Condensed Interim Consolidated Financial Statements

Minsud Resources Corp.

For the Three and Six Months Ended June 30, 2025 and 2024
(All amounts in Canadian Dollars unless otherwise noted)

Unaudited

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NOTICE TO READER

The accompanying condensed interim consolidated financial statements have been prepared by the Company's management and the Company's independent auditors have not performed a review of these financial statements.

Minsud Resources Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Periods Ended June 30, 2025 and 2024
Unaudited - see Notice to Reader
(All Amounts in Canadian Dollars Unless Otherwise Noted)

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Expenses		(note 14)		(note 14)
General and administrative	$ 47,297	$ 15,179	$ 115,682	$ 58,547
Marketing and communications	-	6,516	1,578	10,458
Professional and regulatory fees (note 10)	167,392	194,422	411,390	388,766
Share-based payments (note 9)	170,520	620,379	240,287	1,243,782
Taxes on ownership of subsidiary	6,250	6,250	12,500	18,750
Hyperinflation - monetary loss	-	-	-	489,840
Interest income	-	(462)	(421)	(732)
Expense recoveries (note 13)	-	(1,096,647)	-	(1,096,647)
Net Income (Loss) for the Period Before the Undernoted	(391,459)	254,363	(781,016)	(1,112,764)
Gain on disposition of controlling interest of MSA (note 5)	-	8,577,404	-	8,577,404
Share of income (loss) of MSA (note 5)	(509,004)	1,824,766	(53,605)	1,824,766
Net Income (Loss) for the Period	(900,463)	10,656,533	(834,621)	9,289,406
Other Comprehensive Income (Loss)				
Items that may be reclassified to profit and loss:				
Currency translation adjustment	-	-	-	1,850,379
Share of MSA currency translation adjustment (note 5)	(4,076,319)	(985,043)	(5,187,286)	(985,043)
Comprehensive Income (Loss) for the Period	$ (4,976,782)	$9,671,490	$6,021,907)	$ 10,154,742
Net Income (Loss) per Share - basic	$ (0.01)	$ 0.06	$ (0.01)	$ 0.06
Net Income (Loss) per Share - diluted	$ (0.01)	$ 0.06	$ (0.01)	$ 0.06
Weighted Average Number of Common Shares Outstanding-basic	164,948,515	164,922,471	164,948,515	164,521,861
Weighted Average Number of Common Shares Outstanding-diluted	164,948,515	178,198,471	164,948,515	177,797,861
Net Income (Loss) for the Period Attributable to:				
Non-controlling interest	$ -	$ -	$ -	$ (2,134)
Equity shareholders of the Company	(900,463)	10,656,533	(834,621)	9,291,540
	$ (900,463)	$ 10,656,533	$ (834,621)	$ 9,289,406
Comprehensive Income (Loss) for the Period Attributable to:				
Non-controlling interest	$ -	$ -	$ -	$ (20,061)
Equity shareholders of the Company	(4,976,782)	9,671,490	(6,021,907)	10,174,803
	$ (4,976,782)	$ 9,671,490	$ (6,021,907)	$ 10,154,742

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

Minsud Resources Corp.

Condensed Interim Consolidated Statements of Financial Position as at June 30, 2025
Unaudited - see Notice to Reader
(All Amounts in Canadian Dollars Unless Otherwise Noted)

	June 30, 2025	December 31, 2024 (Audited)
Assets		
Non-Current Assets		
Investment in MSA (note 5)	$ 16,248,120	$ 21,489,011
Current Assets		
Cash and cash equivalents	921,630	706,642
Prepaid expenses and deposits	1,849	30,117
Input tax credits receivable	29,209	49,594
	952,688	786,353
	$ 17,200,808	$ 22,275,364
Shareholders' Equity		
Issued capital (note 8)	$ 19,400,242	$ 19,400,242
Share-based payment reserve (note 9)	13,317,535	13,077,248
Share subscriptions payable (note 8)	848,706	-
Cumulative translation reserve	588,756	5,776,042
Deficit	(17,153,195)	(16,318,574)
Equity attributable to shareholders of the Company	17,002,044	21,934,958
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (note 9)	168,911	310,553
Other liabilities	29,853	29,853
	198,764	340,406
	$ 17,200,808	$ 22,275,364

Business of the Company (note 1)
Going Concern (note 2(c))
Commitments (note 12)
South 32 Limited Agreement (note 13)
Subsequent Events (note 15)

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

Approved on behalf of the Board of Directors

Signed "Alberto F. Orcoyen" , Director

Signed "Paul Andersen" , Director

Minsud Resources Corp.

Condensed Interim Consolidated Statements of Changes in Equity
For the Six Months Ended June 30, 2025 and 2024
Unaudited - see Notice to Reader
(All Amounts in Canadian Dollars Unless Otherwise Noted)

	Number of Common Shares	Issued Capital	Share-based Payment Reserve	Share Subscriptions Payable	Cumulative Translation Reserve	Deficit	Non-Controlling Interest	Total Equity
Balance at January 1, 2025	164,948,515	$ 19,400,242	$ 13,077,248	$ -	$ 5,776,042	$ (16,318,574)	$ -	$ 21,934,958
Loss for the period attributable to shareholders of the Company	-	-	-	-	-	(834,621)	-	(834,621)
Loss for the period attributable to								
Other comprehensive income for the period	-	-	-	-	(5,187,286)	-	-	(5,187,286)
	164,948,515	19,400,242	13,077,248	-	588,756	(17,153,195)	-	15,913,051
Share subscriptions payable (note 8)	-	-	-	848,706	-	-	-	848,706
Share-based payments (note 9)	-	-	240,287	-	-	-	-	240,287
Balance at June 30, 2025	164,948,515	$ 19,400,242	$ 13,317,535	$ 848,706	$ 588,756	$ (17,153,195)	$ -	$ 17,002,044

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

Minsud Resources Corp.

Condensed Interim Consolidated Statements of Changes in Equity
For the Six Months Ended June 30, 2025 and 2024
Unaudited - see Notice to Reader
(All Amounts in Canadian Dollars Unless Otherwise Noted)

	Number of Common Shares	Issued Capital	Share-based Payment Reserve	Cumulative Translation Reserve	Deficit	Non-Controlling Interest	Total Equity
Balance at January 1, 2024	164,090,694	$ 19,388,155	$11,232,606	$ (1,262,220)	$(24,400,094)	$ 14,474	$ 4,972,921
Income (Loss) for the period attributable to shareholders of the Company (note 14)	-	-	-	-	9,291,540	-	9,291,540
Loss for the period attributable to non-controlling interests	-	-	-	-	-	(2,134)	(2,134)
Other comprehensive income for the period (note 14)	-	-	-	883,263	-	(17,927)	865,336
	164,090,694	19,388,155	11,232,606	(378,957)	(15,108,554)	(5,587)	15,127,663
Exercise of stock options (note 8)	67,821	17,674	(17,674)	-	-	-	-
Share-based payments (note 9)	-	-	1,243,782	-	-	-	1,243,782
Common shares issued to acquire remaining 0.37% interest of MSA (notes 2 and 8)	790,000	19,685	-	-	-	(19,685)	-
Effects of change in non-controlling interest (note 2(b))	-	(25,272)	-	(606,086)	-	25,272	(606,086)
Balance at June 30, 2024	164,948,515	$ 19,400,242	$12,458,714	$ (985,043)	$(15,108,554)	$ -	$ 15,765,359

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

Minsud Resources Corp.

Condensed Interim Consolidated Statements of Cash Flows
For the Periods Ended June 30, 2025 and 2024
Unaudited - see Notice to Reader
(All Amounts in Canadian Dollars Unless Otherwise Noted)

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Operating Activities		(note 14)		(note 14)
Net income (loss) for the period	$ (900,463)	$ 10,656,533	$ (834,621)	$ 9,289,406
Items not affecting cash flows from operating activities:				
Hyperinflation - monetary loss	-	-	-	489,840
Items not affecting cash:				
Share-based payments (note 9)	170,520	620,379	240,287	1,243,782
Share of loss (gain) of MSA (note 5)	509,004	(1,824,766)	53,605	(1,824,766)
Gain on loss of control of MSA (note 5)	-	(8,577,404)	-	(8,577,404)
	(220,939)	874,742	(540,729)	620,858
Net changes in non-cash working capital:				
Input tax credits receivable	3,180	16,076	20,385	1,949
Prepaid expenses and deposits	(177)	5,457	28,268	(11,217)
Accounts payable and accrued liabilities	(60,618)	41,380	(141,642)	(1,498,873)
	(278,554)	937,655	(633,718)	(887,283)
Financing Activities				
Share subscriptions	848,706	-	848,706	-
Investing Activities				
Mineral property expenditures	-	-	-	(1,893,767)
Purchase of property and equipment (note 5)	-	-	-	(63,779)
Proceeds from deferred exploration recovery (note 13)	-	-	-	2,024,587
Cash of MSA derecognized on loss of control	-	(1,530,778)	-	(1,530,778)
	-	(1,530,778)	-	(1,463,737)
Change in Cash and Cash Equivalents	570,152	(593,123)	214,988	(2,351,020)
Cash and Cash Equivalents - Beginning of Period	351,478	1,718,508	706,642	3,476,405
Cash and Cash Equivalents - End of Period	$ 921,630	$ 1,125,385	$ 921,630	$ 1,125,385
Cash and cash equivalents is comprised of:				
Cash	$ 911,630	$ 1,115,385	$ 911,630	$ 1,115,385
Cash equivalents	10,000	10,000	10,000	10,000
Total	$ 921,630	$ 1,125,385	$ 921,630	$ 1,125,385
Supplemental Cash Flow Information				
Interest received	$ 462	$ 2,593	$ 732	$ 5,452

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

1. Business of the Company

Minsud Resources Corp. (the "Company") was incorporated under the Ontario Business Corporations Act on October 11, 2007 and is a publicly listed company on the TSX Venture Exchange under the symbol "MSR". The registered office and principal place of business is located at 340 Richmond Street West, Toronto Ontario.

As of June 30, 2025, the Company holds a 49.9% (2024 - 99.63%) ownership interest in Minera Sud Argentina S.A. ("MSA"), a company that is in the process of exploring its mineral resource properties located in Argentina. To date, MSA has not earned significant revenues and is considered to be in the exploration stage. See notes 5, 7 and 13 for further discussion of MSA and its resource properties.

2. Basis of Presentation and Going Concern

a) Statement of Compliance

The Company's condensed interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting." These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024, which were prepared with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee. These condensed interim consolidated financial statements have been prepared following the same accounting policies used in the preparation of the Company's audited consolidated financial statements for the year ended December 31, 2024, and were approved by the Board of Directors of the Company on August 29, 2025.

b) Basis of Consolidation

These consolidated financial statements include the accounts of the Company, its wholly-owned subsidiary, Minsud Argentina Inc ("MAI"). The comparative period includes the accounts of the Company, MAI and MAI's subsidiary Minera Sud Argentina S.A. ("MSA") as the Company still owned 99.63% of MSA as at March 31, 2024. Upon close of the transaction with South32 on April 5, 2024, MAI's interest in MSA was reduced to 49.9% (see notes 5 and 13).

MAI acquired 10,309,400 of the 10,852,000 outstanding common shares of MSA at May 10, 2011, representing a 95% ownership interest in MSA. At that time, the Company also entered into a put and call option agreement with respect to the remaining 542,600 shares of MSA (representing 5% of the total number of issued and outstanding shares of MSA immediately prior to acquisition). On April 4, 2024, the Company exercised the put and call option and issued 790,000 common shares of the Company in exchange for the remaining 542,600 shares of MSA.

As at June 30, 2025, MAI held 145,494,299 (December 31, 2024 - 145,494,299) of the 291,571,799 (December 31, 2024 - 291,571,799) outstanding common shares of MSA, representing an ownership interest of 49.90% (December 31, 2024 - 49.90%).

2. Basis of Presentation and Going Concern (continued)

b) Basis of Consolidation (continued)

Consolidation of an investee begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that ownership of a majority of voting rights results in control. To support this presumption, and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangement(s); and
- The Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the Company's accounting policies. All inter-company assets and liabilities, equity, income, expenses and cash flows relating to intercompany transactions are eliminated in full on consolidation.

2. Basis of Presentation and Going Concern (continued)

c) Going Concern

MSA has not established whether it's mineral properties contain resources or reserves that are economically recoverable. The ability of the Company to recover its investment in MSA is dependent upon the discovery of economically recoverable resources or reserves, the ability of the shareholders' of MSA to arrange appropriate financing to complete the development of properties, and upon future profitable production, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis, all of which are uncertain.

The Company's ability to continue as a going concern is dependent upon, but not limited to, its ability to raise financing necessary to fund its share of the exploration programs of MSA to the extend it wishes to avoid dilution of its ownership inerest in MSA, discharge its liabilities as they become due and generate positive cash flows from operations.

These condensed interim consolidated financial statements are prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not generated revenue from operations. During the six months ended June 30, 2025, the Company incurred a net loss of $834,621 (2024 - net income of $9,289,406) and as of that date, the Company's deficit was $17,153,195 (December 31, 2024 - $16,318,574). As at June 30, 2025, the Company has current assets of $952,688 (December 31, 2024 - $786,353) and current liabilities of $198,764 (December 31, 2024 - $340,406). The Company has working capital of $753,924 as at June 30, 2025 (December 31, 2024 - working capital of $445,947).

The prices of metals and minerals fluctuate widely and are affected by many factors outside of the Company's control. The prices of metals and minerals and future expectation of such prices have a significant impact on the market sentiment for investment in mining and mineral exploration companies. This in turn may impact the Company's ability to raise equity financing for its long-term working capital requirements.

The above noted events and conditions give rise to a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not give effect to adjustments that may be necessary, should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these condensed interim consolidated financial statements.

3. Material Accounting Policies

The accounting policies are consistent with those of the Company's audited consolidated financial statements for the year ended December 31, 2024.

4. Critical Accounting Judgments, Estimates and Assumptions

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments with respect to future events. These estimates and judgments are based on past experience and other factors, in particular, forecasts of future events that are reasonable in the circumstances. The actual results are likely to differ from the estimates, assumptions and judgments made by management.

The following paragraphs describe the most critical management estimates and assumptions in the recognition and measurement of assets, liabilities and expenses and the most critical management judgments in applying accounting policies.

Estimates

i) Share-based payments

The estimate of share-based payment and the fair value of warrants requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the expected life of options and forfeiture rates. The model used by the Company is the Black-Scholes option pricing model. Changes in the subjective input assumptions, such as the expected price volatility, can materially affect the fair value estimate.

Critical Judgments

i) Impairment of mineral properties

Mineral properties are tested for impairment when facts or circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company determines the recoverable amount of the mineral property, which is the higher of an asset's fair value less costs of disposal or value in use. An impairment loss is recognized if the carrying value exceeds the recoverable amount. The recoverable amount of a mineral property may be determined by reference to estimated future operating results and discounted net cash flows, current market valuations of similar properties or a combination of the above. In undertaking this review, management of the Company is required to make significant estimates of, amongst other things: reserve and resource amounts, future production and sale volumes, forecast commodity prices, future operating, capital and reclamation costs to the end of the mine's life and current market valuations from observable market data which may not be directly comparable. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverable amount of a specific mineral property asset. Changes in these estimates could have a material impact on the carrying value of the mineral property amounts and the impairment losses recognized.

4. Significant Accounting Judgments, Estimates and Assumptions (continued)

Critical Judgments (continued)

ii) Functional currency of foreign subsidiaries

Management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. As part of this approach, management gives priority to indicators like the currency that mainly influences costs and the currency in which those costs will be settled and the currency in which funds from financing activities are generated. Management also assesses the degree of autonomy the foreign operation has with respect to operating activities.

iii) Hyper-inflationary accounting

The Company has designated Argentina as a hyper-inflationary economy and has therefore employed the use of the hyper-inflationary accounting to consolidate and report MSA (until the loss of control of MSA - see note 5). The determination of whether an economy is hyper-inflationary requires the Company to make certain estimates and judgments, such as an assessment of historic inflation rates and anticipation of future trends. In addition, the application of hyperinflationary accounting requires the selection and use of price indices to estimate the impact of inflation on the non-monetary assets and liabilities, and results of operations of the Company. The selection of price indices is based on the Company's assessment of various available price indices on the basis of reliability and relevance. Changes in estimates may significantly impact the carrying value of nonmonetary assets or liabilities, and results of operations, which are subject to hyper-inflationary adjustments, and the related gains and losses within the other comprehensive income.

iv) Significant influence

When a Company has an intestment in another entity, it must determine whether it has control or significicant influence over the entity, or neither, in order to properly account for its investment in the entity. Upon the loss of control of MSA, management determined the Company has significant influence as it pertains to its investment in MSA. The Company continues to own 49.9% of MSA, and is a party to a shareholder agreement that allows the Company to nominate two of five Directors of MSA.

v) Fair value of investment of MSA

Upon the loss of control of MSA, management determined the Company has significant influence as it pertains to its investment in MSA. As such, the Company accounts for its investment in MSA using the equity method which requires the Company to recognize its investment in MSA at fair value upon loss of control. The fair value of the Company's investment in MSA has been based on an agreement between the two arm's length parties. As MSA is a private company the Company's determination of fair value requires significant judgement.

5. Investment in MSA

Upon the issuance of a 50.1% ownership interest in MSA to South32 on April 5, 2024, the Company no longer controlled MSA and, as such, ceased consolidating MSA with the accounts of the Company. On April 5, 2024, the Company and South32 entered into a Shareholders' Agreement with respect to the operation and governance of MSA. In addition to retaining a 49.9% ownership in MSA, the Company has the ability to nominate two of the five directors of MSA, with both factors being indicators of the Company having significant influence over MSA. As the Company has significant influence over MSA, the Company has accounted for its investment in MSA using the equity method. The Company has recorded its initial investment in MSA at the time of its loss of control at its fair value of $13,972,000, the agreed upon amount between the Company and South32 as arm's length parties, as established by the Shareholders' Agreement of MSA. Movement in the Company's investment in MSA for the year ended December 31, 2024, and the six months ended June 30, 2025, are as follows:

Carrying value - January 1, 2024	$ -
Recognition of investment in MSA at fair value	13,972,000
Share of net income (loss)	1,740,969
Share of other comprehensive income (loss)	5,776,042
Carrying value - December 31, 2024	21,489,011
Share of net income (loss)	(53,605)
Share of other comprehensive income (loss)	(5,187,286)
Carrying value - June 30, 2025	$ 16,248,120

5. Investment in MSA (continued)

Presented below is summarized financial information of MSA for the six months ended June 30, 2025 and from April 5, 2024 to June 30, 2024, and as at June 30, 2025 and December 31, 2024.

	As at June 30, 2025	As at December 31, 2024
Cash and cash equivalents	$ 2,511,314	$ 2,587,845
Other current assets	2,134,496	1,465,221
Total current assets	4,645,810	4,053,066
Non-current assets	68,918,528	67,278,916
Current liabilities	3,531,135	3,166,041
Non-current liabilities	-	-
Net assets	$ 70,033,203	$ 68,165,941

	Six months ended June 30, 2025	For the period from April 5, 2024 to June 30, 2024
		(note 14)
Net income (loss)	$ (107,425)	$ 3,656,846
Other comprehensive income (loss)	(10,395,362)	(1,974,035)
Net income (loss) and comprehensive income (loss)	$ (10,502,787)	$ 1,682,811

Upon measuring the Company's retained investment in MSA upon its loss of control, the Company recognized a gain of $7,976,375 which was calculated as follows.

Derecognition of assets of MSA	$ (44,907,128)
Derecognition of liabilities of MSA	40,217,591
Derecognition of items of accumulated other comprehensive income related to investment in MSA	606,086
Recognition of liability due to MSA	(29,853)
Recognition of deferred expense recovery	(601,029)
Recognition of investment in MSA at historical cost	17,552,526
Gain on loss of control of MSA before the undernoted	12,838,193
Difference between historical cost and fair value of investment in MSA	(3,580,526)
Impairment of mineral property expenditures paid for by Canadian entities	(1,281,292)
Gain on loss of control of MSA	$ 7,976,375

6. Property and Equipment

As at June 30, 2025 and December 31, 2024, the Company did not have any items of property and equipment. In prior periods, the items of property and equipment included in the consolidated finanical statements of the Company were assets of MSA. Upon loss of control of MSA on April 5, 2024, these assets were derecognized from the consolidated financial statements of the Company. As at June 30, 2024, the composition of the Company's property and equipment was as follows:

As at June 30, 2024	Vehicles	Office Equipment	Facilities	Other	Total
Cost					
Balance, beginning of period	$ 221,257	$ 225,323	$ 110,143	$ 10,798	$ 567,521
Additions	63,779	-	-	-	63,779
Currency translation adjustments	(6,844)	(6,970)	(3,407)	(319)	(17,540)
Effects of hyperinflation	124,489	118,655	58,000	5,438	306,582
Derecognition upon loss of control of MSA[(1)]	(402,681)	(337,008)	(164,736)	(15,917)	(920,342)
Balance, end of period	-	-	-	-	-
Accumulated depreciation					
Balance, beginning of period	(75,017)	(84,188)	(15,057)	(1,688)	(175,950)
Depreciation	(17,765)	(17,018)	(3,844)	(789)	(39,416)
Currency translation adjustments	2,680	2,962	547	69	6,258
Effects of hyperinflation	(39,254)	(44,333)	(7,927)	(890)	(92,404)
Derecognition upon loss of control of MSA[(1)]	129,356	142,577	26,281	3,298	301,512
Balance, end of period	-	-	-	-	-
Net carrying amount as at June 30, 2024	$ -	$ -	$ -	$ -	$ -

During the three months ended March 31, 2024, depreciation expense was capitalized to mineral properties.

(1) Upon loss of control of MSA, the Company derecognized the cost and accumulated depreciation of MSA's property and equipment.

7. Mineral Properties

As at June 30, 2025 and December 31, 2024, the Company did not have any mineral property assets. In prior periods, the mineral property assets included in the consolidated finanical statements of the Company were assets of MSA. Upon loss of control of MSA on April 5, 2024, these assets were derecognized from the consolidated financial statements of the Company. As at June 30, 2024, the composition of the Company's mineral properties was as follows:

	San Juan Province Chita Valley				
As at June 30, 2024	**Chita**	**Brechas Vacas**	**Minas de Pinto**	**Other**	**Total**
Balance, beginning of period	$ 15,794,414	$ 7,753,825	$ 3,827,373	$ -	$ 27,375,612
Exploration activities [(1)]	2,101,229	482,412	37,446	-	2,621,087
Currency translation adjustments	(505,672)	(242,231)	(114,605)	-	(862,508)
Effects of hyperinflation	8,115,810	4,010,589	1,942,226	-	14,068,625
Derecognized upon loss of control of MSA[(2)]	(25,505,781)	(12,004,595)	(5,692,440)	-	(43,202,816)
Balance, end of period	$ -	$ -	$ -	$ -	$ -

[(1)]Amounts recorded as exploration activities include fees paid for drilling, construction of roads and labour and technical fees.

[(2)] Upon loss of control of MSA, the Company derecognized the carrying value of all capitalized mineral property expenditures.

Chita Property

Between the years ended December 31, 2006, and December 31, 2017, the Company, through MSA, entered into and completed an Exploration Agreement and a Purchase Option pursuant to which it acquired a 100% ownership interest in the mining properties identified as Proyecto Chita in the Chita Valley, in the Province of San Juan, Argentina. The Chita Property includes the Chita I, II, III, IV, V and VI mining concessions, as well as the Romina, Lucrecia and Mabel mining concessions. During the year ended December 31, 2022, MSA acquired an additional mineral property named “Mina Gabriela” located in the central area of the Chita property, in San Juan Province, Argentina.

The capitalized value of aggregate expenditures on the Chita property were derecognized upon the Company's loss of control of MSA on April 5, 2024 (see note 5).

7. Mineral Properties (continued)

Brechas Vacas Property

Between the years ended December 31, 2007 and December 31, 2021, the Company, through MSA, entered into and completed an Exploration Agremeent and Purchase Option (with a number of addendums) pursuant to which it acquired a 100% beneficial interest in the Brechas Vacas Trust which owns a 100% ownership interest in the mining properties (the "Brechas Vacas owners") identified as Proyecto Brechas Vacas, located in the Chita Valley, in the Province of San Juan, Argentina (the "Brechas Vacas property").

The original Brechas Vacas owners have retained a 0.6% Net Smelter Return ("NSR") royalty on the Brechas Vacas property with MSA having the option to purchase 0.3% of the 0.6% NSR royalty, at any time, for a one-time payment of US$400,000.

The capitalized value of aggregate expenditures on the Brechas Vacas property were derecognized upon the Company's loss of control of MSA on April 5, 2024 (see note 5).

Minas de Pinto Property

Between the years ended December 31, 2010 and December 31, 2023, the Company, through MSA, entered into and completed an Exploration Agremeent and Purchase Option (with a number of addendums) pursuant to which it acquired a 100% beneficial interest in the Minas de Pino Trust which owns a 100% ownership interest in the mining properties identified under the name of Proyecto Minas de Pinto, located in the Chita Valley in the Province of San Juan, Argentina. Included in Proyecto Minas de Pinto are the Arqueros, Don Marcos, Estrellita, Paulita, Paulita II, Pierina II, Pierina III, San Pablo, and San Urbano mining concessions.

The capitalized value of aggregate expenditures on the Minas de Pinto property were derecognized upon the Company's loss of control of MSA on April 5, 2024 (see note 5).

Trust Agreement with Landowners

On December 5, 2022, the Company signed a "Trust Agreement" with landowners in the Chita Valley Project, which includes the Chita Property, the Brachas Vacas Property, and the Minas de Pinto Property. The Trust Agreement grants the purchase option of the property for a cash payment of US$1,500,000 (the "Purchase Price") during a term of 15 years, which can be paid at any time during the life of the Trust Agreement. The Purchase Price turns into an obligation if an "Acceleration Event" occurs, such as a confirmation by the Ministry of Mining of the Province of San Juan approving the feasibility study of the Chita Valley Project. To maintain the purchase option in good standing, the Company must comply with the following staggered payment (the "Maintenance Payments"): from year one to year five, annual payments of US$20,000; from year six to year ten, annual payments of US$40,000; and from year eleven to year fifteen, annual payments of US$100,000. The Maintenance Payments are in addition to the Purchase Price and are required until the Company's satisfaction of the Purchase Price. After the end of each five-year tranche, the Company must demonstrate a minimum annual investment of US$1,000,000 under the "Mineral Properties" asset, as disclosed in its annual consolidated financial statements.

7. Mineral Properties (continued)

La Rosita Property

On January 15, 2024, the Company signed an agreement to transfer MSA's ownership of the properties constituting the La Rosita project to an arm's length acquirer. In exchange for the transfer, MAI will receive a 2.5% net smelter royalty ("NSR") on the La Rosita project. The acquirer has the option to acquire 50% of the NSR for US$1,500,000.

8. Issued Capital

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series.

During the six months ended June 30, 2025, the Company received subscriptions for 1,146,900 common shares at a price of $0.74 per share for gross proceeds of $848,706 pursuant to a non-brokered private placement. On July 2, 2025, the Company closed the non-brokered private placement and issued 1,146,900 common shares. No commissions or finder's fees were paid in connection with the non-brokered private placement.

On April 4, 2024, the Company issued 790,000 common shares in exchange for the remaining 542,600 shares of MSA pursuant to the Company's exercise of the put and call option discussed in note 2(b).

On February 5, 2024, the Company issued 67,821 common shares to a former officer pursuant to the cashless exercise of 100,000 stock options.

9. Stock Option Plan

On November 29, 2011 a new form of stock option plan (the "2011 Plan") was approved by the shareholders at the annual and special meeting of shareholders held that day. The 2011 Plan is a rolling stock option plan. Options to purchase up to 10% of the total number of Company's shares issued and outstanding at the date of any grant are issuable pursuant to the 2011 Plan. The 2011 Plan is a rolling plan as the number of options which may be granted pursuant to the 2011 Plan will increase as the number of the Company's shares, which are issued and outstanding, increases. If an option expires or is otherwise terminated for any reason, the number of the Company's shares in respect of that expired or terminated option shall again be available for the purposes of the 2011 Plan. Pursuant to the policies of the Exchange, the shareholders of the Company are required to approve, on a yearly basis, stock option plans which have a rolling plan ceiling. Options issued under the 2011 Plan are non-assignable and non-transferable and may be granted for a term not exceeding ten years. The 2011 Plan is administered by the Company's board of directors (the "Board of Directors") or a committee established by the Board of Directors for that purpose (the "Committee"). The 2011 Plan may be amended, subject to applicable regulatory and shareholder approval, or terminated by the Board of Directors or the Committee at any time, but such amendment or termination will not alter the terms or conditions of any option awarded prior to the date of such amendment or termination. Any option outstanding when the 2011 Plan is amended or terminated will remain in effect until it is exercised or expires or is otherwise terminated in accordance with the provisions of the 2011 Plan. The 2011 Plan provides that other terms and conditions, including vesting provisions, may be attached to a particular stock option at the discretion of the Board of Directors or the Committee, provided that, if required by any stock exchange on which the shares of the Company trades, options issued to consultants which provide investor relations activities must vest in stages over not less than 12 months with no more than one-quarter of the options vesting in any three-month period. All option grants are to be evidenced by the execution of an option agreement between the Company and the optionee which shall give effect to the provisions of the 2011 Plan. Options may be granted under the 2011 Plan only to directors, officers, employees and other service providers of the Company subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Company's shares may be listed or may trade from time to time.

The aggregate number of the Company's shares which may be reserved for issuance to any one individual under the 2011 Plan within any 12 month period shall not exceed 5% of the Company's shares issued and outstanding at the date of the grant (on a non-diluted basis). Further, the aggregate number of the Company's shares which may be reserved for issuance under the 2011 Plan: (a) to any consultant to the Company shall not exceed 2% of the number of the Company's shares issued and outstanding on the date of the grant (on a non-diluted basis) and (b) to all employees or consultants who provide investor relations activities shall not exceed 2% of the number of the Company's shares issued and outstanding on the date of the grant (on a non-diluted basis). In the event an optionee ceases to be a service provider or employee of the Company (other than by reason of death), the vested stock options will expire on the earlier of the expiry date stated in the option agreement executed in respect of such grant and one year following the date of termination. In the event of death of an optionee, all options will be automatically exercisable by the personal representatives of the optionee within, but only within, the period of one year next succeeding the optionee's death and prior to the expiry date of the option, whichever is sooner. The price at which an optionee may purchase a Company's share upon the exercise of an option will be as set forth in the option agreement executed in respect of such option and, in any event, will not be less than the market price of the Company's shares as of the date of the grant of the stock option (the "Grant Date") less any discounts from the market price allowed by the Exchange, subject to a minimum exercise price of $0.10. The market price of the Company's shares means the closing price on the last trading day immediately preceding the Grant Date. The Company's shares will not be issued pursuant to options granted under the 2011 Plan until they have been fully paid for.

9. Stock Option Plan (continued)

During the year ended December 31, 2023, the Company amended its stock option plan to allow for option holders to exercise options on a "Net Exercise" basis. Net Exercise is a method of option exercise under which the option holder does not make any payments to the issuer for the exercise of their options and receives on exercise a number of shares equal to the intrinsic value (current market price less the exercise price) of the option valued at the current market price. Under TSX Venture Policy 4.4, the current market price must be the 5-day volume weighted average trading price prior to option exercise. Net Exercise may not be utilized by persons performing investor relations services.

i) Movements in stock options during the period:

	Number of Options	Weighted Average Exercise Price
Balance - January 1, 2024	12,726,000	$ 0.45
Options granted	650,000	0.80
Options exercised [(1)]	(100,000)	(0.30)
Balance - December 31, 2024	13,276,000	$ 0.45
Options granted	600,000	0.60
Balance - June 30, 2025	13,876,000	$ 0.47

[(1)] The market price of the Company's shares on the date the options were exercised during the year ended December 31, 2024 was $1.04 per share.

9. Stock Option Plan (continued)

During the six months ended June 30, 2025:

a) The Company granted 600,000 incentive stock options to certain directors of the Company. The stock options are exercisable at price of $0.60 per share, all of which shall vest one-quarter on June 6, 2025, one-quarter on December 6, 2025, one-quarter on June 6, 2026, and one-quarter on December 6, 2026, and shall be exercisable for a period of five years from the date of issuance.

The fair value of these options was estimated at the grant date based on the Black-Scholes option pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	2.60%
Expected life	5.0 years
Expected volatility	132%
Share price	$0.70
Exercise price	$0.60

The fair value of the granted stock options of $369,188 was estimated using the Black-Scholes option pricing model as the fair value of the services received could not be reliably measured. The fair value of the vested stock options during the six months ended June 30, 2025, was $114,514 (2024 - $nil).

During the year ended December 31, 2024:

b) The Company granted 650,000 incentive stock options to certain directors of the Company. The stock options are exercisable at price of $0.80 per share, all of which shall vest one-quarter on June 5, 2024, one-quarter on December 5, 2024, one-quarter on June 5, 2025, and one-quarter on December 5, 2025, and shall be exercisable for a period of five years from the date of issuance.

The fair value of these options was estimated at the grant date based on the Black-Scholes option pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	3.07%
Expected life	5.0 years
Expected volatility	238%
Share price	$1.00
Exercise price	$0.80

The fair value of the granted stock options of $645,813 was estimated using the Black-Scholes option pricing model as the fair value of the services received could not be reliably measured. The fair value of the vested stock options during the six months ended June 30, 2025, was $122,332 (2024 - $201,934).

The remaining share-based payments expense of $3,441 (2024: $1,041,848) relates to the continued vesting of stock options granted prior to the year ended December 31, 2024.

9. Stock Option Plan (continued)

ii) Stock options outstanding at the end of the period

Exercise Price	Options Vested	Options Unvested	Remaining Contractual Life (Years)	Expiry Date
$ 0.10	1,400,000	-	0.04	July 16, 2025
$ 0.15	416,000	-	0.62	February 12, 2026
$ 0.30	2,810,000	-	1.62	February 12, 2026
$ 0.30	2,450,000	-	2.53	January 9, 2028
$ 0.38	50,000	-	2.83	April 27, 2028
$ 0.70	5,300,000	-	2.87	May 11, 2028
$ 0.87	200,000	-	3.10	August 4, 2028
$ 0.80	487,500	162,500	3.93	June 5, 2029
$ 0.60	150,000	450,000	4.94	June 6, 2030
	13,263,500	612,500	2.34	

As at June 30, 2025, 2,618,851 stock options are available for issuance at the discretion of the Company's Board of Directors pursuant to the Company's stock option plan.

10. Related Party Transactions and Balances

During the period ended June 30, 2025, the Company incurred the following related party transactions:

i) Transactions

a) Total salaries and fees of $63,376 (2024 - $82,146) was charged by the Company's former CEO and current director. These amounts have been expensed to professional fees.

b) A total of $22,800 of accounting and regulatory compliance fees (2024 - $22,000) and $12,000 of CFO fees (2024 - $12,000) was charged by a company in which the Company's CFO is an officer. These amounts have been expensed to professional fees.

c) Professional fees of $nil (2024 - $32,483) was charged by the Company's former Vice-President (Exploration). These amounts have been capitalized to mineral properties. Prior to the loss of control of MSA, these amounts have been capitalized to mineral properties. Following the loss of control, these amounts have been expensed as professional fees.

d) A company previously providing the services of Vice-President (Exploration) to the Company charged fees of $56,004 (2024 - $Nil) and other consulting fees of $25,663 (2024 - $Nil).

e) Professional fees of $10,914 (2024 - $nil) and other consulting fees of $28,187 (2024 - $nil) were charged by the Company's Vice-President (Exploration).

10. Related Party Transactions and Balances (continued)

ii) Period-end balances

a) As at June 30, 2025, accounts payable and accrued liabilities included $Nil (December 31, 2024 - $21,311) payable to the Company's former CEO and current director.

b) As at June 30, 2025, accounts payable and accrued liabilities included $49,214 (December 31, 2024 - $50,067) payable to a company in which the Company's CFO is an officer.

c) As at June 30, 2025, accounts payable and accrued liabilities included $nil (December 31, 2024 - $32,927) payable to a company previously providing the services of Vice-President (Exploration) to the Company.

Amounts owing to related parties are non-interest bearing and have no repayment terms.

11. Financial Instruments

Fair Values

The carrying amounts for the Company's cash and cash equivalents, accounts payable and accrued liabilities, other liabilities, and trust acquisition payable approximate their fair values because of the short-term nature or immaterial interest rate risk of/for these items.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to meet its obligations and cause a financial loss. The Company is not exposed to any significant credit risk as at June 30, 2025. The Company's maximum exposure is limited to its cash as presented in the consolidated statements of financial position. The Company's cash and cash equivalents are on deposit with highly rated financial institutions in Canada and Argentina. The Company's exposure to and management of credit risk has not changed materially from that of the prior year.

Liquidity Risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2025, the Company has current assets of $952,688 (December 31, 2024 - $786,353) and current liabilities of $198,764 (December 31, 2024 - $340,406). The Company has working capital as at June 30, 2025 of $753,924 (December 31, 2024 - $445,947). All of the Company's current financial assets and liabilities, with the exception of the current portion of trust acquisition payable, have contractual maturities of less than 30 days and are subject to normal trade terms. The Company's exposure to and management of liquidity risk has not changed materially from that of the prior year.

11. Financial Instruments (continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk is comprised of price risk, foreign currency risk and interest rate risk. These risks are generally outside the control of the Company. The objective of the Company is to mitigate market risk exposures within acceptable limits, while maximizing returns. In order to mitigate these risks, the Company invests in financial instruments with carrying maturities and interest rates based on the Company's expected working capital requirements. The Company's market risk consists of risks from changes in foreign exchange rates, interest rates and market prices that affect its financial liabilities, financial assets and future transactions. The Company is not exposed to material price risk on its financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company has significant cash balances and it has no interest-bearing debt. The Company's exposure to interest rate risk is minimal as it does not hold any investments or debt that is subject to interest rate fluctuations. The Company's exposure to and management of interest rate risk has not changed materially from that of the prior year.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows from the Company's operations will fluctuate due to changes in foreign exchange rates. The Company has cash and cash equivalents and accounts payable and accrued liabilities denominated in United States Dollars (US$). The carrying value of these items may change due to fluctuations in foreign exchange rates. As the Company ordinarily raises capital through the issuance of common shares and warrants in Canadian Dollars, the Company is exposed to risk due to fluctuations in the foreign exchange rate between the United States Dollar and the Canadian Dollar. The Company's exposure to and management of foreign currency risk has not changed materially from that of the prior year.

Sensitivity Analysis

As at June 30, 2025, cash and cash equivalents includes US$551,764.

At June 30, 2025, if the Canadian Dollar had weakened (strengthened) 10 percent against the United States Dollar with all other variables held constant, the net loss for the period would have been $75,277 higher (lower).

12. Commitments

On July 10, 2024, the Company entered into a services agreement with a consultant for the position of Vice-President (Exploration) for a monthly fee of US$8,000 for a term of three months. Either party can terminate the agreement without consequence by giving 15 days advance notice to the other party. On October 1, 2024, this agreement was renewed for another three month period ending December 31, 2024. On January 1, 2025, this agreement was renewed for another six month period ending June 30, 2025. As of June 30, 2025, this agreement was not renewed.

On October 30, 2024, the Company entered into a services agreement with a consulting company (the "advisor") for the provision of certain strategic and financial advisory services with a potential success or tail fee to be paid to the advisor in the event the Company enters into certain transactions during a specified period of time. The agreement also included a monthly retainer fee of US$6,000 for a term of six months that ended on March 31, 2025.

On February 7, 2025, the Company entered into a services agreement with a consultant to act as an advisor for a monthly fee of US$5,000. On June 1, 2025, the Company and the advisor signed an addendum to the services agreement to reflect the appointment of the advisor to the position of Vice-President (Exploration) for a period of twelve months. Pursuant to the addendum, the monthly fee was increased to US$8,000 and the advisor is to be granted 150,000 stock options per year subject to approval by the Company's Board of Directors and in accordance with the Company's Stock Option Plan. Either party can terminate the agreement without consequence by giving 30 days advance notice to the other party.

13. South32 Limited Agreement

On November 1, 2019, the Company, MAI, and MSA, signed an earn-in agreement (the "Earn-in Agreement") with South32 Aluminium (Holdings) Pty Ltd ("South32"), a wholly-owned subsidiary of South32 Limited, to explore the Chita Valley Project, located in the San Juan Province, Argentina (the "Project"). The Company, MAI, MSA and South32 are together referred to as the "parties".

South32 Limited is a globally diversified mining and metals company producing bauxite, alumina, aluminum, energy and metallurgical coal, manganese, nickel, silver, lead and zinc at its operations in Australia, Southern Africa and South America.

Earn-in Agreement

The Earn-in Agreement granted to South32 the right to acquire up to a 50.1% direct interest in MSA at the end of the earn-in period.

Under the Earn-in Agreement, South32 was to provide up to $14 million in capital contributions to MSA over a period of 4 years, as follows: (i) not less than $3.5 million by December 31, 2020; (ii) not less than an aggregate of $7 million by December 31, 2021; (iii) not less than an aggregate of $10.5 million by December 31, 2022; and (iv) not less than an aggregate of $14 million by December 31, 2023.

13. South32 Limited Agreement (continued)

Earn-in Agreement (continued)

In accordance with the terms of the Earn-In Agreement, as amended between South32 and Minsud, South32 had the right to exercise its Earn-In Right upon advancing initial capital contributions to MSA of no less than $14 million (the "South32 Initial Capital Contribution") for a period of four years in order to fund MSA's exploration programs. South32 advanced the South32 Initial Capital Contribution within a period of three years and on April 13, 2023, in accordance with the Earn-In Agreement, exercised its Earn-In Right to acquire 50.1% of MSA.

As part of the exercise of the Earn-In Right the parties to the Earn-In Agreement have agreed to certain amendments to the Earn-In Agreement and the Shareholders' Agreement. One such amendment (the "Cash In Option") allows the Company to elect for South32's acquisition of the 50.1% stake in MSA to be effected by way of a subscription for shares of MSA in consideration for South32's Initial Capital Contribution.

On November 24, 2023, the Company exercised its Cash-In Option (and the acquisition of 50.1% ownership interest in MSA was expected to be completed on the earlier of (i) the completion of the Year 4 annual exploration program; and (ii) February 14, 2024. (the "Completion"). The date of Completion was deferred to April 5, 2024 as agreed upon by the parties.

On April 5, 2024, South32 was issued a 50.1% interest in MSA in consideration for the South32 Initial Capital Contribution pursuant to the Earn-in Agreement. At the same time, South32 and MAI entered into a shareholders' agreement to govern the management and operation of MSA which will include further exploration and, if economically feasible, the development and exploitation of the Chita Valley Project. MAI will not be obligated to contribute any amount to an approved program and budget for the Chita Valley Project until the later of (i) the date on which the aggregate of the South32 Initial Capital Contribution and future amounts contributed and funded by South32 in respect of MSA approved programs and budgets equals $42 million and (ii) April 5, 2026.

As at June 30, 2025, South32 had invested a total of $51.8 million (US$38.4 million) (December 31, 2024 - $44.4 million (US$33.1 million)) to the Earn-in Agreement. These payments were deferred as a reserve in shareholders' equity and represented a portion of the funding that formed the consideration for South32's investment in MSA.

During the year ended December 31, 2024, the Company recognized expense recoveries of $1,096,647 related to payments made by South32 pursuant to the Earn-in Agreement to cover certain operational expenses of the Company. These amounts had been recorded as deferred exploration recoveries in the statement of financial position in prior periods.

14. Comparative Figures

The Company has adjusted the amount of its share of the loss and currency translation adjustment of MSA for the period from April 5, 2024 to June 30, 2024.

15. Subsequent Events

i) Subsequent to June 30, 2025, the Company issued 600,000 common shares pursuant to the cashless exercise of 715,385 stock options.

ii) Subsequent to June 30, 2025, the Company issued 200,000 common shares pursuant to the exercise of 200,000 stock options for proceeds of $20,000.

iii) Subsequent to June 30, 2025, 484,615 stock options expired unexercised.

iv) Subsequent to June 30, 2025, the Company granted 150,000 stock options to a director and to a consultant of the Company. The stock options are exercisable at a price of $0.525 per share for a period of five years from the date of grant.

v) An additional subsequent event is disclosed in note 8.