PAMPA METALS CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Pampa Metals Corporation

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Pampa Metals Corporation (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards ("IFRS").

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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has not achieved profitable operations and has accumulated losses since inception. As stated in Note 1, the Company's ability to continue as a going concern is dependent upon the ability of the Company to continue to obtain necessary financing. These matters, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of Exploration and evaluation properties.	Our approach to addressing the matter included the following procedures, among others:
Refer to Note 2 – Summary of material accounting policy information, mineral properties and Note 4 – Mineral property interests Management assesses at each reporting period whether there	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following: • Assessed the Company's market capitalization in

is an indication that the carrying value of exploration and evaluation properties may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation properties balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.	comparison to the Company's net assets, which may be an indication of impairment. • Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the properties had not expired. • Obtained management's written representations regarding the Company's future plans for the exploration and evaluation properties. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation properties.

Other Matter

The consolidated financial statements of the Company for the year ended December 31, 2023 were audited by another auditor who expressed an unqualified opinion on those statements on May 2, 2024.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 Group 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 G. Cameron Dong.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
April 30, 2025

PAMPA METALS CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	December 31 2024	December 31 2023
ASSETS		
Current assets		
Cash	$ 291,871	$ 1,637,510
Receivables	22,911	30,307
Prepaid expenses and deposits	336,984	251,539
Total current assets	651,766	1,919,356
Non-current assets		
Equipment (Note 3)	99,649	23,748
Mineral property interests (Note 4)	7,821,223	254,143
Total non-current assets	7,920,872	277,891
TOTAL ASSETS	**$ 8,572,638**	**$ 2,197,247**
LIABILITIES AND EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	$ 1,505,957	$ 194,793
TOTAL LIABILITIES	1,505,957	194,793
EQUITY		
Share capital (Note 6)	22,680,650	16,926,789
Warrant reserves	1,590,306	1,379,814
Contributed surplus	1,810,560	1,548,091
Deficit	(19,014,835)	(17,852,240)
TOTAL EQUITY	7,066,681	2,002,454
TOTAL LIABILITIES AND EQUITY	**$ 8,572,638**	**$ 2,197,247**

Nature of operations and going concern (Note 1)
Proposed transaction (Note 11)
Events after reporting date (Note 12)

These consolidated financial statements were authorized for issuance by the Board of Directors on April 30, 2025.

Approved by the Board of Directors

"Joseph van den Elsen" Director   *"Adrian Manger"* Director

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

PAMPA METALS CORPORATION
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Year ended December 31 2024	Year ended December 31 2023
Expenses		
Consulting fees	$ 24,098	$ 12,290
Depreciation (Note 3)	14,238	10,708
Director and management fees (Note 7)	249,333	258,333
General and administration	150,583	185,576
Investor relations	111,827	149,943
Professional fees (Note 7)	265,297	337,482
Property investigation costs	-	52,250
Share-based compensation (Notes 6 and 7)	426,882	777,645
Transfer agent and shareholder information	67,326	62,552
	1,309,584	1,846,779
Loss before other items	(1,309,584)	(1,846,779)
Impairment of mineral property interests (Note 4)	-	(7,013,706)
Gain on debt settlement (Notes 5 and 6)	-	25,781
Gain on disposal of equipment	17,346	-
Loss on disposal of former subsidiary	(4,089)	-
Interest income	40,701	1,670
Foreign exchange and other	93,031	(65,290)
LOSS AND COMPREHENSIVE LOSS	**$ (1,162,595)**	**$ (8,898,324)**
Basic and diluted loss per share	$ (0.02)	$ (0.28)
Weighted average number of shares outstanding - basic and diluted	73,219,345	31,769,465

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

PAMPA METALS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended December 31 2024	Year ended December 31 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (1,162,595)	$ (8,898,324)
Items not affecting cash:		
Depreciation	14,238	10,708
Share-based compensation	426,882	777,645
Impairment of mineral property interests	-	7,013,706
Gain on debt settlement	-	(25,781)
Gain on disposal of equipment	(17,346)	-
Loss on disposal of former subsidiary	4,089	-
Unrealized foreign exchange	(69)	-
Changes in non-cash working capital items:		
Receivables	7,396	39,577
Prepaid expenses and deposits	(219,213)	(158,819)
Accounts payable and accrued liabilities	(100,959)	2,599
Net cash used in operating activities	(609,151)	(1,238,689)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on mineral properties	(6,154,957)	(2,412,627)
Exploration expenditures held in deposits	(307,759)	-
Purchase of equipment	(111,295)	-
Disposal of equipment	38,571	-
Cash held by former subsidiary	(988)	-
Net cash used in investing activities	(6,536,428)	(2,412,627)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements, net	5,288,551	4,566,917
Exercise of warrants	511,389	317,276
Net cash provided by financing activities	5,799,940	4,884,193
Change during the year	(1,345,639)	1,232,877
Cash, beginning of year	1,637,510	404,633
Cash, end of year	$ 291,871	$ 1,637,510

Supplemental disclosure with respect to cash flows (Note 8)

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

PAMPA METALS CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Commitment to issue shares	Reserve	Contributed surplus	Deficit	Total
Balance, December 31, 2022	21,564,738	$ 12,159,947	$ 132,825	$ 1,049,260	$ 788,605	$ (8,953,916)	$ 5,176,721
Debt settlements	212,649	48,047	-	14,172	-	-	62,219
Private placement units	29,017,734	4,702,649	-	64,001	-	-	4,766,650
Shares issued for commitment	322,000	132,825	(132,825)	-	-	-	-
Finder's shares and units	485,790	(39,400)	-	39,400	-	-	-
Share issue costs	-	(199,733)	-	-	-	-	(199,733)
Finder's warrants	-	(212,981)	-	212,981	-	-	-
Exercise of warrants	3,127,186	317,276	-	-	-	-	317,276
Share-based compensation	605,291	18,159	-	-	759,486	-	777,645
Loss for the year	-	-	-	-	-	(8,898,324)	(8,898,324)
Balance, December 31, 2023	55,335,388	16,926,789	-	1,379,814	1,548,091	(17,852,240)	2,002,454
Private placement units	21,564,353	5,554,644	-	14,906	-	-	5,569,550
Share issue costs	-	(280,999)	-	-	-	-	(280,999)
Finder's warrants	-	(205,598)	-	205,598	-	-	-
Exercise of warrants	5,297,399	521,401	-	(10,012)	-	-	511,389
RSUs vested	967,138	164,413	-	-	(164,413)	-	-
Share-based compensation	-	-	-	-	426,882	-	426,882
Loss for the year	-	-	-	-	-	(1,162,595)	(1,162,595)
Balance, December 31, 2024	83,164,278	$ 22,680,650	$ -	$ 1,590,306	$ 1,810,560	$ (19,014,835)	$ 7,066,681

On September 5, 2023 (the "Effective Date"), the Company completed a share consolidation on a basis of 1 "new" common share for 2.5 "old" common shares, with no fractional shares issued. All references to share capital, common shares outstanding, and per share amounts in these consolidated financial statements and the accompanying notes for time periods prior to the share consolidation have been restated to reflect the share consolidation (Note 6).

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Pampa Metals Corporation (the "Company" or "Pampa") is a mining exploration company focused on exploration of base metals and precious metals projects in the Americas, with a primary focus on the Piuquenes Copper-Gold Porphyry Project in San Juan, Argentina. The Company was incorporated under the British Columbia Business Corporations Act in 1999. The Company's head office and records office is 501 - 543 Granville Street, Vancouver, British Columbia. The Company's registered office is 1200 - 750 West Pender Street, Vancouver, British Columbia. The Company trades on the Canadian Securities Exchange (the "CSE"; CSE: PM); the Frankfurt Stock Exchange (FSE: FIR); and on the OTCQB (OTCQB: PMMCF).

Going concern

The Company's financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company is in the process of exploring its mineral property interests and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of mineral property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of its mineral properties and upon future profitable production.

Several conditions cast doubt on the validity of the going concern assumption. The Company has incurred losses since inception and an accumulated deficit of $19,014,835 as at the reporting date. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including the acquisition and exploration of mineral property interests, is dependent on the Company's ability to obtain necessary financing. Management is planning to raise additional capital to finance operations and exploration activities. The ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. These circumstances indicate that material uncertainties exist that may cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

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

Basis of measurement

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

Basis of consolidation

The consolidation of the financial statements incorporates the financial statements of the Company and its wholly owned subsidiary. The results of subsidiaries acquired or disposed of during the years presented are included in these consolidated statements of loss from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. An investor controls an investee if the investor has the power over the investee, has the exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investee's returns. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The Company has a wholly owned subsidiary, Pampa Metals SAS, which is incorporated in Argentina.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Functional and presentation currency

The consolidated financial statements have been prepared in Canadian dollars, which is the Company's presentation currency. The functional currency of the Company and its subsidiaries is the Canadian dollar.

Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout these consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

- Going concern - management must make an assessment as to the going concern basis of accounting and uncertainties associated with the Company's ability to raise additional capital and/or obtain financing to advance its exploration properties;
- Impairment of mineral property interests - the application of the Company's accounting policy for impairment of mineral property interests requires judgment in determining if the facts and circumstances suggests that the carrying amount exceeds the recoverable amount;
- Restricted share units – management prepares fair value estimates of awards likely to vest on grant and at each reporting date up to the vesting date; and
- Share-based compensation - management prepares fair value estimates in determining the amount of share-based compensation expense to record in the Company's consolidated statement of loss and comprehensive loss associated with the Company's share compensation plan. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including an expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Company's stock options.

Foreign currencies

The functional currency of the parent company and its subsidiary is the Canadian dollar. The Canadian dollar is also the currency in which it presents these consolidated financial statements. The Company and its subsidiary recognize transactions in currencies other than the Canadian dollar at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the consolidated statements of loss and comprehensive loss using the end of reporting period exchange rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated at each reporting date.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Financial Instruments

Recognition

The Company recognizes a financial asset or financial liability on the 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 expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

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 generally measured at amortized cost at each subsequent reporting date. All other financial assets are measured at their fair values at each subsequent reporting date, 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).

After initial recognition at fair value, financial liabilities 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 classified as subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company's financial assets consist of cash, which is classified and subsequently measured at FVTPL. The Company's financial liabilities consist of accounts payable and accrued liabilities which are classified and measured at amortized cost using the effective interest method.

Equipment

Items of equipment are measured at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment includes the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and the initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located. Depreciation is provided at rates calculated to write-off the cost of equipment, less their estimated residual values, using the straight-line method over 18 months. An item of equipment is derecognized on disposal or when no future economic benefits are expected to from its continued use. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount, is recognized in profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Mineral properties

Exploration and evaluation expenditures incurred prior to the acquisition of a mineral property interest or the right to explore are obtained are expensed in the period in which they are incurred. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to mineral property interests. Exploration and evaluation expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential. These costs would also include periodic fees such as license and maintenance fees. Mineral property acquisition costs include cash consideration, and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement.

Management assesses mineral properties for impairment when facts or circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities; and
- sufficient data exist to indicate that, although 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.

When this is the case, the Company would carry out an impairment test on the asset or group of assets, which requires estimates and judgments in determining the recoverable amount with reference to the fair value of the assets or group of assets less costs to sell or a value-in-use calculation. Where the recoverable amount is determined to be less than the carrying amount, an impairment loss may arise. If a mineral property interest is abandoned, the acquisition costs will be written off to the consolidated statement of loss and comprehensive loss.

Once an economically viable resource has been determined for an area and the decision to proceed with development has been approved, mineral property interests attributable to that area are first tested for impairment and then reclassified to capital work in progress. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If the property is put into production, the costs of acquisition and exploration and evaluation will be amortized over the life of the property. If a project does not prove viable, all non-recoverable costs associated with the project net of any impairment provisions are written down to its recoverable amount.

Valuation of equity units issued in private placements

The Company has adopted the residual value method with respect to the measurement of common shares and warrants issued as private placement units, whereby the carrying amount of the warrants is determined based on any differences between gross proceeds and the estimated fair market value of the common shares. If the proceeds from the offering are less than or equal to the estimated fair market value of common shares issued, no value is assigned to the warrants. Warrants that are issued as payment to a finder or other transaction costs are accounted for as share-based payments.

Share-based compensation transactions

The fair value of stock options granted to employees, officers, and directors and finder warrants are determined using the Black-Scholes option pricing model with market related inputs as of the date of grant. The fair value of stock options or finder warrants granted are measured at the fair value of goods and services received from these parties or by using the Black-Scholes option pricing model if the fair value of goods or services received cannot be measured reliably.

When stock options or finder warrants are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

(Expressed in Canadian Dollars)

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Loss per share

The Company presents basic and diluted loss per share ("EPS") data for its common shares, calculated by dividing the loss attributable to equity shareholders of the Company by the weighted average number of common shares issued and outstanding during the period. Diluted EPS is calculated by adjusting the loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares. The calculation of diluted EPS assumes that the proceeds to be received on the exercise of dilutive stock options, and warrants are used to repurchase common shares at the average market price during the period. Diluted EPS does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is antidilutive.

Income taxes

Income tax on these consolidated statements of loss and comprehensive loss for the years presented comprises current and deferred tax. Income tax is recognized in these consolidated statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to taxable temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. EQUIPMENT

	December 31 2024	December 31 2023
Opening balance	$ 23,748	$ 34,456
Additions	111,295	-
Disposals	(21,156)	-
Depreciation	(14,238)	(10,708)
	$ 99,649	$ 23,748
Historical costs	$ 111,295	$ 48,951
Accumulated depreciation	(11,646)	(25,203)

(Expressed in Canadian Dollars)

4. MINERAL PROPERTY INTERESTS

Below is the continuity of mineral property interests capitalized to the statements of financial position for the years ended December 31, 2024 and 2023:

Year ended December 31, 2024	**Piuquenes Project**
Acquisition costs, opening	$ 67,776
Acquisitions costs, cash	972,476
Acquisition costs, ending	1,040,252
Exploration costs, opening	186,367
Geochemistry, geophysics, and other	662,630
Drilling and field costs	5,381,317
Other exploration costs	550,657
Subtotal, exploration costs	6,594,604
Exploration costs, ending	6,780,971
Mineral property interests as at the reporting date	$ 7,821,223

Year ended December 31, 2023	**Piuquenes Project**	**Copper Exploration Properties**	**Total**
Acquisition costs, opening	$ -	$ 2,291,981	$ 2,291,981
Acquisitions costs, cash	67,776	-	67,776
Acquisition costs, ending	67,776	2,291,981	2,359,757
Exploration costs, opening	-	2,563,241	2,563,241
Geochemistry, geophysics, and other	61,752	139,700	201,452
Drilling and field costs	34,552	1,584,408	1,618,960
Property maintenance costs	5,227	351,540	356,767
Other exploration costs	84,836	82,836	167,672
Subtotal, exploration costs	186,367	2,158,485	2,344,851
Exploration costs, ending	186,367	4,721,726	4,908,092
Impairment	-	(7,013,706)	(7,013,706)
Mineral property interests as at the reporting date	$ 254,143	$ -	$ 254,143

Piuquenes Project, Argentina

In November 2023, the Company entered into an option agreement to acquire an 80% interest in the Piuquenes porphyry copper-gold project located in the San Juan province, Argentina (the "Piuquenes Project"). Within the four years following November 30, 2023 (the "Commencement Date"), the Company has agreed to:

a) complete at least 6,000 meters of mineral exploration drilling;
b) spend a minimum of $6,000,000 in exploration of the property, in addition to expenditures made to satisfy (a) above;
c) pay staged option payments totaling US$1,250,000 as outlined below:
    - US$50,000 on the Commencement Date (paid);
    - US$200,000 upon commencement of first drill program on the project (paid);
    - US$250,000 on 183 days following the commencement of the first drill program on the project (paid);
    - US$250,000 on the first anniversary of the Commencement Date (paid);
    - US$250,000 on the second anniversary of the Commencement Date; and
    - US$250,000 on the third anniversary of the Commencement Date.
d) pay and deliver to optionor the following:
    a. payment of $14,750,000, of which a maximum of $2,500,000 can be settled through issuance of common shares of the Company at a price per share equal to the trailing 30-day VWAP as at the date of exercise of the option; and
    b. grant a 1.25% net smelter return ("NSR") royalty on the project.

(Expressed in Canadian Dollars)

4. MINERAL PROPERTY INTERESTS (cont'd…)

Copper Exploration Properties

During the year ended December 31, 2023, the Company determined that the recoverable value of the Chile Projects to be $Nil as at December 31, 2023 and intends to allow any remaining of the Chilean claims to lapse. A full impairment of $7,013,706 was recognized.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31 2024	December 31 2023
Accounts payable	$ 401,347	$ 112,614
Accrued liabilities	1,104,610	82,179
	$ 1,505,957	$ 194,793

As at December 31, 2022, there was $75,600 recorded in accounts payable and accrued liabilities (paid in March 2023) and $132,825 recorded as a commitment to issue shares (322,000 common shares issued in March 2023) related to the debt settlements.

In March 2023, the Company settled accounts payable of $23,500 through the issuance of 66,667 units (Note 6).

6. SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares.

Share Consolidation

On September 5, 2023 (the "Effective Date"), the Company completed a share consolidation on a basis of 1 new common share for 2.5 old common shares, with no fractional shares issued. On the Effective Date, the Company had 29,117,310 common shares outstanding and all outstanding stock options and share purchase warrants have been adjusted accordingly to reflect the share consolidation. All references for time periods prior to the share consolidation have been restated to reflect the share consolidation.

Issued and outstanding

Year ended December 31, 2024

In July 2024, the Company closed the final tranche of a private placement offering of 555,556 units at a price of $0.27 per unit for gross proceeds of $150,000. Each unit is comprised of one common share and one-half warrant of the Company with an exercise price of $0.50 per share for a period of 36 months from the closing. The residual value of the warrants issued was estimated as $Nil using the share price on the CSE on the closing date of $0.27.

In July 2024, the Company closed the second tranche of a private placement offering of 2,981,297 units at a price of $0.27 per unit for gross proceeds of $804,950. Each unit is comprised of one common share and one-half warrant of the Company with an exercise price of $0.50 per share for a period of 36 months from the closing. The residual value of the warrants issued was estimated as $14,906 using the share price on the CSE on the closing date of $0.265. For this tranche, the Company paid $21,060 as finders' fees and issued 78,000 finder's warrants with a fair value of $15,816 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.265, risk-free rate of 3.75%, dividend rate of 0%, expected life of 3 years, and volatility of 154%. Each warrant is exercisable into one common share at an exercise price of $0.50 for a period of 36 months from issuance.

6. SHARE CAPITAL (cont'd…)

Issued and outstanding (cont'd…)

Year ended December 31, 2024 (cont'd…)

In June 2024, the Company closed the first tranche of private placement offering of 9,600,000 units at a price of $0.27 per unit for gross proceeds of $2,592,000. Each unit is comprised of one common share and one-half warrant with an exercise price of $0.50 per share for a period of 36 months from the closing date of the offering. The residual value of the warrants issued was estimated as $Nil using the share price on the CSE on the closing date of $0.28. For this tranche, the Company paid $155,520 as finders' fees and issued 576,000 finder's warrants with a fair value of $124,602 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.28, risk-free rate of 3.83%, dividend rate of 0%, expected life of 3 years, and volatility of 154%. Each warrant is exercisable into one common share at an exercise price of $0.50 for a period of 36 months from issuance.

On June 4, 2024, 967,138 restricted share units ("RSUs") vested and Company issued 967,138 common shares.

In April 2024, the Company closed a private placement offering of 8,427,500 units at a price of $0.24 per unit for gross proceeds of $2,022,600. Each unit is comprised of one common share and one-half warrant with an exercise price of $0.40 per share for a period of 36 months from the closing date of the offering. The residual value of the warrants issued was estimated as $Nil using the share price on the CSE on the closing date of $0.26. For this offering, the Company paid $75,852 as finder's fees and issued 316,050 finder's warrants with a fair value of $65,180 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.26, risk-free rate of 4.07%, dividend rate of 0%, expected life of 3 years, and volatility of 156%. Each warrant is exercisable into one common share at an exercise price of $0.40 for a period of 36 months from issuance.

During the year ended December 31, 2024, the Company issued 5,297,399 common shares for exercise of warrants for gross proceeds of $511,389.

Year ended December 31, 2023

On December 12, 2023, 602,591 RSUs were redeemed for 602,591 common shares at fair value of $18,159.

In December 2023, the Company closed a private placement offering of 10,000,000 units at a price of $0.16 per unit for gross proceeds of $1,600,000. Each unit is comprised of one common share and one warrant with an exercise price of $0.30 per share for a period of 36 months from the closing dates of each tranche of the offering (being December 20 and 28, 2023). The residual value of the warrant component of the units issued was estimated as $Nil using the share prices on the CSE on the closing date of $0.21 and $0.17. The Company paid $37,800 in finder's fees. The Company issued 236,250 finder's warrants with a fair value of $39,382 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.21, risk-free rate of 3.71%, dividend rate of 0%, expected life of 3 years, and volatility of 154%. Each warrant is exercisable into one common share at an exercise price of $0.30 for a period of 36 months from issuance.

In September 2023, the Company closed a private placement offering of 3,200,000 units at a price of $0.05 per unit for gross proceeds of $160,000. Each unit is comprised of one common share and one warrant with an exercise price of $0.075 per share for a period of 36 months from the closing date of the offering. The residual value of the warrant component of the units issued was estimated as $16,000 using the share price on the CSE on the closing date of $0.045. The Company paid $8,680 as finder's fees. The Company issued 173,600 finders' warrants with a fair value of $5,318 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.045, risk-free rate of 4.64%, dividend rate of 0%, expected life of 3 years, and volatility of 128%. Each warrant is exercisable into one common share at an exercise price of $0.075 for a period of 36 months from issuance.

In September 2023, the Company closed a private placement offering of 9,000,000 units at a price of $0.05 per unit for gross proceeds of $450,000. Each unit is comprised of one common share and one warrant with an exercise price of $0.075 per share for a period of 36 months from the closing date of the offering. The residual value of the warrant component of the units issued was estimated as $Nil using the share price on the CSE on the closing date of $0.10. The Company paid $5,950 and issued 285,600 common shares, fair valued at $14,280, as finder's fees. The Company issued 404,600 finder's warrants with a fair value of $30,641 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.10, risk-free rate of 4.42%, dividend rate of 0%, expected life of 3 years, and volatility of 119%. Each warrant is exercisable into one common share at an exercise price of $0.075 for a period of 36 months from issuance.

6. **SHARE CAPITAL** (cont'd…)

Issued and outstanding (cont'd…)

Year ended December 31, 2023 (cont'd…)

In June 2023, the Company issued 145,982 common shares, fair valued at $25,547, to settle accounts payable of $63,000, resulting in a gain on settlement of $37,453.

In March 2023, the Company closed a private placement offering of 960,000 units at a price of $0.375 per unit for gross proceeds of $360,000. Each unit is comprised of one common share and one purchase warrant with an exercise price of $0.525 per share for a period of 36 months from the closing date of the offering. The residual value of the warrants issued was estimated as $48,001 using the share price on the CSE on the closing date of $0.325.

For the above issuance, the Company paid $1,750 and issued 62,533 common shares, valued at $17,978, as finder's fees. The Company issued 129,733 finder's warrants with a fair value of $26,297 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.325, risk-free rate of 3.28%, dividend rate of 0%, expected life of 3 years, and volatility of 116%. Each warrant is exercisable into one common share at an exercise price of $0.525 for a period of 36 months from issuance.

In March 2023, the Company issued 322,000 common shares to former and current management and directors to settle its commitment to issue shares of $132,825.

In March 2023, the Company issued 66,667 units, valued at $36,672, to settle accounts payable of $25,000 resulting in a loss on settlement of $11,672. Each unit is comprised of one common share and one warrant with an exercise price of $0.525, expiring 36 months from issuance. The fair value of the warrant component was estimated as $14,172 using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.338, risk-free rate of 3.40%, dividend rate of 0%, expected life of 3 years, and volatility of 116%.

In March 2023, the Company closed a private placement offering of 5,857,734 units at a price of $0.375 per unit for gross proceeds of $2,196,650. Each unit is comprised of one common share and one warrant, where each warrant is exercisable into one common share at an exercise price of $0.525 per share for a period of 36 months from the closing date of the offering.

For the above offering, the Company paid $94,724 and issued 137,657 finder's units, valued at $85,859, as finder's fees. Each finder's unit is comprised of one common share and one warrant with an exercise price of $0.525 for a period of 36 months from issuance. The fair value of the warrant component was estimated as $39,400 using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.425, risk-free rate of 4.04%, dividend rate of 0%, expected life of 3 years, and volatility of 117%. The Company issued 390,254 finder's warrants with a fair value of $111,343 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.425, risk-free rate of 3.85%, dividend rate of 0%, expected life of 3 years, and volatility of 116%.

During the year ended December 31, 2023, the Company issued 3,127,186 common shares for exercise of warrants at $0.105 and $0.095 per share for gross proceeds of $212,030 and $105,426, respectively.

During the year ended December 31, 2023, the Company paid $50,829 in legal expenses in relation to the above private placements.

Restricted share units

The Company grants restricted share units to directors, officers, employees and consultants as compensation for services, pursuant to its RSU Plan (the "RSU Plan"). One restricted share unit has the same value as a common share of the Company. The number of RSUs awarded and underlying vesting conditions are determined by the Board of Directors in its discretion. At the election of the Board of Directors, upon each vesting date, participants receive (a) the issuance of common shares from treasury equal to the number of RSUs vesting, or (b) a cash payment equal to the number of vested RSUs multiplied by the fair market value of a common share, calculated as the closing price of the common shares on the CSE for the trading day immediately preceding such payment date, or a combination thereof.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd…)

Restricted share units (cont'd…)

The movements in RSUs for the years ended December 31, 2024 and 2023 are summarized as follows:

	Outstanding
As at December 31, 2022	-
Granted	2,072,429
Vested and settled	(605,291)
As at December 31, 2023	1,467,138
Granted	650,000
Vested and settled	(967,138)
As at December 31, 2024	1,150,000

In April 2024, the Company granted 650,000 RSUs to the CEO and consultants of the Company, subject to vesting upon the 10-day volume weighted average trading price ("VWAP") of the common shares being equal to $0.40.

In December 2023, the Company granted 605,291 RSUs to the CEO, subject to vesting upon the 10-day VWAP of the common shares being equal to $0.10.

In December 2023, the Company granted 1,000,000 RSUs to the CEO, subject to vesting: (a) 50% when the 10-day VWAP of the common shares being equal to $0.30 and (b) an additional 50% upon the 10-day VWAP of the common shares being equal to $0.45.

In December 2023, the Company granted 467,138 RSUs to a consultant, subject to vesting upon the 10-day VWAP of the common shares being equal to $0.30.

During the year ended December 31, 2024, the Company recorded share-based compensation of $191,426 (2023 - $18,159) in accordance with the vesting terms of the RSUs granted.

Stock options

The Company grants stock options to directors, officers, employees and consultants as compensation for services, pursuant to its Incentive Share Option Plan (the "Stock Option Plan"). The maximum price shall not be less than the closing price of the common shares on the last trading day preceding the date on which the grant of options is approved by the Board of Directors. Options have a maximum expiry period of ten years from the grant date. The number of options that may be issued under the Stock Option Plan is limited to no more than 10% of the Company's issued and outstanding shares immediately prior to the grant. The movements in stock options for the years ended December 31, 2024 and 2023 are summarized as follows:

	Outstanding	Weighted average exercise price
As at December 31, 2022	1,040,000	$ 1.13
Granted	3,885,000	0.34
Cancelled/expired	(880,000)	1.13
As at December 31, 2023	4,045,000	0.38
Granted	1,300,000	0.38
Cancelled/expired	(2,160,000)	0.57
As at December 31, 2024	3,185,000	$ 0.24

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd…)

Stock options

As at December 31 2024, the weighted average remaining life of the stock options outstanding was 2.05 (2023 - 3.53) years and the Company's outstanding stock options are as follows:

	Outstanding	Exercisable		Exercise price
September 28, 2026	500,000	500,000	$	0.075
November 20, 2026	735,000	735,000		0.075
December 28, 2026	650,000	650,000		0.300
January 10, 2027	300,000	300,000		0.300
April 17, 2027	800,000	800,000	$	0.400
September 18, 2027	200,000	200,000	$	0.400

During the year ended December 31, 2024, the Company granted stock options to employees, directors, and/or officers of the Company. Using the fair value method, the Company determined the fair value of the stock options granted to be $235,456 or $0.18 per option (2023 - $720,898 or $0.19). The fair value of the stock options granted was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows:

For the years ended		December 31 2024		December 31 2023
Share price on grant date	$	0.23	$	0.22
Risk-free interest rate		4%		3%
Dividend rate		0%		0%
Expected life in years		3		5
Volatility		155%		150%

During the year ended December 31, 2024, the Company recorded share-based compensation of $235,456 (2023 - $759,486) in accordance with the vesting terms of the stock options granted.

Warrants and finder warrants

The movements in warrants and finder warrants for the years ended December 31, 2024 and 2023 are summarized as follows:

	Outstanding		Weighted average exercise price
As at December 31, 2022	4,226,909	$	1.00
Issued	25,556,494		0.16
Exercised	(3,127,186)		0.10
Expired	(1,347,059)		1.20
As at December 31, 2023	25,309,158		0.21
Issued	11,752,225		0.46
Exercised	(5,297,399)		0.10
Expired	(1,562,813)		0.91
As at December 31, 2024	30,201,171	$	0.29

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd…)

Warrants and finder warrants

As at December 31, 2024, the weighted average remaining life of the warrants and finder warrants outstanding was 2.00 (2023 - 2.16) years and the Company's outstanding warrants and finder warrants are as follows:

	Outstanding		Exercise price
Warrants			
November 10, 2025	69,185	$	0.475
March 2, 2026	137,657		0.525
March 27, 2026	66,667		0.525
March 31, 2026	960,000		0.525
September 11, 2026	8,000,000		0.075
September 27, 2026	3,000,000		0.075
December 20, 2026	3,875,000		0.300
December 28, 2026	1,125,000		0.300
April 17, 2027	4,213,750		0.400
June 28, 2027	4,800,000		0.500
July 10, 2027	1,490,647		0.500
July 16, 2027	277,778		0.500
Finder's warrants			
March 2, 2026	390,254		0.525
March 31, 2026	129,733		0.525
September 11, 2026	285,600		0.075
September 27, 2026	173,600		0.075
December 20, 2026	236,250		0.300
April 17, 2027	316,050		0.400
June 28, 2027	576,000		0.500
July 10, 2027	78,000	$	0.500

7. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members, other key management individuals and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's CEO, CFO and members of the Company's Board of Directors.

Compensation awarded to key directors and management personnel, included in director and management fees, professional fees and share-based compensation, is as follows:

For the year ended		December 31 2024		December 31 2023
Director and management fees	$	249,336	$	120,000
Professional fees		150,000		90,000
Share-based compensation		239,557		320,823
	$	638,893	$	530,823

As at December 31, 2024, there was $42,729 (2023 - $Nil) owed to key management personnel recorded in accounts payable and accrued liabilities.

During the year ended December 31, 2023, the Company issued 322,000 common shares to former and current management and directors to settle its commitment of $132,825.

(Expressed in Canadian Dollars)

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the year ended December 31, 2024, the Company:

a) reallocated $10,012 (2023 - $Nil) from warrant reserves to share capital for exercise of warrants and finder warrants;
b) recorded $1,412,123 (2023 - $Nil) of additions in mineral property interests in accounts payable and accrued liabilities;
c) recorded $205,598 (2023 - $212,981) of share issue costs for finder's warrants issued; and
d) reallocated $14,906 (2023 - $64,001) from share capital to warrant reserves for units issued in private placements.

9. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company classified its financial instruments as follows:

	December 31 2024	December 31 2023
Financial assets - amortized costs		
Cash	$ 291,871	$ 1,637,510
Financial liabilities - amortized costs		
Accounts payable and accrued liabilities	$ 1,505,957	$ 194,793

Fair value

The three levels of the fair value hierarchy are:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - inputs that are not based on observable market data.

The Company enters into financial instrument contracts to finance its operations in the normal course of business. The fair values of cash and accounts payable and accrued liabilities approximate their carrying values due to the short-term maturity of these instruments.

Capital management

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral property interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The mineral property interests in which the Company currently has an interest in are at the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional mineral properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2024. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity price risk). Risk management is carried out by the Company's management team, with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance on overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's cash is largely held with Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with a Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

9. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (cont'd…)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities that require the use of cash. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at the reporting date, the Company had working capital deficit of $854,191 (December 31, 2023 - working capital of $1,724,563).

Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar and substantially all expenditures of the parent company are denominated in Canadian dollars and substantially all expenditures in Argentina are denominated in the Argentine Peso. A 10% appreciation (depreciation) of these currencies against the Canadian dollar, with all other variables held constant, would not result in any significant changes to the Company's loss and comprehensive loss for the year.

10. INCOME TAXES

The reported recovery of income taxes differs from amounts computed by applying the statutory income tax rates to the reported loss before income taxes due to the following:

For the year ended	December 31 2024	December 31 2023
Loss before income taxes	$ (1,162,595)	$ (8,853,187)
Canadian federal and provincial income tax rates	27.00%	27.00%
Expected income tax recovery at statutory income tax rate	313,901	2,390,360
Non-deductible expenditures and other	(220,471)	(290,191)
Adjustment to prior year provision versus statutory tax returns	(117,960)	(83,319)
Change in unrecognized tax benefit	24,531	(2,016,850)
Income tax recovery	$ -	$ -
Current income tax recovery	$ -	$ -
Deferred income tax recovery	$ -	$ -

The temporary differences and unused tax losses that give rise to the deferred income tax balances are presented below:

	December 31 2024	December 31 2023
Non-capital losses	$ 2,500,767	$ 2,350,589
Capital losses	1,131,348	-
Share issue costs and other	123,350	93,711
Exploration and evaluation assets	795,023	2,130,179
	4,550,488	4,575,019
Unrecognized deferred tax assets	(4,550,488)	(4,575,019)
Net deferred income tax assets (liabilities)	$ -	$ -

The significant components of the Company's deferred tax assets that have not been included in the statement of financial position are as follows:

	December 31 2024	Expiry date Range	December 31 2023	Expiry date range
Non-capital losses	$ 9,262,101	2038 to 2043	$ 8,705,886	2038 to 2042
Capital losses	8,380,355	N/A	-	N/A
Share issue costs and other	556,501	N/A	347,078	N/A
Exploration and evaluation	$ 10,765,753	N/A	$ 8,145,695	N/A

At December 31, 2024, the potential benefit of these losses and deductible temporary differences in excess of the deferred tax liabilities have not been recognized in these financial statements as it is not considered probable that sufficient future taxable income will allow the deferred tax assets to be recovered.

11. PROPOSED TRANSACTION

In February 2025, the Company signed a binding letter agreement (the "Letter Agreement") to acquire all the issued and outstanding common shares of Rugby Resources Ltd. ("Rugby"; TSXV: RUG) in exchange for common shares of the Company by way of a plan of arrangement, under the Business Corporations Act (British Columbia) on the basis of 1 common share of Pampa for every 6.4 common shares of Rugby (the "Transaction"). Upon closing of the Transaction, the shareholders of Rugby will hold approximately 38% of the outstanding shares of the Company, subject to adjustment for any private placement financing transactions completed prior to Closing.

Prior to the Closing, shareholders of Rugby will receive an interest in a newly-formed company ("Spinco"), to which Rugby will transfer certain assets for the purpose of separating these assets from Rugby.

Subject to regulatory and shareholder approval, Rugby intends to distribute all of the common shares of Spinco to the existing shareholders of Rugby on Closing and Spinco will cease to be a subsidiary of Rugby.

The proposed Transaction is and will be subject to a range of conditions, including, but not limited to, Pampa and Rugby entering into a definitive agreement relating to the Transaction (the "Definitive Agreement") containing terms and conditions outlined in the Letter Agreement, as well as representations and warranties, conditions, and other provisions all customary for transactions of this nature. The Letter Agreement creates a binding obligation of Rugby and Pampa to take reasonable best efforts to complete due diligence and enter into the Definitive Agreement during a 45-day exclusivity period (the "Exclusivity Period"), extended subsequently. The entering into of the Definitive Agreement is subject to, among other things, completion of the parties' respective due diligence, the receipt by Rugby of a favourable opinion as to the fairness, from a financial point of view, of the Transaction to the shareholders of Rugby and approval of the Boards of Pampa and Rugby (the "Agreement Conditions"). In the event the Definitive Agreement is entered into, the Closing of the proposed Transaction will be subject to additional conditions precedent including, but not limited to, the receipt of all regulatory, court and shareholder approvals. There is no certainty that the parties will enter into the Definitive Agreement or conclude the proposed Transaction.

12. EVENTS AFTER REPORTING DATE

Subsequent to December 31, 2024, the Company:

a) issued 5,559,440 common shares for exercise of warrants at $0.075 per shares for gross proceeds of $416,958;

b) granted 450,000 stock options to consultants, where each stock option is exercisable at $0.30 per share for a period of 36 months from the grant date; and

c) closed a private placement offering of 18,750,000 units at a price of $0.16 per unit for gross proceeds of $3,000,000. Each unit is comprised of one common share and one-half warrant with an exercise price of $0.30 per share for a period of 36 months from the closing. The Company paid $30,240 as finder's fees and issued 189,000 finder's warrants with an exercisable into one common share at an exercise price of $0.30 for a period of 36 months from issuance.