Mundoro Capital Inc.

Condensed Interim Consolidated Financial Statements (Unaudited)

For the Six-Month Periods Ended June 30, 2025, and 2024

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Notice to Readers

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the Company's interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

(Unaudited Expressed in Canadian Dollars)

CONSOLIDATED BALANCE SHEETS

As at	Note	June 30, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		$ 4,051,788	$ 6,324,470
Amounts receivable from partners	**3**	2,010,208	-
Accounts receivable	**4**	482,753	445,665
Prepaid expenses		299,484	655,006
		6,844,233	**7,425,141**
Non-current assets			
Deposits	**5**	233,830	239,962
Investments	**6**	322,082	217,337
Equipment and vehicles	**7**	488,729	475,853
Mineral interests	**8**	682,975	507,328
		1,727,616	1,440,480
TOTAL ASSETS		**$ 8,571,849**	**$ 8,865,621**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**10, 12**	$ 638,423	$ 899,640
Advances from partners	**3**	4,939,806	4,564,503
TOTAL LIABILITIES		**5,578,229**	**5,464,143**
EQUITY			
Share capital	**11**	54,230,186	54,157,715
Contributed surplus		9,123,526	9,123,526
Stock options reserve		1,725,193	1,659,234
Accumulated other comprehensive income		143,109	149,471
Deficit		(62,228,394)	(61,688,468)
TOTAL EQUITY		**2,993,620**	**3,401,478**
TOTAL EQUITY AND LIABILITIES		**$ 8,571,849**	**$ 8,865,621**

The accompanying notes are an integral part of these unaudited condensed interim financial statements

Signed on behalf of the Board of Directors

<u>/s/ Mark Platt</u>, Director   *<u>/s/ Teodora Dechev</u>, Director*

(Unaudited Expressed in Canadian Dollars)

CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

	Note	For the three months ended		For the six months ended	
		June 30, 2025	**June 30, 2024**	**June 30, 2025**	**June 30, 2024**
Fees earned					
Fees earned and net option payments received	3	$ 117,763	$ 113,044	$ 855,440	$ 887,899
Interest and other income		2,734	14,079	5,450	30,181
		120,497	**127,123**	**860,890**	**918,080**
Exploration and project evaluation	9	$ (1,416,229)	$ (1,705,491)	$ (3,175,919)	$ (4,343,032)
Less: recoveries		1,177,721	1,103,692	2,629,536	3,687,765
		(238,508)	**(601,799)**	**(546,383)**	**(655,267)**
Corporate Expenses					
Corporate governance		(143,278)	(75,327)	(221,844)	(168,597)
General and administrative		(10,879)	(15,777)	(53,931)	(49,510)
Accounting and audit		(148,657)	(128,531)	(244,503)	(200,198)
Corporate communication		(64,749)	(91,984)	(144,017)	(160,836)
		(367,563)	**(311,619)**	**(664,295)**	**(579,141)**
INCOME/(LOSS) BEFORE OTHER EXPENSES		**(485,574)**	**(786,295)**	**(349,788)**	**(316,328)**
OTHER INCOME (EXPENSES)					
Share-based payments		(80,110)	(15,328)	(138,430)	(47,003)
Depreciation	7	(27,368)	(31,780)	(59,069)	(63,317)
Increase (decrease) in fair value of investments	6	71,935	35,304	104,745	7,877
Foreign exchange gain (loss)		(23,270)	30,497	(101,393)	132,434
Disposition of assets gain (loss)		4,010		4,010	
		(54,803)	**18,693**	**(190,137)**	**29,991**
NET INCOME (LOSS) FOR THE PERIOD BEFORE TAX		**$ (540,377)**	**$ (767,602)**	**$ (539,925)**	**$ (286,337)**
Income tax expense (recovery)		-	(45,000)	-	-
NET INCOME (LOSS) FOR THE PERIOD AFTER TAX		**$ (540,377)**	**$ (722,602)**	**$ (539,925)**	**$ (286,337)**
OTHER COMPREHENSIVE INCOME (LOSS) WHICH MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS					
Foreign currency translation differences for foreign operations		(95,129)	12,839	(6,362)	(110,121)
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		**$ (635,506)**	**$ (709,763)**	**$ (546,287)**	**$ (396,458)**
BASIC AND DILUTED INCOME (LOSS) PER SHARE		**$ 0.01**	**$ 0.01**	**$ 0.01**	**$ 0.00**

The accompanying notes are an integral part of these unaudited condensed interim financial statements

(Unaudited Expressed in Canadian Dollars)

CONSOLIDATED STATEMENTS OF CASH FLOWS

		For the six months ended	
	Note	**June 30, 2025**	**June 30, 2024**
Cash flows Provided by Operating Activities			
Net income (loss) for the period		**$ (539,925)**	**$ (286,337)**
Adjustments for items not affecting cash:			
Depreciation		59,069	63,317
Share-based payments		138,430	47,003
Change in fair value of investments	6	(104,745)	(7,877)
Gain on disposal of fixed assets		(4,010)	-
Unrealized foreign exchange (gain) loss		57,342	(132,434)
		(393,839)	**(316,328)**
Net change in non-cash working capital balances related to operations:			
Amounts receivable	3	(37,088)	100,544
Option payments in excess of carrying value		(592,488)	-
Amounts receivable from partners	3	(2,010,208)	(5,278)
Prepaid expenses		355,522	(87,525)
Accounts payable and accrued liabilities		(261,217)	(1,295,312)
Advances from partners	3	375,303	(405,634)
Net cash flows provided by (used in) operating activities		**$ (2,561,990)**	**$ (2,009,533)**
Cash flows Provided by Financing Activities			
Issuance of common shares for cash, stock option exercise		-	33,354
Repurchase of common shares			(31,745)
Net cash flows provided by (used in) financing activities		**-**	**1,609**
Cash flows Provided by Investing Activities			
Expenditures on mineral interests		(194,468)	(11,927)
Option payments received	3	600,728	-
Security deposit for mineral interest exploration		6,133	(5,163)
Purchase of equipment		(57,082)	(102,296)
Net cash flows provided by (used in) investing activities		**355,311**	**$ (119,386)**
Effects of exchange rate changes on cash and cash equivalents		**(66,004)**	**20,275**
Net increase (decrease) in cash and cash equivalents		**$ (2,272,682)**	**$ (2,107,035)**
Cash and cash equivalents, beginning of period		6,324,470	6,479,508
Cash and cash equivalents, end of period		**$ 4,051,788**	**$ 4,372,473**

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

(Unaudited Expressed in Canadian Dollars)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital		Reserves				
	Number of shares	Amount	Contributed Surplus	Stock options reserve	Accum. Other Comprehensive Income and loss	Deficit	Total
Balance at December 31, 2023	**104,484,680**	**$ 54,022,118**	**$ 9,094,652**	**$ 1,757,490**	**$ 43,245**	**$ (60,652,318)**	**$ 4,265,187**
Common Shares issued for cash-stock option	905,304	181,169	28,874	(147,379)	-	-	62,663
Share buyback	(241,500)	(45,572)	-	-	-	-	(45,572)
Share-based payments (Note 12 (b))	-	-	-	49,123	-	-	49,123
Net comprehensive income (loss) for the year					106,226	(1,036,149)	(929,923)
Balance at December 31, 2024	**105,148,484**	**$ 54,157,715**	**$ 9,123,526**	**$ 1,659,234**	**$ 149,471**	**$ (61,688,468)**	**$ 3,401,478**
Balance at December 31, 2024	**105,148,484**	**$ 54,157,715**	**$ 9,123,526**	**$ 1,659,234**	**$ 149,471**	**$ (61,688,468)**	**$ 3,401,478**
Exercise of options		72,471		(72,471)			-
Share-based payments **(Note 12 (b))**				138,430			138,430
Net comprehensive income (loss) for the period					(6,362)	(539,925)	(546,287)
Balance at June 30, 2025	**105,148,484**	**$ 54,230,186**	**$ 9,123,526**	**$ 1,725,193**	**$ 143,109**	**$ (62,228,394)**	**$ 2,993,620**

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND LIQUIDITY RISK

Mundoro Capital Inc. ("Company", or "Mundoro") is a mineral exploration and royalty generation company with a diverse portfolio of copper and gold exploration projects in Serbia, United States, and Bulgaria. The Company has two business segments –mineral exploration operations and project generation. The objective of the project generation part of our business is to grow the assets in a disciplined and sustainable manner that will provide exposure to exploration opportunities and discoveries. Mundoro identifies, stakes, and acquires new projects and performs early-stage work to demonstrate their geologic potential. The Company then seeks partners who bring the capital and additional technical expertise to delineate a mineral deposit. Mundoro retains exposure to the property through royalties, advance royalty payments, milestone payments, and equity consideration. The business of exploration and development involves a high degree of risk and there can be no assurance that current exploration and development programs will result in discovery or future profitable operations.

Mundoro was incorporated on March 6, 2008, under the Business Corporations Act of the Province of British Columbia and is a Canadian based mineral acquisition, exploration and development company. The Company's common stock is quoted on the TSX Venture Exchange ("TSXV") under the symbol MUN. The Company's head office and principal address is 14th floor - 1040 West Georgia Street, Vancouver, British Columbia, Canada V6E 4H1.

These condensed interim unaudited consolidated financial statements have been prepared using International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS accounting standards") applicable to a going concern, which assumes that the Company will be able to continue its operations and will be able to realize its assets, discharge its liabilities, and continue in operation for at least twelve months from June 30, 2025. As at June 30, 2025, the Company has an accumulated deficit of $62,228,394 (December 31, 2024 - $61,688,468) and a working capital (current assets less current liabilities) of $1,266,004 (December 31, 2024 - $1,960,998). Management expects that its cash balance and cash flows from operating activities will be sufficient to fund the operations of the Company for twelve months from June 30, 2025. Management has the ability to reduce discretionary expenditures as necessary to manage cash flows.

These condensed interim unaudited consolidated financial statements were authorized for issue by the Board of Directors on August 20, 2025.

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance with International Financial Reporting Standards

These unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards. These interim financial statements do not include all of the information required of a full annual financial statements and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these interim financial statements be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2024. The accounting policies applied by the Company in these financial statements are consistent with those of the previous financial years.

Basis of preparation and consolidation

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for the Company's investments which are recognized at fair value. They are prepared using the accrual basis of accounting, except for cash flow information, and include the accounts of the Company and its subsidiaries. Intercompany balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Management judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are regularly evaluated and are based on management's experience and other factors including expectations about future events that are believed to be reasonable under the circumstances. Judgment is required in assessing whether certain factors would be considered an indicator of impairment. Both internal and external information are considered to determine whether there is an indicator of impairment present and therefore, whether impairment testing is required.

(Unaudited Expressed in Canadian Dollars)

3. THIRD PARTY FUNDED EXPLORATION PROGRAMS

Amounts received from third parties earning into a license(s) are netted firstly against the capitalized exploration expenditures on the applicable licenses and thereafter are recognized in the Company's Consolidated Statement of Income/(Loss). Any advances received for budgeted exploration work program expenditures, or any reimbursable funds expended by the Company are recognized separately in the balance sheet. Fees earned include operator fees earned as the designated operator of the projects and option fees earned during the option period while the third party is earning in, all of which are recognized in the Company's Consolidated Statement of Income/(Loss).

Where Mundoro is contractually entitled to Cash Call Deposits in respect of a future budgeted exploration work program period, those amounts are included in Amounts Receivable from Partners. The balance of this account at June 30, 2025, was $2,010,208 (December 31, 2024 - $nil).

When Mundoro cash calls a partner in advance of the budgeted exploration work program being performed, the funds are shown as Advances from Partners. The balance of this account at June 30, 2025, was $4,939,806 (December 31, 2024 - $4,564,503). These funds are required to be used for exploration expenditures for partner programs.

4. AMOUNTS RECEIVABLE

		June 30, 2025		**December 31, 2024**
VAT/GST receivable	$	400,176	$	393,980
Other receivables		82,577		51,685
	$	482,753	$	445,665

5. DEPOSITS

Deposits include deposits made to governments as required by local laws, primarily representing reclamation bonds. The balance at June 30, 2025, was $233,830 (December 31, 2024 - $239,962).

6. INVESTMENTS

In 2013, the Company, through a 100%-owned subsidiary, acquired at a cost of $280,853, a 2.9% equity interest in Galenit AD, a privately held gold producing company in Bulgaria. As at June 30, 2025, the fair value of such equity investment was estimated to be $322,082 (December 31, 2024 - $217,337), resulting in an increase in fair value of this investment of $104,745 in the Company's statement of income and loss.

(Unaudited Expressed in Canadian Dollars)

7. PROPERTY, PLANT AND EQUIPMENT

Cost		Office equipment		Field equipment		Total
As at December 31, 2023	**$**	**119,341**	**$**	**733,160**	**$**	**852,501**
Additions		5,116		183,785		188,901
Disposals				(8,458)		(8,458)
Effect of movements in exchange rates		915		21,084		21,999
As at December 31, 2024	**$**	**125,372**	**$**	**929,571**	**$**	**1,054,943**
Additions		**-**		**57,082**		**57,082**
Disposals		**-**		**(15,608)**		**(15,608)**
Effect of movements in exchange rates		**3,941**		**50,859**		**54,800**
As at June 30, 2025	**$**	**129,313**	**$**	**1,021,904**	**$**	**1,151,217**
Accumulated depreciation						
As at December 31, 2023	**$**	**(82,985)**	**$**	**(359,500)**	**$**	**(442,485)**
Depreciation for the year		(9,888)		(120,598)		(130,486)
Disposal		9,295		(2,518)		6,777
Effect of movements in exchange rates		(417)		(12,479)		(12,896)
As at December 31, 2024	**$**	**(83,995)**		**(495,095)**		**(579,090)**
Depreciation for the period		**(5,005)**		**(54,064)**		**(59,069)**
Disposals		**-**		**10,362**		**10,362**
Effect of movements in exchange rates		**(2,241)**		**(32,450)**		**(34,691)**
As at June 30, 2025	**$**	**(91,241)**	**$**	**(571,247)**	**$**	**(662,488)**
Net book amount						
As at December 31, 2024	$	**41,377**	$	**434,476**	$	**475,853**
As at June 30, 2025	**$**	**38,072**	**$**	**450,656**	**$**	**488,729**

8. MINERAL INTERESTS

Details of the Company's exploration and evaluation assets, including acquisition costs related to its projects, are as follows:

		Europe		North America		Total
Balance at December 31, 2023	**$**	**43,431**	**$**	**10,890**	**$**	**54,320**
Acquisition costs		15,080		424,097		439,177
Write-down and adjustments		10,890		(10,890)		-
Allocation of option payments		(8,370)		-		(8,370)
Effect of movements in exchange rates		1,498		20,703		22,201
Balance at December 31, 2024	**$**	**62,528**	**$**	**444,800**	**$**	**507,328**
Acquisition costs		10,942		183,526		194,468
Write-down and adjustments		-		-		-
Allocation of option payments		(8,240)		-		(8,240)
Effect of movements in exchange rates		17,880		(28,461)		(10,581)
Balance at June 30, 2025	**$**	**83,110**	**$**	**599,865**	**$**	**682,975**

During the period, the Company wrote down $nil (2024 - $nil) in mineral interests and $8,240 from Option payments received were allocated to mineral interests (2024 - $8,370).

Serbian Properties

The Company holds through its Serbian subsidiaries, the following 100%-owned exploration licenses in Serbia: Branik, Bobot, Odej, Odej South, Gramada, Oblez, Skorusa, Trstenik, Crvena Zemlja, Ruzana, Orlovac, Ponor, Vitanovac, and Lipovica.

BHP-Mundoro Projects

In Q1-2023, Mundoro announced the Company entered into an agreement with BHP Group Limited ("BHP") whereby BHP can earn-in to five (5) of the Company's licenses which are divided into three exploration project Options. Since then, the licenses have increased to 8 and are now comprised of: Trstenik, Crvena Zemlja, Ruzana, Orlovac, Ponor, Vitanovac, and Lipovica. Each of the three Options provides BHP with the right to earn a 100% interest in the relevant Project by making (i) annual cash payments and operator payments ("Payments") to Mundoro, with the aggregate amount of Payments for the three properties over three years amounting to approximately US$1,700,020, and (ii) incurring exploration expenditures within three years on the three Options amounting to US$7,500,000. BHP may exercise each Option independently or elect to extend each Option by one year by making additional Payments and incurring additional exploration expenditures. Upon exercise of each Option, Mundoro will retain a 2% net smelter return ("NSR") royalty that includes development milestone payments for a total up to US$9,000,000 and annual cash payments until commercial production commences. Mundoro is appointed as the initial operator under the Options.

Mundoro Properties

Mundoro holds a 100% interest in the Branik, Bobot, Odej, Odej South, Gramada, Oblez, and Skorusa exploration licenses in Serbia. These project areas are available for new partnerships.

Bulgarian Properties

JOGMEC-Mundoro Project

In Q1 2019, Mundoro entered into a Generative Program Agreement ("Generative Agreement") in the Republic of Bulgaria ("Bulgaria") with Japan Oil, Gas and Metals National Corporation ("JOGMEC"). JOGMEC has designated a few properties as Designated Projects to proceed to the next stage of the Generative Agreement ("JOGMEC Designated Project"). Mundoro has a number of applications at the Bulgarian Ministry of Energy ("BMoE") for areas of exploration that are the selected JOGMEC Designated Projects. In Q4-2021, a contract was signed with the BMoE for one of the JOGMEC Designated Projects located in western Bulgaria, the "EE1 Project". Mundoro and JOGMEC entered into an Earn-In and Joint Venture Agreement on March 17, 2022 (EI and JV Agreement) for the exploration of the EE1 project. The EI and JV Agreement provides a stage one earn-in option granted to JOGMEC for a 51% interest following contributions of certain expenses. JOGMEC has completed the stage one earn-in. The stage two additional earn-in option allows JOGMEC to acquire an additional 24%, for a total of 75% interest in the EE1 project by completing a Preliminary Economic Assessment over six years from May 1, 2022. On the completion of stage two, JOGMEC will have the right to purchase an additional 5% interest from Mundoro for a total interest in the EE1 project of 80%. Mundoro would then be free carried to Commercial Production.

Mundoro Properties

In September 2017, the Company's local subsidiary in Bulgaria was announced as the winner of the Svoboda tender process. Certain legal and administrative procedures must be completed in order for an exploration contract to be entered into between the Company's subsidiary and the BMoE. The Company has submitted a number of applications to the BMoE and continues to coordinate with the responsible Ministries in order to advance its applications.

USA Properties

The Company holds through its USA subsidiaries, the following properties: Dos Cabezas, Picacho and Copperopolis.

Dos Cabezas Property

The Dos Cabezas Project is held 100% by Mundoro and is available for new partnerships.

Picacho Property

The Picacho Project is held 100% by Mundoro and is available for new partnerships.

Copperopolis Property

(Unaudited Expressed in Canadian Dollars)

The Copperopolis Property is located in northwest Arizona in Yuvapi County and was acquired by staking and applying for Arizona State Claims in Q4-2023 and Q3-2024. In Q2-2025, the Company ("MUN") executed a Property Agreement (the "Agreement") with a third party (the "Third Party") concerning the Copperopolis Property (the "Property"). The Agreement establishes initial participating interests (MUN: 73.09%; Third Party: 26.91%). The Third Party acquired their participating interest by funding exploration expenditures. The Agreement mandates proportionate funding of exploration expenditures by each party, outlines dilution mechanisms, and designates MUN as the operator as well as responsible for seeking a new funding partner. The Agreement is subject to termination upon MUN entering into a definitive agreement with a new funding partner for the Property. Upon such termination, the Third Party's then-current participating interest, reflecting any adjustments, will convert into a royalty on the Property.

9. EXPLORATION AND PROJECT GENERATION

The following is a summary of expenditures incurred on the Company's projects during the periods:

For the six months ended June 30, 2025		Serbia		Bulgaria		USA		Other		Total
Project Administration[1]	$	(123,582)	$	(13,337)	$	(14,122)	$	-	$	(151,041)
Land holding[2]		(87,049)		(3,262)		-		-		(90,311)
Community engagement[3]		(11,811)		(1,526)		-		-		(13,337)
Field related[4]		(230,475)		(6,390)		(59,338)		(5,669)		(301,872)
Personnel[5]		(819,460)		(34,029)		(167,957)		-		(1,021,446)
Technical services[6]		(1,389,448)		-		(8,749)		-		(1,398,197)
Project generation [7]		-		-		(40,957)		(158,758)		(199,715)
Total expenditures		**(2,661,825)**		**(58,544)**		**(291,123)**		**(164,427)**		**(3,175,919)**
Less: recoveries		2,576,605		52,932		-		-		2,629,536
Net Exploration & Project Evaluation Expenditures	**$**	**(85,220)**	**$**	**(5,612)**	**$**	**(291,123)**	**$**	**(164,427)**	**$**	**(546,383)**

For the six months ended June 30, 2024		Serbia		Bulgaria		USA		Other		Total
Project Administration[1]	$	(144,328)	$	(66,930)	$	(54,803)	$	**(22,296)**	$	(133,049)
Land holding[2]		(93,688)		(6,337)		(103,227)		**-**		(146,832)
Government and community relations[3]		(21,794)		(26,821)		(637)		**-**		(27,126)
Field related[4]		(451,390)		(16,986)		(1,679,074)		**-**		(528,622)
Personnel[5]		(450,763)		(116,061)		(278,495)		**-**		(1,166,416)
Technical services[6]		(1,514,745)		(118,096)		(67,435)		**-**		(2,011,879)
Project generation[7]		(48,872)		(15,542)		-		(69,017)		(329,108)
Total expenditures		**(2,725,580)**		**(366,773)**		**(2,183,671)**		**(91,313)**		**(4,343,032)**
Less: recoveries		2,937,091		359,436		2,324,795		-		3,687,765
Net Exploration & Project Evaluation Expenditures	**$**	**211,511**	**$**	**(7,337)**	**$**	**141,125**	**$**	**(91,313)**	**$**	**(655,267)**

Notes:
[1] Project Administration expenses include administrative, accounting, contract services, project logistics, permitting, and legal costs related to the projects.
[2] Land holding costs include property taxes and related costs associated with holding the properties.
[3] Community engagement relates to the costs of communicating with governing bodies in the local jurisdictions.
[4] Field related expenses include items such as field equipment, lodging and meals for field personnel.
[5] Personnel costs for conducting exploration work include consultants and employees.
[6] Technical Services expenditures include activities such as geochemical assaying, geophysical surveys drilling and other exploration related activities.
[7] Project generation expenditures capture those costs incurred in analysis of mineral properties and targets in preparation for seeking partners and generating and evaluating new mineral project opportunities.

(Unaudited Expressed in Canadian Dollars)

10. ACCOUNTS PAYABLE, ADVANCES AND ACCRUED LIABILITIES

	June 30, 2025	December 31, 2024
Accounts payable	$ 417,544	$ 523,020
Income taxes payable	119,740	145,805
Accrued liabilities	101,139	230,815
	$ 638,423	**$ 899,640**

11. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At June 30, 2025, there were 105,148,484 issued and fully paid common shares (December 31, 2024 – 105,148,484).
During the period ended June 30, 2025, a total of 141,000 options expired, 3,080,000 options were granted, and 887,000 options were exercised. All exercised options were settled on a non-cash basis, under which holders do not pay the full exercise price in cash but instead receive a reduced number of shares equal to the intrinsic value of the options at the time of exercise. A total of 395,146 shares were issued after June 30 in respect to the exercise of 887,000 options.

Stock options

The continuity of stock options during the period ended June 30, 2025 and the year ended December 31, 2024 was as follows:

	June 30, 2025		December 31, 2024	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Opening Balance	**5,646,333**	**$0.181**	**7,874,000**	**$ 0.170**
Granted	3,080,000	0.175	-	-
Exercises	(887,000)	0,120	(1,444,667)	0.121
Expired	(141,000)	0.204	-	-
Forfeitures	-	-	(783,000)	0.180
Closing Balance	**7,698,333**	**$ 0.191**	**5,646,333**	**$ 0.181**

The following summarizes information about stock options outstanding and exercisable at June 30, 2025:

Grant date	Options outstanding	Expiry Date	Unvested Options	Options Exercisable	Remaining Life	Exercise price ($)
May 04, 2021	1,635,000	May 03, 2026	-	1,635,000	0.84	0.23
Feb 15, 2022	1,308,333	Feb 15, 2027	-	1,308,333	1.63	0.175
Feb 17, 2023	1,675,000	Feb 17, 2028	558,333	1,116,667	2.64	0.195
Jan 31, 2025	3,080,000	Jan 31, 2030	3,080,000	-	4.59	0.175
	7,698,333		**3,638,333**	**4,060,000**	**2.87**	**0.191**

On January 31, 2025, the Company granted stock options to directors, officers, employees, and contractors to purchase up to 3,080,000 common shares of the Company at an exercise price of $0.175 per share over a five-year term, with the following vesting schedule: one-third vesting on January 31, 2026, one-third on January 31, 2027, and one-third on January 31, 2028. The Company also granted 500,000 restricted stock units to key management.

12. RELATED PARTY TRANSACTIONS AND BALANCES

Related party balances

The balances due to related parties included in accounts payables and accrued liabilities were $32,069 as of June 30, 2025 (December 31, 2024 – $16,632). These amounts are the reimbursement of business expenditures.

Related party transactions

	For the three months ended		**For the six months ended**	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
Directors' fees	**$ 36,250**	$ 27,500	**$ 72,000**	$ 55,000
Short-term management salaries and benefits	**128,750**	103,809	**257,500**	310,363
Share based payments - Directors	**15,854**	4,378	**28,105**	12,931
Share based payments – Officers	**33,951**	2,918	**57,278**	8,250
	$ 214,805	$ 138,605	**$ 415,383**	$ 386,544

13. SEGMENTED INFORMATION

The Company's total assets and net losses by geographic segment are as follows:

	North America	**Europe**	**Total**
Assets			
As at June 30, 2025			
Non-current	**$ 1,224,399**	**$ 503,217**	**$ 1,727,616**
Current	**1,147,723**	**5,696,510**	**6,844,233**
Total assets	**$ 2,372,122**	**$ 6,199,727**	**$ 8.571,849**
As at December 31, 2024			
Non-current	$ 997,082	$ 443,398	$ 1,440,480
Current	1,010,179	6,414,962	7,425,141
Total assets	$ 2,007,261	$ 6,858,360	$ 8,865,621
Net income (loss):			
For the period ended June 30, 2025	**$ (592,214)**	**$ 52,289**	**$ (539,925)**
For the period ended June 30, 2024	$ (426,723)	$ 140,386	$ (286,337)

14. FINANCIAL RISK MANAGEMENT

The Company is exposed to various financial risks, including foreign currency risk, interest rate risk, credit risk, and liquidity risk.

Foreign Currency Risk

The Company incurs expenses in currencies other than the Canadian dollar, making it susceptible to exchange rate fluctuations. To manage this risk, the Company maintains bank accounts primarily in US dollars and Canadian dollars. The Company converts funds to other currencies, such as Bulgarian leva and Serbian dinars, as needed to fulfill its obligations. The Company does not engage in currency hedging activities.

Interest Rate Risk

Cash and cash equivalents are held in bank accounts or GICs with fixed interest rates. Future interest income will be impacted by declining cash balances. The Company manages interest rate risk by investing in short-term fixed-rate instruments with staggered maturity periods to maintain liquidity. A 25 basis-point change in interest rates would have an immaterial effect on comprehensive income based on current balances.

Credit Risk

Credit risk arises from potential losses if a joint venture partner, counterparty, or third party to a financial instrument fails to fulfill its contractual obligations. To reduce credit risk, cash and cash equivalents and short-term investments are on deposit at major financial institutions. The Company is not aware of any counterparty risk that could have an impact on the fair value of such investments. The carrying value of the financial assets represents the maximum credit exposure. The Company minimizes credit risk by reviewing the credit risk of the counterparties to its arrangements on a periodic basis.

For the period ended June 30, 2025, the Company's short-term money market instruments were invested in GICs earning annual interest rates of 3.45% to 3.40% (December 31, 2024 –3.45%).

Liquidity Risk

Liquidity risk is the possibility that the Company may not meet its financial obligations as they become due. A detailed planning and budgeting process is in place to forecast funding needs and ensure adequate resources for operations, including exploration activities. The Company invests excess cash in highly liquid, bank-sponsored instruments and staggers investment maturities to balance liquidity and returns. Advances from joint venture partners are aligned with planned exploration budgets and reduced monthly as exploration costs are recovered.

Commodity Price Risk

The ability of the Company to explore and market its exploration assets as well as the future profitability of the Company are directly related to the price of copper and gold and the marketability of these metals. The Company monitors metals prices to determine the appropriate course of action to be taken.

Market Risk

The Company holds securities of a private company. The value of these securities is at risk of fluctuation, and it is driven by security specific and market specific risks. The Company has no control over the volatility of its value and does not hedge its investment.