Edge Copper Corporation

Condensed Consolidated Interim Financial Statements
For the Three Months ended March 31, 2026

EDGE COPPER CORPORATION
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - expressed in US dollars)

As at	Note	March 31, 2026	December 31, 2025 (Note 2)	January 1, 2025 (Note 2)
		$	$	$
ASSETS				
Current assets				
Cash		6,715,406	7,548,780	207,278
Amounts receivable	4	82,722	96,478	5,536
Prepaid expenses		152,704	88,840	-
Exploration deposits	5	85,000	298,571	-
Total current assets		7,035,832	8,032,669	212,814
Non-current assets				
Property and equipment	6	446,772	170,330	-
Exploration and evaluation asset	3,7	18,124,685	18,124,685	-
TOTAL ASSETS		25,607,289	26,327,684	212,814
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	8,12	2,904,400	812,482	25,540
Lease liabilities - current	9	19,527	19,527	-
Income tax payable		-	691,668	-
Total current liabilities		2,923,927	1,523,677	25,540
Lease liabilities - long term	9	29,863	33,939	-
Total LIABILITIES		2,953,790	1,557,616	25,540
EQUITY				
Share capital	10	34,493,580	31,494,810	11,265,794
Reserves	10	215,743	302,958	(936,375)
Deficit		(12,055,824)	(7,027,700)	(10,142,145)
Total equity		22,653,499	24,770,068	187,274
Total LIABILITIES and EQUITY		25,607,289	26,327,684	212,814

Nature of operations and going concern	1
Change in presentation currency	2
Subsequent event	15

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

EDGE COPPER CORPORATION
Condensed Consolidated Interim Statements of (Loss) Income and Comprehensive (Loss) Income
(Unaudited - expressed in US dollars)

	Note	Three months ended, March 31, 2026	March 31, 2025 (Note 2)
		$	$
Expenses			
Exploration and evaluation expenditures	7	4,293,060	-
Filing fees and transfer agent		40,460	4,440
General and administration		62,653	3,658
Investor relations		9,320	4,220
Professional fees	12	129,513	24,632
Salaries and benefits	12	215,423	-
Directors' fees	12	47,708	-
Travel		59,338	-
Depreciation	6	19,616	-
Accretion	9	806	-
Share-based payments	10,12	2,125	5,931
		(4,880,022)	(42,881)
Other income (expenses)			
Royalty income	11	-	100,000
Interest income		18,922	-
Foreign exchange loss		(58,692)	(1,847)
Net (loss) income before income taxes		(4,919,792)	55,272
Income tax expense		(108,332)	-
Net (loss) income for the period		(5,028,124)	55,272
Other comprehensive income (loss)			
Item that may be reclassified to income or loss:			
Foreign currency translation adjustment		(32,155)	1,243
Comprehensive (loss) income for the period		(5,060,279)	56,515
Basic and diluted (loss) income per share		(0.04)	0.00
Weighted average number of shares outstanding		121,580,806	26,344,879

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

EDGE COPPER CORPORATION

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited - expressed in US dollars)

	Note	Number of shares	Share Capital	Accumulated Other Comprehensive Loss	Contributed Surplus	Total Reserves	Deficit	Total Equity
			$	$	$	$	$	$
Balance, December 31, 2025		120,876,364	31,494,810	(1,737,106)	2,040,064	302,958	(7,027,700)	24,770,068
Shares issued on exercise of warrants	10	6,500,000	2,843,187	-	-	-	-	2,843,187
Shares issued on exercise of options	10	337,025	155,583	-	(57,185)	(57,185)	-	98,398
Share-based payments	10	-	-	-	2,125	2,125	-	2,125
Foreign currency translation		-	-	(32,155)	-	(32,155)	-	(32,155)
Net loss for the period		-	-	-	-	-	(5,028,124)	(5,028,124)
Balance, March 31, 2026		127,713,389	34,493,580	(1,769,261)	1,985,004	215,743	(12,055,824)	22,653,499
Balance, December 31, 2024		26,344,879	11,265,794	(2,533,702)	1,597,327	(936,375)	(10,142,145)	187,274
Share-based payments		-	-	-	5,931	5,931	-	5,931
Foreign currency translation adjustment		-	-	1,243	-	1,243	-	1,243
Net income for the period		-	-	-	-	-	55,272	55,272
Balance, March 31, 2025		26,344,879	11,265,794	(2,532,459)	1,603,258	(929,201)	(10,086,873)	249,720

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

EDGE COPPER CORPORATION
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - expressed in US dollars)

	Three months ended March 31, 2026	March 31, 2025 (Note 2)
	$	$
OPERATING ACTIVITIES		
Net (loss) income for the period	(5,028,124)	55,272
Items not affecting cash:		
Depreciation	19,616	-
Accretion	806	-
Share-based payments	2,125	5,931
Unrealized foreign exchange loss	61,801	1,751
Changes in non-cash working capital items:		
Amounts receivable	13,756	1,888
Prepaid expenses	(63,864)	(3,130)
Exploration deposits	213,571	-
Accounts payable and accrued liabilities	2,091,918	(14,846)
Income tax payable	(691,668)	-
	(3,380,063)	46,866
INVESTING ACTIVITIES		
Acquisition of property and equipment	(296,058)	-
FINANCING ACTIVITIES		
Proceeds from exercise of warrants	2,843,187	-
Proceeds from exercise of options	98,398	-
Lease payments	(4,882)	-
	2,936,703	-
Effect of foreign exchange on cash	(93,956)	(508)
Change in cash during the period	(833,374)	46,358
Cash, beginning of period	7,548,780	207,278
Cash, end of period	6,715,406	253,636
Supplemental cash flow information		
Interest paid	-	-
Income taxes paid	800,000	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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 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”) from World Copper Ltd. (the “Transaction”).

Concurrent with the completion of the Transaction, the Company consolidated its issued and outstanding common shares on a three-for-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 consolidation. On November 3, 2025, the Company’s common shares commenced trading on the TSXV under the symbol “EDCU” (formerly “PLA”).

These condensed consolidated interim financial statements (“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 March 31, 2026, the Company had cash of $6,715,406 (December 31, 2025 - $7,548,780) and working capital of $4,111,905 (December 31, 2025 - $6,508,992), and an accumulated deficit of $12,055,824 (December 31, 2025 - $7,027,700). The Company expects to continue to incur losses as it advances the Zonia Copper Project.

The Company’s ability to continue as a going concern is dependent upon the successful development of the Zonia Copper Project and its ability to obtain additional financing to fund operations. There can be no assurance that such financing will be available and with acceptable terms. While the Company believes it has plans in place to address these conditions, 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

These Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS”) and in compliance with IAS 34, *Interim Financial Reporting.*

These Financial Statements do not include all the information and disclosures required in annual consolidated financial statements in accordance with IFRS and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2025.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Change in presentation currency

These Financial Statements are presented in United States dollars ("USD"), unless otherwise noted. The financial statements of the Company and its subsidiaries are prepared using their respective functional currencies, being the currencies of the primary economic environments in which they operate. The functional currency of Edge Copper Corporation is the Canadian dollar ("CAD"). The functional currencies of its subsidiaries in Canada, the United States and Mexico are the CAD, USD and Mexican peso, respectively.

Effective January 1, 2026, the Company changed its presentation currency from CAD to USD to better reflect its business activities which are primarily carried out in the United States. The Company has applied this change retrospectively in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates* and as such all comparative figures have been restated accordingly.

For comparative balances, assets and liabilities have been translated into the USD presentation currency at the exchange rates prevailing at the reporting dates. Income and expenses have been translated at the average exchange rate for the respective reporting periods. Share capital and reserves have been translated at the historical exchange rates prevailing at the dates of the transactions. Exchange differences arising on translations have been recognized in other comprehensive income (loss) and accumulated in equity.

Basis of consolidation

These Financial Statements include the accounts of the Company and its controlled subsidiaries. The Company 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. Subsidiaries are 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 judgments, estimates and assumptions that affect the Company's reported financial position. Such judgments and estimates, by their nature, are uncertain and actual results may differ from those estimates. Revisions to estimates are recognized in the period in which the estimates are revised and in future periods affected.

The critical judgments and estimates that affect these Financial Statements are disclosed in Note 2 of the Company's consolidated financial statements for the year ended December 31, 2025.

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
Office Furniture	3 years
Field equipment	5 years
Building	10 years
Right-of-use asset	Over the term of the lease

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Future Accounting Pronouncement

IFRS 18 *Presentation and Disclosure in Financial Statements,* will replace IAS 1 *Presentation of Financial Statements,* effective for reporting periods beginning on or after January 1, 2027.

Under the new requirements of IFRS 18, entities will be required to:
- classify income and expenses into defined categories in the statement of loss and other comprehensive loss, namely operating, investing, financing, discontinued operations and income taxes.
- present a newly defined operating profit subtotal, the net income (loss) will not change.
- disclose management-defined performance measures in a single note in the financial statements.

The Company is currently assessing the effect of the standard on its Financial Statements.

3. ACQUISITION OF THE ZONIA COPPER PROJECT

On October 30, 2025, pursuant to an 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.

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 Holdings Corp. indirectly holds the Zonia Copper Project in Arizona, United States. As a result, Zonia has become a wholly owned subsidiary of the Company.

As consideration for the Transaction, World Copper received cash of $7,506,971 (CAD$10,500,000) and World Copper shareholders received 0.1248 of a common share of the Company (the Exchange Ratio"), for each World Copper common share. An aggregate of 37,820,374 common shares of the Company were issued to World Copper and its shareholders, of which World Copper retained 5,000,000 common shares of Edge Copper. These common shares were measured at a fair value of $8,111,898 (CAD$11,346,112).

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 the Company 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 the Company.

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 the Company 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 the Company.

The Transaction does not constitute a business combination under IFRS 3 *Business Combinations.* The concentration test under IFRS 3 provides that 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. The fair value of the gross assets acquired by the Company is primarily attributable to the Zonia Copper Project with no other significant assets acquired. Accordingly, all of the fair value is concentrated in a single identifiable asset, being the mineral property.

As a result, the Transaction has been accounted for as an asset acquisition, whereby the assets acquired and liabilities assumed were recognized at their fair values. reflecting the total acquisition consideration.

(Expressed in US dollars, unless otherwise stated)

3. ACQUISITION OF THE ZONIA COPPER PROJECT (continued)

The excess value of the consideration over the fair value of the net assets acquired was allocated to exploration and evaluation asset.

Acquisition consideration	$
Cash consideration	7,506,971
Share consideration	8,111,898
Fair value of replacement warrants	92,888
Fair value of replacement options	330,358
Transaction costs	2,093,096
Total consideration	18,135,211
Net assets acquired	
Cash	9,874
Amount receivable	652
Exploration and evaluation asset	18,124,685
Total net assets acquired	18,135,211

4. AMOUNTS RECEIVABLE

	March 31, 2026	December 31, 2025
	$	$
Mexican value added tax ("IVA") recoverable	5,501	13,183
Goods and services tax receivable	41,021	83,295
Other receivable	36,200	-
	82,722	96,478

5. EXPLORATION DEPOSITS

Exploration deposits represent amounts of $85,000 (December 31, 2025 - $298,571) paid in advance to drilling contractors in connection with exploration and evaluation activities on the Company's Zonia Copper Project.

(Expressed in US dollars, unless otherwise stated)

6. PROPERTY AND EQUIPMENT

	Computer and Office Furniture	Field Equipment	Building	Right-of-use Assets	Total
	$	$	$	$	$
Cost					
December 31, 2024	-	-	-	-	-
Additions	9,074	-	107,550	58,582	175,206
December 31, 2025	9,074	-	107,550	58,582	175,206
Additions	11,742	235,959	48,357	-	296,058
March 31, 2026	20,816	235,959	155,907	58,582	471,264
Accumulated depreciation					
December 31, 2024	-	-	-	-	-
Depreciation	(379)	-	(1,330)	(3,167)	(4,876)
December 31, 2025	(379)	-	(1,330)	(3,167)	(4,876)
Additions	(1,254)	(10,213)	(3,399)	(4,750)	(19,616)
March 31, 2026	(1,633)	(10,213)	(4,729)	(7,917)	(24,492)
Net book value					
March 31, 2026	19,183	225,746	151,178	50,665	446,772
December 31, 2025	8,695	-	106,220	55,415	170,330

7. EXPLORATION AND EVALUATION ASSET

Exploration and evaluation asset

On October 30, 2025, the Company completed the acquisition of the Zonia Copper Project pursuant to the Transaction with World Copper. A total of $18,124,685 was allocated to E&E asset (Note 3).

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.

Exploration and evaluation expenditures

During the three months ended March 31, 2026 (2025 – $nil), the Company's E&E expenditures in respect of the Zonia Copper Project are as follows:

	March 31, 2026
	$
Drilling	2,459,001
Core handling	144,932
Earthworks	24,295
Field expenses	185,863
Permits and environmental	993,545
Project management(i)	234,809
Resources reports	138,757
Mineral rights staking	111,858
Costs incurred during the period	4,293,060

(i) Costs in project management include key management personnel compensation (Note 12).

(Expressed in US dollars, unless otherwise stated)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2026 $	December 31, 2025 $
Trade payables	2,902,685	442,437
Accrued liabilities	1,715	370,045
	2,904,400	812,482

9. LEASE LIABILTIES

The Company entered into two three-year vehicle leases for the Zonia Copper 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 Company's lease liabilities related to the vehicles leased as at March 31, 2026 and December 31, 2025 are as follows:

Lease Liabilities	March 31, 2026	December 31, 2025
	$	$
Balance, beginning of period	53,466	-
Addition	-	58,582
Interest expense	806	283
Lease payments	(4,882)	(5,399)
Balance, end of period	49,390	53,466
Current	19,527	19,527
Non-current	29,863	33,939
Balance, end of period	49,390	53,466

Future Lease Payments	March 31, 2026	December 31, 2025
	$	$
Within one year	19,527	19,527
1 to 2 years	19,527	19,527
2 to 3 years	13,018	17,900
Total	52,072	56,954

10.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, accordingly, all common shares, warrants, stock options and per-share amounts have been restated on this basis.

(Expressed in US dollars, unless otherwise stated)

10.SHARE CAPITAL AND RESERVES (continued)

Shares Issued

During the three months ended March 31, 2026, the Company:

(i) issued 337,025 common shares on the exercise of replacement options at an exercise price of CAD$0.40 per share for proceeds of $98,398 (CAD$134,9472). The related fair value of these replacement options previously recognized in reserves was transferred to share capital in the amount of $57,185.

(ii) issued 6,500,000 common shares on the exercise of share purchase warrants at an exercise price of CAD$0.60 per common share for proceeds of $2,843,187 (CAD$3,900,000).

During the year ended December 31, 2025, the Company:

(i) issued an aggregate of 37,820,374 common shares to World Copper and its shareholders, of which World Copper retained 5,000,000 common shares of Edge Copper, in connection with the acquisition of the Zonia Copper Project on October 30, 2025 (Note 3). The common shares issued were measured at a fair value of $8,111,898 (CAD$11,346,112).

(ii) completed a non-brokered private placement and issued 56,666,667 units at a price of CAD$0.30 per unit for gross proceeds of $12,154,143 (CAD$17,000,000). Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one common share at an exercise price of CAD$$0.60 per share for a period of 18 months, expiring on April 30, 2027. In connection with the private placement, filing fees of $42,674 were incurred.

(iii) issued 44,444 common shares on the exercise of stock options at an exercise price of CAD$0.15 per share for proceed of $4,830 (CAD$6,667). The related share-based payment expense previously recognized in reserves was transferred to share capital in the amount of $862.

Warrants

(i) In October 2025, in connection with the non-brokered private placement, the Company issued 28,333,325 share purchase warrants exercisable at CAD$0.60 per common share with an expiry on April 30, 2027.

(ii) In October 2025, pursuant to the Transaction, the Company issued 5,707,617 replacement warrants to former holders of World Copper warrants. The replacement warrants are exercisable until their respective expiry dates and have terms consistent with those of the World Copper warrants in effect immediately prior to closing of the Transaction.

The fair value of the replacement warrants was determined to be $92,888 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 no expected dividend yield.

The following table summarises the Company’s warrant activities:

	Number of Warrants	Weighted average exercise price (CAD$)
Balance, December 31, 2024	-	-
Issued in 2025		
Share purchase warrants	28,333,325	$0.60
Replacement warrants	5,707,617	$1.31
Balance, December 31, 2025	34,040,942	$0.72
Exercise of share purchase warrants	(6,500,000)	($0.60)
Balance, March 31, 2026	27,540,942	$0.75

(Expressed in US dollars, unless otherwise stated)

10.SHARE CAPITAL AND RESERVES (continued)

Warrants (continued)

As at March 31, 2026, the Company's outstanding warrants are as follows:

Number of Warrants	Exercise Price (CAD$)	Expiry Date	Weighted average remaining life (year)
3,404,393	$1.36	April 12, 2026	0.03
1,031,797	$1.36	April 26, 2026	0.07
905,222	$1.08	July 18, 2026	0.30
366,205	$1.28	February 24, 2028	1.90
21,833,325	$0.60	April 30, 2027	1.08
27,540,942	$0.75		0.90

Stock Options and Security Based Awards

On April 16, 2026, at the Company's annual general and special meeting, the Company received approvals from shareholders and the TSX Venture Exchange for the Omnibus Equity Incentive Plan (the "Omnibus Plan") which replaces the existing 10% rolling Stock Option Plan. Security-based awards under the Omnibus Plan consist of restricted share units ('RSUs"), performance share units ("PSUs"), deferred share units ("DSUs") and stock options. Under the Omnibus Plan, a maximum of 10% of the Company's issued and outstanding common shares may be issuable. All outstanding stock options under the previous Stock Option Plan have been grandfathered into the Omnibus Plan (Note 16).

In August 2024, the Company granted 2,109,524 stock options to directors, officers and a consultant, at an exercise price of CAD$0.15. The options have a five-year term and vest over 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 stock options was determined to be $41,237 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.

In October 2025, pursuant to the Transaction, the Company issued 2,215,640 replacement options to the former option holders of World Copper. The replacement options are exercisable until 15 months from the closing date of the Transaction and expire on January 30, 2027. The fair value of the replacement options was determined to be $330,358 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.

The following table summarises the Company's option activities:

	Number of Options	Weighted average exercise price (CAD$)
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
Exercised	(337,025)	$0.40
Balance, March 31, 2026	3,943,695	$0.58

(Expressed in US dollars, unless otherwise stated)

10.SHARE CAPITAL AND RESERVES (continued)

Stock Options and Security Based Awards (continued)

As at March 31, 2026, the Company's outstanding and exercisable stock options are as follows:

# of Options Outstanding	Expiry Date	Exercise Price (CAD$)	Weighted average remaining life (year)	# of Options Exercisable	Exercise Price (CAD$)
1,029,805	January 30, 2027	$1.60	0.84	1,029,805	$1.60
848,810	January 30, 2027	$0.40	0.84	848,810	$0.40
2,065,080	August 23, 2029	$0.15	3.40	658,730	$0.15
3,943,695		$0.58	2.18	2,537,345	$0.82

For the three months ended March 31, 2026, the Company recognized share-based payments of $2,125 (2025 - $5,931).

11.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 $1,650,000 and aggregate exploration expenditures of $3,000,000.

In February 2020, Fresnillo exercised the option to acquire Naranjillo by paying $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 $1,000,000 and the remaining 2% of the NSR for $5,000,000. Fresnillo was also required to pay annual advance royalty payment of $100,000 until the earlier of (a) a maximum of $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. In April 2025, Fresnillo exercised its option to acquire the 3% NSR on Naranjillo for $6,000,000; accordingly, Fresnillo's obligation to make annual advance royalty payments had ended.

12. RELATED PARTY TRANSACTIONS

Compensation of Key Management

Key management includes the Company's directors and officers. Their remuneration for the three months ended March 31, 2026 and 2025 is as follows:

	Three months ended March 31, 2026	2025
	$	$
Salaries and benefits[(i)]	375,362	-
Directors' fees	47,708	-
Professional fees	-	7,317
Share-based payments	2,062	5,473
Total	425,132	12,790

(i) The amount includes those costs allocated to E&E expenditures (Note 7).

As at March 31, 2026, amounts owed to related parties included in accounts payable and accrued liabilities consisted of $47,708 in directors' fees (December 31, 2025 - $162,911 related to salaries and benefits and directors' fees).

13. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

Fair value

At March 31, 2026, the carrying values of cash, amounts receivable, accounts payable and accrued liabilities and lease liabilities-current portion approximate their fair values due to the short-term maturity 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:

Foreign currency risk

The presentation currency of the Company is the US dollar. The carrying amounts of financial assets and liabilities denominated in currencies other than the US dollar are subject to fluctuations in the foreign currency exchange rates. Gains and losses due to these fluctuations are included in the profit and loss of the period. The Company has no hedging against its currency risk exposure.

At March 31, 2026 and December 31, 2025, the Company was exposed to currency risk through the following assets and liabilities denominated in Canadian dollars.:

		March 31, 2026		December 31, 2025
Cash	CAD	8,076,271	CAD	4,623,656
Accounts payable and accrued liabilities		(550,067)		(476,972)
	CAD	7,526,204	CAD	4,146,684

At March 31, 2026 and December 31, 2025, the Company was exposed to currency risk through the following assets and liabilities denominated in MXN:

		March 31, 2026		December 31, 2025
Cash	MXN	91,144	MXN	10,664

A 10% change of the US dollar against the Canadian dollar at March 31, 2026 would have increased or decreased the comprehensive loss by $490,853 (December 31, 2025 – $306,678). A 10% change of the US dollar against the MXN at March 31, 2026 would have increased or decreased the comprehensive loss by $461 (December 31, 2025 – $54). This analysis assumes that all other variables, in particular interest rates, remain consistent.

13. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company's financial assets are insufficient to meet its financial liabilities. The Company manages liquidity risk by preparing cash flow forecasts to ensure there is sufficient funds are available to meet its obligations. As at March 31, 2026, the Company had cash of $6,715,406 (December 31, 2025 - $7,548,780) to settle current liabilities of $2,923,927 (December 31, 2025 - $1,523,677).

Credit risk

Credit risk arises from cash held with financial institutions and amounts receivable. The Company manages credit risk on cash by maintaining its balances with high credit quality financial institutions and assessing institutional exposure. As at March 31, 2026, the Company's maximum exposure to credit risk was the carrying value of its cash.

Commodity price risk

Commodity prices are influenced by global consumption, supply and demand, political and economic conditions. Ongoing geopolitical tensions in the Persian Gulf region, surging fuel costs and uncertain monetary policies have contributed to increased volatility in commodity prices. This volatility may present challenges to the Company's business plan for 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 three months ended March 31, 2026.

14. SEGMENT INFORMATION

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

As at March 31, 2026, the Company's non-current assets in geographical locations are as follows:

- United States $18,571,457 (December 31, 2025 - $18,295,015)
- Canada $nil (December 31, 2025 - $nil)

15. SUBSEQUENT EVENT

On April 16, 2026, the Company's Omnibus Equity Incentive Plan (the "Omnibus Plan") was approved by shareholders and the TSX Venture Exchange. On the same date, the Company granted 3,404,598 restricted share units ("RSUs") to officers and 362,320 deferred share units ("DSUs") to directors in connection with management and Board compensation. The RSUs vest in equal tranches over three years, with one-third vesting on each of the first, second and third anniversaries of the grant date.