COLIBRI RESOURCE CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Colibri Resource Corporation

Opinion

We have audited the consolidated financial statements of Colibri Resource Corporation (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity, consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits 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 in the consolidated financial statements, which indicates that the Company incurred a net loss of $1,226,378 during the year ended December 31, 2025 (December 31, 2024: $1,218,339) and, as of that date, the Company's current liabilities exceeded its total assets by $1,316,518 (December 31, 2024: $1,219,014). As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key Audit Matter

Key audit matters are those matters that, in our professional judgement, 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.

Assessment of Impairment of exploration and evaluation assets

Key Audit Matter Description

We identified the impairment assessment of mineral properties as a key audit matter. As disclosed in Note 9 to the consolidated financial statements, the carrying value of the Company's mineral properties was approximately $4.5 million as at December 31, 2025 (December 31, 2024: $3.7 million), which is material to the consolidated financial statements. In addition, the management's impairment assessment process is highly judgmental and is based on assumptions, which are affected by expected future market or economic conditions.

As discussed in Note 3 to the consolidated financial statements, the carrying value of mineral properties is reviewed at each reporting period to determine whether there is any indication of impairment or reversal of impairment.

We considered this a key audit matter due to (i) the significance of the exploration and evaluation assets balance, and (ii) the management judgment in assessing the indicators of impairment related to its exploration and evaluation assets, which have resulted in a high degree of subjectivity in performing procedures related to the judgment applied by management.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures included, amongst others, the following:

- Performed a walkthrough to understand the Company's process related to assessment of impairment and evaluating the design of related controls.
- Tested assumptions and facts in management's impairment indicators assessment for reasonableness, including the completeness of factors that could be considered as indicators on impairment.

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 and will 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 Management's Discussion and Analysis prior to the date of this auditor's 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 auditor's 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 International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements.

We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Kreston GTA LLP

Chartered Professional Accountants
Markham, Canada
April 29, 2026

COLIBRI RESOURCE CORPORATION
Consolidated Statements of Comprehensive Loss
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

	2025	2024
	$	$
ADMINISTRATION AND GENERAL		
Accounting and audit (Note 12)	**100,000**	111,164
Advertising and promotion	**197,589**	120,881
Amortization and depreciation	**49,739**	71,400
Consulting fees (Note 12)	**187,858**	80,048
Exploration Expenditure	**26,855**	30,678
Foreign exchange (gain) loss	**(53,092)**	93,624
Interest and accretion expense (Note 10 & 11)	**194,242**	383,562
Legal	**138,651**	26,200
Management fees (Note 12)	**144,000**	144,000
Office and miscellaneous	**34,636**	(23,381)
Repairs and maintenance	**3,536**	9,161
Telephone	**5,211**	5,372
Transfer agent and filing fees	**56,374**	36,857
Travel and related costs	**5,098**	18,332
Share Based Compensation (Note 13 (e))	**1,579**	86,863
Wages and benefits	**169,716**	171,171
	(1,261,992)	(1,365,932)
Other income (loss)		
Expenses recovered	**81,279**	33,939
Fair value adjustments on investments (Note 6)	**(4,000)**	11,875
Realized (loss) gain on sale of investments (Note 6)	**(60,000)**	(28,623)
Gain (loss) on sale of assets	**3,479**	(10,776)
Loss on termination of lease (Note 8)	**-**	(8,911)
Fair Value adjustment of derivative liability	**14,856**	150,089
	35,614	147,593
NET LOSS FOR THE YEAR	**(1,226,378)**	(1,218,339)
COMPREHENSIVE LOSS		
Cumulative translation adjustment	**402,320**	(549,518)
COMPREHENSIVE LOSS FOR THE YEAR	**(824,058)**	(1,767,857)
Net loss per share - basic and diluted	**(0.05)**	(0.06)
Weighted average number of shares outstanding - basic and diluted	**24,333,665**	19,902,941

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

COLIBRI RESOURCE CORPORATION
Consolidated Statements of Financial Position
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

	2025	2024
	$	$
ASSETS		
Current		
Cash (Note 3)	**295,061**	16,346
Receivables (Note 4)	**168,007**	284,084
Investment (Note 6)	**-**	26,000
Prepaid expenses (Note 5)	**156,146**	31,323
	619,214	357,753
Non-current		
Capital assets (Note 7)	**115,165**	122,634
Right-of-use asset (Note 8)	**102,450**	80,020
Exploration and evaluation assets (Note 9)	**4,550,858**	3,720,902
Investment (Note 6)	**-**	78,000
Total Assets	**5,387,687**	4,359,309
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	**745,238**	327,812
Related party payable (Note 12)	**112,499**	167,326
Convertible debenture (Note 10)	**779,871**	786,681
Loan payable (Note 11)	**253,842**	266,491
Current portion of lease liability (Note 8)	**44,282**	13,601
Financial derivative liability (Note 10)	**-**	14,856
	1,935,732	1,576,767
Non-current		
Loan payable to related party (Note 12)	**-**	207,842
Lease Liability (Note 8)	**77,043**	82,407
Total liabilities	**2,012,775**	1,867,016
Shareholders' Equity		
Share capital (Note 13)	**18,788,230**	17,806,493
Warrants (Note 13)	**847,016**	185,971
Contributed surplus (Note 13)	**1,144,418**	1,080,523
Accumulated other comprehensive income (Note 19)	**661,663**	259,343
Accumulated deficit	**(18,066,415)**	(16,840,037)
Total shareholders' equity	**3,374,912**	2,492,293
Total liabilities and shareholders' equity	**5,387,687**	4,359,309

Nature of operations and going concern (Note 1)
Subsequent events (Note 20)

APPROVED BY THE BOARD OF DIRECTORS

Original signed by William MacDonald, Director

Original signed by Ronald Goguen, Director

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

COLIBRI RESOURCE CORPORATION
Consolidated Statements of Change in Shareholders' Equity
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Warrants	Accumulated other comprehensive income	Contributed surplus	Accumulated deficit	Total equity
		$	$	$	$	$	$
Balance December 31, 2023	**19,426,567**	**17,580,204**	**62,316**	**808,861**	**1,290,443**	**(15,621,698)**	**4,120,126**
Net loss for the year	-	-	-	-	-	(1,218,339)	(1,218,339)
Share based compensation (Note 13 (e))	-	-	-	-	86,863		86,863
Common shares issued on conversion of convertible debentures (note 13 (c) (v) & (vi))	139,750	44,444	-	-	11,939	-	56,383
Common shares issued with private placement (Note 13 (c) (vii))	1,222,000	181,845	-	-	-	-	181,845
Value of warrants issued under private placement (Note 13 (d) (v))	-	-	123,655	-	-	-	123,655
Equity portion of below market related party loan reimbursed	-	-	-	-	(308,722)	-	(308,722)
Other comprehensive loss	-	-	-	(549,518)	-	-	(549,518)
Balance December 31, 2024	**20,788,317**	**17,806,493**	**185,971**	**259,343**	**1,080,523**	**(16,840,037)**	**2,492,293**
Net loss for the year	-	-	-	-	-	(1,226,378)	(1,226,378)
Share based compensation (Note 13 (e))	-	-	-	-	1,579		1,579
Common shares issued with private placement (Note 13 (c) (i) (ii) (iii) & (iv))	12,239,883	981,737	-	-	-	-	981,737
Value of warrants issued under private placement (Note 13 (d) (i) (ii) (iii) & (iv))	-	-	663,510	-	-	-	663,510
Broker warrants granted			59,851				59,851
Warrants expired (Note 13 (d))	-	-	(62,316)	-	62,316	-	-
Other comprehensive loss	-	-	-	402,320	-	-	402,320
Balance December 31, 2025	**33,028,200**	**18,788,230**	**847,016**	**661,663**	**1,144,418**	**(18,066,415)**	**3,374,912**

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

COLIBRI RESOURCE CORPORATION
Consolidated Statements of Cash Flows
For the Year Ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

	2025	2024
	$	$
CASH FLOW USED IN OPERATING ACTIVITIES		
Net loss for the year	**(1,226,378)**	(1,218,339)
Items not involving cash:		
Amortization	**49,739**	71,400
Fair value adjustments on investments (Note 6)	**4,000**	(11,875)
Realized (gain) loss on sale of investment (Note 6)	**60,000**	28,623
(Gain) loss on sale of fixed assets	**(3,479)**	10,776
Loss on termination of lease (Note 8)	**-**	8,911
Interest and accretion	**168,874**	319,901
Share based compensation (Note 13 (e))	**1,579**	86,863
Fair Value adjustment of derivative liability (Note 10)	**(14,856)**	(150,089)
Unrealized foreign exchange (gain) loss	**(51,976)**	134,163
Changes in non-cash working capital		
(Increase) decrease in receivables	**(97,879)**	200
Increase in prepaid expenses	**(124,823)**	(5,617)
Increase in accounts payables and accrued liabilities	**379,572**	39,492
Net cash flow used in operating activities	**(855,627)**	(685,591)
CASH FLOW (USED IN) PROVIDED BY INVESTING ACTIVITIES		
Acquisition of exploration and evaluation assets (Note 9)	**(220,144)**	(280,582)
Proceeds from sale of fixed assets (Note 7)	**-**	269,480
Proceeds from sale of investments (Note 6)	**40,000**	181,377
Net cash flow (used in) provided by investment activities	**(180,144)**	170,275
CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
Repayment of loan payable (Note 11)	**-**	(222,457)
Interest paid on loan payable	**-**	(47,247)
Proceeds from related party loan payable (Note 12)	**-**	364,559
Repayment of related party loan payable (Note 12)	**(207,842)**	(156,716)
Repayment of related party payable (Note 12)	**(54,827)**	79,421
Repayment of lease obligations (Note 8)	**(49,846)**	(37,508)
Repayment of convertible debenture(Note 10)	**(68,910)**	-
Net proceeds from issuance of shares (Note 13 (c) (i) (ii) (iii) (iv) & (vii))	**1,705,098**	305,500
Interest paid on debentures	**(16,910)**	(87,837)
Net cash flow provided by financing activities	**1,306,763**	197,716
Effect of change in foreign exchange rates	**7,724**	(44,853)
INCREASE (DECREASE) IN CASH	**278,716**	(362,453)
Cash, beginning of year	**16,346**	378,799
Cash, end of year	**295,061**	16,346

Supplemental cash flow information (Note 14)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Colibri Resource Corporation ("the Company") was incorporated on February 20, 2004 in the Province of British Columbia. The Company's registered office and principal place of business is 105 Englehart St., Suite 700, Dieppe, NB, Canada.

The Company is pursuing opportunities in the exploration of mineral and natural resource properties in Mexico and is considered to be in the exploration stage.

The Company is in the process of acquiring and exploring its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or proceeds from the disposition of the properties.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and liabilities in the normal course of business. The following material uncertainties cast significant doubt on the validity of this assumption. During the year ended December 31, 2025, the Company had a net loss of $1,226,378 (2024 - $1,218,339) and as at December 31, 2025, the Company has a working capital deficit of $1,316,518 (2024 – $1,219,014), a cumulative deficit of $18,066,415 (2024 – $16,840,037), no source of operating cash flow, and no assurances that sufficient funding will be available to conduct further exploration and development of its resource property projects.

Subsequent to year-end, on January 29, 2026, the Company converted $600,995 of debt into units comprised of common shares and common share purchase warrants. On February 9, 2026, the Company issued 115 convertible debenture units maturing in two years, raising US$115,000 in gross proceeds; however, since former debenture holders acquired these units, no cash was received. The only source of future funds presently available to the Company is through the issuance of share capital, or by the sale of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing or sale of an interest in the future will depend in part upon the prevailing market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company. If additional financing is raised through the issuance of shares, control of the Company may change and shareholders may suffer dilution. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Although these consolidated financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's business, results of operations, and financial condition.

The amounts shown as exploration and evaluation assets represent acquisition costs net of recoveries to date, less amounts written off, and do not necessarily represent present or future values. Recoverability of the amounts shown for mineral property interests is dependent upon the discovery of economically recoverable mineral reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration and development of its mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

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

The Board of Directors approved these consolidated financial statements for issue on April 29, 2026.

(b) Basis of Measurement

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs. The consolidated financial statements are presented in Canadian dollars unless otherwise stated.

(c) Subsidiaries and Principles of Consolidation

These consolidated financial statements include the accounts of Colibri Resource Corporation and its wholly owned subsidiaries 7985240 Canada Ltd. (formerly Canadian Gold Resources Ltd.), Great Panther Coboro Holdings Ltd., Minera Bestep S.A. de C.V. (Minera Bestep), Yaque Minerales S.A. de C.V. (Yaque), and Coboro Minerales S.A. de C.V. (Coboro). Minera Bestep, Yaque and Coboro are incorporated in Mexico for the purposes of developing mineral properties. All intercompany transactions and balances have been eliminated upon consolidation. All amounts are reported and measured in Canadian dollars.

Control exists where the parent entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial report from the date control commences to the date control ceases.

(d) Critical Accounting Judgments and Estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The assumption of going concern basis of accounting;
- The carrying value and recoverable amount of exploration and evaluation assets (note 9);
- The inputs used in the valuation of the convertible debentures, the conversion feature and the attached warrants (notes 10 & 13 (d));

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Cash

For purposes of reporting cash flows, the Company considers cash and cash equivalents to include amounts held in banks and cashable highly liquid investments with limited interest and credit risk. The remaining maturities at point of purchase are at three months or less, with no penalties on early retirement.

(b) Exploration and Evaluation Assets

Exploration and evaluation assets are recorded at cost less accumulated impairment losses, if any. All direct costs related to the acquisition, exploration and evaluation of mineral properties are capitalized until the technical feasibility and commercial viability of the asset is established, at which time the capitalized costs are reclassified to mineral properties under development. Technical feasibility and commercial viability is defined as (1) the determination of mineral reserves and (2) a decision to proceed with development has been recommended by management and approved by the Company's board of directors. To the extent that the expenditures are made to establish mineral reserves within the rights to explore, the Company will consider those costs as capital in nature. The depreciation of a capital asset in connection with exploring or evaluating a property of this nature will be included in the cost of the exploration and evaluation asset.

Management reviews the facts and circumstances to determine whether there is an indication that the carrying amount of the exploration and evaluation assets exceeds their carrying value on a regular basis. Indication includes but is not limited to, the expiration of the right to explore, substantive expenditure in the specific area is neither budgeted nor planned and if the entity has decided to discontinue exploration activity in the specific area. If the facts and circumstances suggest the carrying value exceeds the recovery value, the Company will write down the carrying value of the property.

(c) Capital Assets

Capital assets are stated at historical cost less accumulated depreciation and accumulated impairment losses. The cost of capital assets consists of the purchase price and any costs directly attributable to bringing the assets to the location and condition necessary for its intended use.

Capital assets are depreciated on a straight-line basis over their useful lives at the following rates:

Building – 20 years
Drilling equipment – 10 years
Transportation equipment – 4 years
Computer equipment – 3 years
Furniture and fixtures – 3 years

(d) Impairment of Long-Lived Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(d) Impairment of Long-Lived Assets *(Continued)*

statement of comprehensive loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash- generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of comprehensive loss.

(e) Revenue Recognition

Interest income from financial instruments (mainly cash and equivalents), is recognized using the effective interest method. Dividend income is recognized when the rights to receive payment is established.

The Company has no ongoing revenue other than nominal interest and dividend income on cash balances, however, from time to time the Company sells or options Exploration or Evaluation assets (E&E assets) for cash and or shares of other exploration companies (or a combination of both). Any shares received are valued when received at fair market value. The cash and or shares received are offset against the carrying value of the E&E assets being sold to the extent that there is any carrying value. Should the amount received be in excess of the carrying value of the E&E assets, the amount is recognized in the consolidated statement of comprehensive loss as mineral property option proceeds in excess of capitalized costs. Similarly, should the proceeds be less than the carrying value of the E&E assets being sold or optioned, the balance is recognized in the income statement as loss on the sale or option of exploration and evaluation assets.

(f) Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

• The contract involves the use of an identified asset, either explicitly or implicitly, including consideration of supplier substitution rights;

• The Company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and

• The Company has the right to direct the use of the asset.

The right-of-use ("ROU") asset is initially measured based on the initial amount of the lease liability plus any initial direct costs incurred less any lease incentives received. The ROU asset is depreciated to the earlier of the end of the useful life or the lease term using either the straight-line or units-of-production method, depending on which method more accurately reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise the option. The ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(f) Leases *(Continued)*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method and remeasured when there is a change in future lease payments. Future lease payments can arise from a change in an index or rate, if there is a change in the Company's estimate of the expected payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded to the statement of loss if the carrying amount of the ROU asset has been reduced to zero.

(g) Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The consolidated financial statements are presented in Canadian dollars, which is the functional currency for Colibri, 7985240 Canada Ltd. and Great Panther Coboro Holdings Ltd. The functional currency of Yaque Minerales S.A de C.V., Minera Bestep S.A. de C.V. and Coboro Minerales S.A. de C.V. is the Mexican Peso.

Transactions denominated in foreign currencies are translated into the functional currency using the exchange rates prevailing at the date of the transaction. The foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year–end exchange rates of monetary assets and liabilities denominated in currencies other than an operation’s functional currency are recognized in the consolidated statement of comprehensive loss.

The assets and liabilities of the Company’s foreign operations that have a functional currency different from Colibri are translated into Canadian dollars using the exchange rates prevailing at the end of each reporting period. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transaction are used. Exchange differences arising, if any, are recognized in other comprehensive income as cumulative translation adjustments.

The long-term receivables from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future is considered a part of the Company’s net investment in the foreign operation. Exchange differences arising on these monetary items are recognized in the other comprehensive income.

(h) Income Taxes

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(h) Income Taxes *(Continued)*

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are derecognized to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

(i) Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing the net loss applicable by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is computed by dividing the net loss by the sum of the weighted average number of common shares issued and outstanding during the reporting period and all additional common shares for the assumed exercise of options and warrants outstanding for the reporting period, if dilutive. The treasury stock method is used to arrive at the diluted outstanding shares that may add to the total number of loss per share, which is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options of common shares. Diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive.

(j) Share Capital and Contributed Surplus

Share capital represents the nominal (par) value of shares that have been issued. The Company applies the fair value method with respect to the measurement of shares and warrants issued as private placement units. The Company allocates the net proceeds based on the relative fair values to each component, including issue costs. The fair value of the warrants is determined using the Black-Scholes pricing model.

Broker warrants are valued using the Black-Scholes pricing model and recorded as share issue costs.

Costs directly attributable to the raising of capital are charged against the related share capital and a portion is proportionately allocated to warrants if costs are related to the issuance of units.

The fair value of common shares issued as consideration for mineral right interests is based on the trading price of those shares on the TSX-V on the date of the agreement to issue shares or other fair value equivalent amount as determined by the Board of Directors. Agent’s warrants, stock options and other equity instruments issued as purchase consideration in nonmonetary transactions other than as consideration for mineral properties are recorded at fair value determined by management using the Black-Scholes option pricing model.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(k) Share-Based Payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the consolidated financial statements. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period based on the Company's estimate of shares that will eventually vest. The number of forfeitures likely to occur is estimated on grant date. Any consideration paid by directors, officers and employees on exercise of equity-settled share-based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of the Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

(l) Convertible Debentures with Warrants and Derivative Liability

Convertible debentures with warrants attached and a convertible feature require a detailed accounting approach to ensure proper classification and treatment. These instruments consist of multiple components: a debt component, the warrants, and the embedded conversion feature.

The debt component is initially recognized at fair value, determined by discounting future cash flows using the market interest rate for similar non-convertible debt. The convertible feature allows the holder to convert the debenture into equity of the issuing entity under specified terms. If the conversion feature meets the criteria for classification as equity (fixed-for-fixed), it is treated as part of the equity component. However, if the feature includes variability, such as adjustments to the conversion price or number of shares based on market conditions, it is classified as a derivative liability.

The warrants are separately assessed to determine their classification. If their terms are fixed-for-fixed, they are classified as equity and the residual amount after deducting the debt component's fair value is allocated to them. Conversely, if the warrants include variability (e.g., adjustments to exercise price or share quantity), they are classified as derivative liabilities and measured at fair value at initial recognition and at each reporting date, with changes recorded in the statement of comprehensive income.

Subsequent to initial recognition, the debt component is measured at amortized cost using the effective interest method. Equity-classified components, such as fixed-for-fixed warrants or conversion features, are not re-measured, while derivative liabilities are re-measured at fair value periodically.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(m) Financial Instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVTPL"), directly attributable transaction costs. Financial instruments are recognized when the Company becomes party to the contracts that give rise to them and are classified as amortized cost, fair value through profit or loss or fair value through other comprehensive income, as appropriate.

The Company has made the following classifications:

Cash	FVTPL
Investment	FVTPL
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Convertible debenture	Amortized cost
Related party payable	Amortized cost
Loan payable	Amortized cost
Lease liability	Amortized cost

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading and financial assets not designated upon initial recognition as amortized cost or fair value through other comprehensive income ("FVOCI"). A financial asset is classified in this category principally for the purpose of selling in the short term, or if so designated by management. Transaction costs are expensed as incurred. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets measured at FVTPL are measured at fair value with changes in fair value recognized in the consolidated statements of comprehensive loss.

Financial assets at FVOCI

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at fair value upon initial recognition plus directly attributable transaction costs and at each period end, changes in fair value are recognized in other comprehensive income ("OCI") with no reclassification to the statements of comprehensive loss. The election is available on an investment-by-investment basis. As at December 31, 2025, the Company did not have any financial assets at FVOCI.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVTPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(m) Financial Instruments *(Continued)*

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in comprehensive loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in comprehensive loss when the liabilities are derecognized as well as through the amortization process. Borrowing liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Accounts payable and accrued liabilities are classified as and measured at amortized cost.

De-recognition of financial assets and liabilities

A financial asset is derecognized when either the rights to receive cash flows from the asset has expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Company has transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset then derecognition is appropriate. A financial liability is derecognized when the associated obligation is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in net loss.

Impairment of financial assets:

A loss allowance for expected credit losses is recognized in comprehensive loss for financial assets measured at amortized cost. At each balance sheet date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model does not apply to FVTPL instruments.

The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12 month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(m) Financial Instruments *(Continued)*

Financial instruments recorded at fair value:

The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis; and, pricing models.

Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

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; and
Level 3 – Inputs that are not based on observable market data.

At December 31, 2025, the Company's only financial instruments measured at fair value on a recurring basis is cash, which is classified as Level 2 in the fair value hierarchy. All other financial instruments, are measured at amortized cost. Their carrying amounts approximate fair value due to their short-term nature or the application of the effective interest method. The fair values of these instruments are classified within Level 2 as they are determined using observable inputs such as market interest rates and contractual cash flows.

(n) Accounting Standards Issued But Not Yet Applied

In May 2024, the IASB issued narrow scope amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments have not yet been incorporated into Part I of the CPA Canada Handbook - Accounting.
The amendments:

- Provide clarification that a financial liability is derecognized on the 'settlement date', i.e., the date on which the liability is extinguished as the obligation specified in the contract is discharged or cancelled or expired;
- Provide an accounting policy option to derecognize a financial liability that is settled in cash using an electronic payment system before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option shall apply it to all settlements made through the same electronic payment system;
- Clarify how to assess the contractual cash flow characteristics of financial assets with contingent features, including environmental, social and corporate governance (ESG) linked features;
- Clarify that, for a financial asset to have 'non-recourse' features, the entity's ultimate right to receive cash flows must be contractually limited to the cash flows generated by specified assets. The amendments also include factors that an entity should consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test);

(Expressed in Canadian Dollars)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(n) Accounting Standards Issued But Not Yet Applied *(Continued)*

- Clarify the characteristics of the contractually linked instruments that distinguish them from other transactions; and
- Add new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have certain contingent features.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendments are to be applied retrospectively. In applying the amendments, an entity is not required to restate comparative periods. The Company is currently assessing the impact of the new standard on its financial statements.

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements which sets out the overall requirements for presentation and disclosures in the consolidated financial statements. The new standard replaces IAS 1 and although much of the substance of IAS 1 will carry over into the new standard, the new standard will require presentation of separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The new standard will also require disclosure and explanation of management-defined performance measures in a separate note within the consolidated financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim consolidated financial statements, and requires retrospective application. The Company is currently assessing the impact of the new standard.

4. RECEIVABLES

	December 31, 2025	December 31, 2024
	$	$
Sales tax recovery	**38,067**	5,120
Recovery of expenses	**127,046**	48,237
Other	**2,894**	230,727
	168,007	284,084

5. PREPAID EXPENSES

	2025	2024
	$	$
Prepaid insurance	**1,494**	1,437
Other	**154,652**	29,886
	156,146	31,323

(Expressed in Canadian Dollars)

6. INVESTMENT

The Company acquired 2,000,000 common shares of Tocvan Ventures Corp. during fiscal 2019 as partial consideration for the option of a mineral property as described in Note 9. During fiscal 2020 the Company acquired an additional 1,000,000 shares, sold 1,650,000 shares and realized a gain of $50,484. During fiscal 2021, the Company acquired an additional 1,000,000 shares, sold 1,329,900 shares and realized a gain of $115,414. During the year ended December 31, 2022, the Company acquired another 1,000,000 shares, sold 1,020,100 shares and realized a loss of $112,333. During the year ended December 31, 2023, the Company acquired an additional 525,000 shares, sold 1,000,000 shares, and realized a loss of $3,302. During the year ended December 31, 2024, the Company sold 525,000 shares, and realized a loss of $28,623.

During the year ended December 31, 2023, the Company received an offer of $100,000 from a private company interested in purchasing the name of Canadian Gold Resources Ltd. from its subsidiary. In exchange for the sale of this name, the Board of Directors accepted 400,000 shares of Canadian Gold Resources Ltd. valued at $100,000. Canadian Gold Resources Ltd. completed an RTO during the year ended December 31, 2024, and its shares are now traded on the TSX Venture Exchange. During the quarter ended June 30, 2025, the Company sold its Canadian Gold shares, which were primarily held in escrow, to private investors at $0.10 per share. Of the 400,000 shares sold, 200,000 were purchased by related parties. The market value of the shares at the time was $0.15 per share. The difference in sales price is attributed to the escrow status of the shares.

	December 31, 2024	**Additions**	**Proceeds from sales**	**Realized gain (loss)**	**Unrealized gain (loss)**	**December 31, 2025**
	$	**$**	**$**	**$**	**$**	**$**
Canadian Gold Resources Ltd.	**104,000**	**-**	**(40,000)**	**(60,000)**	**(4,000)**	**-**
	104,000	**-**	**(40,000)**	**(60,000)**	**(4,000)**	**-**

	December 31, 2023	Additions	Proceeds from sales	Realized gain (loss)	Unrealized gain (loss)	December 31, 2024
	$	$	$	$	$	$
Tocvan Ventures Corp.	202,125	-	(181,377)	(28,623)	7,875	-
Canadian Gold Resources Ltd.	100,000	-	-	-	4,000	104,000
	302,125	-	(181,377)	(28,623)	11,875	104,000

(Expressed in Canadian Dollars)

6. INVESTMENT *(Continued)*

	2025	2024
	$	$
Investment Canadian Gold Resources Ltd	**-**	104,000
Amounts to be released from escrow in the next twelve month	**-**	26,000
	-	78,000

7. CAPITAL ASSETS

	Land and building	Office equipment	Computer equipment	Transportation equipment	Drilling equipment	Total
	$	$	$	$	$	$
Cost:						
Balance December 31, 2023	100,342	20,021	14,531	113,913	564,813	813,620
Disposition	-	-	-	(19,126)	(482,126)	(501,252)
Effect of exchange rate change	(11,410)	(1,974)	(460)	(12,882)	(32,323)	(59,049)
Balance December 31, 2024	88,932	18,047	14,071	81,905	50,364	253,319
Disposition	**-**	**-**	**-**	**(17,079)**	**-**	**(17,079)**
Effect of exchange rate change	**8,895**	**1,539**	**359**	**6,597**	**5,037**	**22,427**
Balance December 31, 2025	**97,827**	**19,586**	**14,430**	**71,423**	**55,401**	**258,667**
Accumulated amortization:						
Balance December 31, 2023	9,253	18,187	14,377	75,858	157,562	275,237
Amortization	4,425	936	26	25,957	29,733	61,077
Disposition	-	-	-	(17,931)	(164,208)	(182,139)
Effect of exchange rate change	(1,377)	(1,941)	(467)	(10,468)	(9,237)	(23,490)
Balance December 31, 2024	12,301	17,182	13,936	73,416	13,850	130,685
Amortization	**4,305**	**173**	**74**	**-**	**5,289**	**9,841**
Disposition	**-**	**-**	**-**	**(8,540)**	**-**	**(8,540)**
Effect of exchange rate change	**1,434**	**1,539**	**359**	**6,547**	**1,637**	**11,516**
Balance December 31, 2025	**18,040**	**18,894**	**14,369**	**71,423**	**20,776**	**143,502**
Carrying amounts:						
December 31, 2024	76,631	865	135	8,489	36,514	122,634
December 31, 2025	**79,787**	**692**	**61**	**-**	**34,625**	**115,165**

8. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company maintains a lease agreement for its head office in Dieppe, New Brunswick, and previously maintained a lease for its office in Sonora, Mexico. The Mexican lease expired on December 31, 2024. Based on information available at the time the 2024 audited financial statements were prepared, management understood that the lease would not be renewed for an additional term. As a result, the renewal component previously included in the measurement of the right-of-use asset and lease liability under IFRS 16 was derecognized in December 2024, resulting in a loss of $8,911 recognized in the consolidated statement of comprehensive loss. Consistent with this understanding, lease payments made during the first three quarters of 2025 were recorded as period expenses.

In June 2025, the Mexican company and the landlord executed a written lease agreement for the same premises. Although the agreement was signed in June, it specifies a contractual lease term beginning January 1, 2025 and ending December 31, 2026. Under the Civil Code of the State of Sonora, when a tenant remains in the premises with the landlord's consent after expiry of the prior lease, the lease is deemed to renew for an additional year. The same Code provides that contracts bind the parties to the agreement they intended to enter into. Based on this legal framework and the terms of the executed agreement, management determined that enforceable rights and obligations existed from January 1, 2025.

The Company became aware of the executed agreement and the applicable legal provisions in December 2025. As a result, the Company recognized a right-of-use asset and corresponding lease liability at that time, measured as if the lease had commenced on January 1, 2025 in accordance with IFRS 16. The resulting lease term for accounting purposes is 24 months, ending December 31, 2026. The right-of-use asset is depreciated on a straight-line basis over the remaining lease term, and the lease liability is measured at the present value of future lease payments discounted using the Company's incremental borrowing rate at the January 1, 2025 commencement date.

On October 7, 2025, the Company modified its lease agreement for its head office space. Although the original lease included the five-year renewal term, the renewal payments were initially assumed to remain unchanged. Upon execution of the renewal, monthly lease payments increased from $1,710 to $1,920 effective October 1, 2025, and to $2,100 effective October 1, 2027.

In accordance with IFRS 16 – Leases, the lease modification was not accounted for as a separate lease. The lease liability was remeasured using a revised incremental borrowing rate of 10%, reflecting in an increase of $9,564 to the lease liability, with a corresponding adjustment to the right-of-use-asset.

The modification did not affect the lease term or scope. The revised liability and asset will be amortized over the remaining 5-year term. No gain or loss was recognized in the consolidated statement of comprehensive loss because of the modification.

(Expressed in Canadian Dollars)

8. RIGHT-OF-USE ASSET AND LEASE LIABILITY *(Continued)*

The continuity of the ROU asset and lease liability is as follows:

Right-of-use asset	**December 31, 2025**	December 31, 2024
	$	$
Balance Beginning of years	**80,020**	117,777
Addition	**49,062**	-
Depreciation	**(39,898)**	(25,145)
Lease modification	**9,564**	-
Termination of lease	**-**	(10,738)
Effect of foreign exchange	**3,702**	(1,874)
Balance end of years	**102,450**	80,020
Lease liability		
Balance Beginning of years	**96,008**	126,150
Addition	**49,062**	-
Lease payments	**(49,846)**	(37,508)
Lease interest	**12,682**	10,757
Lease modification	**9,564**	0
Termination of lease	**-**	(2,483)
Effect of foreign exchange	**3,855**	(908)
Balance end of years	**121,325**	96,008
Current portion	**44,282**	13,601
Long-term portion	**77,043**	82,407

9. EXPLORATION AND EVALUATION ASSETS

Title to Mineral Properties

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

Evelyn/Plomo Property

The Company holds a 100% interest in the Evelyn/Plomo property (EP).

During the 2019 year, the Company carried out preparatory work for a drilling program to be completed during fiscal 2020. Consequently, exploration and evaluation costs of $70,220 were capitalized.

During fiscal 2020, the Company incurred exploration and evaluation expenditures in the amount of $437,575 related to the Evelyn property.

9. EXPLORATION AND EVALUATION ASSETS *(Continued)*

Evelyn/Plomo Property *(Continued)*

During fiscal 2021, the Company incurred exploration and evaluation expenditures in the amount of $832,829 related to the Evelyn property.

During fiscal 2022, the Company incurred exploration and evaluation expenditures in the amount of $1,303,134 related to the Evelyn property.

During the first quarter of 2023, the Company purchased all the shares of Coboro Minerales S.A. de C.V., ("Coboro") for $100,000. Coboro holds the Plomo gold project which is contiguous with the Evelyn project. For the year ended December 31, 2023, the Company incurred exploration and evaluation expenditures in the amount of $1,023,460 related to the Evelyn/Plomo property.

During fiscal 2024, the Company incurred exploration and evaluation expenditures in the amount of $254,119 before the effect of the foreign exchange related to the Evelyn/Plomo property.

In the fourth quarter of fiscal 2025, the Company conducted eleven reverse circulation (RC) drill holes on the EP property, amounting to approximately 906 meters in total. Throughout fiscal 2025, exploration and evaluation expenditures on the EP property amounted to $214,068 before the effect of the foreign exchange related to the Evelyn/Plomo property.

Pilar Property

In August 2017 the Company, through its wholly owned subsidiary, Minera Bestep, acquired a 100% interest in the Pilar property. The Pilar property is located in the State of Sonora, Mexico.

During the 2019 year, the Company optioned the Pilar property to Tocvan Ventures Corp. ("Tocvan") whose shares are listed on the Canadian Securities Exchange, and received as consideration 2,000,000 common shares of Tocvan valued at $260,000 and cash of $125,000. Tocvan can earn a 51% interest in the Pilar property by issuing another 3,000,000 common shares, making additional cash payments of $300,000 to the Company, and carrying out exploration and evaluation expenditures of $2,000,000, over a 60-month period.

During the 2020 fiscal year, the Company received an additional 1,000,000 common shares of Tocvan valued at $465,000 and cash of $125,000 as partial consideration in connection with the option agreement.

During fiscal 2021, the Company received an additional 1,000,000 common shares of Tocvan valued at $910,000 and cash of $25,000 as partial consideration in connection with the option agreement.

During fiscal 2022, the Company received an additional 1,000,000 common shares of Tocvan valued at $610,000 and cash of $75,000 as partial consideration in connection with the option agreement.

During fiscal 2023, the Company received the final cash payment of $75,000. On September 19, 2023, Tocvan submitted the exercise notice to the Company for the majority ownership (51%) of the Pilar property. Tocvan had a six-month option period, till March 19, 2024, to purchase the remaining 49% for $2,000,000 cash payment and 2% NSR on the property. Also, pursuant to the property option agreement, Tocvan is obligated to issue to the Company fully-paid and non assessable common shares of Tocvan in the event that the capitalization of Tocvan exceeds the threshold described in the agreement. Therefore, on December 19, 2023, Colibri received 525,000 shares of Tocvan valued at $210,000.

9. EXPLORATION AND EVALUATION ASSETS *(Continued)*

Pilar Property *(Continued)*

On March 19, 2024, Tocvan did not exercise its option to purchase the remaining 49% of the Pilar property, The Company is therefore in negotiation to form a joint venture with Tocvan to further explore the property.

In the first quarter of 2025, Colibri and Tocvan drilled 1,167.5 meters of diamond core holes at Pilar. Colibri used the USD $150,000 drilling credit received in 2024 from the sale of drilling equipment.

Sun Property

In August 2017, the Company through its wholly owned subsidiary, Minera Bestep S.A. de C.V., acquired a 100% interest in the Sun concession.

During the 2023 fiscal year, management determined there were indicators of impairment on the property, and accordingly, recorded an impairment loss of $9,807.

El Mezquite Property

In November 2019, the Company through its recently acquired wholly owned subsidiary, Yaque Minerales S.A. de C.V., acquired a 65% interest in the El Mezquite property. The El Mezquite property is located in the State of Sonora, Mexico.

On April 26, 2024, the Company signed an agreement with Ontop Capital Limited ("Ontop") which states that Colibri will try to sell the El Mezquite property in order to repay the $1,000,000 debt owed to Ontop. If the sale does not occur prior to maturity of the debt on April 27, 2026, Colibri will return the El Mezquite property to Ontop in exchange for the forgiveness of the $1,000,000 debt. The Company recorded an impairment loss of $6,912 on December 31, 2023 as the carrying value of the property exceeded the recoverable value of $1,000,000.

On May 28, 2024, the Directors of the Company voted in favor of returning the El Mezquite property to Ontop in exchange for the forgiveness of the $1,000,000 debt. On June 25, 2024, the property was returned to Ontop, and the debt was forgiven.

Jackie Property

In November 2019, the Company through its recently acquired wholly owned subsidiary, Yaque Minerales S.A. de C.V., acquired a 100% interest in the Jackie property. The Jackie property is located in the State of Sonora, Mexico.

During the 2020 fiscal year, the Company entered into an option agreement with Silver Spruce Resources Inc. ("Silver Spruce") whereby Silver Spruce can earn a 50% interest in the Jackie property by cash payments of USD $50,000 and CAD $50,000 of Silver Spruce shares to the Company over a two-year issuance period. In addition, Silver Spruce is required to carry out USD $100,000 of exploration and evaluation expenditures of which USD $50,000 of expenditures must be incurred during the first year of the option.

During fiscal 2021, the Company received 1,000,000 common shares of Silver Spruce valued at $47,500 and cash of USD $50,000 (CAD $64,000) in connection with the option agreement.

On April 19, 2022, Silver Spruce having earned its 50% interest in the Jackie property, signed a joint venture agreement with the Company for the continued operation of the Jackie property.

9. EXPLORATION AND EVALUATION ASSETS *(Continued)*

Jackie Property *(Continued)*

On May 12th, 2025, the Company has agreed to sell its 50% interest in the Jackie Project, located in Sonora, Mexico to Silver Spruce. As proceed for the sale, the Company will receive $25,000 worth of Silver Spruce shares. Silver Spruce will also pay the Company a 1% Net Smelter Return (NSR) royalty on any future production from the Jackie Project. The Company is still working on the final legal procedures for the transfer.

El Diamante Property

During fiscal 2021, the Company entered into an earn-in agreement whereby the Company can initially earn a 50% interest in the El Diamante property by making cash payment of USD $100,000 paying one-half of the property tax and security costs and incurring the cost of 2,000 meters of drilling and related costs over a two-year period. Upon completion of its earn-in, the Company can either continue exploration and evaluation activities under a joint venture agreement with current owner of the property or acquire the remaining 50% of the property by payment of USD $2.1 million or payment of USD $1.4 million and granting of a 2% NSR. The El Diamante property is located in the State of Sonora, Mexico.

During fiscal 2021, the Company entered into an agreement with Silver Spruce Resources Inc. ("Silver Spruce") whereby Silver Spruce can earn a 50% interest in the Company's interest in the El Diamante property by making a cash payment of USD $75,000 and incurring 75% of the Company's costs with respect to the 2,000 metres of drilling and 50% of any other costs incurred by the Company with respect to the El Diamante property.

During fiscal 2021, the Company received cash in the amount of USD $75,000 (CAD $93,675) and received $26,354 as reimbursement of operating costs from Silver Spruce.

During the third quarter of 2022, Colibri, along with its partner, Silver Spruce completed 2005 meters of drilling and on January 31, 2023, earned the initial 50% of the El Diamante property.

On May 10th, 2025, Colibri and its joint venture partner Silver Spruce Resources Inc. increased their joint ownership of the Diamante Project from 50% to 60%. This increase is the result of an agreed to ownership dilution with its private Mexico based partner whereby exploration activities carried out in 2024 - including diamond drilling and fieldwork - were funded entirely by Yaque Minerales S.A. de C.V., a private Mexican company owned equally by Colibri and Silver Spruce. In recognition of this investment, Yaque Minerales will be issued an additional 10% ownership in Bimcol Minera S.A. de C.V., the entity that holds 100% of the Diamante Project.

Following the additional earn-in, Colibri entered into an agreement on May 12, 2025 to acquire Silver Spruce's 50% ownership in Yaque Minerales, which will result in Colibri owning 100% of Yaque Minerales and, thereby, an effective 60% interest in the Diamante Project. Colibri will accept ownership of Silver Spruce's shares in Yaque in lieu of an approximately $80,000 of outstanding exploration expenditures owing to Colibri, allowing Colibri to consolidate control of the project without equity dilution or additional capital expenditure. As of December 31, 2025, legal requirements are not yet finalized, so the property has not been transferred.

9. EXPLORATION AND EVALUATION ASSETS *(Continued)*

	Pilar Property	Evelyn/Plomo Properties	El Mezquite Property	El Diamante Property	Total
	$	$	$	$	$
Balance December 31, 2023	-	3,767,218	1,000,000	140,202	4,907,420
Proceeds from sale of property	-	-	(1,000,000)	-	(1,000,000)
Field expenses and personnel	-	189,409	-	121,183	310,592
Drilling	-	-	-	50,267	50,267
Miscellaneous	5,586	64,710	-	35,943	106,239
Recovery of expenses	(4,382)	-	-	(182,134)	(186,516)
Effect of foreign exchange	(302)	(441,765)	-	(25,033)	(467,100)
Balance December 31, 2024	902	3,579,572	-	140,428	3,720,902
Field expenses and personnel	**-**	**24,402**	**-**	**-**	**24,402**
Drilling	**214,827**	**147,145**	**-**	**-**	**361,972**
Miscellaneous	**7,913**	**42,521**	**-**	**41,837**	**92,271**
Recovery of expenses	**(3,828)**	**-**		**(28,698)**	**(32,526)**
Effect of foreign exchange	**18,436**	**350,630**	**-**	**14,771**	**383,837**
Balance December 31, 2025	**238,250**	**4,144,270**	**-**	**168,338**	**4,550,858**

10. CONVERTIBLE DEBENTURE

	2025	2024
	$	$
Convertible debenture	**779,871**	786,681

In August 2023, the Company completed a debenture financing of USD $687,000, consisting of 687 units. Each unit is comprised of: (i) USD $1,000 principal amount of convertible debentures with a maturity date of two years from the date of issuance. The debentures bear interest at 10% per annum, calculated in US dollars and payable quarterly in arrears and has a conversion price of CAD $0.08 during the first twelve-month term and CAD $0.10 during the second twelve-month term. The debentures carry a fixed foreign exchange rate of CAD $1.30 of principal for conversion purpose only; and (ii) 5,416 common share purchase warrants, with each warrant exercisable at a price of CAD $0.12 per share for a period of twenty-four months from the date of issuance. Officers and directors of the Company subscribed for 25 units for gross proceeds of USD $25,000.

10. CONVERTIBLE DEBENTURE *(Continued)*

The private placement closed in two tranches with 487 units closing on August 1, 2023 and 200 units closing on August 31, 2023. On the issuance date, the fair value of the liability component was calculated using a discounted cash flow approach while the warrants were calculated using the Black Scholes Model and conversion components were valued under the Geometric Brownian Motion Model with the following assumptions: expected volatility based on historical volatility of 123.87% to 24.21%, a risk free interest rate of 4.68% to 4.78%, share price on issuance date of $0.05 and an expected life of 2 years. The present value of the interest and principal payments of the debenture at this fair value resulted in an allocation of $656,564 for the debenture and $195,241 to the conversion feature. The Company also paid transaction fees of $52,368 of which $37,459 were allocated to the convertible debentures, $11,139 to the conversion feature and $3,770 to the warrants. The difference between the fair value and face value of the debenture is being accreted over the term to maturity using the effective interest method. During the year ended December 31, 2025, interest and accretion expense of $156,161 was recognized (2023 - $222,523).

On December 5th, 2023, directors of the Company converted 25 convertible debentures into 406,250 common shares of the Company at a conversion rate $0.08 per common shares. The carrying value of the convertible debentures along with the carrying value of the convertible debenture conversion feature were transferred to share capital at the fair value of $0.045 per share issued with the difference credited to contributed surplus.

On April 18th, 2024, a debenture holder converted 31 convertible debentures into 503,750 common shares of the Company at a conversion rate $0.08 per common shares. The carrying value of the convertible debentures along with the carrying value of the convertible debenture conversion feature were transferred to share capital at the fair value of $0.065 per share issued with the difference credited to contributed surplus.

On July 12th, 2024, a debenture holder converted 12 convertible debentures into 195,000 common shares of the Company at a conversion rate $0.08 per common shares. The carrying value of the convertible debentures along with the carrying value of the convertible debenture conversion feature were transferred to share capital at the fair value of $0.06 per share issued with the difference credited to contributed surplus.

In August 2025, the Company's convertible debenture matured. On December 17, 2025, the Company made a partial repayment of USD $50,000 to a convertible debenture holder. Following the fiscal year end, on January 29, 2026, the Company completed a debt conversion totaling $600,995 into units comprised of common shares and common share purchase warrants. Of the converted amount, $505,995 pertained to the principal and accrued interest of certain convertible debentures. On February 9, 2026, the Company issued 115 convertible debenture units maturing in two years, raising USD $115,000 in gross proceeds; however, since former debenture holders acquired these units, no cash was received. Following the two private placements, USD $79,000 remains as short-term convertible debentures payable.

(Expressed in Canadian Dollars)

10. CONVERTIBLE DEBENTURE *(Continued)*

The following table presents the convertible notes:	**2025**	2024
	$	$
Balance at beginning of years	**786,681**	635,532
Accrued interest	**-**	(1,009)
Accretion expense	**101,427**	133,677
Conversion	**-**	(44,418)
Reimbursement	**(68,910)**	-
Foreign Exchange adjustment	**(39,327)**	62,899
Balance at end of years	**779,871**	786,681

The following table summarizes the financial derivative liabilities		
Balance at beginning of years	**14,856**	176,909
Fair value of financial derivative liabilities on initial recognition	**-**	-
Fair value of conversion	**-**	(11,964)
Fair value adjustment	**(14,856)**	(150,089)
Balance at end of years	**-**	14,856

11. LOAN PAYABLE

	2025	2024
	$	$
Loan payable of $350,000 USD to an unrelated party. The loan has a one-time fee of 10%, is unsecured and is repayable on May 7, 2024. On May 27, 2024, the loan and one time fee were extended with another fee of 4%. On August 20, 2024 the Company made a partial payment on the loan.	**253,842**	266,491
	253,842	266,491

12. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals.

Related party payable as at December 31, 2025 of $112,499 (December 31, 2024 – $167,326) is comprised of management fees, accounting fees, consulting fees and interest expense due to directors or companies controlled by officers and directors of the Company. Amounts payable to related parties are non-interest bearing, are due on demand, and are unsecured.

Loan payable to a related party of $nil (December 31, 2024 – $207,842) was due to an officer and director of the Company.

12. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

The Company entered into the following transactions with related parties during the year ended December 31, 2025:

a) Paid or accrued $144,000 (2024 – $144,000) in management fees to directors or companies controlled by directors and officers of the Company.

b) Paid or accrued $36,538 (2024 – $37,755) in accounting fees to an officer and a director of the Company.

c) Paid or accrued $5,250 (2024 – $52,500) in consulting fees to directors and officers of the Company.

d) Paid or accrued $24,846 (2024 – $15,006) in interest expense to a director or a company controlled by an officer and director of the Company.

e) Paid or accreted $nil (2024 – $89,258) in interest to a company which a director of the Company is also a director.

f) Incurred a loss of $30,000 (2024 – $nil) on the sale of 200,000 Canadian Gold Resources Ltd. shares to two directors of the Company.

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

13. SHARE CAPITAL AND CONTRIBUTED SURPLUS

(a) Authorized
Unlimited number of common shares without par value

(b) Share consolidation
On June 13, 2025, the Company implemented a share consolidation of all its outstanding common shares on the basis of one post-consolidated share for every five pre-consolidated shares ("the Consolidation"). All share, warrant, option and per share amounts presented in these financial statements, including comparative figures, have been retrospectively restated to reflect the Consolidation, in accordance with IAS 33 Earnings per share and IAS 1 Presentation of Financial statements.

(Expressed in Canadian Dollars)

13. SHARE CAPITAL AND CONTRIBUTED SURPLUS *(Continued)*

(c) Issued

Common shares

	Number of shares	Amount
		$
Balance December 31, 2023	19,426,567	17,580,204
Shares issued on conversion of debentures (pre consolidated, restated) (v) & (vi)	139,750	44,444
Shares issued for cash, net of issuance cost (pre consolidated, restated) (vii)	1,222,000	181,845
Balance December 31, 2024	20,788,317	17,806,493
Shares issued for cash, net of issuance cost (pre-consolidated, restated) (i) & (ii)	**2,295,200**	**169,970**
Shares issued for cash, net of issuance cost (post consolidated) (iii) & (iv)	**9,944,683**	**811,767**
Balance December 31, 2025	**33,028,200**	**18,788,230**

i) On February 11, 2025, the Company completed the first tranche of a non-brokered private placement, raising $140,400 by issuing 5,616,000 pre-consolidated units (“units”) at $0.025 each (1,123,200 post-consolidated units at $0.125 each). Each unit included one common share and one warrant, exercisable at $0.05 per share within 24 months (post-consolidation: $0.25). Of the proceeds, $56,160 was allocated to warrants and $84,240 to share capital, using the Black Scholes model (See Note 13(d)(i)). The Company paid finders’ fees of $1,500 and issued 60,000 pre-consolidated (12,000 post-consolidated) broker warrants valued at $1,210. Of these fees, $1,626 was allocated to share capital and $1,084 to the warrants.

ii) On March 25, 2025, the Company completed the second tranche of a non-brokered private placement, raising $146,500 by issuing 5,860,000 pre-consolidated units at $0.025 each (1,172,000 post-consolidated units at $0.125 each). Each unit included one common share and one warrant, exercisable at $0.05 per share within 24 months (post-consolidation: $0.25). Of the proceeds, $58,600 was allocated to warrants and $87,900 to share capital, using the Black Scholes model (See Note 13(d)(ii)). The Company paid finders’ fees of $500 and issued 20,000 pre-consolidated (4,000 post-consolidated) broker warrants valued at $407. Of these fees, $544 was allocated to share capital and $363 to the warrants.

13. SHARE CAPITAL AND CONTRIBUTED SURPLUS *(Continued)*

(c) Issued *(Continued)*

iii) On October 31, 2025 the Company completed the first tranche of a non-brokered private placement, raising $1,350,722 by issuing 9,004,816 post-consolidated units at $0.15 each. Each unit included one common share and one warrant, exercisable at $0.25 per share within 24 months. Of the proceeds, $545,656 was allocated to warrants and $805,066 to share capital, using the Black Scholes model (See Note 13(d)(iii)). The Company paid finders' fees of $71,504 and issued 476,693 post-consolidated broker warrants valued at $58,234. Of these fees, $77,327 was allocated to share capital and $52,411 to the warrants. Officers and directors of the Company subscribed for 269,000 post-consolidated units for gross proceeds of $40,350.

iv) On November 5, 2025, the Company completed the second tranche of a non-brokered private placement, raising $140,980 by issuing 939,867 post-consolidated units at $0.15 each. Each unit included one common share and one warrant, exercisable at $0.25 per share within 24 months. Of the proceeds, $56,952 was allocated to warrants and $84,028 to share capital, using the Black Scholes model (See Note 13(d)(iv)).

v) On April 18th, 2024, Colibri issued 503,750 pre-consolidated common shares (100,750 post-consolidated common shares) upon the conversion of convertible debentures. The fair value of the shares issued was $0.065 per share (post-consolidated: $0.325).

vi) On July 12th, 2024, Colibri issued 195,000 pre-consolidated common shares (39,000 post-consolidated common shares) upon the conversion of convertible debentures. The fair value of the shares issued was $0.06 per share (post-consolidated: $0.30).

vii) On September 6, 2024, the Company completed the first tranche of a non-brokered private placement, raising $305,500 by issuing 6,110,000 pre-consolidated units at $0.05 each (1,222,000 post-consolidated units at $0.25 each). Each unit included one common share and one warrant, exercisable at $0.075 per share within 24 months (post-consolidation: $0.375). Of the proceeds, $123,655 was allocated to warrants and $181,845 to share capital, using the Black Scholes model (See Note 13(d)(v)).

(Expressed in Canadian Dollars)

13. SHARE CAPITAL AND CONTRIBUTED SURPLUS *(Continued)*

(d) Warrants

All warrant quantities and exercise prices have been restated on a post-consolidation basis.

The following common share purchase warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
		$
Balance - December 31, 2023	744,158	0.60
Issued during the year (v)	1,222,000	0.375
Balance - December 31, 2024	**1,966,158**	**0.45**
Issued during the year (i), (ii), (iii) & (iv)	**12,239,883**	**0.25**
Broker warrant (i), (ii) & (iii)	**492,693**	**0.25**
Expired during the year	**(744,158)**	**0.60**
Balance - December 31, 2025	**13,954,576**	**0.26**

The following warrants are outstanding at December 31, 2025:

Warrants	Exercise Price	Grant date fair value of warrants - net of issue costs	Expiry date
#	$	$	
1,222,000	0.38	123,655	September 6, 2026
1,135,200	0.25	56,286	February 11, 2027
1,176,000	0.25	58,644	March 25, 2027
9,481,509	0.25	551,479	October 31, 2027
939,867	0.25	56,952	November 30, 2027
13,954,576		847,016	

i) In connection with the first tranche of the private placement that closed on February 11, 2025 and disclosed in Note 13 (c)(i), the Company issued 5,616,000 pre-consolidated warrants (1,123,200 post-consolidated warrants) and 60,000 pre-consolidated broker warrants (12,000 post-consolidated broker warrants). The grant date fair value of $56,160 assigned to the warrants and $1,210 assigned to the broker warrants was estimated using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical volatility of 158.1%, risk free interest of 2.59% and expected life of 2 years. Finders' fees of $1,084 was allocated to the warrants (Note 13 (c) (i)).

13. SHARE CAPITAL AND CONTRIBUTED SURPLUS *(Continued)*

(d) Warrants *(Continued)*

ii) In connection with the second tranche of the private placement that closed on March 25, 2025 and disclosed in Note 13 (c) (ii), the Company issued 5,860,000 pre-consolidated warrants (1,172,000 post-consolidated warrants) and 20,000 pre-consolidated broker warrants (4,000 post-consolidated broker warrants). The grant date fair value of $58,600 assigned to the warrants and $407 assigned to the broker warrants was estimated using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical volatility of 154.3%, risk free interest of 3.06% and expected life of 2 years. Finders' fees of $363 was allocated to the warrants (Note 13 (c) (ii)).

iii) In connection with the first tranche of the private placement that closed on October 31, 2025 and disclosed in Note 13 (c)(iii), the Company issued 9,004,816 post-consolidated warrants and 476,693 post-consolidated broker warrants. The grant date fair value of $545,656 assigned to the warrants and $58,234 assigned to the broker warrants was estimated using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical volatility of 153%, risk free interest of 2.40% and expected life of 2 years. Finders' fees of $52,411 was allocated to the warrants (Note 13 (c) (iii)).

iv) In connection with the second tranche of the private placement that closed on November 5, 2025 and disclosed in Note 13 (c)(iv), the Company issued 939,867 post-consolidated warrants The grant date fair value of $56,952 assigned to the warrants was estimated using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical volatility of 152%, risk free interest of 2.42% and expected life of 2 years.

v) In connection with the first tranche of the private placement that closed on September 6, 2024 and disclosed in Note 13 (c) (vii), the Company issued 6,110,000 pre-consolidated warrants (1,222,000 post-consolidated warrants). The grant date fair value of $123,655 was estimated using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical volatility of 154.3%, risk free interest of 3.06% and expected life of 2 years.

(e) Stock Options

The Company has in place a rolling stock option plan whereby the Company may grant stock options to eligible persons to acquire a total of up to 10% of the then existing number of shares outstanding. Awarded stock options generally vest at the discretion of the directors and are exercisable over a period not exceeding ten years at exercise prices determined by the directors. The exercise price of each option is subject to a minimum price of $0.10 and cannot be less than the discounted market price of the Company's stock as calculated pursuant to the policies of the TSX Venture Exchange.

All stock option quantities and exercise prices have been restated on a post-consolidation basis. The Consolidation did not result in any incremental fair value under IFRS2; therefore, no modification gain or loss was recognized.

(Expressed in Canadian Dollars)

13. SHARE CAPITAL AND CONTRIBUTED SURPLUS *(Continued)*

(e) Stock Options *(Continued)*

The number of stock options outstanding at December 31, 2025 is summarized as follows:

	Number of options	Weighted average exercise price
		$
Balance December 31, 2023	725,000	0.45
Issued during the period	570,000	0.30
Balance December 31, 2024	1,295,000	0.38
Expired during the period	**(180,000)**	**0.25**
Balance December 31, 2025	**1,115,000**	**0.40**

At December 31, 2025, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date	Weighted average remaining contractual life of outstanding options (years)	Exercisable
180,000	$0.50	16-Apr-28	2.29	180,000
315,000	$0.50	21-Apr-26	0.30	315,000
50,000	$0.50	28-Jul-26	0.57	50,000
570,000	$0.30	08-Feb-27	1.10	560,000
1,115,000				1,105,000

The weighted average grant date fair value of options granted during year was $nil (2024- $0.158).

The amount of stock-based compensation expense of $1,579 (2024- $86,863) was charged to the statement of comprehensive loss and credited to the equity reserve in the statement of financial position.

The fair value of the options granted was estimated at the grant date based on the Black-Scholes option pricing model using the following assumptions:

	2024
Risk-free interest rate	4.16%
Expected life	3 years
Expected volatility	126%
Expected dividend yield	$nil

(Expressed in Canadian Dollars)

14. SUPLEMENTAL CASH FLOW INFORMATION

	2025	2024
	$	$
Non-cash investing and financing activities:		
Value of broker warrants issued as share issue cost	**73,121**	-
Exploration and evaluation assets paid with transfer of fixed assets	**12,019**	-
Exploration and evaluation assets paid with drilling credit	**213,958**	-
Value of expired warrants	**62,316**	-
Initial recognition of right-of-use-asset and lease liability	**49,062**	-

15. SEGMENTED INFORMATION

The Company primarily operates in one reportable business segment, being the acquisition and exploration of mineral properties located in Mexico. The net loss and assets identifiable with these geographic areas are as follows:

December 31, 2025	**Canada**	**Mexico**	**Total**
	$	**$**	**$**
Net loss for the year	**1,087,653**	**138,725**	**1,226,378**
Current assets	**592,241**	**26,973**	**619,214**
Mineral properties	**-**	**4,550,858**	**4,550,858**
Capital assets	**753**	**114,412**	**115,165**
Right-of-use assets	**75,469**	**26,981**	**102,450**
Total assets	**668,463**	**4,719,224**	**5,387,687**
Total liabilities	**1,808,270**	**204,505**	**2,012,775**

December 31, 2024	Canada	Mexico	Total
Net loss for the year	1,049,139	169,200	1,218,339
Current assets	123,130	234,623	357,753
Mineral properties	-	3,720,902	3,720,902
Capital assets	1,000	121,634	122,634
Investment	78,000	-	78,000
Right-of-use-asset	80,020	-	80,020
Total assets	282,150	4,077,159	4,359,309
Total liabilities	1,804,745	62,271	1,867,016

(Expressed in Canadian Dollars)

16. FINANCIAL INSTRUMENTS

The Company, through its financial assets and liabilities is exposed to various risks. The following analysis provides a measurement of risks as at the balance sheet date, December 31, 2025.

1. Fair Value

Financial instruments included in the consolidated statements of financial position are measured either at fair value or amortized cost. Estimated fair values for financial instruments are designed to approximate amounts for which the instruments could be exchanged in an arm's-length transaction between knowledgeable and willing parties.

The carrying values of cash, receivable, related party payable, and accounts payable and accrued liabilities approximate their fair values due to the short terms to maturity of the instruments. Marketable securities in the form of common shares of listed companies are valued based on quoted market prices for identical assets in an active market.

Debt instruments are valued at the approximate carrying value as discount rate on these instruments approximate the Company's credit risk.

2. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash balances primarily in large Canadian chartered banks, and it's convertible debenture and loan payable have fixed rates of interest. The Company's current policy is to invest cash in Canadian bank savings accounts with interest that varies at prime.

3. Credit Risk

The Company's credit risk is primarily attributable to cash and receivables. Cash is held with reputable financial institutions, primarily in Canada, and is kept in highly liquid accounts that are closely monitored by management. Credit risk with respect to its receivables is minimal due to the insignificant balances that are primarily due from government agencies.

The Company's maximum exposure to credit risk is as follows:

December 31, 2025	**Canada**	**Mexico**	**Total**
	$	**$**	**$**
Cash	**273,440**	**21,621**	**295,061**
Receivables	**165,113**	**2,894**	**168,007**
	438,553	**24,515**	**463,068**

December 31, 2024	Canada	Mexico	Total
Cash	14,683	1,663	16,346
Receivables	53,358	230,726	284,084
	68,041	232,389	300,430

16. FINANCIAL INSTRUMENTS *(Continued)*

4. Derivatives – Mineral Properties

The Company retains and/or has obligations related to certain carried interest rights and net smelter royalties ("NSR"), the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the mineral property interests to which they relate are not sufficiently developed to reasonably determine value.

5. Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar. The Company, through its subsidiaries, has operations in Mexico and therefore is exposed to foreign currency gains and losses due to fluctuations in the exchange rate between the Mexican peso and the Canadian dollar. To reduce the risk, the Company maintains pesos denominated bank accounts in Mexico, and when possible, negotiates its Mexican operations in US dollars. Foreign currency gains and losses on loans from the Company to the Mexican

subsidiaries are recorded in other comprehensive income because the loans are part of a net investment in a foreign operation and repayment of the loans is not expected in the foreseeable future.

The significant balances in foreign currencies at December 31, 2025 are as follows:

	US Dollars	Mexican Pesos
Cash	2,413	277,722
Accounts receivable	-	38,038
Accounts payable and accrued liabilities	(120,408)	(2,297,793)
Loan Payable	(185,205)	-
Convertible debentures	(569,000)	-
	(872,200)	(1,982,033)
Canadian dollar equivalent	(1,195,437)	(151,071)

Based on the aforementioned net exposure as at December 31, 2025, and assuming that all other variables remain constant, a 10% rise or fall in the Canadian dollar against the other foreign currencies would have resulted in approximately the following increase (decrease) in the income (loss) before taxes or the other comprehensive income (loss) for the year:

	Canadian Dollar	
	Appreciates 10%	Depreciates 10%
	$	$
Against US Dollar	119,544	(119,544)
Against Mexican Pesos	15,107	(15,107)

(Expressed in Canadian Dollars)

16. FINANCIAL INSTRUMENTS *(Continued)*

6. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined below. At December 31, 2025, the Company had a cash balance of $295,061 to settle its current liabilities of $1,935,732. Of the Company's current liabilities, $473,831 have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company has working capital deficiency of $1,316,518 at December 31, 2025. The Company is continuing to review expenditures in order to ensure adequate liquidity and flexibility to support its exploration and development strategies. The Company believes that external financing, likely in the form of equity offerings or optioning one or more of its claims, will be required in order to maintain its current operations.

17. INCOME TAXES

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

	2025	2024
	$	$
Net loss before income taxes	**(1,226,378)**	(1,218,339)
Income tax rate	**29.00%**	29.00%
Expected income tax recovery	**(355,650)**	(353,318)
Effect of foreign tax rate	**(1,387)**	(1,692)
Non-deductible amounts for income tax purposes	**41,134**	84,690
Other	**315,903**	270,320
Income tax recovery	-	-

Deferred tax balances have not been recognized in respect of the following deductible temporary differences because their future utilization is not yet considered probable:

	2025	2024
	$	$
Non-capital losses	**11,698,410**	10,450,658
Capital losses	**5,116,106**	5,056,105
Exploration expenditures	**4,550,858**	3,720,902
Share issue costs	**106,684**	22,414
	21,472,058	19,250,079

The non-capital losses carried forward will expire between 2026 and 2044.
The exploration expenditures may be carried forward indefinitely.
The capital losses may be carried forward indefinitely but are only deductible against capital gains.
The share issue costs will be deducted for tax purposes over the next four years.

(Expressed in Canadian Dollars)

18. CAPITAL MANAGEMENT

The Company defines capital that it manages as its shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. As at December 31, 2025, total managed capital was $3,374,912 (2024 – $2,492,293)

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

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. These budgets are approved by the Company's Board of Directors.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest its cash in interest-bearing accounts with Canadian chartered banks.

There were no changes in the Company's approach to capital management during the year ended December 31, 2025. The Company is not subject to externally imposed capital requirements.

19. CUMULATIVE TRANSLATION ACCOUNT

The cumulative translation account is a component of Accumulated Other Comprehensive Income (Loss) and in the Company's case represents the accumulated net foreign currency gains and losses from converting its Mexican subsidiaries from their functional currency, the Mexican Peso, to the Company's reporting currency of Canadian dollars. During the year ended December 31, 2025, the Mexican Peso gained strength over the Canadian dollar, therefore causing a gain on the translation of the intercompany loans due from the Mexican subsidiaries to the Canadian Company. The balance is made up as follows:

	December 31, 2025 **$**	December 31, 2024 $
Balance beginning of years	**259,343**	808,861
Current income (loss) from conversion of Mexican subsidiaries to $ CDN	**402,320**	(549,518)
Balance end of years	**661,663**	259,343

20. SUBSEQUENT EVENTS

(a) Subsequent to the year end, on January 29, 2026, the Company converted $600,995 of debts into 3,848,300 units comprised of common shares and common share purchase warrants.

(b) Subsequent to the year end, on February 9, 2026, the Company issued 115 convertible debenture units maturing in two years, raising USD $115,000 in gross proceeds; however since former debenture holders acquired these units, no cash was received.

(c) Subsequent to the year end, on April 21, 2026, 315,000 stock options expired.

20. SUBSEQUENT EVENTS *(Continued)*

(d) Participation in the Semi-Annual Reporting Pilot Program:
After the end of the fiscal year, on April 24, 2026, the Company filed a notice of intention to rely on CSA Coordinated Blanket Order 51-933, which permits eligible venture issuers to adopt a semi-annual financial reporting framework under the Canadian Securities Administrators' Semi-Annual Reporting ("SAR") Pilot Program.
Beginning in fiscal 2026, the Company will be exempt from filing interim financial statements and MD&A for its first and third fiscal quarters. The Company will continue to file semi-annual financial statements and MD&A for the first six months of each fiscal year, annual audited financial statements and annual MD&A, CEO/CFO certifications, and all required timely disclosure documents. This change does not impact the Company's reporting obligations for the year ended December 31, 2025, for which quarterly reporting remained in effect.