its activities, the Corporation may be subject to claims, legal proceedings and other contingencies. A provision is recognized when the Corporation has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where an outflow is not probable or cannot be measured reliably, the matter is disclosed as a contingent liability. Other than as described below, management is not aware of any claim or proceeding that would have a material effect on the Corporation's financial position or results of operations.

On April 24, 2026, China Copper Mineral Resources Co. Ltd. filed a petition with the Supreme Court of British Columbia, Vancouver Registry, naming Pembrook as respondent, under section 245(2) of the Business Corporations Act (British Columbia). Having dissented from the amalgamation of Pembrook approved by special resolution on June 23, 2025 in respect of 13,220,000 common shares, the petitioner disputes the aggregate payout of $1,163,386 offered ($0.088 per common share) and asks the Court to determine the payout value of those shares. The amount claimed is not quantified, the payout value has not been determined and the petition had not been served on Pembrook as at the date of these consolidated financial statements. A liability of $1,163,386 in respect of these shares is recorded as an amount payable to a dissenting shareholder (Note 6). No additional provision has been recorded, as any further amount that may become payable cannot be reliably estimated at this time. Management believes that the payout offered represents the fair value of those shares as at the date on which it was offered and, accordingly, a liability in that amount has been provided for in these consolidated financial statements.

b) Commitments

Other than the payments already disclosed in these consolidated financial statements, the Corporation's commitments are as follows:

	Total	Less than one year	More than one year
	$	$	$
Rental payments	87,850	87,850	–
Purchase commitments	520,985	520,985	–
	608,835	**608,835**	**–**

Note 19 – Subsequent events

On May 11, 2026, 40,000 options to purchase common shares were granted to a director. The options have an exercise price of $1.66 per common share, being the closing price of the Corporation's common shares on the TSX Venture Exchange on May 11, 2026, and expire five years from the date of grant. The options vest in three equal tranches on each of the first, second and third anniversaries of the date of grant.

On June 26, 2026, the Board approved the grant of options under the Corporation's Omnibus plan of 1,971,600 options to purchase common shares, 230,400 restricted share units (the "RSUs") and, to non-executive directors, 50,000 deferred share units (the "DSUs").

The options have an exercise price of $1.78 per common share, being the closing price of the Corporation's common shares on the TSX Venture Exchange on June 25, 2026, and expire five years from the date of grant.

The grants vest as follows:

- 1,229,100 options granted to executive officers and 594,000 options granted to non-executive directors, vesting in three equal tranches on each of the first, second and third anniversaries of the date of grant;
- 148,500 options granted to a non-executive director, vested in a single tranche on the date of grant;
- 230,400 RSUs, vesting in three equal tranches on each of the first, second and third anniversaries of the date of grant; and
- 50,000 DSUs granted to non-executive directors, vesting on the date of the shareholders' annual meeting for the year ending April 30, 2027, in accordance with the terms of the Omnibus plan.