



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**September 30, 2025 and 2024**

**Expressed in Canadian Dollars**

**Unaudited – Prepared by Management**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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.

November 26, 2025

**CANASIL RESOURCES INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

<b>ASSETS</b>	September 30, 2025	December 31, 2024
<b>Current</b>		
Cash	\$ 54,949	\$ 4,865
Receivables	10,936	4,717
Prepaid expenses	7,224	4,563
	<u>73,109</u>	<u>14,145</u>
<b>Reclamation bonds</b>	47,000	47,000
	<u>\$ 120,109</u>	<u>\$ 61,145</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 147,085	\$ 268,310
Amounts due to related parties (Note 7)	125,000	115,000
	<u>262,085</u>	<u>383,310</u>
<b>Amounts due to related parties-non-current (Note 7)</b>	<u>250,000</u>	<u>250,000</u>
	<u>522,085</u>	<u>633,310</u>
<b>SHAREHOLDERS' DEFICIENCY</b>		
<b>Share capital (Note 5)</b>	25,801,822	25,801,822
<b>Contributed surplus</b>	6,952,516	6,952,516
<b>Accumulated other comprehensive income</b>	624,830	624,830
<b>Deficit</b>	(33,781,144)	(33,951,333)
	<u>(401,976)</u>	<u>(572,165)</u>
	<u>\$ 120,109</u>	<u>\$ 61,145</u>

**Nature and continuance of operations (Note 1)**

ON BEHALF OF THE BOARD:

"Alvin W. Jackson", Director

"Gary D. Nordin", Director

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

**CANASIL RESOURCES INC.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

	For the Three-month period ended		For the Nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
<b>Expenses</b>				
Audit	\$ -	\$ 5,125	\$ 5,000	\$ 15,375
Exploration and evaluation costs <i>(Note 4)</i>	24,353	21	36,040	63
Foreign exchange loss	3,604	-	895	-
Legal fees	8,949	1,027	41,545	3,717
Listing and filing fees	3,250	-	17,931	5,975
Management and accounting fees <i>(Note 7)</i>	15,000	-	35,000	-
Office services and supplies	6,725	969	17,672	3,574
Salaries <i>(Note 7)</i>	37,500	18,750	112,500	56,250
Shareholder communications	2,591	-	8,142	2,542
Transfer agent fees	4,728	1,430	8,035	11,250
Travel and entertainment	578	-	5,490	-
	(107,278)	(27,322)	(288,250)	(98,746)
<b>Other items</b>				
Option payment received <i>(Note 4)</i>	-	-	400,000	-
Gain on settlement of accounts payable	-	-	55,026	-
Other income	3,413	155	3,413	1,398
<b>Income (loss) and Comprehensive income (loss) for the period</b>	<b>\$(103,865)</b>	<b>\$ (27,167)</b>	<b>\$ 170,189</b>	<b>\$ (97,348)</b>
<b>Income (loss) per share – basic and diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ 0.00</b>	<b>\$ (0.00)</b>
<b>Weighted-average shares outstanding – basic and diluted</b>	<b>143,814,280</b>	<b>143,814,280</b>	<b>143,814,280</b>	<b>143,814,280</b>

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

**CANASIL RESOURCES INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

Expressed in Canadian Dollars  
(Unaudited – Prepared by Management)

	Number of Shares	Share Capital <i>(Note 6)</i>	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
<b>Balance – December 31, 2023</b>	143,814,280	\$ 25,801,822	\$ 6,952,516	\$ 624,830	\$ (33,835,013)	\$ (455,845)
Comprehensive loss for the period	-	-	-	-	(27,167)	(27,167)
<b>Balance – September 30, 2024</b>	143,814,280	25,801,822	6,952,516	624,830	(33,862,180)	(483,012)
Comprehensive loss for the period	-	-	-	-	(89,153)	(89,153)
<b>Balance – December 31, 2024</b>	143,814,280	25,801,822	6,952,516	624,830	(33,951,333)	(572,165)
Comprehensive income for the period	-	-	-	-	170,189	170,189
<b>Balance – September 30, 2025</b>	143,814,280	\$ 25,801,822	\$ 6,952,516	\$ 624,830	\$ (33,781,144)	\$ (401,976)

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

**CANASIL RESOURCES INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30,**

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

<b>CASH RESOURCES PROVIDED BY (USED IN)</b>	<b>2025</b>	<b>2024</b>
<b>Operating activities</b>		
Income (loss) for the period	\$ 170,189	\$ (27,167)
Changes in non-cash working capital items:		
Receivables	(6,219)	(1,951)
Prepaid expenses	(2,661)	(211)
Accounts payable and accrued liabilities	(121,225)	12,448
Due to related parties	10,000	15,079
	<u>50,084</u>	<u>(1,802)</u>
<b>Change in cash for the period</b>	<b>50,084</b>	<b>(1,802)</b>
Cash position - beginning of period	<u>4,865</u>	<u>6,952</u>
<b>Cash position - end of period</b>	<b>\$ 54,949</b>	<b>\$ 5,150</b>

- The accompanying notes are an integral part of these condensed interim consolidated financial statements –

**CANASIL RESOURCES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

Expressed in Canadian Dollars  
(Unaudited – Prepared by Management)

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Canasil Resources Inc. (“Canasil” or the “Company”) is a mineral exploration company incorporated in British Columbia with its head office located at 1600 - 925 West Georgia Street. The Company was cease traded on December 5, 2023 and the cease trade currently remains in place. The Company is considered to be in the exploration stage with respect to its interests in mineral properties, which are located in Canada and Mexico. Based on the information available to date, the Company has not yet determined whether these properties contain ore reserves. The Company’s continuing operation is dependent upon exploration success and the confirmation of mineral resources, the ability of the Company to obtain the financing necessary or cooperation agreements and eventual sale of certain exploration projects in order to maintain operations and successfully complete its exploration and development programs.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. As at September 30, 2025 the Company had a working capital deficiency of \$188,976 (December 31, 2024 –\$369,165). Consistent with other junior exploration companies, the Company has no source of operating revenue, is unable to self-finance operations, and has significant cash requirements to meet its overhead and maintain its mineral interests. These material uncertainties cast significant doubt about the Company’s ability to continue as a going concern. The Company has incurred operating losses since inception and as at September 30, 2025 had an accumulated deficit of \$33,781,144 (December 31, 2024 - \$33,951,333).

These condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future.

**2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION**

**Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

These condensed interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements including the notes thereto for the year ended December 31, 2024. All financial information presented herein is unaudited. The Company’s board of directors approved these financial statements for issue on November 26, 2025.

**Basis of measurement**

These condensed interim consolidated financial statements have been prepared under the historical cost convention, except for those items classified as fair value through profit and loss or fair value through other comprehensive income, using the accrual basis of accounting, except for cash flow information.

**CANASIL RESOURCES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

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**2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION - *continued***

**Principles of consolidation**

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: CRD Minerals Corp., Canmine Minerals Inc., Minera Canasil S.A. de C.V. and Minera CRD S.A. de C.V. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All significant inter-company transactions, balances, and unrealized foreign exchange translation gains or losses have been eliminated.

**Foreign currency translation**

The presentation currency of the Company and the functional currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at rates approximating those in effect at the time of the transactions. Monetary items are translated at the exchange rate in effect at the balance sheet date and non-monetary items are translated at historical exchange rates. Translation gains and losses are reflected in profit or loss for the period.

**Exploration and evaluation**

The Company is currently in the exploration stage in respect of all of its mineral interests. Exploration and evaluation costs include the costs of acquiring licenses, option payments, costs incurred to explore and evaluate properties, and the fair value, upon acquisition, of mineral properties acquired in a business combination.

Exploration and evaluation expenditures are expensed in the period they are incurred except for expenditures associated with the acquisition of exploration and evaluation assets through a business combination. Significant property acquisition costs are capitalized only to the extent that such costs can be directly attributed to an area of interest where it is considered likely to be recoverable by future exploitation or sale. Development costs relating to specific properties are capitalized once management has made a development decision.

From time to time, the Company may acquire or dispose of mineral interests pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded in the period that the payments are made or received. The Company does not accrue costs to maintain mineral interests in good standing. Expenditure recoveries are recorded in the period that the payments are received.

**CANASIL RESOURCES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

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**2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION – continued**

**Financial Instruments**

The Company classifies its financial instruments in accordance with IFRS 9 – *Financial Instruments*, based on the Company’s business model for managing its financial instruments, including the purpose for which the financial instruments were acquired as well as their contractual cash flow characteristics. Financial instruments are classified under three primary measurement categories: amortized cost, fair value through other comprehensive income (“FVTOCI”), and fair value through profit or loss (“FVTPL”).

Determination of the classification of financial instruments is made at initial recognition and reclassifications are made only upon the Company changing its business model for managing its financial instruments. Financial assets are derecognized when they mature or are sold, and substantially all of the risks and rewards of ownership have been transferred. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, upon initial recognition the Company can make a one-time irrevocable election to designate them as FVTOCI.

Financial assets

*FVTPL*

Financial assets classified as FVTPL are initially recognized at fair value with transaction costs being expensed in the period incurred. Realized gains and losses recognized upon derecognition and unrealized gains and losses arising from changes in the fair value of the financial assets are included in profit or loss in the period in which they arise.

*FVTOCI*

Investments in equity instruments classified as FVTOCI are initially recognized at fair value plus transaction costs. Unrealized gains and losses arising from changes in fair value are recognized in other comprehensive income with no subsequent reclassification to profit or loss upon derecognition. Realized gains and losses recognized upon derecognition remain within accumulated other comprehensive income.

*Amortized cost*

A financial asset is measured at amortized cost if the objective of the Company’s business model is to hold the instrument for the collection of contractual cash flows, which are comprised solely of payments of principal and interest. Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. Impairment losses are included in profit or loss in the period the impairment is recognized.

Financial liabilities

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL.

The following table summarizes the classification of the Company’s financial instruments:

<u>Financial Instrument</u>	<u>Classification</u>
Cash	Amortized cost
Receivables	Amortized cost
Reclamation bonds	Amortized cost
Accounts payable	Amortized cost
Amounts due to related parties	Amortized cost

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**2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION – *continued***

**Restoration provisions**

The Company recognizes liabilities for legal, statutory, contractual, and constructive obligations associated with the reclamation or rehabilitation of mineral properties that the Company is required to settle. The Company recognizes the fair value of liabilities for such obligations in the period in which they occur or in the period in which a reasonable estimate of such costs can be made. The obligation is recorded as a liability with a corresponding charge to operations. The liability is accreted over time to reflect an interest element in the estimated future cash flows considered in the initial measurement. The Company's estimates of provisions for restoration obligations could change as a result of changes in regulations, the discount rate, the extent of environmental remediation required, the means of reclamation, or the cost estimates. Changes in estimates are recorded in the period in which the estimates are revised. The Company has determined that it had no significant restoration obligations as at September 30, 2025 and 2024.

**Impairment**

Non-financial assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Financial assets are reviewed at the end of each reporting period for objective evidence indicating that changes in the market, economic, or legal environment has had a negative effect on the estimated future cash flows of the asset or group of assets. The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

**Share-based compensation**

The Company uses the fair value method whereby share-based compensation costs are recognized over the vesting periods for grants of all stock options and direct awards of stock. Any consideration paid by the option holders to purchase shares is credited to share capital. The Company uses the Black-Scholes Option-Pricing Model to estimate the fair value of its share-based compensation. The fair value of each grant is measured at the grant date and, where vesting is not immediate, each tranche is recognized over the vesting period. In situations where options are granted to non-employees and some or all of the services provided cannot be specifically valued, the services are measured at the fair value of the share-based compensation. At each reporting period-end, the amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest.

**Loss per share**

Basic loss per share is calculated using the weighted-average number of shares outstanding during the period. The Company computes the dilutive effect of options, warrants and similar instruments and its effect on earnings per share is calculated based on the use of the proceeds that would be obtained upon exercise of in-the-money options, warrants and similar instruments. It is assumed that the proceeds would be used to purchase common shares at the average market price during the period. Existing stock options and share purchase warrants have not been included in the computation of diluted loss per share due to their anti-dilutive effect.

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**2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION – *continued***

**Share capital**

Share capital issued for non-monetary consideration is recorded at the fair value of the non-monetary consideration received, or at the fair value of the shares issued if the fair value of the non-monetary consideration cannot be measured reliably, on the date of issue. The Company uses the residual value approach in respect of unit offerings, whereby the amount assigned to the warrant is the excess, if any, of the unit price over the trading price of the Company's shares at the date of issuance.

**Flow-through shares**

Canadian Income Tax legislation permits an enterprise to issue securities known as flow-through shares, the proceeds of which are used to finance certain exploration expenditures on Canadian resource properties. Pursuant to the terms of flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. Proceeds from the issuance of flow-through shares are allocated between the offering of the flow-through share and the estimated premium paid for the implied tax benefit received by the investors as a result of acquiring the flow-through share. The premium, if any, is recognized as a liability until such time as the qualifying exploration expenditures are incurred. The Company derecognizes the liability to the extent that the qualifying exploration expenditures have been made and recognizes a deferred tax recovery for the amount of the tax reduction renounced to the shareholders.

**Significant accounting estimates and judgements**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the period. Actual amounts could differ from these estimates.

The Company's most significant accounting judgements relate to the probability of recognition of the benefit of deferred tax assets, the determination of assumptions used to estimate share-based compensation, and the determination of functional currency.

The Company has not recognized its deferred tax assets as management does not currently consider it probable that these assets will be recovered.

The Company uses the Black-Scholes Option-Pricing Model to estimate the fair value of stock options, which requires the input of subjective assumptions including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate. Changes in these subjective input assumptions can materially affect the fair value estimate. Share-based compensation is a non-cash expense item that affects profit or loss and shareholders' equity and has no effect upon the Company's assets or liabilities.

The Company has considered all primary and secondary indicators under IFRS and determined that the functional currency of its subsidiaries is the Canadian dollar. While transactions conducted outside of Canada are typically denominated in either the Mexican peso or the U.S. dollar, the subsidiaries have no revenues from operations and are entirely dependent upon the Company for financing of its operations and exploration activities, which are largely determined in Canada.

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**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

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**2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION – continued**

**Income taxes**

Current tax expense is calculated using income tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is accounted for using the liability method, which recognizes differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for tax purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets are recognized only to the extent that sufficient taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability will be settled or the asset realized, based on income tax rates and income tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in the period that the substantive enactment occurs. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments consist of the following:

	September 30, 2025	December 31, 2024
<b>Cash</b>		
Cash on deposit	\$ 54,949	\$ 4,865
<b>Receivables</b>		
Goods and services tax and other	\$ 10,936	\$ 4,717
<b>Reclamation bonds</b>	\$ 47,000	\$ 47,000
<b>Accounts payable</b>	\$ 147,085	\$ 268,310
<b>Amounts due to related parties</b>	\$ 375,000	\$ 365,000

Cash, receivables, reclamation bonds, accounts payable, and amounts due to related parties are measured at amortized cost. The carrying values of these instruments approximate their fair values due to their short-term nature. The Company is exposed to various financial risks in respect of its financial instruments as detailed below. The Company's policies and processes of managing all risks associated with its financial instruments have not changed during the current period.

**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 Company's primary credit risk is associated with its cash, receivables, and reclamation bonds.

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**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - *continued***

*Credit Risk - continued*

The Company's Canadian cash is held in chequing accounts at major Canadian banks with high investment grade ratings. Reclamation bonds are held in short-term guaranteed investment certificates at major Canadian banks or by the government of British Columbia as non-interest-bearing security deposits. The Company also maintains cash balances denominated in pesos and U.S. dollars held through a major bank in Mexico, which also has a high investment grade rating. Management considers the credit risk associated with its cash balances to be low. The carrying value of the Company's cash, receivables, and reclamation bonds totals \$112,885 and represents the Company's maximum exposure to credit risk as at September 30, 2025 (December 31, 2024 - \$56,582).

*Foreign Currency Risk*

Foreign currency risk is the risk that the fair value of the Company's financial instruments will fluctuate due to changes in exchange rates. The Company carries cash, receivables, and accounts payable balances denominated in Mexican pesos and U.S. dollars, which are subject to currency risk due to fluctuations in the exchange rates with the Canadian dollar.

Due to the volatility of the exchange rates between the Canadian dollar, the peso, and the U.S. dollar, such currency risk could result in future gains or losses to the Company. Based on the Company's net monetary assets denominated in Mexican pesos and U.S. dollars as at September 30, 2025, a 10% fluctuation in the exchange rates of these currencies would result in an insignificant gain or loss. To manage currency risk, the Company maintains only the minimum amount of foreign cash that is necessary to fund its ongoing exploration activities. Accounts payable denominated in foreign currencies are settled in a timely manner.

*Interest Rate Risk*

Interest rate risk relates to the effect on the Company's financial instruments due to changes in market rates of interest. The Company holds reclamation bonds, which include guaranteed investment certificates that earn interest at market rates and are exposed to interest rate risk given the volatility of interest rates over time. Due to the value and nature of the Company's other financial instruments, it is management's opinion that the Company is not exposed to significant interest rate risk in respect of these financial instruments.

*Liquidity Risk*

The Company is subject to liquidity risk such that it may not be able to meet its obligations under its financial instruments as they fall due (*Note 1*). The Company manages this risk by maintaining cash balances to ensure that it is able to meet its short- and long-term obligations as and when they fall due. Cash projections are regularly updated to reflect the dynamic nature of the business. To date, the Company's capital requirements have been met primarily by equity subscriptions. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

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**4. EXPLORATION AND EVALUATION**

The Company expenses costs relating to the exploration and evaluation of its mineral properties in the period incurred. The Company pays value-added taxes (“IVA”) in Mexico and due to uncertainty surrounding the timing and collection of future refunds of IVA, the Company expenses IVA as incurred. Collections of IVA are recorded as recoveries in the period received. The Company’s mineral interests includes:

**La Esperanza project, Mexico**

During 2006, the Company entered into an option agreement to earn a 100% interest in certain claims within the La Esperanza project area, subject to a net smelter returns royalty (“NSR”) of up to 1%. The claims are located in Zacatecas State, Mexico. The Company acquired a 100% interest in these claims in May 2011 and purchased the NSR in 2016. From 2006 to 2010, the Company also added further claims, by direct staking, extending into Durango State to increase the size of the project area.

**Salamandra project, Mexico**

The Salamandra project, located in Durango State, Mexico, was acquired through staking as well as the purchase of a 100% interest in certain claims comprising the central area of the project, which are subject to a 0.5% NSR that can be purchased from the owner for US\$500,000.

**Nora project, Mexico**

The Company held a 100% interest in the Nora project, located in Durango State, Mexico, which was acquired through the purchase of underlying concessions and direct staking. In April 2023, the Company signed an option agreement with Silver Dollar Resources Inc. (“Silver Dollar”) granting Silver Dollar the option to earn a 100% interest in the Nora project by making payments to the Company of \$375,000 and incurring exploration expenditures on the property of \$3,000,000 over five years, retaining a 3% NSR of which 1% (one-third) could be purchased by Silver Dollar for \$3,000,000. In February 2024, the Silver Dollar agreement was amended transferring 100% ownership of the Nora property to Silver Dollar against a 2% NSR, of which Silver Dollar could buy back 1% for \$1,000,000.

**Sandra-Escobar project, Mexico**

Between 2004 and 2006, the Company acquired, by staking, the Sandra claims located in Durango State, Mexico and in 2012 earned a 40% interest in the contiguous Escobar claims held by Pan American Silver Corp. (“Pan American”). In addition to these claims, the Company also acquired various other claims in the area from third parties, all of which formed the Sandra-Escobar project.

In January 2017, Orex Minerals Inc. earned a 55% interest in the project and in June 2019, the Company sold its interest in the project to Pan American for \$2,000,000 plus a 2% net smelter returns royalty interest (“NSR Royalty Interest”) payable on Pan American’s share of the project; the NSR Royalty Interest can be reduced to 1% upon payment of \$4,000,000 to the Company.

**Brenda**

The Company holds a 100% interest in the Brenda gold-copper project located in north-central British Columbia. In February 2025, the Company signed an option agreement with Amarc Resources Ltd. (the “optionee”) to option out a 100% interest in the Company’s Brenda property (\$400,000 received during the period ended September 30, 2025). The option is for five years, and the optionee must pay a minimum of \$400,000 per year to maintain the option. In order to earn the 100% interest, the optionee must pay the Company an additional \$8,000,000 if exercised in the year 1, increasing on an annual basis to \$12,000,000 if exercised in year five. The annual cash payments are not credited towards the purchase price. The optionee will also be responsible for undertaking exploration expenditures to advance the mineral claims by at least one year during each year of the option. The Company will retain a 2% net smelter returns royalty of which 1% (or one-half) can be acquired for \$5,000,000 before commencement of commercial mining operations and \$10,000,000 after commencement of mining.

**CANASIL RESOURCES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

Expressed in Canadian Dollars  
(Unaudited – Prepared by Management)

**4. EXPLORATION AND EVALUATION - continued**

**Other projects**

Mexico

The Company has staked other claims located in Durango State, Mexico, which include the Colibri, Carina, and Vizcaino projects. The Company holds a 100% interest in these projects.

Canada

The Company has staked and holds claims in British Columbia, Canada, which include the Lil project. The Company holds a 100% interest in this project.

**Expenditures, recoveries and option payments received**

Expenditures for the period ended September 30, 2025 and the cumulative historical costs through September 30, 2025 are as follows:

	Expenditures September 30, 2025	Cumulative historical costs through September 30, 2025
Brenda, Canada	\$ -	\$ 2,427,311
- Expenditure recoveries	-	(235,115)
- Option payments received	(400,000)	(400,000)
Lil, Canada	19,651	19,651
Vega, Canada	-	555,887
- Expenditure recoveries	-	(99,260)
Other, Canada	166	227,583
- Expenditure recoveries	-	(22,776)
La Esperanza, Mexico	11,800	4,836,318
- Expenditure recoveries	-	(262,373)
- Option payments received	-	(300,000)
Salamandra, Mexico	1,311	6,456,961
- Expenditure recoveries	-	(223,652)
- Option payments received	-	(553,989)
Nora, Mexico	-	1,955,912
Sandra-Escobar, Mexico	-	2,020,973
- Expenditure recoveries	-	(177,486)
- Option payments received	-	(500,000)
Other, Mexico	3,112	3,315,270
- Expenditure recoveries	-	(131,346)
- Option payments received	-	(133,471)
IVA paid, net of recoveries	-	136,735
	\$ (363,960)	\$ 18,913,133

Expenditures and option payments received for the period ending September 30, 2025, by activity, are as follows:

	2025
Administration	\$ 16,389
Exploration	19,651
Option payment received	(400,000)
	\$ (363,960)

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**4. EXPLORATION AND EVALUATION - continued**

**Mineral title**

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

**5. SHARE CAPITAL**

The Company's authorized share capital consists of an unlimited number of voting common shares without par value.

**6. WARRANTS AND STOCK OPTIONS**

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, December 31, 2023	12,017,658	\$ 0.06	8,475,000	\$ 0.11
Expired	-	-	(2,650,000)	\$ 0.11
Outstanding, December 31, 2024	12,017,658	\$ 0.06	5,825,000	\$ 0.11
Expired	(6,666,667)	0.05	(1,325,000)	0.08
Outstanding, September 30, 2025	5,350,991	\$ 0.08	4,500,000	\$ 0.12
Exercisable, September 30, 2025	5,350,991	\$ 0.08	4,500,000	\$ 0.12

At September 30, 2025, the Company had outstanding warrants and stock options enabling holders to acquire common shares as follows:

	Number of Shares	Exercise Price	Expiry
Warrants	3,082,741	\$ 0.08	October 24, 2025*
	2,268,250	\$ 0.08	October 26, 2025*
	5,350,991		

\*Subsequently expired unexercised.

**Options**

	250,000	\$ 0.11	November 9, 2025*
	2,750,000	\$ 0.11	December 21, 2025
	1,500,000	\$ 0.15	May 17, 2026
	4,500,000		

\*Subsequently expired unexercised.

At September 30, 2025, the weighted-average remaining life of the outstanding warrants was 0.07 years (December 31, 2024 – 0.71 years) and for the outstanding options was 0.35 years (December 31, 2024 – 0.94 years).

**CANASIL RESOURCES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**7. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION**

The Company had transactions with related persons or corporations, which were undertaken in the normal course of operations. Key management includes officers and non-executive directors. The compensation paid or payable to key management for the periods ended September 30, 2025 and 2024 is as follows:

	2025	2024
Salaries – CEO	\$ 112,500	\$ 28,125
Management and accounting – Accounting firm in which the CFO has an interest	30,000	-
	<u>\$ 142,500</u>	<u>\$ 28,125</u>

As at September 30, 2025, amounts due to related parties include:

- i) \$310,000 (December 31, 2024 - \$300,000) due to the chief executive officer of which \$250,000 (2024 - \$250,000) is non-current.
- ii) \$65,000 (December 31, 2024 - \$65,000) due to the former chief financial officer.

**8. SEGMENTED INFORMATION**

The Company currently operates in only one operating segment, that being the mineral exploration industry. The Company operates in the following geographical locations: Canada and Mexico.