



**Edge Copper Corporation**

**(formerly Plata Latina Minerals Corporation)**

**Consolidated Financial Statements  
For the Year ended December 31, 2025**

# DAVIDSON

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Edge Copper Corporation (formerly Plata Latina Minerals Corporation)

### Opinion

We have audited the accompanying consolidated financial statements of Edge Copper Corporation (formerly Plata Latina Minerals Corporation). (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income and comprehensive income (loss), changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

### Basis for Opinion

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Company has a deficit of \$7,574,914 and working capital of \$8,921,224. The Company will continue to incur losses in the course of executing its business plan in advancing the Zonia Project. As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

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

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

### Accounting for the Acquisition of the Zonia Copper Project

As described in Note 4 to the consolidated financial statements, during the year ended December 31, 2025, the Company acquired 100% of the Zonia Copper Project (the "Transaction") for total consideration of \$25,365,719. As more fully described in Note 4, judgement is required by the Company to assess whether the Transaction constituted a business combination or an asset acquisition.

We identified the accounting for the Transaction as a key audit matter as this represented an area of significant risk of material misstatement given the significant judgement and high degree of estimation uncertainty. A high degree of auditor judgement, subjectivity, and effort were required in performing procedures to evaluate management's significant judgements in assessing the accounting for the Transaction and the fair value of the assets acquired.

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

- Reviewing the sale and purchase agreement to understand key terms and conditions and assessing accounting treatment including the assessment of the basis for the determination that the acquisition was an asset acquisition.
- Agreeing the consideration to supporting documentation.
- Evaluating management's assessment of the fair value of the net assets acquired.
- Assessing the adequacy of the disclosures in the consolidated financial statements.

### Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Davidson & Company LLP*

Vancouver, Canada

Chartered Professional Accountants

February 25, 2026

**EDGE COPPER CORPORATION**  
(formerly Plata Latina Minerals Corporation)  
Consolidated Statements of Financial Position  
(Expressed in Canadian Dollars)

As at	Note	December 31, 2025 \$	December 31, 2024 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		10,346,358	298,252
Amounts receivable	5	132,232	7,965
Prepaid expenses		121,765	-
Exploration deposits	6	409,221	-
<b>Total current assets</b>		<b>11,009,576</b>	<b>306,217</b>
<b>Non-current assets</b>			
Property and equipment	7	233,455	-
Exploration and evaluation asset	4,8	25,350,996	-
<b>Total assets</b>		<b>36,594,027</b>	<b>306,217</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	9	1,113,588	36,750
Lease liabilities - current	10	26,764	-
Income tax payable	18	948,000	-
<b>Total current liabilities</b>		<b>2,088,352</b>	<b>36,750</b>
<b>Lease liabilities</b>	10	46,517	-
<b>Total liabilities</b>		<b>2,134,869</b>	<b>36,750</b>
<b>EQUITY</b>			
Share capital	11	39,784,727	11,490,446
Reserves	11	2,249,345	705,610
Deficit		(7,574,914)	(11,926,589)
<b>Total equity</b>		<b>34,459,158</b>	<b>269,467</b>
<b>Total liabilities and equity</b>		<b>36,594,027</b>	<b>306,217</b>

Nature of operations (Note 1)  
Subsequent event (Note 19)

Approved by the Board of Directors on February 25, 2026:

"Joseph Longpre"  
Audit Committee Chair

"Gilmour Clausen"  
Director

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

**EDGE COPPER CORPORATION**

(formerly Plata Latina Minerals Corporation)

Consolidated Statements of Income and Comprehensive Income (Loss)

(Expressed in Canadian Dollars)

		Year ended December 31,	
	Note	2025	2024
		\$	\$
<b>Expenses</b>			
Exploration and evaluation expenditures	8	1,115,707	-
Filing fees and transfer agent		39,708	11,082
General and administration		106,129	26,229
Investor relations		66,452	4,692
Professional fees	13	355,149	140,317
Salaries and benefits	13	303,923	-
Directors' fees	13	44,333	-
Travel		63,375	-
Share-based payments	11,13	27,813	12,295
		(2,122,589)	(194,615)
<b>Other income (expenses)</b>			
Income from sale of NSR royalty	12	8,409,000	-
Royalty income	12	142,206	134,662
Interest income		77,397	8,209
Foreign exchange (loss) gain		(1,206,339)	62,193
Net income before income taxes		5,299,675	10,449
Income tax expense	18	(948,000)	-
<b>Net income for the year</b>		<b>4,351,675</b>	<b>10,449</b>
<b>Other comprehensive income (loss)</b>			
Item that may be reclassified to income or loss:			
Foreign currency translation adjustment		925,118	(38,731)
<b>Net income and comprehensive income (loss) for the year</b>		<b>5,276,793</b>	<b>(28,282)</b>
Basic income per share	15	0.10	0.00
Diluted income per share	15	0.10	0.00
Weighted average shares outstanding basic	15	42,397,291	26,344,879
Weighted average shares outstanding diluted	15	42,722,747	26,344,879

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

**EDGE COPPER CORPORATION**  
(formerly Plata Latina Minerals Corporation)  
Consolidated Statements of Changes in Equity  
(Expressed in Canadian Dollars)

			Accumulated other					
	Note	Number of shares	Share capital	comprehensive loss	Options and warrants	Total Reserves	Deficit	Total Equity
			\$	\$	\$	\$	\$	\$
<b>Balance, December 31, 2023</b>		26,344,879	11,490,446	(888,470)	1,620,516	732,046	(11,937,038)	285,454
Share-based payments	11	-	-	-	12,295	12,295	-	12,295
Foreign currency translation adjustment		-	-	(38,731)	-	(38,731)	-	(38,731)
Net income for the year		-	-	-	-	-	10,449	10,449
<b>Balance, December 31, 2024</b>		26,344,879	11,490,446	(927,201)	1,632,811	705,610	(11,926,589)	269,467
Issuances on acquisition of Zonia Project:	4, 11							
Common shares issued		37,820,374	11,346,112	-	-	-	-	11,346,112
Replacement warrants issued		-	-	-	129,922	129,922	-	129,922
Replacement options issued		-	-	-	462,072	462,072	-	462,072
Shares issued for private placement		56,666,667	17,000,000	-	-	-	-	17,000,000
Shares issue costs		-	(59,688)	-	-	-	-	(59,688)
Shares issued on exercise of options		44,444	7,857	-	(1,190)	(1,190)	-	6,667
Share-based payments		-	-	-	27,813	27,813	-	27,813
Foreign currency translation adjustment		-	-	925,118	-	925,118	-	925,118
Net income for the year		-	-	-	-	-	4,351,675	4,351,675
<b>Balance, December 31, 2025</b>		120,876,364	39,784,727	(2,083)	2,251,428	2,249,345	(7,574,914)	34,459,158

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

**EDGE COPPER CORPORATION**  
(formerly Plata Latina Minerals Corporation)  
Consolidated Statements of Cash Flows  
(Expressed in Canadian Dollars)

	<b>Year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Operating activities</b>		
Net income for the year	4,351,675	10,449
Items not affecting cash:		
Depreciation	7,069	-
Share-based payments	27,813	12,295
Income from sale of NSR royalty	(8,409,000)	-
Unrealized foreign exchange loss (gain)	1,192,550	(54,401)
Changes in non-cash working capital items:		
Amounts receivable	(123,354)	841
Prepaid expenses	(121,765)	7,321
Exploration deposits	(409,221)	-
Accounts payable and accrued liabilities	742,767	14,267
Income tax payable	948,000	-
	(1,793,466)	(9,228)
<b>Investing activities</b>		
Income from sale of NSR royalty	8,409,000	-
Net cash consideration for acquisition of Zonia Project	(10,486,190)	-
Transaction costs for acquisition of Zonia Project	(2,593,542)	-
Property and equipment	(159,844)	-
	(4,830,576)	-
<b>Financing activities</b>		
Proceeds from private placement	17,000,000	-
Share issue costs	(59,688)	-
Proceeds from exercise of options	6,667	-
Lease payments	(7,399)	-
	16,939,580	-
Effect of foreign exchange on cash	(267,432)	15,670
<b>Change in cash during the year</b>	<b>10,048,106</b>	<b>6,442</b>
<b>Cash, beginning of year</b>	<b>298,252</b>	<b>291,810</b>
<b>Cash, end of year</b>	<b>10,346,358</b>	<b>298,252</b>

Supplemental cash flow information (Note 14)

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

# EDGE COPPER CORPORATION

(formerly Plata Latina Minerals Corporation)

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

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## 1. NATURE OF OPERATIONS

Edge Copper Corporation (formerly Plata Latina Minerals Corporation) (the “Company” or “Edge Copper”) was incorporated on April 1, 2010 under the British Columbia Business Corporations Act. The Company’s registered and records office is at 1100 – 1111 Melville Street, Vancouver, British Columbia, V6E 3V6. The Company is listed on the TSX Venture Exchange.

On October 30, 2025, the Company changed its name from “Plata Latina Minerals Corporation” to “Edge Copper Corporation” in connection with the acquisition of the Zonia copper project (“Zonia” or “Zonia Copper Project”) from World Coper Ltd. (“World Copper”, and such acquisition, the “Transaction”).

Concurrent with completion of the Transaction, the Company consolidated its issued and outstanding common shares on a three-to-one basis. The share consolidation has been applied retrospectively and accordingly, all common shares, warrants, stock options and per-share amounts have been adjusted to reflect the share consolidation. On November 3, 2025, the Company’s common shares commenced trading on the TSXV under the symbol “EDCU” (formerly “PLA”).

Following the completion of the Transaction, the Company’s primary focus is the advancement of its wholly-owned Zonia Copper Project in Arizona, United States.

Through its wholly-owned subsidiary, Plaminco S.A. de C.V. (“Plaminco”), the Company also holds a 2% net smelter return (“NSR”) royalty on Fortuna Mining Corp.’s La Joya Property, which becomes payable upon commercial production on the property.

## 2. BASIS OF PRESENTATION

### Statement of compliance

These consolidated financial statements (“Financial Statements”) have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS”).

### Basis of preparation

These Financial Statements have been prepared:

- on the historical cost basis except for financial instruments measured at fair value;
- using the accrual basis of accounting except for cash flow information; and
- in Canadian dollars (“CAD”), unless otherwise noted.

### Basis of consolidation

These Financial Statements include the accounts of Edge Copper and its wholly owned subsidiaries. Subsidiaries are all entities (including structured entities) over which Edge Copper has control. Edge Copper controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiary is fully consolidated from the date that control commences until the date that control ceases. All intercompany transactions and balances are eliminated on consolidation.

### Critical judgments, estimates and assumptions

The preparation of these Financial Statements requires management to make certain judgments, estimates and assumptions that impact the Company’s reported financial position. Judgment and estimates are based on historical experience and expectation of future events within reasonable circumstances. Actual outcomes could differ from these estimates. Revisions to these estimates are recognized in the period in which the estimates are revised and in future periods affected.

## EDGE COPPER CORPORATION

(formerly Plata Latina Minerals Corporation)

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

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### 2. BASIS OF PRESENTATION (continued)

#### Critical judgments, estimates and assumptions (continued)

The significant judgments and estimates that affect these Financial Statements are as follows:

a) *Asset Acquisition*

The Company uses judgment in determining whether the acquisition of the Zonia Project (“Zonia”) constitutes a business combination under IFRS. Under IFRS 3, a business is defined as an integrated set of activities and assets capable of being conducted and managed to provide a positive economic return to investors.

The concentration test under IFRS 3 allows an acquirer to conclude an acquisition is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The fair value of the gross assets acquired by the Company is primarily attributable to the Zonia Project and related mining rights. No significant other assets (plant or equipment) are being acquired. Substantially all fair value is concentrated in a single identifiable asset — the mineral property. As a result, the concentration test is met, the acquisition of Zonia has been determined to constitute an asset acquisition (Note 4).

b) *Going concern*

These Financial Statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operations and meet its obligations as they become due.

As at December 31, 2025, the Company has a deficit of \$7,574,914 (December 31, 2024 - \$11,926,589) and working capital of \$8,921,224 (December 31, 2024 - \$269,467). The Company will continue to incur losses in the course of executing its business plan in advancing the Zonia Copper Project.

The Company’s ability to continue as a going concern is dependent upon the successful development of the Zonia Project and obtaining financing to fund the operations. There is no assurance that the Company will raise such financing and with acceptable terms. While the Company believes it has plans in place to address the events and conditions described above, a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

These Financial Statements do not give effect to adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business.

c) *Fair value of stock options*

The fair value of stock options are determined using the Black-Scholes pricing model which requires the input of highly subjective assumptions such as expected share price volatility and expected life of the stock option. Changes in these subjective input assumptions can materially affect the fair value estimate. Therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company’s incentive stock options.

d) *Income taxes*

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company’s ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management’s assessment of the Company’s ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

# EDGE COPPER CORPORATION

(formerly Plata Latina Minerals Corporation)

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

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## 3. MATERIAL ACCOUNTING POLICY INFORMATION

### Functional and presentation currency

The functional currency of Edge Copper is determined based on the currency of the primary economic environment in which the Company operates. The functional currency of Edge Copper and its subsidiaries has been established through an assessment of the factors outlined in IAS 21, The Effects of Changes in Foreign Exchange Rates ("IAS 21"). Historically, the Company's functional currency has been the Canadian dollar. As a result of the acquisition of Zonia and as activity levels increase at the Project, the Company is assessing whether a change in functional currency to the United States dollar would be appropriate.

### Foreign currency translation

Transactions in currencies other than the functional currency are recorded at rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation of non-monetary items are recognised in profit or loss.

### Foreign operations

A subsidiary that has a functional currency other than Canadian dollars translates its results of operations to Canadian dollars at the average rate during the period. Assets and liabilities are translated at exchange rates prevailing at period end rates of exchange. The resulting changes are recognized in accumulated other comprehensive income (loss) within reserves in shareholders' equity.

For the purpose of foreign currency translation, the net investment in a foreign operation is determined inclusive of foreign currency intercompany balances for which settlement is neither planned nor likely to occur in the foreseeable future. The balance of the foreign currency translation reserve relating to a foreign operation that is disposed of, or partially disposed of, is recognized in profit or loss at the time of disposal.

### Amounts receivable

Amounts receivable are stated at carrying value less provision for impairment, which approximates fair value due to their short terms to maturity. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due accordingly.

### Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and impairment. The cost of an item include the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Depreciation is calculated using the straight-line method over the useful life of an asset less its estimated residual value.

Computer equipment	3 years
Building	10 years
Right-of-use asset	Over the term of the lease

## **EDGE COPPER CORPORATION**

(formerly Plata Latina Minerals Corporation)

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

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### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **Exploration and evaluation (“E&E”) assets and expenditures**

All direct costs related to the acquisition of E&E assets are capitalized upon acquiring the legal right to explore a property. E&E expenditures are expensed as incurred while the Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. If and when the Company’s management determines that economically extractable proven or probable mineral reserves have been established, the subsequent costs incurred to develop such property, including costs to further delineate the ore body will be capitalized.

At each reporting date the carrying amounts of the Company’s E&E assets are reviewed to determine whether there is any indication that those assets are impaired. If any 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. 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 profit or loss for the period.

#### **Impairment of E&E assets**

The carrying values of capitalized E&E assets are reviewed annually, or when impairment indicators are present. The review is based on the Company’s intentions for the development of such a property. If a mineral property does not prove viable, all unrecoverable costs of the property are written off and charged to profit or loss at the time the impairment is determined.

#### **Decommissioning and restoration provisions**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a provision for a decommissioning liability is recognized at its present value in the period in which it is incurred, which is generally when an environmental disturbance occurs or a constructive obligation is determined. Upon initial recognition of the liability, a corresponding amount is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using the unit of production method.

Following the initial recognition of a decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes in the estimated provision resulting from revisions to the estimated timing and amount of cash flows, or changes in the discount rate. Changes to estimated future costs are recognized in the statement of financial position by either increasing or decreasing the decommissioning liability and the decommissioning asset. At December 31, 2025 and 2024, the Company did not have any decommissioning liabilities.

#### **Leases**

Under IFRS 16 *Leases*, when entering into a contract to lease an equipment of property, the Company assesses whether the contract contains a lease. For contracts that are assessed as leases, the Company recognizes a right of use asset and lease liability at the start date. The right of use asset is initially measured at cost, which includes the initial amount of the lease liability adjusted for any lease payments made at or before the start date, plus any initial direct costs incurred and estimated costs to remove or dismantle the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

## **EDGE COPPER CORPORATION**

(formerly Plata Latina Minerals Corporation)

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

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### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **Leases (continued)**

The right of use asset is subsequently depreciated using the straight line method over the term of the lease. The lease liability is initially measured at the present value of the lease payments that are not paid as of the lease start date, discounted using the implicit interest rate in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. The lease liability is measured at amortized cost using the effective interest method.

The lease liability is remeasured in the following circumstances:

- If there is a change in future payments resulting from a change in an index or rate;
- If there is a change in the Company's estimate of the amounts expected to be payable;
- If the Company changes its assessment of whether it will exercise an option to purchase, extend or terminate.

If the right of use asset is sub-leased, the corresponding asset is de-recognized and an investment asset is recorded at the present value of the lease term not paid at the start date discounted using the implicit rate in the lease or the Company's incremental borrowing rate.

#### **Share capital**

Common shares issued are recorded in share capital at the value of proceeds received, net of issue costs. Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the quoted market price of the common shares at the time the units are priced, then to warrants on a residual value basis.

#### **Share-based compensation**

The Company recognizes share-based compensation on stock option grants. The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and each tranche is recognized using the graded vesting method over the period during which the options vest. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest.

For directors, officers and employees, the fair value of the options is measured at the date of grant, and the options are recognized over the vesting period. For non-employees, share-based compensation is measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The fair value is recorded at the earlier of the vesting date, or the date the goods or services are received.

The offset to the recorded cost is to reserve. Consideration received on the exercise of stock options is recorded as share capital and the related reserves are transferred to share capital.

#### **Income (loss) per share**

Basic income (loss) per share is calculated by dividing net income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated using the treasury stock method and reflects the potential dilution that could occur if options or warrants were exercised and converted into common shares. Diluted earnings per share excludes the impact of share options and warrants that are contingent on future service and where the exercise prices of these instruments exceeded the average market price of the Company's common shares during the period.

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Financial instrument classification and measurement

Financial assets are classified according to their contractual cash flow characteristics and the business models under which they are held. On initial recognition, a financial asset is classified as: amortized cost, fair value through profit and loss ("FVPL") or fair value through other comprehensive income ("FVOCI").

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVPL:

- it is held with the objective of collecting 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis.

All financial assets not classified as amortized cost or FVOCI are classified as and measured at FVPL. This includes all derivative assets. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as FVPL, directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial asset has been classified as amortized cost, FVPL or FVOCI. Measurement of financial liabilities subsequent to initial recognition depends on whether they are classified as amortized cost or FVPL. Financial assets and financial liabilities classified as amortized cost are measured subsequent to initial recognition using the effective interest method.

Loss allowances for 'expected credit losses' are recognized on financial assets measured at amortized cost, contract assets and investments in debt instruments measured at FVOCI, but not to equity investments. A loss event is not required to have occurred before a credit loss is recognized

The Company has classified and measured its financial instruments as described below:

- Cash, amounts receivables are classified as and measured at amortized cost.
- Accounts payable and accrued liabilities and lease liabilities are classified as and measured at amortized cost.

#### Income taxes

##### *Current income tax*

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

##### *Deferred income tax*

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax basis. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination that affect neither accounting nor taxable profit or loss. Deferred tax is also not recognized for temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### *Deferred income tax (continued)*

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of deferred tax assets are reviewed at the end of each reporting date and are reduced to the extent it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes of the same taxable entity and levied by the same taxation authority. Deferred income tax assets and liabilities are presented as non-current.

#### **Other comprehensive income (loss)**

Other comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as unrealized gains or losses on FVOCI investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to foreign operations.

The Company's comprehensive income (loss) and cumulative translation adjustments are presented in the consolidated statements of comprehensive income (loss) and the consolidated statements of changes in equity.

#### **Accounting standards issued but not yet effective**

##### *IFRS 18, Presentation and Disclosure in Financial Statements*

IFRS 18 will replace IAS 1 Presentation of Financial Statements and is effective for reporting periods beginning on or after January 1, 2027. The followings are the key new requirements.

Entities are required to:

- classify income and expenses into five categories in the statement of loss and comprehensive loss, namely operating, investing, financing, discontinued operations and income tax categories.
- present a newly-defined operating profit subtotal. The net income (loss) will not change.
- disclose management-defined performance measures (MPMs) in a single note in the financial statements.

The Company is currently assessing the effect of the standard on the Company's consolidated financial statements.

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### 4. ACQUISITION OF THE ZONIA COPPER PROJECT

On October 30, 2025, pursuant to the arrangement agreement entered on July 22, 2025, the Company completed the acquisition of the Zonia Copper Project from World Copper by way of a court-approved plan of arrangement (the "Transaction").

Pursuant to the Transaction, the Company acquired all of the issued and outstanding common shares of World Copper's wholly owned subsidiary, Zonia Holdings Corp. ("Zonia"), and World Copper's intercompany receivable of \$7,801,232 from Zonia ("Zonia Intercompany Debt"). Zonia indirectly holds the Zonia Copper Project in Arizona, United States. As a result, Zonia has become a wholly owned subsidiary of Edge Copper.

As consideration, World Copper received \$10.5 million in cash and World Copper shareholders received 0.1248 of an Edge Copper common share (the Exchange Ratio), for each World Copper common share. An aggregate of 37,820,374 common shares of Edge Copper were issued to World Copper and its shareholders, of which World Copper retained 5 million common shares of Edge Copper. (Note 11).

Under the Transaction, holders of World Copper warrants received replacement warrants to acquire, in lieu of one common share of World Copper for each World Copper warrant, a fraction of a common share of Edge Copper based on the Exchange Ratio. The replacement warrants are exercisable until their respective expiry dates and feature terms that are otherwise the same as the terms of the World Copper warrants in effect immediately prior to closing of the Transaction. The replacement warrants represent warrants to acquire 5,707,617 common shares of Edge Copper. (Note 11).

In addition, under the Transaction, certain holders of World Copper options received replacement options to acquire, in lieu of one common share of World Copper for each World Copper option, a fraction of a common share of Edge Copper based on the Exchange Ratio. These replacement options are exercisable until the earlier of their respective expiry dates and January 30, 2027 (being 15 months from closing of the Transaction). The replacement options represent options to acquire 2,215,640 common shares of Edge Copper (Note 11).

Immediately before the close of the Transaction, the Company was deemed to have acquired the Zonia Intercompany Debt as a separate transaction under *IFRS 3, Business Combination*.

The acquisition of Zonia does not constitute a business combination under *IFRS 3, Business Combination* (Note 2(a)). As a result, the acquisition has been accounted for as an asset acquisition, whereby the assets acquired and liabilities assumed are recorded at fair value reflecting acquisition consideration. The residual value of the consideration, after allocation to other net assets, was allocated to exploration and evaluation asset.

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<i>Acquisition consideration</i>	\$
Cash consideration	10,500,000
Share consideration	11,346,112
Fair value of replacement warrants	129,922
Fair value of replacement options	462,072
Transaction costs	2,927,613
<b>Total consideration</b>	<b>25,365,719</b>
<hr/>	
<i>Net assets acquired</i>	
Cash	13,810
Amount receivable	913
Exploration and evaluation asset	25,350,996
<b>Total net assets acquired</b>	<b>25,365,719</b>

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### 5. AMOUNTS RECEIVABLE

	December 31, 2025	December 31, 2024
	\$	\$
Mexican value added tax ("IVA") recoverable	18,068	5,651
Goods and services tax receivable	114,164	2,314
	<u>132,232</u>	<u>7,965</u>

### 6. EXPLORATION DEPOSITS

Exploration deposits represent amounts of \$409,221 paid in advance to drilling contractors, geological consultants, regulatory authorities, indigenous groups and other service providers in connection with planned exploration and evaluation activities on the Company's Zonia Copper Project.

### 7. PROPERTY AND EQUIPMENT

	Computer equipment	Building	Right-of-use assets	Total
	\$	\$	\$	\$
Cost				
December 31, 2024	-	-	-	-
Additions	12,436	147,408	80,293	240,137
December 31, 2025	<u>12,436</u>	<u>147,408</u>	<u>80,293</u>	<u>240,137</u>
Accumulated depreciation				
December 31, 2024	-	-	-	-
Depreciation	(519)	(1,822)	(4,341)	(6,682)
December 31, 2025	<u>(519)</u>	<u>(1,822)</u>	<u>(4,341)</u>	<u>(6,682)</u>
Net book value				
December 31, 2024	-	-	-	-
December 31, 2025	<u>11,917</u>	<u>145,586</u>	<u>75,952</u>	<u>233,455</u>

Depreciation expense relating to property and equipment utilized in exploration and evaluation ("E&E") activities are expensed to E&E expenditures included in field expenses (Note 8).

### 8. EXPLORATION AND EVALUATION ASSET AND EXPENDITURES

#### Exploration and evaluation asset

On October 30, 2025, the Company completed the acquisition of the Zonia Copper Project in Arizona pursuant to the Transaction with World Copper. \$25,350,996 was allocated to exploration and evaluation asset (Note 4).

The Zonia Copper Project is located in Arizona's Walnut Grove mining district. The property is situated on private and patented lands and comprise certain unpatented claims.

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### 8. EXPLORATION AND EVALUATION ASSET AND EXPENDITURES (continued)

#### Exploration and evaluation ("E&E") expenditures

During the year ended December 31, 2025, the Company's E&E expenditures in respect of the Zonia Copper Project are as follows:

	December 31, 2025
	\$
Drill program preparation	472,923
Field expenses	75,545
Legacy core handling	48,287
Mineral rights fees and taxes	89,020
Permits and environmental	113,556
Project management <sup>(i)</sup>	269,836
Resources reports	28,149
Travel	18,391
Costs incurred during the year	1,115,707

(i) Costs in project management include key management personnel compensation (Note 13).

### 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2025	December 31, 2024
	\$	\$
Trade payables	606,403	10,496
Accrued liabilities	507,185	26,254
	1,113,588	36,750

### 10. LEASE LIABILITIES

The Company entered into two three-year vehicle leases for the Zonia project. Under IFRS 16, *Leases*, the Company recognizes right-of-use assets representing its right to use these underlying leased assets over the lease term. The present value of the future lease payments using discount rate of 6% is recognized as a right-of-use asset with a corresponding lease liability.

The following schedule shows the movements in the Company's lease liabilities related to the vehicles leased for the years ended December 31, 2025 and 2024:

<b>Lease Liabilities</b>	2025	2024
	\$	\$
Balance, beginning of year	-	-
Addition	80,293	-
Interest expense	387	-
Lease payments	(7,399)	-
Balance, end of year	73,281	-
Current	26,764	-
Non-current	46,517	-
Balance, end of year	73,281	-
<b>Future Lease Payments</b>	2025	2024
	\$	\$
Within one year	26,743	-
1 to 2 years	26,743	-
2 to 3 years	24,514	-
Total	78,000	-

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### 11. SHARE CAPITAL AND RESERVES

#### Share Capital

Authorized - unlimited number of common shares without par value

On October 30, 2025, the Company consolidated its issued and outstanding common shares on a three-for-one basis. The share consolidation has been applied retrospectively and as a result, all common shares, warrants, options and per-share amounts are stated on this adjusted basis.

Shares issued during the year ended December 31, 2025:

**(a)** Acquisition of the Zonia Copper Project (the “Transaction”) (Note 4)

On October 30, 2025, the Company completed the Transaction and issued an aggregate of 37,820,374 common shares of Edge Copper to World Copper and its shareholders. The Edge Copper common shares issued for the Transaction were valued at \$11,346,112.

**(b)** Concurrent Financing

On October 30, 2025, concurrent with completion of the Transaction, Edge Copper closed a non-brokered private placement for gross proceeds of \$17 million (the “Concurrent Financing”), issuing 56,666,667 units of Edge Copper (the “Units”) at a price of \$0.30 per Unit. The common shares issued under the Concurrent Financing are subject to a statutory hold period of four month and one day from the date of issuance, with such hold period expiring on March 1, 2026.

Each Unit consists of one common share of Edge Copper and one-half of one warrant to purchase common shares. Each whole warrant entitles the holder to acquire one common share of Edge Copper at an exercise price of \$0.60 per common share for a period of 18 months, expiring on April 30, 2027. In connection with the financing, the Company incurred filing fees of \$59,688.

**(c)** Exercise of stock options

During the year ended December 31, 2025, 44,444 stock options were exercised at an exercise price of \$0.15 per common share for proceed of \$6,667. The previously recognized share-based payment expense associated with these options was transferred from reserves to share capital in the amount of \$1,190.

#### Warrants

(a) On October 30, 2025, in connection with the Concurrent Financing, the Company issued 28,333,325 share purchase warrants exercisable at \$0.60 per common share until April 30, 2027.

(b) Pursuant to the Transaction, holders of World Copper warrants received replacement warrants to acquire, in lieu of one common share of World Copper for each World Copper warrant, a fraction of a common share of Edge Copper based on the Exchange Ratio. The replacement warrants are exercisable until their respective expiry dates and feature terms that are otherwise the same as the terms of the World Copper warrants in effect immediately prior to closing of the Transaction. The replacement warrants represent warrants to acquire 5,707,617 common shares of Edge Copper.

(c) The fair value of replacement warrants was determined at \$129,922 using the Black-Scholes option pricing model with these assumptions: expected volatility of 127.52%, risk-free interest rate of 2.44%, expected life of 0.62 years and expected dividend yield of \$nil.

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### 11. SHARE CAPITAL AND RESERVES (continued)

The Company's warrant activities for the years ended December 31, 2025 and 2024 are as follows:

	Number of Warrants	Weighted average exercise price
Balance, December 31, 2024 and 2023	-	-
Issued during the year		
Share purchase warrants	28,333,325	\$0.60
Replacement warrants	5,707,617	\$1.31
Balance, December 31, 2025	34,040,942	\$0.72

As at December 31, 2025, the Company's outstanding warrants are as follows:

Number of Warrants	Exercise Price	Expiry Date	Weighted average remaining life (year)
3,404,393	\$1.36	April 12, 2026	0.28
1,031,797	\$1.36	April 26, 2026	0.32
905,222	\$1.08	July 18, 2026	0.55
366,205	\$1.28	February 24, 2028	2.15
28,333,325	\$0.60	April 30, 2027	1.33
34,040,942	\$0.72		1.18

#### Stock options

The Company has a 10% rolling stock option plan with the maximum number of options granted not to exceed 10% of the total number of common shares issued and outstanding at the grant date. Options granted to directors, officers, employees and consultants have a term up to five years and the exercise prices and the vesting periods are determined by the Board of Directors.

During the year ended December 31, 2024, the Company granted 2,109,524 stock options to directors, officers and a consultant, at an exercise price of \$0.15. The option term is over a period of five years with a vesting schedule of three years: 1/3 one year after the grant date, 1/3 two years after the grant date and the final 1/3 three years after the grant date. The fair value of the options was calculated at \$56,486 using the Black-Scholes option pricing model with the following assumptions: expected volatility of 140.73%, risk-free interest rate of 2.93%, expected dividend yield of \$nil and expected life of 5 years.

On October 30, 2025, under the terms of the Transaction, the Company issued 2,215,640 stock options (the "Replacement Options") to the previous option holders of World Copper. The Replacement Options are exercisable until 15 months from the closing of the Transaction, expiring on January 30, 2027. The fair value of the Replacement Options was calculated using the Black-Scholes option pricing model with these assumptions: expected volatility of 230.3%, risk-free interest rate of 2.44%, expected life of 1.25 years and expected dividend yield of \$nil (Note 4).

The Company's stock option activities for the years ended December 31, 2025 and 2024 are as follows:

	Number of Options	Weighted average exercise price
Balance, December 31, 2023	-	-
Granted	2,109,524	\$0.15
Balance, December 31, 2024	2,109,524	\$0.15
Issued	2,215,640	\$0.96
Exercised	(44,444)	(\$0.15)
Balance, December 31, 2025	4,280,720	\$0.57

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### 11. SHARE CAPITAL AND RESERVES (continued)

As at December 31, 2025, the Company's outstanding and exercisable stock options are as follows:

# of Options Outstanding	Expiry Date	Exercise Price	Weighted average remaining life (year)	# of Options Exercisable	Exercise Price
1,029,805	January 30, 2027	\$1.60	1.08	1,029,805	\$1.60
1,185,835	January 30, 2027	\$0.40	1.08	1,185,835	\$0.40
2,065,080	August 23, 2029	\$0.15	3.65	658,730	\$0.15
4,280,720		\$0.57	2.32	2,874,370	\$0.77

During the year ended December 31, 2025, the Company recognized share-based payments of \$27,813 (2024 - \$12,295)

### 12. SALE OF NET SMELTER RETURN ("NSR") ROYALTY and ROYALTY INCOME

#### *Naranjillo Property ("Naranjillo")*

In February 2017, the Company entered into an option agreement with a wholly owned subsidiary of Fresnillo PLC ("Fresnillo") granting Fresnillo the option to explore Naranjillo over a three-year period for a total cash payment of US\$1,650,000 and aggregate exploration expenditures of US\$3,000,000.

In February 2020, Fresnillo exercised the option to acquire Naranjillo by paying \$663,950 (US\$500,000) and granting the Company a 3% net smelter return royalty ("NSR"). Fresnillo had the right to purchase the first 1% of the NSR for US\$1,000,000 and the remaining 2% of the NSR for US\$5,000,000. Fresnillo was also required to pay annual advance royalty payment of US \$100,000 until the earlier of (a) a maximum of US\$1,000,000 in the advance royalty payments have been made, or (b) Naranjillo commences commercial production.

Since fiscal 2021, Fresnillo had been making advance royalty payments annually to the Company. During the year ended December 31, 2025, the Company received an advance royalty payment of \$142,206 (US\$100,000) (2024 - \$134,662 (US\$100,000)) which was recorded as royalty income in profit and loss. As at December 31, 2025, the Company had received five advance royalty payments totalling \$664,979 (US\$500,000). In April 2025, Fresnillo acquired the 3% NSR on Naranjillo for \$8,409,000 (US\$6,000,000) With the acquisition of the NSR, Fresnillo's obligation on the advance royalty payments has ended.

### 13. RELATED PARTY TRANSACTIONS

#### *Compensation of Key Management*

Key management of the Company includes directors and officers. Their compensation paid or payable for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
	\$	\$
Salaries and benefits <sup>(i)</sup>	467,318	-
Directors' fees	44,333	-
Professional fees	57,333	42,000
Share-based payments	26,934	11,906
Total	595,918	53,906

(i) The amount includes those costs allocated to E&E expenditures (Note 8).

As at December 31, 2025, amounts owed to related parties totalled \$223,288 (2024 - \$nil), which comprised \$158,349 for salaries and benefits, \$44,333 for directors' fees and \$20,606 for E&E expenditures.

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### 14. SUPPLEMENTAL CASH FLOW INFORMATION

	2025	2024
	\$	\$
For the acquisition of the Zonia Project:		
Shares issued	11,346,112	-
Warrants issued	129,922	-
Options issued	462,072	-
Exploration and evaluation assets in accounts payable and accrued liabilities	334,071	-
Other cash flow information:		
Interest paid	-	-
Income tax paid	-	-

### 15. INCOME PER SHARE

	December 31, 2025	December 31, 2024
	\$	\$
Numerator		
Net income	4,351,675	10,449
Denominator		
Weighter average number of common shares outstanding - basic	42,397,291	26,344,879
Basic income per share	\$0.10	\$0.00
Numerator		
Net income	4,351,675	10,449
Denominator		
Effect of dilutive securities	42,397,291	26,344,879
Stock options	325,456	-
Weighter average number of common shares outstanding - diluted	42,722,747	26,344,879
Diluted income per share	\$0.10	\$0.00

Potential dilutive securities excluded in the diluted income per share calculation were stock options of 325,456 for the year ended December 31, 2025 (2024 – nil).

### 16. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

#### Fair value

At December 31, 2025, the carrying values of cash, amounts receivable, accounts payable and accrued liabilities and lease liabilities approximate their fair values due to the short-term maturity and market interest rate of these financial instruments.

The Company classifies its financial instruments into three levels of the fair value hierarchy according to the relative reliability of the inputs used to measure the fair values. The fair value hierarchy is as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – quoted prices in inactive markets or inputs are observable directly or indirectly for the asset or liability; and

Level 3 – inputs that are unobservable as there are little or no market activities.

#### Risk management

The Company is exposed to financial instrument related risks arising from its normal operations. The Company manages and mitigates these risk exposures as follows:

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### 16. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (continued)

#### *Foreign Currency risk*

The Company operates in Canada, United States and Mexico. It maintains Mexican peso ("MXN") and US dollar (US\$) bank accounts in Mexico and United States and is subject to currency gains or losses from these two currencies against the Canadian dollar. The Company has no hedging against its foreign currency risk exposure.

At December 31, 2025 and 2024, the Company was exposed to currency risk through the following assets and liabilities denominated in US\$:

	December 31, 2025		December 31, 2024	
Cash	US\$	4,174,750	US\$	201,934
Accounts payable and accrued liabilities		(464,480)		-
	US\$	3,710,270	US\$	201,934

At December 31, 2025 and 2024, the Company was exposed to currency risk through the following assets and liabilities denominated in MXN:

	December 31, 2025		December 31, 2024	
Cash	MXN	10,664	MXN	10,450
Accounts payable and accrued liabilities		-		(8,073)
	MXN	10,664	MXN	2,377

A 10% change of the Canadian dollar against the US dollar at December 31, 2025 would have increased or decreased the comprehensive loss by \$508,530 (2024 – \$29,056). A 10% change of the Canadian dollar against the MXN at December 31, 2025 would have increased or decreased the comprehensive loss by \$81 (2024 – \$72). This analysis assumes that all other variables, in particular interest rates, remain consistent.

#### *Liquidity risk*

Liquidity risk is the risk that the Company's financial assets are insufficient to meet its financial liabilities. Edge Copper manages liquidity risk with cash forecasts to ensure there is sufficient cash to meet its obligations. As at December 31, 2025, the Company had cash of \$10,346,358 (2024 - \$298,252) to settle current liabilities of \$2,088,352 (2024 - \$36,750).

#### *Credit risk*

Credit risk arises from cash held with financial institutions, as well as credit exposure on amounts receivable. Credit risk exposure on cash is limited through maintaining the Company's balances with high-credit quality financial institutions and assessing institutional exposure. As at December 31, 2025, the Company's maximum exposure to credit risk was the carrying value of its cash.

#### *Commodity price risk*

Commodity prices are affected by global consumption, supply and demand, inflation, political and economic conditions. The current global economic instability from continuous imposition of trade tariffs from the US and uncertain monetary policies has resulted in volatile fluctuations in commodity prices and will present challenges to the Company's business plan in the development of the Zonia Copper Project.

#### **Capital Management**

The Company's objectives in managing capital are to prudently allocate capital to advance Zonia in a measured and disciplined manner, while maintaining adequate liquidity, preserving financial flexibility, and optimizing its capital structure at an acceptable level of risk. In assessing its capital structure, the Company considers shareholders' equity and cash and make adjustments in response to changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue equity or debt, acquire or dispose of assets, or adjust cash holdings. No changes were made to the Company's capital management objectives, policies or procedures for the year ended December 31, 2025.

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### 17. SEGMENT INFORMATION

The Company has one reportable operating segment, being the exploration and development of its mineral property in the United States.

As at December 31, 2025, the Company's non-current assets in geographical locations are as follows:

- Canada \$nil (2024 - \$nil)
- United States \$25,584,451 (2024 - \$nil)

### 18. INCOME TAXES

Reconciliation of income taxes at statutory rates with the reported income tax provision is as follows:

	2025	2024
	\$	\$
Income before income taxes	5,299,673	5,231
Statutory tax rate	25%	27%
Income tax expense at statutory rates	1,325,000	1,000
Non-deductible or non-taxable capital items	(4,000)	5,000
Impact of foreign exchange, foreign tax rates and changes to tax rates	358,000	(401,000)
Share issue costs	(16,000)	-
Tax losses not recognized in the period that the benefit arose	-	159,000
Adjustment to prior years provision versus statutory tax returns	(70,000)	236,000
Changes in unrecognized temporary differences	(644,000)	-
Other	(1,000)	-
	948,000	-

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amount of the balance sheet items and their corresponding tax values as well as for the benefit of losses available to be carried forward to future years for tax purposes that are likely to be realized.

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

	2025	2024
	\$	\$
Share issuance costs and financing fees	13,000	-
Non-capital losses carried forward	2,261,000	3,006,000
Property and equipment	11,000	56,000
Exploration and evaluation assets	413,000	279,498
Right-of-use assets	(19,000)	-
	2,679,000	3,341,498

## EDGE COPPER CORPORATION

(formerly Plata Latina Minerals Corporation)

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

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### 18. INCOME TAXES (continued)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	2025	Expiry Date Range	2024	Expiry Date Range
Temporary Differences	\$		\$	
Share issuance costs and financing fees	48,000	2026 to 2029	-	
Non-capital losses	8,431,000	2030 to 2045	10,776,000	2025 to 2044
Property and equipment	40,000	No expiry date	223,000	No expiry date
Exploration and evaluation assets	1,578,000	No expiry date	932,000	No expiry date
Right-of-use assets	(76,000)	No expiry date	-	
Lease liabilities	73,000	No expiry date	-	
Canada	7,820,000	2030 to 2045	7,532,000	2030 to 2044
USA	610,000	No expiry date	6,000	2039
Mexico	-		3,244,000	2025 to 2033

### 19. SUBSEQUENT EVENT

Subsequent to the year ended December 31, 2025, a total of 274,613 replacement options (Note 11) were exercised for total proceeds of \$109,972.