OROSUR MINING INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2025 AND 2024

(EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Orosur Mining Inc.:

Opinion

We have audited the consolidated financial statements of Orosur Mining Inc. and its subsidiaries (together the "Company"), which comprise the consolidated statements of financial position as at May 31, 2025 and 2024, and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of changes in equity (deficit) and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at May 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes conditions indicating 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 judgment, were of most significance in our audit of the consolidated financial statements for the year ended May 31, 2025. 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 of our auditor's report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Presentation and measurement of discontinued operations in Uruguay	
Refer to Note 6 (Expressed in thousands of United States dollars)	Our approach to addressing the matter included the following procedures, among others:
The Company's wholly-owned subsidiary, Loryser S.A. ("Loryser"), negotiated a court-approved agreement (the "Creditors' Agreement") during fiscal 2020 to dispose of its line of business which had consisted of a mine under development. The Creditor's Agreement provides that the net proceeds from the sale of Loryser's assets, together with the sale of the issued 10 million common shares of the Company to a trust for the benefit of Loryser's creditors, shall satisfy all amounts owing to Loryser's creditors and provide funds for Loryser to pay its former employees and close the business. As at May 31, 2025, Loryser has paid its labour costs and liabilities related to all other preferential creditors and has distributed all the proceeds from the sale of its assets, via a Court approved paying agent, to Loryser's trade creditors. Any remaining unclaimed amounts were paid into the Court, in accordance with the Creditors' Agreement. Since Loryser has fulfilled all of its legal obligations under the Creditors' Agreement, any remaining liabilities due to commercial suppliers and borrowers were extinguished, and the Company recognized a gain on extinguishment of $9,912 as part of the income from discontinued operations in the consolidated statement of income (loss) and comprehensive income (loss) for the year ended May 31, 2025. We considered this a key audit matter due to the significance of the gain on extinguishment and the judgments applied in assessing whether the liabilities met the criteria for extinguishment under IFRS 9. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgments applied by management.	Evaluated the presentation of discontinued operations in the consolidated financial statements, which included the following procedures: • Held discussions with management, and reviewed Board minutes to assess the status of the disposal of the discontinued operations in Uruguay and the actions required to complete the disposal; • Obtained legal confirmation from the Company's legal counsel to corroborate that all obligations under the Creditors' Agreement were fulfilled; • Assessed whether the criteria under IFRS 9 for the derecognition of the liabilities were met; and • Assessed the appropriateness and completeness of the related disclosures in the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Assessment of the existence of impairment indicators for exploration and evaluation assets	
Refer to Note 9 (Expressed in thousands of United States dollars)	Our approach to addressing the matter included the following procedures, among others:
As at May 31, 2025, the carrying amount of the Company's exploration and evaluation assets was $3,858. At each reporting period, management assesses exploration and evaluation assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Management assesses exploration and evaluation assets for impairment based on, at minimum, the presence of any one of the following indicators: (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned; (iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or (iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount. Impairment indicators were identified for the Lithium West Project in Nigeria. The carrying amount exceeded the recoverable amount of the assets and for the year ended May 31, 2025, an impairment of $576 was recognized. We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in their assessment of whether there existed impairment indicators related to the exploration and evaluation assets. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.	Evaluated the judgments made by management in determining the impairment indicators, which included the following: • Obtained evidence to support the right to explore the properties under the title permits held by the Company; • Read the board of directors' minutes and resolutions and observed evidence supporting the continued and planned exploration expenditures, which included evaluating results of the Company's work programs; • Assessed whether available data indicates the potential for commercially viable mineral resources; and • Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

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 and remain alert for indications that the other information appears to be materially misstated. 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 in this auditor's report. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Anna C. Moreton.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
September 26, 2025

Orosur Mining Inc.
Consolidated Statements of Financial Position
(Expressed in thousands of United States dollars)

	As at May 31, 2025	As at May 31, 2024
ASSETS		
Current assets		
Cash	**$ 4,877**	$ 1,328
Restricted cash (note 14)	**12**	12
Accounts receivable and other assets (note 7)	**434**	279
Assets of Uruguay discontinued operations (note 6)	**20**	226
Total current assets	**5,343**	1,845
Non-current assets		
Property and equipment (note 8)	**288**	202
Exploration and evaluation assets (note 9)	**3,858**	3,343
Total assets	**$ 9,489**	$ 5,390
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 10)	**$ 623**	$ 445
Liability of Chile discontinued operations (note 6)	**-**	2,376
Warrant liability (note 11)	**1,706**	-
Liabilities of Uruguay discontinued operations (note 6)	**529**	11,208
Total current liabilities	**2,858**	14,029
Total liabilities	**2,858**	14,029
Equity		
Share capital (note 13)	**74,675**	69,529
Share-based payments reserve	**10,931**	10,538
Warrants (note 16)	**436**	302
Currency translation reserve	**(2,159)**	(1,808)
Accumulated deficit	**(77,258)**	(87,194)
Total equity attributable to owners of the parent	**6,625**	(8,633)
Non-controlling interest	**6**	(6)
Total equity	**6,631**	(8,639)
Total liabilities and equity	**$ 9,489**	$ 5,390

Nature of operations and going concern (note 1)
Subsequent events (note 22)

Approved on behalf of the Board:

(Signed) *"Louis Castro"* Chairman of the Board

(Signed) *"Thomas Masney"* Audit Committee Chair

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

Orosur Mining Inc.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in thousands of United States dollars)
(except common shares and per share amounts)

	Year Ended May 31, 2025	Year Ended May 31, 2024
Corporate and administrative expenses (note 19)	**$ (2,615)**	$ (2,030)
Exploration and evaluation expenses	**(246)**	(105)
Impairment of exploration and evaluation assets (note 9)	**(596)**	(1,841)
Share-based compensation (note 15)	**(407)**	-
Other income	**54**	40
Net finance cost	**(15)**	(17)
Gain on fair value of warrants (note 11)	**683**	-
Foreign exchange gain	**227**	172
Net loss for the year for continuing operations	**(2,915)**	(3,781)
Income from discontinued operations (note 6)	**12,851**	403
Net income (loss) for the year	**9,936**	(3,378)
Other comprehensive (loss) income:		
Item which may be subsequently reclassified to profit or loss:		
Cumulative translation adjustment	**(351)**	917
Total comprehensive income (loss) for the year	**$ 9,585**	$ (2,461)
Basic and diluted net loss per share for continuing operations (note 18)	**$ (0.00)**	$ (0.00)
Basic and diluted net income per share for discontinued operations (note 18)	**$ 0.05**	$ 0.00
Weighted average number of common shares outstanding	**247,468,893**	193,211,503

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

Orosur Mining Inc.
Consolidated Statements of Cash Flows
(Expressed in thousands of United States dollars)

	Year Ended May 31, 2025	Year Ended May 31, 2024
Operating activities		
Net income (loss) for the year for continuing and discontinued operations	**$ 9,936**	$ (3,378)
Adjustments for:		
Depreciation	**22**	17
Share-based compensation	**407**	-
Impairment of exploration and evaluation assets	**596**	1,841
Reversed royalty provision in Chile	**(2,376)**	-
Extinguished liabilities and borrowings in Uruguay	**(10,677)**	-
Gain on fair value of warrants	**(683)**	-
Accretion of asset retirement obligation	**-**	(19)
Foreign exchange and other	**(92)**	153
Changes in non-cash working capital items:		
Accounts receivable and other assets	**(18)**	803
Accounts payable and accrued liabilities	**(41)**	(1,160)
Net cash used in operating activities	**(2,926)**	(1,743)
Investing activities		
Purchase of property and equipment	**-**	(79)
Exploration and evaluation expenditures	**(967)**	(1,056)
Net cash used in investing activities	**(967)**	(1,135)
Financing activities		
Proceeds from issue of common shares, net of share issuance costs	**6,130**	486
Proceeds from exercise of options	**14**	3
Proceeds from exercise of warrants	**1,161**	-
Net cash provided by financing activities	**7,305**	489
Net change in cash	**3,412**	(2,389)
Net change in cash classified within assets discontinued operations	**137**	(31)
Cash, beginning of year	**1,328**	3,748
Cash end of year	**$ 4,877**	$ 1,328
Operating activities		
- continuing operations	**(2,790)**	(1,773)
- discontinued operations	**(136)**	30
Investing activities		
- continuing operations	**(967)**	(1,135)
Financing activities		
- continuing operations	**7,306**	488
- discontinued operations	**(1)**	1

Supplemental information:		
Interest paid (received)	**$ -**	$ -
Income taxes paid (recovered)	**$ -**	$ -
Non cash investing and financing activities	**$ -**	$ -

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

Orosur Mining Inc.
Consolidated Statements of Changes in Equity (Deficit)
(Expressed in thousands of United States dollars)

	Share capital	Warrants RSU and DSUs reserve	Share-based payment reserve	Currency translation reserve	Accumulated deficit	Total equity attributable to owners of the parent	Non-controlling interest	Total equity
Balance, May 31, 2023	**$ 69,341**	**$ -**	**$ 10,539**	**$ (2,725)**	**$ (83,816)**	**$ (6,661)**	**$ -**	**$ (6,661)**
Private placement	390	240	-	-	-	630	-	630
Share issue cost	(206)	62	-	-	-	(144)	-	(144)
Non-controlling interest	-	-	-	-	-	-	(6)	(6)
Options exercised	4	-	(1)	-	-	3	-	3
Currency translation adjustment	-	-	-	917	-	917	-	917
Net loss for the year for continuing operations	-	-	-	-	(3,781)	(3,781)	-	(3,781)
Net income for the year for discontinued operations	-	-	-	-	403	403	-	403
Balance, May 31, 2024	**$ 69,529**	**$ 302**	**$ 10,538**	**$ (1,808)**	**$ (87,194)**	**$ (8,633)**	**$ (6)**	**$ (8,639)**
Private placement	4,428	273	-	-	-	4,701	-	4,701
Share issue cost	(954)	344	-	-	-	(610)	-	(610)
Warrants exercised	1,644	(483)	-	-	-	1,161	-	1,161
Options exercised	28	-	(14)	-	-	14	-	14
Shares-based compensation	-	-	407	-	-	407	-	407
Currency translation adjustment	-	-	-	(351)	-	(351)	-	(351)
Net loss for the year for continuing operations	-	-	-	-	(2,915)	(2,915)	12	(2,903)
Net income for the year for discontinued operations	-	-	-	-	12,851	12,851	-	12,851
Balance, May 31, 2025	**$ 74,675**	**$ 436**	**$ 10,931**	**$ (2,159)**	**$ (77,258)**	**$ 6,625**	**$ 6**	**$ 6,631**

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

1. Nature of operations and going concern

Orosur Mining Inc. (“Orosur” or “the Company”) is a minerals explorer and developer with operations in Colombia, Argentina and Nigeria.

Orosur was incorporated and is domiciled in Canada and is governed by the corporate laws of the Yukon Territory, Canada. The Company’s shares are listed on the TSX Venture Exchange (TSXV) in Canada and the Alternative Investment Market (AIM) of the London Stock Exchange in the United Kingdom. The Company’s registered office is 200-204 Lambert Street, Whitehorse, YT, Y14 1Z4, and principal place of business is Suite 200, 82 Richmond Street East, Toronto, ON, M5C 1P1.

Going concern uncertainty

These consolidated financial statements were prepared on a going concern basis under the historical cost method except for items measured at fair value, and assets and liabilities related to discontinued operations, which are measured at the lower of cost or recoverable amount. This accounting treatment is applied to the activities in Uruguay. In line with negotiations and the final agreement (the "Agreement") as of December 17, 2018 with creditors in Uruguay (see note 6), the Company’s Uruguayan subsidiary Loryser S.A. ("Loryser") was required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business based on the creditor payment plan ("Creditors' Agreement"). The Agreement was ratified by the Court in September 2019, which made it legally binding on all trade creditors and the Intervenor’s control over Loryser ceased. Accordingly, the activities of Uruguay are consolidated in the financial statements as assets and liabilities from discontinued operations and profit or loss from discontinued operations. As at May 31, 2025, Loryser has paid its labour and all other preferential creditors and has distributed all the proceeds from the sale of its assets, via a Court approved paying agent, to Loryser’s trade creditors, with any remaining unclaimed amounts paid into the Court, in accordance with the Creditors’ Agreement. Given that Loryser has fulfilled all of its obligations under the Creditors’ Agreement, Loryser has extinguished the carrying amounts due to commercial suppliers and borrowings on its Statement of Financial Position.

As at May 31, 2025, the Company had cash of $4,877 (May 31, 2024 - $1,328) and a net working capital of $2,485 (May 31, 2024 – net working capital deficiency of $12,184). As at May 31, 2025, the Company carried an accumulated deficit of $77,258 (May 31, 2024 - $87,194).

The Company’s continuance as a going concern is dependent upon its ability to obtain adequate financing. Whilst the Company has fulfilled all of its obligations under the Creditors Agreement, and it has been successful in the past in obtaining financing, most recently in March 2025 with an equity placement which raised $4,193 (CAD$6,000) (gross), there is no assurance that the Company will be able to obtain adequate financing in the future on terms advantageous to the Company or at all.

This material uncertainty may cast significant doubt upon the Company’s ability to realize its assets and discharge its liabilities in the normal course of business and accordingly the appropriateness of the use of accounting principles applicable to a going concern.

2. Material accounting policies

Basis of preparation

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

These consolidated financial statements have been prepared on a historical cost basis, except for items measured at fair value. All values are rounded to the nearest thousand, except when otherwise indicated.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of September 26, 2025, the date the Board of Directors approved the statements.

Principles of consolidation

The consolidated financial statements include the accounts of Orosur and its subsidiaries. Subsidiaries are entities controlled directly or indirectly by Orosur. The Company controls a subsidiary when it is exposed to, or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. The Company's list of subsidiaries is included in note 19. All inter-company transactions and balances have been eliminated on consolidation.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currencies of each of the Company's subsidiaries are listed in note 19. The consolidated financial statements are presented in United States dollars ("US dollars"), which is the Company's presentation currency.

Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the consolidated statement of financial position date. Non-monetary assets and liabilities, expenses and other income arising from foreign currency transactions are translated at the exchange rate in effect at the date of the transaction. Exchange gains or losses arising from the translation are included in profit and loss.

Subsidiaries

The financial performance and financial position of all subsidiaries that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

a) assets and liabilities at each statement of financial position presented are translated at the closing exchange rate at the date of that statement of financial position;
b) equity transactions are translated at the historical rate;
c) income and expenses for each statement of loss are translated at the exchange rate in effect on date of the transaction (or at average exchange rates for the reporting period); and
d) all resulting exchange differences are recognized in other comprehensive income / loss and accumulated as a separate component of equity (currency translation reserve).

2. Material accounting policies (continued)

Hyperinflation

During the year ended May 31, 2023, the Company acquired exploration and evaluation assets in Argentina, which the Company has identified as a hyperinflationary economy under IAS 29 - Financial reporting in hyperinflationary economies. The designation of an economy as hyperinflationary involves the assessment of several factors and requires the Company to make certain estimates and judgments, such as the assessment of historic inflation rates and anticipation of future trends. However, as the functional currency of the Argentinean operations is the US dollar, IAS 29 has not been applied and there is no restatement of non-monetary assets or liabilities, and items of profit or loss, in these consolidated financial statements.

Cash

Cash consists of cash in bank. Restricted cash is cash held in banks that is not available for general corporate use (note 14).

Property and equipment

Property and equipment are tangible assets including land, machinery and equipment, computer equipment and software, and furniture and office equipment.

Property and equipment are recorded at cost and carried net of accumulated depreciation and accumulated impairment losses. The initial cost of an asset is comprised of its purchase price or construction cost, any costs directly attributable to bringing the asset into operation and, for qualifying assets, capitalized borrowing costs. Property and equipment items are depreciated using the straight-line method over the estimated useful life of the asset. Each part of an item with a cost that is significant in relation to the total cost of the item is depreciated separately if their useful lives differ. Expenditures that extend the useful lives of existing facilities or equipment are capitalized and amortized over the remaining useful lives of the assets. Repairs and maintenance expenditures are expensed as incurred.

The following depreciation methods and useful lives are used for depreciating each category of asset under property and equipment:

	Depreciation method	Useful life
Buildings	Straight-line	3 years
Machinery and equipment	Straight-line	2 to 3 years
Computer equipment and software	Straight-line	3 years
Furniture and office equipment	Straight-line	3 years

Impairment of non-financial assets

The carrying amount of the Company’s property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

2. Material accounting policies (continued)

Impairment of non-financial assets (continued)

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or group of assets, in which case, the individual assets are grouped together into cash generating units ("CGU") for impairment purposes.

Impairment exists when the carrying amount of the CGU exceeds its recoverable amount. The impairment loss is the amount by which the carrying value exceeds the recoverable amount and such loss is recognized in the profit or loss. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the CGU in its present form and its eventual disposal. Estimated future cashflows include estimates of recoverable resources and commodity prices (considering historical prices, price trends and related factors) and estimated production related expenses discounted by the Company's pre-tax weighted average cost of capital with appropriate adjustment for the risk associated with the relevant unit.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is usually obtained from an active market or binding sale agreement. Where neither exists, fair value is based on the best information available to reflect the amount the Company could receive for the CGU in an arm's length transaction, which is often estimated using cash flow techniques.

A previously recognized impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized, such that the recoverable amount has increased. The recoverable amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Exploration and evaluation costs ("E&E")

Exploration and evaluation costs are those required to find a mineral property and determine technical feasibility and commercial viability. E&E consist of:

- gathering exploration data through topographical and geological studies;
- exploratory drilling, trenching and sampling;
- determining the volume and grade of the resource;
- test work on geology, metallurgy, mining, geotechnical and environmental; and
- conducting engineering, marketing and financial studies.

2. Material accounting policies (continued)

Exploration and evaluation costs (“E&E”) (continued)

E&E expenditure is capitalized under areas of interest defined by the Company. Overhead costs that are directly attributable to E&E, but not directly attributable to an individual project or area, such as general advisory, the cost of a central exploration office or the cost of a mining tenements office are also allocated to areas of interest and capitalized. Depreciation of property, plant and equipment used in the exploration activities and exchange differences related to monetary assets and liabilities associated to the exploration activities are not capitalized and are recognized as expenses as they are incurred. The Company also recognizes E&E costs, such as rights to explore, as intangible assets when acquired as part of a business combination, or an asset purchase. These assets are recognized at an estimation of the fair value attributable to the mineral resources and exploration potential attributable to the property.

Acquired or capitalized E&E for a project are classified as such until the project demonstrates technical feasibility and commercial viability. On demonstrating technical feasibility and commercial viability, and subject to an impairment analysis, capitalized E&E costs are transferred to capitalized development costs within property, plant and equipment. Technical feasibility and commercial viability generally coincide with the establishment of proven and probable reserves; however, this determination may be impacted by management’s assessment of certain modifying factors including: legal, environmental, social and governmental factors.

The recoverability of amounts shown for E&E is dependent on the discovery of economically recoverable reserves and is reassessed at least annually for impairment. An impairment trigger is identified for an exploration asset when at least one the following conditions are met:

- the Company’s right to explore in an area of interest has expired or will expire in the near future and is not expected to be renewed;
- the Company has strategically decided to discontinue activities in the area of interest;
- substantive expenditure on further exploration in the area of interest is neither budgeted nor planned in the near future and no negotiations to sell the project or farm it out are planned or considerably advanced;
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The capitalized E&E related to the project is reduced to its recoverable amount in the period it is considered impaired under the criteria outlined above.

E&E incurred before any legal rights to explore an area of interest, or after an area was previously impaired, are expensed as incurred. Capitalized E&E are shown as an investing activity in the consolidated statements of cash flows, whereas E&E costs expensed as incurred are included under the Company’s operating activities in the consolidated statements of cash flows.

Consideration, in the form of cash and/or shares received under exploration and option agreements, is applied against the carrying amount of the exploration property and related E&Es. Consideration in excess of the carrying amount is recognized as income in profit or loss.

2. Material accounting policies (continued)

Income taxes

The income tax expense or recovery for the period consists of two components: current tax and deferred tax.

Current income tax is the expected tax payable on the taxable profit for the year. The tax is calculated using tax rates and laws that were enacted or substantively enacted at the statement of financial position date in each of the jurisdictions and includes any adjustments for taxes payable or recovery in respect of prior periods.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities in the consolidated statements of financial position and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted by the statements of financial position date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses to the extent it is probable future taxable profits will be available against which they can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset. A provision for deferred tax is recognized in the profit or loss except to the extent it relates to a business combination or other items recognized directly in equity.

Deferred tax assets and/or liabilities are not recognized on temporary differences that arise in the initial recognition of goodwill or assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and with respect to taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Provision for environmental rehabilitation

Mining extraction and processing activities normally give rise to obligations for environmental rehabilitation. Environmental rehabilitation of sites where the Company operates includes the dismantling and demolition of infrastructure, the removal or treatment of waste materials and remediation of disturbed areas, including tailings ponds closure. A provision for the cost of each rehabilitation program is recognized in the accounting period when the legal or constructive obligation arising from the related environmental disturbance occurs and reliable estimates of the required rehabilitation costs can be made. Expenditures may occur before and after the closure and can continue for an extended period of time depending on rehabilitation requirements. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are included in operating costs.

The Company records a liability and a corresponding asset for the present value of the estimated costs of legal and constructive obligations for future site reclamation and closure. The estimated present value of the provision is reassessed on an annual basis or when new material information becomes available, on the basis of a closure plan to reflect known developments, updated costs estimates and revise estimated lives of operations. Increases or decreases to the provision usually arise due to changes in legal or regulatory requirements, methods of reclamation, cost estimates or discount rates in light of the significant judgments and estimates involved. Although the ultimate cost to be incurred is uncertain, the Company's estimates their respective costs based on feasibility and engineering studies using current restoration standards and techniques and industry guidelines, on a site by site basis.

2. Material accounting policies (continued)

Provision for environmental rehabilitation (continued)

The initial net present value of costs capitalized when recognizing an environmental rehabilitation provision are recorded as an asset within property, plant and equipment, representing part of the cost of acquiring the future economic benefits of the operation. Depreciation is expensed using a systematic and rational method over its useful life. In subsequent periods, the Company recognizes the changes in the provision resulting from the passage of time and the revisions to either the timing or amount of the original estimate of undiscounted cash flows.

Changes resulting from revisions to the timing or the amount of the original undiscounted cash flows are recognized as an increase or decrease in the carrying amount of the rehabilitation provision against an increase or decrease in the corresponding value of the related asset. The principal factors that can cause expected cash flows to change are the construction of new processing facilities, changes in the life of mine plan or reserves, changes in the amounts of waste to remove or treat, foreign exchange rates and inflation, the emergence of new restoration techniques, experiences at other mine sites and changes in laws and regulations governing the protection of the environment.

Rehabilitation provisions are measured at the expected value of future cash flows discounted to their present value using a current US dollar real risk-free pre-tax discount rate. Changes due to the passage of time, meaning the unwinding of the discount applied in establishing the net present value of the liability, referred to as accretion expense, are charged as finance cost in each accounting period and result in an increase in the amount of the provision.

As noted above, the ultimate cost of the rehabilitation is uncertain and costs estimated can vary in response to many factors. As a result, there could be significant adjustments to the provision that would affect future financial results. Significant judgment and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows.

Business combination and asset acquisitions

A business combination requires that the assets acquired and liabilities assumed constitute a business. If the assets acquired are not a business the transaction or other event is accounted for as an asset acquisition. The determination of whether a transaction or other event is a business combination or an asset acquisition requires judgement, including whether or not a business has been acquired. In considering whether a transaction or other event constitutes a business the Company considers factors such as whether the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets; or whether a transaction or other event results in inputs and whether processes applied to those inputs that have the ability to contribute to the creation of outputs..

In an asset acquisition, no obligation for the cash component of contingent consideration payable based on the future performance of the asset and actions of the Company is recognized at the date of purchase of the related asset.

2. Material accounting policies (continued)

Share capital

Equity instruments are contracts that represent a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options and certain share purchase warrants are classified as equity instruments. Costs directly attributable to the issuance shares and warrants are recognized as a deduction from equity. Cash received from common shares yet to be issued is recorded as a share subscription received when a legal obligation to issue the shares exists.

These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants ("warrants").

Where warrants are classified as equity, the relative fair value method allocates value to each component on a pro-rata basis, based on the fair value of the components calculated independently of one another. The Company considers the market value of the common shares issued as fair value and measures the fair value of the warrant component of the unit using the Black-Scholes option pricing model. The unit value is then allocated, pro-rata, between the two components, with fair value attributed to the warrants being recorded to the Company's warrant reserve.

Where warrants are classified as a liability, the residual method is used to allocate the proceeds to each component. The fair value of the liability is first determined, using the Black-Scholes option pricing model, and the residual amount is allocated to equity.

Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance.

If and when warrants classified as equity on issuance are exercised, the applicable relative fair value initially recognized in the warrants reserve is transferred to share capital. Any consideration paid on the exercise of the warrants is also credited to share capital.

Warrants issued with an exercise price denominated in a foreign currency are considered financial derivative instruments and the prescribed accounting treatment is to classify these warrants as a current liability measured at fair value upon initial recognition. At each subsequent reporting date, the warrants are re-measured at fair value and the change in fair value is recognized through profit or loss. Upon warrant exercise, the fair value previously recognized in warrant liability is transferred from warrant liability to share capital. Any consideration paid on the exercise of the warrants is also credited to share capital.

Earnings (loss) per share

Basic earnings (loss) per common share are computed by dividing the net profit attributable to common shareholders by the weighted average number of common shares outstanding during the year.

Diluted earnings per share amounts reflect the potential dilution effect derived from the exercise or conversion to common shares of securities or other contracts to issue common shares. The treasury stock method is used to determine diluted per share amount, which assumes that all outstanding securities or contracts to issue common shares are exercised if its average exercise price was below the market price of the underlying shares, and the assumed proceeds are used to purchase the Company's common shares at the average market price during the period.

Diluted loss per share in continuing operations is equivalent to basic loss per share, as the potentially dilutive instruments would be anti dilutive.

2. Material accounting policies (continued)

Share-based compensation

The fair value of share options, restricted share units and deferred share units granted to employees is recognized as an expense in profit or loss over the vesting period with a corresponding increase in reserve for share-based compensation. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

The fair value of share-based compensation to non-employees are based on the fair value of the goods or services received. If the Company cannot estimate reliably the fair value of the goods or services received, the Company measures the value, and the corresponding increase in reserve for share-based compensation, indirectly, by reference to the fair value of the equity instruments granted at the date the Company receives the goods or services.

Financial instruments

<u>Recognition</u>

The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectation of recovering the contractual cash flows of a financial asset.

<u>Classification and Measurement</u>

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and,
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

2. Material accounting policies (continued)

Financial instruments (continued)

Classification and Measurement (continued)

After initial recognition at fair value, financial instruments are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial instruments classified as FVTPL are expensed in profit or loss.

Financial instruments classified and measured at amortized cost are measured using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period. Interest expense is reported in profit or loss.

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

Financial liabilities at FVTPL

Financial liabilities that are not contingent liabilities of an acquirer in a business combination, held for trading or designated as FVTPL, are measured at amortized cost using the effective interest method. The Company's financial liabilities at amortized cost primarily include accounts payable and accrued liabilities. The Company's financial liabilities at FVTPL include the warranty liability.

The following table summarizes the classification and measurement for each financial instrument:

Classification	IFRS 9
Cash	Amortized cost
Accounts receivable and other assets	Amortized cost
Restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Warrant liability	FVTPL

2. Material accounting policies (continued)

Assets (or disposal groups) held for sale and discontinued operations

Assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Assets are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement. The Company is accounting for its activities in Uruguay and Chile as discontinued operations.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

Assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statements of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statements of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in profit and loss.

New and revised standards and interpretations issued but not yet effective

The following new standards and amendments to standards and interpretations are not yet effective for the current year.

- In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements but carries forward many of the requirements from IAS 1. The standard introduces new defined subtotals to be presented in the Company’s consolidated statements of profit or loss and other comprehensive income (loss), disclosure of any management-defined performance measures related to the statement of profit or loss and other comprehensive income (loss) and requirements for grouping of information. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted, and will apply retrospectively. The Company is currently in the process of assessing the impact of IFRS 18 (and applicable amendments to other standards) on the consolidated financial statements.

- In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to clarify that a financial liability is derecognized on the “settlement date” and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG linked features, non-recourse loans and contractually linked instruments. The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The Company is currently in the process of assessing the impact of the amendments to the consolidated financial statements.

3. Critical accounting estimates, judgments and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of expenses, gains and losses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. By definition, estimates and assumptions seldom equal actual results and may lead to material adjustments to the carrying amounts of assets and liabilities. The areas that require management to make significant judgments, estimates and assumptions are discussed below.

Discontinued operations

The Company is accounting for its activities in Chile and Uruguay as discontinued. Chile was recognized as a discontinued operation after all of its mining assets were sold or returned. In Uruguay, in accordance with the Creditors' Agreement, the Company's wholly owned subsidiary, Loryser has sold all of its assets. It has paid for the settlements with all of its former employees; it has finalised the reclamation and remediation works on the tailings dam and has successfully concluded a one-year post-closure control phase. It has then distributed all remaining proceeds, via a Court approved paying agent, to Loryser's trade creditors and paid any remaining unclaimed amounts into the Court, in accordance with the Creditors' Agreement.

Exploration and evaluation expenditure

The recoverability of amounts shown for capitalized exploration and evaluation costs is dependent upon the discovery of economically recoverable reserves. Management reviews the carrying amount of capitalized exploration and evaluation costs and discloses significant judgments in relation to the intention for development at least annually. The review is based on the Company's intention for development of the underlying asset.

Environmental rehabilitation provisions

The rehabilitation provision is determined according to the net present value of estimated future costs based on feasibility and engineering studies on a site by site basis. While care was taken to estimate the rehabilitation provision, these amounts are estimates of expenditures that are not due until future years; the Company assesses its provision on an ongoing basis or when new material information becomes available.

Accounting for a contingent consideration payable on an asset acquisition

In accounting for the cash component of contingent consideration payable on an asset acquisition, including future royalties, the Company considers IAS 37 Provisions, Contingent liabilities and Contingent Assets to be the applicable Accounting Standard. Accordingly, no obligation for the cash component of contingent consideration payable based on the future performance of the asset and actions of the Company is recognised at the date of purchase of the related asset.

4. Capital risk management

The Company's capital management objectives are to safeguard its ability to support its operating requirements on an ongoing basis, continue the development and exploration of the Company's mineral properties and support expansionary plans while attempting to maximize the return to shareholders through enhancing the share value. The Company considers its capital structure to consist of equity, which at May 31, 2025 totalled $6,625 (May 31, 2024 - $8,633 deficit).

4. Capital risk management (continued)

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by, on approval of its Board of Directors, issuing new shares, adjusting capital spending, drawing on credit facilities, disposing of assets or undertaking other activities as deemed appropriate under the specific circumstances. The Company can also control, on approval of the Board of Directors, how much capital is returned to shareholders through dividends and share repurchase. The Board of Directors reviews and approves any material transactions out of the ordinary course of business, including proposals on acquisitions or other major investments or divestitures, as well as capital and operating budgets.

There are no external capital requirements.

The Company does not have a numeric target for its capital structure. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures and other investing and financing activities.

The Company has not made any changes to its capital management processes during the year.

5. Financial instruments risk management

Details of the material accounting policies and methods adopted (including the criteria for recognition, measurement and the bases for the recognition of income and expenses) for each class of financial asset and financial liability are disclosed in note 2. The carrying amounts of the Company's financial assets and financial liabilities by category are disclosed in note 21.

The Company’s activities expose it to a variety of financial instrument risks as stated below.

<u>Market risk</u>

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: interest rate risk, foreign currency risk, and other price risk. It is management's opinion that the Company is not exposed to significant other price risk. The Company’s exposure to, and management of, market risk for the year ended May 31, 2025, has not changed materially from that of the year ended May 31, 2024.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash balances bearing minimal interest and is not subject to significant interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in exchange rates.

5. Financial instruments risk management (continued)

Foreign currency risk (continued)

Foreign currency risk arises from financial assets and liabilities denominated in a currency that is not the entity's functional currency. All of the Company's principal entities have the United States dollar as the functional currency, except for Waymar Resources Ltd., Cordillera Holdings International Ltd. Minera Anzá S.A., and Fortune Valley Resources Inc. the functional currency of which is the Canadian dollar and Minera Anzá S.A. (Colombia branch), the functional currency of which is the Colombian peso. The Company conducts some of its activities in currencies other than the US dollar including expenditures in UK Pounds and Canadian dollars. The Company also has active exploration programs in Colombia, Argentina and Nigeria (albeit at slower pace in Nigeria given the weakness in the lithium market) and has some of its expenditure denominated in Colombian pesos and Nigerian naira. The Company is therefore subject to gains or losses principally due to fluctuations in the Colombian pesos, Canadian dollar and UK Pounds relative to the US dollar. The Company manages its currency risk by denominating its contracts and commitments, where possible, in US dollars. The Company does not have a policy, to nor has it entered into derivatives to mitigate foreign currency risks.

The Company holds balances in Canadian dollar, Colombian pesos and Pounds which could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in the foreign exchange rate of the US dollar against the Canadian dollar, Colombia pesos and Pounds would affect the net loss by approximately $79 (May 31, 2024 - $37).

<u>Credit risk</u>

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk is the carrying amount of cash, accounts receivable and other assets. The Company's credit risk with respect to cash is mitigated by using well capitalized financial institutions.

The Company's exposure to, and management of, credit risk for the year ended May 31, 2025, has not changed materially from that of the year ended May 31, 2024.

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company regularly evaluates its cash position. The Company manages liquidity risk by proactively forecasting its liquidity requirements with available funds and anticipated cash flows.

As at May 31, 2025, the Company had cash of $4,877 (May 31, 2024 - $1,328), total current assets of $5,343 (May 31, 2024 - $1,845) current trade and other accrued liabilities of $623 (May 31, 2024 - $445) and liabilities of the Chile discontinued operation of $nil (May 31, 2024 - $2,376). None of the cash in Loryser, the Company's operating subsidiary in Uruguay, is accessible to the Company since the declaration of the creditor protection process. The discontinued operations (Uruguay) have assets of $20 and liabilities of $529. There are concentrations of liquidity risk with respect to liabilities in Uruguay. In addition, the Company requires external funding to cover its corporate costs and exploration programs in Colombia, Argentina and Nigeria.

The Company's exposure to and management of liquidity risk for the year ended May 31, 2025, has improved materially from that of the year ended May 31, 2024 and the Company is managing its liquidity by raising cash through private placements.

(Expressed in thousands of United States dollars)

6. Discontinued operations

Uruguay

On June 14, 2018, Loryser, S.A. ("Loryser", the Company's operating subsidiary in Uruguay) applied to commence reorganization proceedings under Uruguayan legislation (Act N°18.387) (the "Loryser Reorganization Proceedings"). The Board of Directors actively decided to apply for the Loryser Reorganization Proceedings and creditor protection was made in consultation with the Company's legal and financial advisors and the Company's management believed it to be in the best interests of Loryser, the Company and their stakeholders.

In December 2018, Loryser reached a payment plan agreement with creditors in Uruguay ("Agreement") with 71.48% support of its trade creditors by value had adhered to the Agreement.

The Agreement was approved by the Reorganization court in Montevideo and the Court decree was publicly posted on September 12, 2019 and became final and binding for all trade creditors on September 20, 2019.

On December 6, 2019, 10,000,000 common shares of Orosur were issued to a trust for the benefit of Loryser's creditors as contemplated in the Court Agreement (note 14).

In line with negotiations and the Agreement with creditors in Uruguay, Loryser S.A. was required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business based on the payment plan agreed. The Agreement contemplated that the net proceeds from the sale of Loryser's assets in Uruguay together with the sale of the issued 10 million common shares of Orosur shall satisfy all amounts owing to Loryser's creditors, as well as provide funds for Loryser to pay its former employees and to conduct this process and close the operation responsibly.

As at May 31, 2025, Loryser has paid its labour and all other preferential creditors and has distributed all the proceeds from the sale of its assets, via a Court approved paying agent, to Loryser's trade creditors, with any remaining unclaimed amounts paid into the Court, in accordance with the Creditors' Agreement. Given that Loryser has fulfilled all of its obligations under the Creditors' Agreement, Loryser has extinguished the carrying amounts due to commercial suppliers and borrowings on its Statement of Financial Position.

Uruguay - Net liabilities of discontinued operations

		As at May 31, 2025		As at May 31, 2024
ASSETS				
Restricted cash	**$**	**12**	$	149
Accounts receivable and other assets (1)		**-**		69
Marketable securities		**8**		8
Total assets	**$**	**20**	$	226
LIABILITIES				
Commercial suppliers	**$**	**1**	$	8,920
Mining royalties and other taxes		**398**		758
Borrowings (2)		**-**		1,400
Environmental rehabilitation provision		**130**		130
Total liabilities	**$**	**529**	$	11,208
Net liabilities of discontinued operations	**$**	**(509)**	$	(10,982)

(1) Miscellaneous receivables and other assets
(2) These borrowings have been treated equivalently to other accounts payable as part of the Loryser reorganization proceedings as they rank pari passu with trade creditors (commercial suppliers).

(Expressed in thousands of United States dollars)

6. Discontinued operations (continued)

Uruguay (continued)

Net income and comprehensive income from discontinued operations

	Year Ended May 31, 2025	Year Ended May 31, 2024
Corporate and administrative expenses	$ 10	$ (13)
Care and maintenance	75	(131)
Extinguishment of amounts due to commercial suppliers and borrowings	9,912	729
Net finance income	(1)	18
Net foreign exchange gain	478	(28)
Income before income tax	10,474	575
Net income and comprehensive income	$ 10,474	$ 575

Cash flows from discontinued operations

	Year Ended May 31, 2025	Year Ended May 31, 2024
Operating activities - discontinued operations		
Net income for the year	$ 10,474	$ 575
Adjustments for:		
Extinguished liabilities and borrowings in Uruguay	(10,677)	-
Accretion of asset retirement obligation	-	(19)
Other and foreign exchange	(12)	13
Changes in non-cash working capital items:		
Accounts receivable and other assets	(96)	966
Accounts payable and accrued liabilities	175	(1,505)
Net cash (used in) provided by operating activities	(136)	30
Financing activities - discontinued operations		
Advances from Orosur Mining Inc	(1)	1
Net cash (used in) provided by financing activities	(1)	1
Net change in cash	(137)	31
Cash, beginning of year	149	118
Cash, end of year	$ 12	$ 149

Chile

In October 2009, Fortune Valley Resources Chile S.A. (“FVRC”), a wholly owned subsidiary of the Company, entered into an option agreement with Anglo American Norte S.A (“Anglo”), a subsidiary of Anglo American plc, for the Pantanillo gold exploration project.

In May 2018, the Company terminated the option agreement.

(Expressed in thousands of United States dollars)

6. Discontinued operations (continued)

Chile (continued)

Following the relinquishment by FVRC of the Pantanillo project, Anglo sought the payment of minimum royalties and requested arbitration. On March 28, 2019, the Arbitral Tribunal rendered its decision, ruling that FVRC is required to pay Anglo approximately US$1,600 plus interest at Chile´s current interest rate calculated from December 2015 until its effective payment. The Tribunal´s decision is exclusively against FVRC. Orosur was not named in the decision from the Tribunal nor was Orosur a party to the relevant agreements. The Company has made a provision of $nil in relation to this decision as at May 31, 2025 for FVRC (May 31, 2024 - $2,376 ($1,900 plus interest)). Since May 31, 2025, the date under Chile's Statute of Limitations has been passed. Consequently, during the year ended May 31, 2025, the Company has reversed the provision of $2,376 ($1,900 plus interest accrued).

Chile - Net liabilities of discontinued operations

	As at May 31, 2025	As at May 31, 2024
ASSETS		
Cash	**$ 11**	$ 8
Total assets	**$ 11**	$ 8
LIABILITIES		
Royalty provision	**$ -**	$ 2,376
Total liabilities	**-**	2,376
Liabilities of Chile discontinued operations	**$ -**	$ 2,376

Net loss and comprehensive loss from Chile discontinued operations

	Year Ended May 31, 2025	Year Ended May 31, 2024
Foreign exchange loss	**$ 1**	$ -
Reversal of royalty provision	**2,376**	(172)
Net income (loss) and comprehensive income (loss) for the year	**$ 2,377**	$ (172)

7. Accounts receivable and other assets

	As at May 31, 2025	As at May 31, 2024
Tax receivable (1)	**$ 146**	$ 75
Deposit with suppliers	**98**	98
Customer receivables and advances	**190**	106
Total accounts receivable and other assets	**$ 434**	$ 279

(1) Tax receivable consists of refunds to be collected for Canadian GST / HST.

(Expressed in thousands of United States dollars)

8. Property and equipment

Cost		**Tangible fixed assets**
Balance, May 31, 2023	$	193
Additions		79
Foreign exchange		3
Balance, May 31, 2024		275
Acquired in MMA purchase acquisition (note 9)		124
Balance, May 31, 2025	**$**	**399**

Accumulated depreciation		**Tangible fixed assets**
Balance, May 31, 2023	$	70
Depreciation		17
Foreign exchange		(14)
Balance, May 31, 2024		73
Depreciation		22
Foreign exchange		16
Balance, May 31, 2025	**$**	**111**

Carrying amount		**Tangible fixed assets**
Balance, May 31, 2024	$	202
Balance, May 31, 2025	**$**	**288**

9. Exploration and evaluation assets

Year ended May 31, 2024		**Argentina**		**Brazil**		**Colombia**		**Nigeria**		**Total**
Balance, May 31, 2023	$	335	$	30	$	2,969	$	-	$	3,334
Additions		254		104		246		452		1,056
Foreign exchange		-		(1)		795		-		794
Impairment		-		(133)		(1,708)		-		(1,841)
Balance, May 31, 2024	$	589	$	-	$	2,302	$	452	$	3,343

Year ended May 31, 2025		**Argentina**		**Brazil**		**Colombia**		**Nigeria**		**Total**
Balance, May 31, 2024	$	589	$	-	$	2,302	$	452	$	3,343
Additions		243		-		668		56		967
Foreign exchange		-		-		56		68		124
Impairment		-		-		-		(576)		(576)
Balance, May 31, 2025	**$**	**832**	**$**	**-**	**$**	**3,026**	**$**	**-**	**$**	**3,858**

(Expressed in thousands of United States dollars)

9. Exploration and evaluation assets (continued)

Anzá Project

On September 10, 2018, the Company completed an agreement with Newmont Colombia S.A.S. ("Newmont"), a wholly-owned subsidiary of Newmont Corporation for the Anzá project. The agreement includes a three-phase earn-in structure allowing Newmont to earn up to a 75% ownership interest in the Anzá Project by spending a minimum of $30 million in qualifying expenditures over twelve years, completing an NI 43-101 compliant feasibility study and making cash payments to Orosur equalling a total of $4 million over Phases 1 and 2. During the year ended May 31, 2021, Newmont Corporation entered into a Joint Venture Agreement with Agnico Eagle Mines Limited ("Agnico"), with Agnico operator of the Joint Venture. The Joint venture was owned 50:50 by Newmont and Agnico and is named Minera Monte Aguila SAS ("MMA").

On September 8, 2022, MMA provided the Company with a Phase 1 Earn-In Notice, having completed all of the Phase 1 obligations, including investing $10 million in the Project. During year ended May 31, 2023, MMA announced it would advance into Phase 2 of the project and it made the $2 million Phase 2 payment.

MMA did not progress into Phase 2. Instead on September 10, 2024 the Company entered into a sale and purchase agreement ("SPA") to acquire MMA, thereby reassuming 100% of the Company's flagship Anza Gold Project in Colombia. Under the SPA, Orosur's wholly owned Canadian subsidiary, Waymar Resources Ltd., would purchase all of the issued shares of MMA from wholly owned subsidiaries of Newmont and Agnico resulting in Orosur regaining 100% ownership of the Project (the "Acquisition"). No cash would payable up front, with all consideration wholly contingent upon commercial production from the Anza Project. The agreed contingent consideration payable to Newmont and Agnico consists of a net smelter royalty of an aggregate amount of 1.5% on all future mineral production, plus a further royalty of an aggregate amount of US$75 per ounce of gold or gold equivalent ounce for the first 200,000 gold equivalent ounces of mineral production. The net smelter royalties are subject to a right of first refusal buyback, and a right to buyback a cumulative 1.0% for $20,000. The TSX-V approved the Acquisition and Completion occurred on November 27, 2024.

In accordance with IFRS 3, management has exercised their judgment in determining the acquisition of MMA did not meet the definition of a business. The transaction has been accounted for as an asset acquisition.

Assets acquired and liabilities assumed at the acquisition date:

		November 27, 2025
Cash	$	112
Other receivables		23
Equipment		124
Accounts payable and accrued liabilities		(259)
Total	$	-

(Expressed in thousands of United States dollars)

9. Exploration and evaluation assets (continued)

Lithium West Project ("Project")

On October 16, 2023, the Company entered in a Joint Venture agreement ("JV agreement") with Jurassic Mines Ltd. ("Jurassic"), whereby the Company, may earn up to 70% equity in the Project. The JV agreement includes a two phases earn-in structure allowing the Company's wholly owned subsidiary, Lithium West to earn up to 70% ownership interest in the Project by spending a minimum of $3 million over a maximum of three years for phase 1 for 51% and an additional $2 million for an additional 19% over a maximum of two years for phase 2. The Project is owned 51:49 by the Company and its JV partner Mineral Alliance Ltd., respectively.

The Project at inception comprised four exploration licenses across Nigeria's primary pegmatite belt, covering a total of circa 322km^2. A further two new exploration licences were acquired in November 2023 taking the total area of prospective land under title to 533k m2. Given the difficult market conditions currently facing the lithium market, the Company has fully impaired this asset, recognizing an impairment of $576.

Ariquemes Project

On January 14, 2022, the Company signed a joint venture agreement with Meridian Mining UK Societas (“Meridian”) in relation to the Ariquemes tin project ("Project") in Brazil. Whilst the Company’s exploration programs on the Project had met with some success, including the identification of two prospects, as a result of a Company review to prioritize the use of its capital, a decision was taken to no longer pursue activity on its Brazilian project. Accordingly, on May 3, 2024, the Company terminated its JV agreement with Meridian on the Project and the capitalized E&E costs of $133 were written off at that time.

10. Accounts payable and accrued liabilities

	May 31, 2025	May 31, 2024
Commercial suppliers	**$ 621**	$ 443
Salaries, labour benefits and social security contributions	**2**	2
Total accounts payable and accrued liabilities	**$ 623**	$ 445

11. Warrant liability

On March 27, 2025, the Company completed a private placement financing consisting of one (1) common share in the capital stock of the Company (“Common Share”) and one-half (1/2) of one Common Share purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder thereof to acquire an additional Common Share at a price of CAD$0.25 for a period of 2 years from the date of issuance. In total up to 17,647,059 additional shares can be issued through the exercise of these Warrants. The Company also issued 1,893,705 brokers warrants ("Broker Warrants"). Each Broker Warrant can be exercised for one common share at an exercisable price of $0.17 for a period of 2 years from the date of issuance.

Under IFRS, warrants issued with an exercised price denominated in a foreign currency are considered financial derivative instruments and the prescribed accounting treatment is to classify these warrants as a current liability measured at fair value upon initial recognition. At each subsequent reporting date, the warrants are re-measured at fair value and the change in fair value is recognized though profit or loss. Upon warrant exercise, the fair value previously recognized in warrant liability is transferred from warrant liability to share capital.

(Expressed in thousands of United States dollars)

11. Warrant liability (continued)

The following table summarizes the changes in the warrant liability for the years ending May 31, 2025 and May 31, 2024:

	As at May 31, 2025	As at May 31, 2024
Opening balance	**$ -**	$ -
Fair value on warrants issued	**2,389**	-
Fair value adjustment	**(683)**	-
Closing balance	**$ 1,706**	$ -

	As at May 31, 2025 ('000)	As at May 31, 2024 ('000)
Opening balance, outstanding warrants	**-**	-
Warrants issued	**19,541**	-
Closing balance, outstanding warrants (note 13 and 16)	**19,541**	-

The fair value was recognized using the Black-Scholes option pricing model. A summary of the assumptions used in the model for re-measuring the warrants as at the date of issue and at end of each year is set out below.

	As at date of issue	As at May 31, 2025	As at May 31, 2024
Share price	**$ 0.24**	**$ 0.18**	$ -
Risk free interest rate	**2.55** %	**2.59** %	- %
Estimated volatility	**153.58** %	**154.32** %	- %
Expected dividend yield	**nil**	**nil** %	- %
Estimated life in years	**2**	**2**	-

The following table reflects the warrants issued and outstanding as of May 31, 2025:

Number of warrants outstanding ('000)	Exercise price	Expiry date
17,648	CAD 0.25	March 27, 2027
1,846	CAD 0.25	March 27, 2027
47	CAD 0.25	March 27, 2027
19,541	**CAD 0.25**	

(Expressed in thousands of United States dollars)

12. Environmental rehabilitation provision

The Company's environmental rehabilitation provision relates to the retirement and remediation of the San Gregorio operation in Uruguay. The environmental rehabilitation provision has been determined by calculating the net present value of estimated future costs.

The following table summarizes the movements in the environmental rehabilitation provision for the year ended May 31, 2025 and year ended May 31, 2024:

Environmental rehabilitation provision discontinued operations (Uruguay)

		May 31, 2025		**May 31, 2024**
Balance, beginning of year	**$**	**130**	$	164
Accretion expense (reverse)		**-**		(34)
Balance at end of year	**$**	**130**	$	130
Less: current portion		**(130)**		(130)
Balance, end of year	**$**	**-**	$	-

Loryser had a legal and constructive obligation to restore the San Gregorio operation. This estimate is revised annually. The Company advances rehabilitation work in accordance with DINACEA (formerly DINAMA) the Uruguayan environmental agency.

As part of the negotiations with creditors, Loryser was in discussions with DINACEA to agree on a proposed closure plan of the operations in Uruguay.

Uruguayan mining and environmental legislation requires environmental obligations to be supported by guarantees. As a result, rehabilitation guarantee letters of credit with a total amount of $1,326 (May 31, 2024 - $1,326) had been provided by local Uruguayan insurance companies and financial institutions. Pursuant to a Settlement Agreement with DINACEA, Loryser finalized the reclamation of the tailings dam and DINACEA paid $1,326 (from third-party guarantee proceeds) in instalments on completion of a six-phased closure plan. All of the payments totalling $1,326 had been received by January 2024 by the Company.

13. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares		**Amount $**
Balance, May 31, 2023	188,560,300	$	69,341
Units issued in private placement [(1)]	16,949,152		630
Value of warrants in Units issued [(1)]	-		(240)
Issue costs of private placement [(1)]	-		(206)
Stock options exercised	75,000		4
Balance, May 31, 2024	205,584,452	$	69,529

(Expressed in thousands of United States dollars)

13. Share capital (continued)

b) Common shares issued (continued)

	Number of common shares	Amount $
Balance, May 31, 2024	**205,584,452**	**69,529**
Units issued in private placement (2) (3) (4)	**84,269,482**	**6,845**
Value of warrants issued (2) (4)	**-**	**(2,417)**
Issue costs of private placement (2) (3) (4)	**-**	**(954)**
Warrants exercised	**23,356,472**	**1,644**
Stock options exercised	**333,332**	**28**
Balance, May 31, 2025	**313,543,738**	**$ 74,675**

(1) On February 21, 2024, the Company completed a private placement financing consisting of the sale of 16,949,152 units (the "Units") at 0.0295 pence per Unit for aggregate gross proceeds of £500K ($630). Each Unit consisted of one (1) common share in the capital stock of the Company ("Common Share") and one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire an additional Common Share at a price of $0.0558 for a period of 2 years from the date of issuance. These warrants were assigned a value of $240. The underlying assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: Risk free interest rate: 4.18%; expected life of 2 years; expected volatility: 134.35%; and share price: CDN$0.05. The Company incurred total cost of $144 in fees included in share capital. The Company issued 1,694,914 brokers warrants ("Broker Warrants"). Each Broker Warrant can be exercised for one common share at an exercisable price of $0.0372 for a period of 5 years from the date of issuance.

The fair value of the Broker Warrants was measured at $62 with the following assumptions: expected dividend yield - 0%, expected volatility - 153.85%, risk-free interest rate - 3.61%, an expected life of 5 years and share price: CDN$0.05.

(2) On September 30, 2024, the Company completed a private placement financing consisting of the sale of 30,035,971 units (the "Units") at 0.0278 pence per Unit for aggregate gross proceeds of £835K ($1,096). Each Unit consisted of one (1) common share in the capital stock of the Company ("Common Share") and half of a Common Share purchase warrant (each whole warrant, a "Warrant"). Each two Warrants entitles the holder thereof to acquire one additional Common Share at a price of $0.0494 for a period of 2 years from the date of issuance. In total up to 15,017,986 additional shares can be issued through the exercise of these Warrants. These Warrants were assigned a value of $274. The underlying assumptions used in the estimation of fair value are as follows: Risk free interest rate: 2.91%; expected life of 2 years; expected annual volatility: 139%; and share price: CDN$0.07. The Company incurred share issue costs of $237 in fees included in share capital.

The Company also issued 3,003,597 brokers warrants ("Broker Warrants"). Each Broker Warrant can be exercised for one common share at an exercisable price of $0.03715 for a period of 5 years from the date of issuance.

The fair value of the Broker Warrants, included as issue costs, was measured at $121 with the following assumptions: expected dividend yield - 0%, expected annual volatility - 145.66%, risk-free interest rate - 2.73%, an expected life of 5 years and share price: CDN$0.05.

(3) On December 19, 2024, the Company completed a private placement financing consisting of the sale of 18,939,394 common shares at 0.066 pence per common share for aggregate gross proceeds of £1,250K ($1,556). The Company incurred share issue costs of $382 in fees included in share capital.

13. Share capital (continued)

b) Common shares issued (continued)

The Company also issued 1,893,939 brokers warrants ("Broker Warrants"). Each Broker Warrant can be exercised for one common share at an exercisable price of $0.0832 for a period of 5 years from the date of issuance.

The fair value of the Broker Warrants, included as issue costs, was measured at $221 with the following assumptions: expected dividend yield - 0%, expected annual volatility - 153.05%, risk-free interest rate - 3.12%, an expected life of 5 years and share price: CDN$0.18.

(4) On March 27, 2025, the Company completed a private placement financing consisting of the sale of 35,294,117 units (the “Units”) at CAD$0.17 per Unit for aggregate gross proceeds of $4,193 (CAD$6,000K), including the full exercise of the broker's option for gross proceeds of $699 (CAD$1,000K). Each Unit consisted of one (1) common share in the capital stock of the Company (“Common Share”) and one half of one Common Share purchase warrant (each whole warrant, a “Warrant”). Each whole Warrants entitles the holder thereof to acquire one Common Share at a price of CAD$0.25 for a period of 2 years from the date of issuance. In total up to 17,647,059 additional shares can be issued through the exercise of these Warrants. These Warrants were assigned a value of $2,143 (CAD$3,066). The underlying assumptions used are as follows: Risk free interest rate: 2.55%; expected life of 2 years; expected annual volatility: 154%; and weighted average share price: CDN$0.24. The Company incurred share issue costs of $335 in fees included in share capital and $350 included transaction warrants cost for the warrant liability as an expenses.

The Company also issued 1,893,705 brokers warrants ("Broker Warrants"). Each Broker Warrant can be exercised for one common share at an exercisable price of CAD$0.17 for a period of 2 years from the date of issuance.

The fair value of the Broker Warrants, included as issue costs, was measured at $246 (CAD$352) with the following assumptions: expected dividend yield - 0%, expected annual volatility - 153.58%, risk-free interest rate - 2.55%, an expected life of 2 years and share price: CDN$0.24.

14. Shares held by Trust and Restricted Cash

In December 2018, Loryser reached an agreement with the majority of its creditors (the “Agreement”), achieving a support level of approximately 72% of creditors by value, comprising 67 different creditors. The Agreement was ratified by the Court in September 2019. The ratification by the Court means that the Agreement is legally binding on all trade creditors and that Intervenor’s control over Loryser ceases. In December 2019, as part of the consideration to be applied to the creditors’ liabilities, Orosur issued 10,000,000 common shares of Orosur to the San Gregorio Trust (the "Trust"). The Trust was an independent legal body established by Orosur (the “Settlor”) with an independent Trustee whose sole purpose it is to sell the shares at the best possible price and pay that money to Loryser’s creditors who were the Beneficiaries of the Trust pursuant to the Agreement. The Trustee was appointed in the Trust Deed and the Settlor cannot remove the Trustee. The Trustee was not an employee nor a director of Orosur or any of its subsidiaries and did not receive instructions from Orosur. In November 2023, the Trust was duly terminated by the Trustee as it had concluded its objective.

The Restricted Cash is related to the funds net of costs raised by the Trust from the sale of the common shares held by the Trust. All of the 10,000,000 common shares have been sold for the benefit of Loryser’s creditors as contemplated in the Court-approved Creditors Agreement. During the year ended May 31, 2024, the Trustee disposed of 4,355,500 common shares to the market, raising proceeds of $1,228 and $2,150 had been released to Loryser. During the year ended May 31, 2025, $nil had been released to Loryser to be applied in accordance with the Court ratified Creditors Agreement.

As of May 31, 2025, the remaining restricted cash balance was $12 (May 31, 2024 - $12).

(Expressed in thousands of United States dollars)

15. Equity incentive plan

In November 2023, the Company's Board approved the Equity Incentive Plan (the "Plan), which included Options, Restricted Share Units ("RSU"), and Deferred Share Units ("DSU") for officers, directors, employees and consultants of the Company. The Plan was approved by shareholders at the Company's AGM in December 2023. The maximum number of common shares that may be issued upon exercise or settlement of awards granted under the Equity Incentive Plan shall not exceed 18,856,030, representing 10% of the then issued and outstanding common shares of the Company.

Options

Options granted under the Plan have a term up to 10 years. Except in specified circumstances, options are not assignable and terminate within 3 months of the optionee ceasing to be employed by or associated with the Company. The terms of the Plan further provide that the price at which shares may be issued under the Plan cannot be less than the market price (net of permissible discounts) of the shares when the relevant options were granted.

The following table summarizes information regarding the Company's outstanding options as at May 31, 2025:

	Number of stock options ('000)	Weighted average exercise price (CDN $)
Balance, May 31, 2023	11,190	$ 0.26
Exercised	(75)	0.01
Expired	(483)	0.18
Balance, May 31, 2024	10,632	$ 0.27
Granted (1)	4,000	0.06
Exercised	(334)	0.06
Expired	(263)	0.18
Cancelled	(9,073)	0.27
Balance, May 31, 2025	**4,962**	**$ 0.12**

(1) On November 1, 2024, 4,000,000 options were granted to directors, officers, and employees of the Company at an exercise price of CDN$0.06, pursuant to the Company's stock option plan. The options vested 1/3 immediately, 1/3 on November 1, 2025 and 1/3 on November 1, 2026. The estimated fair value of these options at the grant date was $169 using the following assumptions: strike price - CDN$0.06; risk free interest rate - 3.28%; expected volatility - 141.44%; expected life - 10 years; and expected dividends - $nil.

The following table reflects the stock options issued and outstanding as of May 31, 2025:

Expiry date	Exercise price (CDN $)	Weighted average remaining contractual life (years)	Number of options outstanding ('000)	Number of options vested (exercisable) ('000)
March 11, 2027	0.220	1.78	620	620
December 10, 2030	0.325	5.53	675	675
November 1, 2034	0.060	9.43	3,667	1,000
	0.11	7.94	4,962	2,295

(Expressed in thousands of United States dollars)

15. Equity incentive plan (continued)

Options (continued)

During the year ended May 31, 2025, stock-based compensation expenses were recorded for $105 (year ended May 31, 2024 - $nil).

Restricted Share Units ("RSUs")

Employees, consultants, directors, and officers of the Company are eligible to receive RSUs, entitling the holder to receive one common share for each RSU, a cash payment, or a combination of common shares and cash, subject to restrictions as the Board may, in its sole discretion, establish in the applicable award agreement.

The following table reflects the RSUs issued and outstanding as of May 31, 2025:

Expiry date	Weighted average remaining contractual life (years)	Number of RSUs outstanding ('000)	Number of RSUs vested (exercisable) ('000)
November 1, 2025	0.42	4,723	-
May 1, 2026	0.92	7,550	-
	0.73	12,273	-

During the year ended May 31, 2025, the Company recorded RSUs vested in stock-based compensation for $220 (year ended May 31, 2024 - $nil).

Deferred Share Units ("DSUs")

Directors, and officers of the Company are eligible to receive DSUs, entitling the holder to receive one common share for each DSUs, a cash payment, or a combination of common shares and cash, subject to restrictions as the Board may, in its sole discretion, establish in the applicable award agreement.

During the year ended May 31, 2025, the Company recorded 970,000 DSUs vested in share-based compensation for $82 (year ended May 31, 2024 - $nil).

The following table reflects the DSUs issued and outstanding as of May 31, 2025:

Expiry date	Weighted average remaining contractual life (years)	Number of DSUs outstanding ('000)	Number of DSUs vested (exercisable) ('000)
December 12, 2024	Upon leaving the Company	970	970

(Expressed in thousands of United States dollars)

16. Warrants

	Number of warrants ('000)	Weighted average exercise price
Balance, May 31, 2023	-	$ -
Issued	18,644	0.05
Balance, May 31, 2024	18,644	$ 0.05
Granted (note 13)	39,456	0.11
Reclassified as a liability (notes 11)	(19,541)	0.17
Exercised	(23,356)	0.05
Balance, May 31, 2025	**15,203**	**$ 0.06**

Warrants outstanding as at May 31, 2025:

Expiry date	Grant date fair value ($)	Exercise price ($)	Remaining contractual life (years)	Number of Warrants outstanding ('000)
February 21, 2026 (1)	240	0.0558	0.73	6,979
October 4, 2026 (1)	274	0.0494	1.35	6,330
December 19, 2029 (2)	222	0.0832	4.56	1,894
	3,308		1.46	15,203

(1) Warrants and (2) broker warrants are exercisable into 1 common share.

As at May 31, 2025, the Company has 19,541 outstanding warrants recognized as a liability (note 11).

17. Income taxes

(a) Deductible temporary differences and unused losses and credits

As at May 31, 2025, the Company had non-capital loss carry forwards of $93,567 (May 31, 2024 - $101,141). The losses by tax jurisdiction expire as shown in the following table.

	Barbados	Canada	Chile	Colombia	Discontinued Uruguay	Total
May 2026	$ 5	$ 766	$ -	$ -	$ -	$ 771
May 2027	-	808	-	-	-	808
May 2028	65	781	-	-	2,954	3,800
May 2029	-	-	-	-	1,456	1,456
May 2030 to May 2045	-	24,858	-	-	-	24,858
No expiry	-	-	61,874	-	-	61,874
Total	**$ 70**	**$ 27,213**	**$ 61,874**	**$ -**	**$ 4,410**	**$93,567**

Deferred tax assets on the tax loss carry forwards are not recognized because it is not probable there will be sufficient future taxable income generated by the entities where the losses are allocated.

(Expressed in thousands of United States dollars)

17. Income taxes (continued)

(b) The provision for income tax differs from the weighted average statutory tax rates as follows:

	Year Ended May 31, 2025	Year Ended May 31, 2024
Net income (loss) before taxes	**$ 9,936**	$ (3,378)
Statutory tax rate	**26.5 %**	26.5 %
Expected income tax expense (recovery)	**(2,633)**	895
Tax effect of:		
Change in unrecognized DITs	**2,633**	(895)
Income tax expense (recovery)	**$ -**	**$ -**

18. Income (loss) per share

For the year ended May 31, 2025, basic and diluted loss per share for continuing operations has been calculated based on the loss attributable to common shareholders of $2,915 (year ended May 31, 2024 - loss of $3,781) and the weighted average number of common shares outstanding of 247,468,893 (year ended May 31, 2024 - 193,211,503). Diluted loss per share did not include the effect of stock options as they are anti-dilutive.

For the year ended May 31, 2025, basic and diluted income per share for discontinued operations has been calculated based on the income attributable to common shareholders of $12,851 (year ended May 31, 2024 - income of $403) and the weighted average number of common shares outstanding of 247,468,893 (year ended May 31, 2024 - 193,211,503).

(Expressed in thousands of United States dollars)

19. Related parties

Subsidiaries:

The consolidated financial statements include the financial statements of the Company's subsidiaries:

Name of subsidiary	Country of incorporation	Equity interest as of May 31, 2025	Equity interest as of May 31, 2024	Functional currency
International Mining Holdings Limited (IMHL)	Barbados	100%	100%	US dollar
Loryser S.A.	Uruguay	100%	100%	US dollar
Minera San Gregorio S.A.	Uruguay	100%	100%	US dollar
Cinco Rios S.A.	Uruguay	100%	100%	US dollar
Nafypel S.A.	Uruguay	100%	100%	US dollar
Triselco S.A.	Uruguay	100%	100%	US dollar
Kevelux S.A.	Uruguay	100%	100%	US dollar
Glendora S.A.	Uruguay	100%	100%	US dollar
Dalvàn S.A.	Uruguay	100%	100%	US dollar
Bolir S.A.	Uruguay	100%	100%	US dollar
Brimol S.A.	Uruguay	100%	100%	US dollar
Montemura S.A.	Uruguay	100%	100%	US dollar
Ugdev S.A.	Uruguay	100%	100%	US dollar
Fortune Valley Resources Inc.	Canada	100%	100%	Canadian dollar
Fortune Valley Resources Inc. BVI	BVI	100%	100%	Canadian dollar
Fortune Valley Resources Chile S.A.	Chile	100%	100%	US dollar
Waymar Resources Ltd.	Canada	100%	100%	Canadian dollar
Cordillera Holdings International Ltd. BVI	BVI	100%	100%	Canadian dollar
Minera Anzá S.A. (BVI)	BVI	100%	100%	Canadian dollar
Minera Anzá S.A. (Colombia branch)	Colombia	100%	100%	Colombian peso
Minera Alta Vista S.A.S.	Colombia	100%	Nil	Colombian peso
Minera Monte Aguila S.A.S.	Colombia	100%	Nil	Colombian peso
Anillo SPA	Chile	100%	100%	US dollar
Dorado Mining Holding Inc.	Canada	100%	100%	US dollar
Deseado Dorado SAS. (1)	Argentina	100%	100%	US dollar
Maracana Mining Holding Inc.	Canada	51%	51%	US dollar
Madeira Mineracao LTDA.	Brazil	51%	51%	US dollar
Lithium West Limited (2)	United Kingdom	100%	100%	US dollar
Lithium Holdings Limited (2)	BVI	100%	100%	US dollar
West Africa Lithium Ltd.(2)	BVI	51%	51%	US dollar
Jurassic Mines Ltd.	Nigeria	51%	51%	US dollar

(1) Deseado Dorado SAS. is in a hyper-inflation jurisdiction.
(2) Lithium West Limited, Lithium Holdings Limited and West Africa Lithium Ltd were registered in October 2023.

(Expressed in thousands of United States dollars)

19. Related parties (continued)

Compensation of key management personnel

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. Key management personnel include the members of the Board of Directors of the Company (executive and non-executive) and the Chief Executive Officer and Chief Financial Officer. The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The Chief Executive Officer is also a director of the Company.
The compensation paid or payable to key management was as follows:

	Year Ended May 31, 2025	Year Ended May 31, 2024
Fees included in corporate and administrative expenses(1)	**$ 39**	$ 74
Fees to CEO and directors included in corporate and administrative expenses	**$ 700**	$ 661

(1) The Company expensed fees to Marrelli Support Services Inc. ("Marrelli Support") for the Chief Financial Officer services provided to the Company. In addition, Marrelli Support also provides bookkeeping services to the Company.

20. Geographical information

The Company's activities comprise one reportable segment, identifying and advancing mineral projects. The carrying amounts of the Company's non-current assets on a geographical basis are as follows:

	Argentina	Colombia	Nigeria	Canada	Total
As at May 31, 2025					
Property, plant and equipment	**$ 66**	**$ 216**	**$ 4**	**$ 2**	**$ 288**
Exploration and evaluation	**$ 832**	**$ 3,026**	**$ -**	**$ -**	**$ 3,858**

	Argentina	Colombia	Nigeria	Canada	Total
As at May 31, 2024					
Property, plant and equipment	$ 88	$ 106	$ 6	$ 2	$ 202
Exploration and evaluation	$ 589	$ 2,302	$ 452	$ -	$ 3,343

(Expressed in thousands of United States dollars)

21. Financial Instruments and Risk Management

The carrying amounts of the Company's financial assets and financial liabilities by category are as follows:

May 31, 2025	Amortized cost	FVTPL	Total
Financial assets			
Cash	$ 4,877	$ -	$ 4,877
Restricted cash	12	-	12
Accounts receivable and other assets	434	-	434
Assets of Uruguay discontinued operations	20	-	20
	$ 5,343	**$ -**	**$ 5,343**
Financial Liabilities			
Accounts payable and accrued liabilities	$ 623	**$ -**	$ 623
Warrant liability	-	1,706	1,706
Liabilities of Uruguay discontinued operations	529	**-**	529
	$ 1,152	**$ 1,706**	**$ 2,858**

May 31, 2024	Amortized cost	FVTPL	Total
Financial assets			
Cash	$ 1,328	$ -	$ 1,328
Restricted cash	12	-	12
Accounts receivable and other assets	279	-	279
Assets of Uruguay discontinued operations	226	-	226
	$ 1,845	**$ -**	**$ 1,845**
Financial Liabilities			
Accounts payable and accrued liabilities	$ 445	**$ -**	$ 445
Liability of Chile discontinued operation	2,376	**-**	2,376
Liabilities of Uruguay discontinued operations	11,208	**-**	11,208
	$ 14,029	**$ -**	**$ 14,029**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability based on unobservable market data.

The carrying values of cash and restricted cash, accounts receivable and other assets and, accounts payables and accrued liabilities approximate their fair values due to the relatively short- term maturity of these financial instruments. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

During the years ended May 31, 2025 and 2024, there were no transfers of amounts between fair value levels.

(Expressed in thousands of United States dollars)

21. Financial Instruments and Risk Management (continued)

The levels in the fair value hierarchy into which the Company's financial assets and liabilities that are measured and recognized on the consolidated statements of financial position at fair value on a recurring basis were categorized as follows:

	May 31, 2025			May 31, 2024		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Warrant liability	$ -	$ 1,706	$ -	$ -	$ -	$ -

Refer to note 11 for the measurement of the warrant liability.

22. Subsequent events

Subsequent to the year end, as at September 23, 2025 (being the latest practicable date before the signing of these financial statements) a total of 11,955,156 warrants have been exercised raising $877 for the Company.

On September 18, 2025 the Company announced a brokered private placement (the "Placing") to raise gross proceeds of up to C$ 20,000,000 through the issue of up to 58,823,530 common shares at a price of CAD$0.34 per common share. No warrants will been issued in connection with the Placing. The Placing is expected to close on or about October 2, 2025.