



ARIZONA SONORAN
COPPER COMPANY

Arizona Sonoran Copper Company Inc.

Unaudited Interim condensed consolidated financial statements - March 31, 2026

(Expressed in thousands of United States dollars, except where otherwise indicated)

Arizona Sonoran Copper Company Inc.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of United States dollars)

<i>As at</i>	Notes	March 31, 2026	December 31, 2025
ASSETS			
Current assets			
Cash	\$	80,893	\$ 104,754
Receivables		227	772
Prepaid expenses and other		490	580
		81,610	106,106
Non-current assets			
Exploration and evaluation assets	5	145,554	137,456
Property and equipment	7	106,278	104,353
Right-of-use asset		43	57
		251,875	241,866
Total assets	\$	333,485	\$ 347,972
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8,10	\$ 12,601	\$ 6,397
Other current liabilities	7	5,935	5,935
Nuton liabilities	6	19,958	14,836
Current portion of lease liability		42	57
		38,536	27,225
Non-current Liabilities			
Other long-term liabilities	7	89,611	87,857
Nuton liabilities		-	4,563
DSU liability		3,585	2,490
		93,196	94,910
Total liabilities		131,732	122,135
SHAREHOLDERS' EQUITY			
Share capital	9	262,984	262,244
Contributed surplus	9	10,112	10,074
Deficit		(71,343)	(46,481)
Total shareholders' equity		201,753	225,837
Total liabilities and shareholders' equity	\$	333,485	\$ 347,972

Description of business (Note 1)

Commitments and contingencies (Note 11)

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

Arizona Sonoran Copper Company Inc.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in thousands of United States dollars, except for per share amounts)

<i>For the periods ended</i>	Notes	Three months ended	
		March 31,	March 31,
		2026	2025
Expenses			
Salaries and wages	10	\$ 5,854	\$ 290
Share-based compensation	9 (c),(d)	205	566
Professional fees		2,203	26
Directors' fees		146	148
Marketing and administration		624	449
Loss before other items		9,032	1,479
Other expenses/(income)			
Accretion		2	111
Finance expenses (income) and foreign exchange		4	(161)
Depreciation and amortization		13	-
Interest income		(843)	(292)
Loss on Nuton Termination	6	15,559	-
Incentive plan expense	9 (f)	1,095	452
		15,830	110
Loss and comprehensive loss for the period		\$ 24,862	\$ 1,589
Loss per share			
Basic and diluted		0.12	0.01
Weighted average number of common shares outstanding			
Basic and diluted		208,670,240	143,970,888

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

Arizona Sonoran Copper Company Inc.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in thousands of United States dollars)

	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Total
		\$	\$	\$	\$
Balance at January 1, 2025	135,523,952	137,424	8,701	(41,516)	104,609
Shares issued for cash, net	12,885,157	14,915	-	-	14,915
Options exercised	107,649	70	(28)		42
Stock options reserve			854		854
RSU reserve			27		27
Loss for the period	-	-	-	(1,589)	(1,589)
Balance at March 31, 2025	148,516,758	152,409	9,554	(43,105)	118,858
Balance at January 1, 2026	208,656,359	262,244	10,074	(46,481)	225,837
Options exercised	351,566	740	(167)	-	573
Stock options reserve	-	-	149	-	149
RSU reserve	-	-	56	-	56
Loss for the period	-	-	-	(24,862)	(24,862)
Balance at March 31, 2026	209,007,925	262,984	10,112	(71,343)	201,753

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

Arizona Sonoran Copper Company Inc.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of United States dollars)

<i>For the periods ended</i>	Three months ended	
	March 31, 2026	March 31, 2025
Cash used in:		
Operating activities		
Loss for the period	(\$24,862)	(\$1,589)
Adjustments to reconcile loss to net cash flows:		
Incentive plan expense	1,095	590
Share-based compensation	205	854
Accretion	-	77
Depreciation and amortization	-	5
Unrealized (gain)/loss on foreign exchange	260	(1,337)
Changes in working capital items		
Receivables	545	-
Prepaid expenses and other current assets	90	(456)
Accounts payable and accrued liabilities	6,219	519
Nuton Termination liability	15,559	-
Net cash used in operating activities	(889)	(1,337)
Investing activities		
Land acquisition	(171)	-
Expenditures on exploration and evaluation assets	(8,098)	(15,270)
Net cash used in investing activities	(8,269)	(15,270)
Financing activities		
Proceeds from sale of shares, net of expenses	-	14,985
Payments Nuton on liabilities	(15,000)	-
Proceeds from stock options exercise	573	-
Lease payments	(16)	(16)
Net cash (used)/provided by financing activities	(14,443)	14,969
Net decrease in cash	(23,601)	(1,638)
Effect of exchange rate changes on cash	(260)	1,337
Cash at beginning of the period	104,754	31,741
Cash at the end of the period	\$80,893	\$31,440

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

1. Description of Business

Arizona Sonoran Copper Company Inc. (“ASCU” or the “Company”) is a company focused on the assessment, consolidation, exploration, development, and eventual mining in the Santa Cruz Copper Mining District in southern Arizona. Its common shares trade on the Toronto Stock Exchange (“TSX”) under the symbol “ASCU” and on the Over-the-Counter Markets (“OTCQX”) under the symbol “ASCUF”.

The Company is incorporated in British Columbia, Canada and is the parent company of its direct and indirect wholly-owned subsidiaries Arizona Sonoran Copper Company USA Inc. (“ASUSA”) and Cactus 110, LLC (“Cactus 110”). ASUSA and Cactus 110 are incorporated in the State of Delaware and the entities with activities in the USA at the Cactus Project, which is a brownfield copper porphyry project, entirely on private and State land in Pinal County, Arizona, comprised of the Cactus East, Cactus West and Parks/Salyer copper deposits (including surface and mineral rights), among other private and State landholdings, water rights and other assets (the “Project” or the “Cactus Project”). The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration and development projects will result in profitable mining operations. The recoverability of amounts shown for mineral resource properties is dependent on several factors. These factors include the discovery of economically recoverable mineral reserves, the ability to complete development of these properties, and future profitable production or proceeds from the disposition of mineral properties.

Ownership interests in mineral properties involve risks due to the difficulties of determining and obtaining clear title to mineral interests as well as the potential for problems arising from the frequently ambiguous conveyance history of many mineral properties. The Company has investigated ownership of its mineral properties and to the best of its knowledge, ownership of its interests is in good standing.

The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The consolidated financial statements were prepared on a going concern basis and do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and the consolidated statement of financial position classifications that would be necessary if the going concern assumption was deemed inappropriate. These adjustments could be material.

The Company has incurred significant operating losses (a net loss of \$24,862 for the period ended March 31, 2026) and has yet to achieve profitable operations resulting in an accumulated deficit of \$71,343 as at March 31, 2026. The Company had \$80,893 of cash as at March 31, 2026 (December 31, 2025 - \$104,754) and working capital of \$43,074 (December 31, 2025 - \$78,881). Based on the Company’s liquidity position as at March 31, 2026, management has forecasted its cash flow requirements and believes that it has sufficient cash resources to support its planned committed operations for the next twelve months from March 31, 2026. The Company has further discretionary exploration and development activities which, if undertaken, are expected to result in the Company needing to obtain further financing in the form of debt, equity, or a combination thereof before March 31, 2027. Notwithstanding the Company’s historic funding, there is a risk that sufficient additional financing may not be available to the Company on acceptable terms, or at all.

On March 2, 2026, the Company announced that it entered into a definitive arrangement agreement pursuant to which Hudbay has agreed to acquire all of the issued and outstanding common shares of ASCU, not already owned by Hudbay and its affiliates, for consideration of 0.242 of a common share of Hudbay per common share of ASCU (the “Transaction”). If completed, the Transaction will result in Hudbay owning a 100% interest in ASCU.

2. Basis of Preparation

a) Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board, and with interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook – Accounting (“IFRS Accounting Standards”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34. These unaudited interim condensed consolidated financial statements do not include all the information and notes required by IFRS for annual financial statements and, therefore, should be read in conjunction with the audited annual consolidated financial statements and notes for the Company’s fiscal year ended December 31, 2025, which are available on SEDAR+ at www.sedarplus.ca.

These consolidated financial statements were authorized for issuance on May 7, 2026 by the Audit Committee on behalf of the Company’s Board of Directors.

e) Significant accounting judgments and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts and the valuation of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenditures during the periods reported. Management uses its best estimates for these purposes, based on assumptions that it believes reflect the most probable set of economic conditions and planned courses of action. However, actual results could differ materially from these estimates.

In preparing the interim financial statements, the significant judgments made by management in applying the Company’s accounting policies and key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements for the year ended December 31, 2025.

3. Material Accounting Policy Information

The Company’s accounting policies applied to all periods presented in these interim financial statements are consistent with the Company’s annual consolidated financial statements as at and for the year ended December 31, 2025. The Company has considered any new accounting pronouncements as relevant.

4. Accounting standards recently adopted or effective

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2025, except as follows.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7. These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income.

The amendments are effective for periods beginning on or after January 1, 2026 and adoption of these amendments did not have a material effect on the Company's condensed interim consolidated financial statements. The amendments have been applied retrospectively with no restatement of comparative information, in accordance with transition requirements on initial application of IFRS 9. There were no adjustments as a result of adoption of this standard amendment.

5. Exploration and evaluation assets

The following is the detail of the total Exploration and evaluation assets of the Company:

	Capitalized Exploration Costs Assets (\$)
Balance at December 31, 2025	137,456
Additions	8,098
Balance at March 31, 2026	145,554

The Company's mineral properties consist of capitalized exploration expenditures on the lands mentioned below as well as the acquisition costs of real property that make up the Cactus Project.

6. Nuton Option to Joint Venture and Termination

On February 17, 2026, the Company announced that it, ASCUSA and Cactus, and Nuton, had entered into an agreement dated February 16, 2026 to effect the termination of the Option Agreement ("Termination Agreement), as well as the termination of Nuton's investor rights agreement with the Company, effective immediately, resulting in the following payments from ASCUSA to Nuton:

1. \$15,000 on signing the Termination Agreement;
2. a deferred payment to Nuton of \$5,000 to be paid at the earlier of the 1-period anniversary of signing of the Termination Agreement or consummation of a change of control transaction; and
3. a deferred cash payment to Nuton of \$14,958 payable only on consummation of a change of control transaction that is publicly announced or subject to a definitive agreement within 24 months of signing of the Termination Agreement.

Under the Termination Agreement, Nuton provided Arizona Sonoran with all non-interpretative results of (i) completed analyses of Cactus Project ore samples and (ii) any completed 'Phase 2' metallurgical testing performed by or on behalf of Nuton under the Option Agreement prior to its termination.

Management derecognized the liabilities under the Option Agreement at December 31, 2025 and recognized the new obligations of the Termination Agreement. The liability for the upfront payment of \$15,000 and deferred payment of \$5,000 were initially measured at \$19,399 based on applying a discount based on the December 31, 2025 SOFR rate plus 4.25%.

As a result of the Transaction (see note 1), management considers the contingent payment of \$14,958 to be probable at March 31, 2026, and has accrued for its payment and the corresponding expense in the Unaudited Interim Condensed Consolidated Statement of Loss and Comprehensive Loss. The total liability as at March 31, 2026 is \$19,958.

7. Property and equipment

The following is the detail of the total property and equipment of the Company:

Arizona Sonoran Copper Company Inc.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of United States dollars except for share and per share amounts)

	Surface rights (Land) (\$)	Mine Fleet Light Vehicles and Equipment (\$)	Office Furniture and Equipment (\$)	Total (\$)
Cost	4,173	311	11	4,495
Additions	100,101	48	-	100,149
Disposals	-	(30)	-	(30)
Balance at December 31, 2025	104,274	329	11	104,614

Accumulated depreciation, amortization and impairment

Opening balance		(217)	(11)	
Depreciation	-	(33)	-	(33)
Balance at December 31, 2025	-	(250)	(11)	(261)
Net book value at December 31, 2025	104,274	79	-	104,353

Cost

Additions	1,938	-	-	1,938
Disposals	-	-	-	-
Balance at March 31, 2026	106,212	329	11	106,552

Accumulated depreciation, amortization and impairment

Opening balance				
Depreciation	-	(13)	-	(13)
Balance at March 31, 2026	-	(263)	(11)	(274)
Net book value at March 31, 2026	106,212	66	-	106,278

The Company completed the acquisition of 2,123 acres of land for the Project on August 29, 2025 comprised of 2,043 acres from a consortium ("Consortium Land") of related private corporate landowners and 80 acres from a single private landowner (collectively "2025 Purchased Lands").

The 80-acre parcel includes 100% of both surface and mineral rights. The 80-acre purchase price was \$30,000 per acre, with \$1,200 paid in cash on closing, with the remaining \$1,200 deferred subject to a non-interest-bearing Vendor Loan, to be paid in full in cash by maturity on June 27, 2026, with Cactus 110 having the right to pre-pay such loan, in whole or in part, at any time, without penalty. The deferred payment has been discounted to its initial carrying amount of \$1,149.

The Consortium Land includes 100% of the surface rights to such lands as well as all mineral rights held by the Consortium Vendors. The purchase price for the Consortium Land was comprised of cash on closing of \$2,000 and \$105 in transaction costs and 1,549,487 common

Arizona Sonoran Copper Company Inc.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****(Expressed in thousands of United States dollars except for share and per share amounts)**

shares with an accounting value of \$3,000 based on the share price on the date of issuance, and further deferred payments (the “Vendor Loans”) as follows:

2026	\$5,000 (up to \$3,000 in ASCU common shares, at Cactus 110’s sole option)
2027	\$5,000 (up to \$2,000 in ASCU common shares, at Cactus 110’s sole option)
2028	\$5,000 (up to \$2,000 in ASCU common shares, at Cactus 110’s sole option)
2029	\$82,152 price plus accrued interest

The Vendor Loans bear interest of 6% per annum accruing and capitalized annually, and is payable on maturity on August 28, 2029, with Cactus 110 having the right to pre-pay such loans, in whole or in part, at any time, without penalty. The initial carrying amount of the Vendor Loans of \$90,276 was determined using a discount rate of 9.12% based on SOFR data and publicly available peer transactions.

The Vendor Loans had a carrying value of \$95,546 at March 31, 2026, including capitalized accretion of \$\$1,754 (2025: \$2,368). The amount is included in other current liabilities and other long-term liabilities in the consolidated statement of financial position. Each of the Vendor Loans are secured by deed of trust on their respectively sold portions of the Consortium Land (and fixtures thereon) and a deed of trust on the ~750 acre ARCUS lands already owned by Cactus 110. In addition, one of the Consortium Vendors will hold additional security for its Vendor Loan pursuant to a modified deed of trust on 1,000 acres purchased by Cactus 110 in 2022.

In addition to the Consortium Purchase Price, an aggregate 0.5% net smelter returns royalty (“NSR”) on the Consortium Land was granted to a designee of the Consortium Vendors, on terms consistent with other NSRs on the Cactus Project. Cactus 110 has a right of first refusal on any sale, transfer, assignment or other conveyance of the NSR by the Consortium Vendors’ designee, other than to an affiliate.

8. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities comprise the following:

	March 31,		December 31,
	2026		2025
Trade payables	\$ 4,575	\$	1,325
Accrued liabilities	2,213		4,720
Other payables	5,813		352
	\$ 12,601	\$	6,397

9. Equity**a) Authorized share capital**

The Company is authorized to issue an unlimited number of common shares without par value. As at March 31, 2026, there were 209,007,925 common shares outstanding (December 31, 2025 – 208,656,359 common shares outstanding).

Arizona Sonoran Copper Company Inc.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of United States dollars except for share and per share amounts)

b) Issued Shares

The following are the equity transactions that occurred in the period ended March 31, 2026:

- The Company issued 351,566 common shares related to stock option exercises.

c) Stock Options

Under the terms of the LTIP, the Company is authorized to grant a combination of stock options and restricted share units up to 10% of the total number of common shares issued and outstanding at any given time.

The following is a continuity of the Company's stock options outstanding as at and for the period ended March 31, 2026:

<i>For the period ended</i>	March 31, 2026	
	Number of options	Weighted average exercise price
Options outstanding, beginning of period	7,823,792	\$ 1.34
Expired	(37,048)	1.34
Exercised	(351,566)	0.45
Options outstanding, end of period	7,435,178	\$ 1.34
Options exercisable, end of period	6,679,897	\$ 1.34

Details of stock options outstanding as at March 31, 2026 are as follows:

Range	Outstanding	Weighted Average Contractual Life	Weighted Average Exercise Price	Exercisable
\$0.75-\$1.15	2,201,648	2.80	\$1.17	2,046,082
\$1.15-\$1.48	4,983,530	3.58	\$1.42	4,383,815
\$1.48-\$2.00	250,000	0.27	\$1.92	250,000
Totals	7,435,178	3.24	\$1.34	6,679,897

No stock options were granted in the period ended March 31, 2026.

Total stock-based compensation recognized related to stock options during the period ended March 31, 2026 was \$149 (March 31, 2025: \$855).

d) Restricted Share Units ("RSUs")

Under the terms of the LTIP, RSUs can be settled in either cash, shares, or a combination thereof at the sole discretion of the Company. Such a decision is to be made on each vesting date. The Company considers these RSUs as equity-settled share-based payments and has no history of settling in cash to-date.

Arizona Sonoran Copper Company Inc.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****(Expressed in thousands of United States dollars except for share and per share amounts)**

The Company had the following RSUs outstanding as at and for the period ended March 31, 2026:

<i>For the period ended</i>	March 31, 2026	
	Number of RSUs	Weighted average price
RSUs outstanding, beginning of period	1,024,173	\$ 1.21
RSUs outstanding, end of period	1,024,173	\$ 1.21

Total stock-based compensation recognized related to RSUs during the period ended March 31, 2026 was \$56 (March 31, 2025: \$28).

e) **Deferred Share Units (“DSUs”)**

Under the terms of the DSU Plan, DSUs can be settled in either cash, shares, or a combination thereof at the discretion of the Board of Directors. The DSUs granted to the holders are to be held in a deferred share unit account until they become payable to the DSU holder on their termination date as a director. The Company considers these DSUs as cash-settled share-based payments based on a history of settling in cash to-date. The DSU liability was revalued at March 31, 2026, with a resulting expense of \$1,095 (March 31, 2025: \$452) recognized in the unaudited interim condensed consolidated statements of loss and comprehensive loss under gain on incentive plan for the period.

The Company had the following DSUs outstanding as at and for the period ended March 31, 2026:

<i>For the period ended</i>	March 31, 2026	
	Number of DSUs	Weighted average price
DSUs outstanding, beginning of period	713,937	\$ 1.38
DSUs outstanding, end of period	713,937	\$ 1.38

The fair value of each DSU granted was estimated to be \$1.31, which was based on the value of the director’s compensation on the date of the grants.

10. Related Party Transactions

The following are the related party transactions:

As at March 31, 2026, \$5,494 is owed from the Company to key management personnel and directors due to the Transaction.

The remuneration of the key executive management and directors was as follows:

Arizona Sonoran Copper Company Inc.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****(Expressed in thousands of United States dollars except for share and per share amounts)**

<i>For the years ended</i>	March 31,	March 31,
	2026	2025
Salaries and wages	\$ 7,571	\$ 522
Salaries and wages capitalized as exploration	717	152
Share-based compensation*	-	292
Directors' fees	388	148
	\$ 8,676	\$ 1,114

*Share-based compensation includes shares issued for services, stock options, RSUs and DSUs.

11. Commitments and Contingencies

The Company has future exploration and evaluation expenditure obligations with respect to its land agreements as follows:

Trust Lands

- Based on the achievement of certain development milestones, the Company is obligated to make future payments to TAGC Ventures LLC of up to \$750 in connection with the purchase of Trust lands.

LKY

- The final \$5,000 is due for the LKY Purchase on the fifth anniversary of the closing date on February 10, 2027.

Nuton

- In the event that a change of control occurs, which would happen if the Transaction is completed, the remaining amounts per the Termination Agreement of \$14,958 and \$5,000 as detailed in note 6 would become due on demand.

12. Financial Instruments and Risk ManagementCurrency risk

The Company is exposed to financial risk due to changes in foreign exchange rates. The Company operates in the United States and Canada, and a portion of its expenses are incurred in Canadian dollars. A significant change in the exchange rates between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position and cash flows. The Company has not hedged its exposure to currency fluctuations. At March 31, 2026, the Company is exposed to currency risk mainly through its cash denominated in Canadian dollars totaling C\$14,935 (December 31, 2025 – C\$3,703).

Based on the exposure as at March 31, 2026, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the US dollar against the Canadian dollar would result in an increase/decrease of approximately \$1,115 in the Company's reported loss for the period.

Arizona Sonoran Copper Company Inc.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****(Expressed in thousands of United States dollars except for share and per share amounts)**

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to is 100% of cash and receivables.

The Company's cash is held in large Canadian or US financial institutions. As a result, the Company concludes that there are negligible expected losses because the holdings are in cash.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements by taking into account anticipated cash expenditures for its exploration and operational activities.

The Company will pursue additional equity or debt financing as required to meet its long-term commitments. There is no assurance that such financing will be available or that it will be available on favorable terms.

As at March 31, 2026, the contractual undiscounted future cash flows of the Company's significant financial liabilities are as follows:

	< 6 months	6 – 12 months	1 - 5 years	Total cash flows at March 31, 2026
Financial liabilities at fair value:				
DSU liability	-	-	3,585	3,585
Financial liabilities at amortized cost:				
Accounts payable	4,575	-	-	4,575
Accruals	2,213	-	-	2,213
Nuton deposit	19,958	-	-	19,958
Other current liabilities	5,813	5,935	-	11,748
Other long-term liabilities	-	-	89,611	89,611
	32,559	5,935	93,196	131,690

As at March 31, 2026, the carrying values of all financial assets and financial liabilities approximate their fair value. The DSU Liability is considered a level 1 instrument in the fair value hierarchy as its inputs use quoted share prices and exchange rates for remeasurement.