Safi Silver Corp.
(formerly Trigon Metals Inc.)

Consolidated financial statements

For the years ended March 31, 2026 and 2025

(Expressed in U.S. Dollars)

Independent Auditor's Report

To the Shareholders of Safi Silver Corp. (formerly "Trigon Metals Inc.")

Opinion

We have audited the consolidated financial statements of Safi Silver Corp. (formerly "Trigon Metals Inc.") and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2026 and 2025, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended , and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

We have determined the matter described below to be the key audit matter to be communicated in our report.

McGovern Hurley

Key audit matter	How our audit addressed the key audit matter
Initial Valuation of NSR	
The Company holds a net smelter return ("NSR") royalty interest. See Note 14. The NSR represents a significant asset of the Company and is initially recognized at fair value. At each reporting date, management assesses whether there are any indicators of impairment that would require an estimate of the asset's recoverable amount. The initial valuation and the assessment of the recoverability of the NSR involves significant judgment and estimation, including the status and progress of the underlying mineral property, available technical information, estimated mineral reserves and resources, forecast commodity prices, expected production profiles, mine life, discount rates, and other economic and market assumptions. Due to the significance of the carrying value of the NSR and the high degree of estimation uncertainty and management judgment involved in assessing its initial valuation, there is a risk that the carrying amount of the NSR could be materially misstated.	Our audit procedures included, but were not limited to: Reviewing the royalty agreement and assessing the appropriate accounting treatment under IFRS. Assessing the reasonableness of key assumptions used in the initial valuation, including commodity prices, expected production, and mine life. Assessing the recognition and measurement of the NSR royalty interest for compliance with IFRS. Involving the auditor's valuation expert in evaluating the valuation of the NSR. Evaluating management's assessment of impairment indicators for the NSR royalty interest. Assessing the competence and objectivity of management's external specialists. Evaluating the adequacy of the related financial statement disclosures.

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Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
July 28, 2026

Safi Silver Corp. (formerly Trigon Metals Inc.)
Consolidated Statements of Financial Position
(Expressed in US dollars)

As at	Notes	March 31, 2026	March 31, 2025
ASSETS			
Current assets			
Cash		**$ 2,106,088**	$ 1,037,235
Amounts receivable	4	**5,329,283**	51,736
Prepaid expenses		**34,642**	152,126
Current assets held for sale	14	**-**	34,514,406
Total current assets		**7,470,013**	35,755,503
Non-current assets			
Amounts receivable	4	**11,540,410**	-
Net smelter royalty	14	**2,253,176**	-
Total Assets		**$ 21,263,599**	$ 35,755,503
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6,11	**$ 3,008,666**	$ 4,310,611
Loan payable	13	**2,186,721**	1,376,000
Warrant liability	10	**6,704**	12,400
Acquisition fee payable	5	**475,285**	460,837
Current liabilities held for sale	14	**-**	35,095,668
Total current liabilities		**5,677,376**	41,255,516
Non-current liabilities			
Loan payable	13	**599,344**	-
Acquisition fee payable	5	**779,796**	657,471
Total Liabilities		**$ 7,056,516**	$ 41,912,987
(Deficiency) equity attributable to shareholders of Safi Silver Corp.:			
Share capital	9	**52,103,217**	51,950,470
Contributed surplus	10	**2,049,635**	2,191,579
Currency translation reserve		**149,930**	10,543,512
Deficit		**(40,095,699)**	(65,414,821)
		14,207,083	(729,260)
Non-controlling interest		**-**	(5,428,224)
Total Equity (Deficiency)		**14,207,083**	(6,157,484)
Total Liabilities and Equity (Deficiency)		**$ 21,263,599**	$ 35,755,503

Nature of operation and going concern (note 1)
Commitments and contingencies (notes 12)
Subsequent events (note 16)

Approved by the Board of Directors on July 28, 2026.

"Jed Richardson"
Jed Richardson
Director

"Larisa Sprott"
Larisa Sprott
Director

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

Safi Silver Corp. (formerly Trigon Metals Inc.)
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in US dollars)

	Note	Year ended March 31, 2026	2025
Expenses			
Consulting fees	11	**$ 1,181,428**	$ 1,696,109
Professional fees		**415,946**	372,487
Travel and related costs		**124,064**	116,857
Investors relations and filing fees		**208,607**	183,621
General and administrative costs		**177,967**	154,868
Exploration and evaluation expenditures	5	**680,195**	12,586
Depreciation		**27,176**	-
Share-based compensation	10	**16,100**	1,226,900
Foreign exchange loss (gain)		**97,643**	(128,974)
Total expenses before the undernoted		**$ 2,929,126**	$ 3,634,454
Other income (expense)			
Other (expenses)		**(22,035)**	-
Finance (charges), net		**(690,819)**	(194,101)
Change in fair value of warrant liability	10	**5,696**	706,555
Net (loss) from continuing operations		**$ (3,636,284)**	$ (3,122,000)
Net income (loss) from discontinued operations	14	**28,162,169**	(2,300,370)
Net income (loss)		**$ 24,525,885**	$ (5,422,370)

Net (loss) and comprehensive (loss) from continuing operations attributable to:		
Shareholders of Safi Silver Corp.	**$ (3,636,284)**	$ (3,122,000)
Net income (loss) and comprehensive income (loss) from discontinued operations attributable to:		
Shareholders of Safi Silver Corp.	**$ 28,803,662**	$ (1,015,652)
Non-controlling interest	**(641,493)**	(1,284,718)
	$ 28,162,169	$ (2,300,370)
Income (Loss) per share		
Basic and diluted, from continuing operations	**(0.07)**	(0.07)
Basic from discontinued operations	**0.51**	(0.05)
Diluted from discontinued operations	**0.51**	(0.05)
Weighted average number of common shares outstanding		
Basic	**54,711,684**	44,778,888
Diluted	**54,828,377**	44,778,888

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

Safi Silver Corp. (formerly Trigon Metals Inc.)
Consolidated Statements of Shareholders' Equity
(Expressed in US dollars)

		Attributable to equity owners of Safi Silver Corp. (formerly Trigon Metals Inc.)								
	Notes	Number of common shares	Share Capital	Contributed surplus	Warrants	Deficit	Cumulative translation reserve	Total shareholders' (deficiency) equity	Non-controlling interest	Total (deficiency) equity
Balance as at March 31, 2024		**43,574,681**	**$ 49,721,297**	**$ 1,360,896**	**$ 1,951,157**	**$ (63,514,789)**	**$ 10,543,512**	**$ 62,073**	**$ (4,143,506)**	**$ (4,081,433)**
Net loss from continuing operations		-	-	-	-	(3,122,000)	-	(3,122,000)	-	(3,122,000)
Net loss from discontinued operations	14	-	-	-	-	(1,015,652)	-	(1,015,652)	(1,284,718)	(2,300,370)
Stock options granted	10	-	-	1,226,900	-	-	-	1,226,900	-	1,226,900
Stock options expired	9,10	-	-	(286,463)	-	286,463	-	-	-	-
Shares issued for consulting	9,10	640,000	263,926	-	-	-	-	263,926	-	263,926
Stock options exercised	9,10	251,000	262,089	(109,754)	-	-	-	152,335	-	152,335
Private placement	9,10	9,993,400	1,756,499	-	-	-	-	1,756,499	-	1,756,499
Share and warrant issue costs	9,10	-	(53,341)	-	192,223	(192,223)	-	(53,341)	-	(53,341)
Warrant expiry	9,10	-	-	-	(2,143,380)	2,143,380	-	-	-	-
Balance as at March 31, 2025		**54,459,081**	**$ 51,950,470**	**$ 2,191,579**	**$ -**	**$ (65,414,821)**	**$ 10,543,512**	**$ (729,260)**	**$ (5,428,224)**	**$ (6,157,484)**
Balance as at March 31, 2025		**54,459,081**	**$ 51,950,470**	**$ 2,191,579**	**$ -**	**$ (65,414,821)**	**$ 10,543,512**	**$ (729,260)**	**$ (5,428,224)**	**$ (6,157,484)**
Net income from continuing operations		-	-	-	-	(3,636,284)	-	(3,636,284)		(3,636,284)
Net loss from discontinued operations	14	-	-	-	-	28,803,662	-	28,803,662	(641,493)	28,162,169
Reclassification of Cumulative translation adjustment on disposal of Kombat mine		-	-	-	-		(10,393,582)	(10,393,582)	6,069,717	(4,323,865)
Shares issued for consulting	9,10	640,000	145,446	-	-	-	-	145,446	-	145,446
Stock options granted	9,10	-	-	16,100	-	-	-	16,100	-	16,100
Stock options expired	9,10	-	-	(151,744)	-	151,744	-	-	-	-
Share and warrant issue costs	9,10	-	(6,516)	-	-	-	-	(6,516)	-	(6,516)
Stock options exercised	9,10	40,000	13,817	(6,300)	-	-	-	7,517	-	7,517
Balance as at March 31, 2026		**55,139,081**	**$ 52,103,217**	**$ 2,049,635**	**$ -**	**$ (40,095,699)**	**$ 149,930**	**$ 14,207,083**	**$ -**	**$ 14,207,083**

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

Safi Silver Corp. (formerly Trigon Metals Inc.)
Consolidated Statements of Cash Flows
(Expressed in US dollars)

	Notes	Year ended March 31, 2026	2025
Cash provided by (used in):			
Operating activities			
Net (loss) from continuing operations		**$ (3,636,284)**	$ (3,122,000)
Adjustments for items not affecting cash:			
Finance charges		**532,981**	-
Change in fair value of warrant liability	10	**(5,696)**	(706,555)
Share-based compensation	10	**16,100**	1,226,900
Shares for consulting		**145,446**	263,926
Foreign exchange gain		**33,171**	2,719
Net cash from operating activities from continuing operations before changes in working capital		**(2,914,282)**	(2,335,010)
Net changes in non-cash working capital from continuing operations			
Change in amounts receivable		**19,500**	(1,113)
Change in prepaid expenses		**117,485**	(38,106)
Change in accounts payable and accrued liabilities		**(1,301,945)**	1,503,362
Net cash flows from continuing operations used in operating activities		**(4,079,242)**	(870,867)
Net cash flows from discontinued operations used in operating activities	14	**4,166,409**	955,639
Investing activities			
Net cash flows from discontinued operations used in investing activities		-	(3,192,784)
Financing activities			
Private placement	9	**-**	1,756,499
Share and warrant issuance costs	9	**(6,516)**	(53,341)
Option exercise	10	**7,517**	152,335
Loan received from Horizon	13	**-**	1,376,000
Net cash flows from continuing operations provided by financing activities		**1,001**	3,231,493
Net cash flows from discontinued operations provided by financing activities		**980,685**	(503,162)
Cash flows from continuing operations during the year		**(4,078,241)**	2,360,626
Cash flows from discontinued operations during the year	14	**5,147,094**	(2,740,307)
Cash - beginning of year		**1,037,235**	1,416,916
Cash - end of year		**$ 2,106,088**	$ 1,037,235
Supplemental information			
Broker warrants		**$ -**	$ 2,684

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Safi Silver Corp. (formerly Trigon Metals Inc.) (the "Company" or "Safi") was incorporated under the Business Corporations Act of Canada on April 1, 2005. On April 1, 2026, the Company changed its name from Trigon Metals Inc. to Safi Silver Corp. and its stock symbol from "TM" to "SF". The Company's head office is located at 658 Lansdowne Avenue, Toronto, Ontario, M6H 3Y8.

These consolidated financial statements were reviewed, approved and authorized for issue by the Board of Directors on July 28, 2026.

The principal business activities of Safi and its subsidiaries (collectively, the "Company") are the acquisition, maintenance, exploration and development of mines and mineral properties on the African continent. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Significant time and major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The Company's ability to continue as a going concern is dependent upon the Company obtaining the necessary financing to complete the exploration, evaluation and development of its properties, the discovery of economically recoverable reserves and future profitable operations, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, social and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

Going concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. A different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

As announced on December 23, 2025, Safi completed the sale of its Kombat Mine to Horizon Corporation Limited ("Horizon"). At March 31, 2026, the Company had working capital of $1,792,637, compared to a working capital deficit of $5,500,013 at March 31, 2025. The consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern.

Future operations are dependent upon the Company's ability to finance expenditure requirements and upon the achievement of profitable operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all. These financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

2. MATERIAL ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), applicable to the preparation of consolidated financial statements and in accordance with accounting policies based on IFRS standards and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations. The Company has consistently applied the accounting policies used in the preparation of these consolidated financial statements throughout all periods presented, as if these policies had always been in effect.

Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are stated at their fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

Consolidation

These consolidated financial statements incorporate the accounts of Safi Silver Corp. (formerly Trigon Metals Inc.) and its subsidiaries, Safi Silver Corp. (formerly “Trigon (Morocco) Holding Corp”). (Canada) 100% (2025 – 100%) and Technomine Africa Sarl (“Technomine”) (Morocco) 100% (2025 – 100%). Upon completion of the sale of the Kombat Mine on December 31, 2025, the Company has deconsolidated the following subsidiaries: PNT Financeco Corp. (Mauritius) 100% (2025 – 100%), Kombat Holdings Namibia (Pty) Ltd. (Namibia) 100% (2025 - 100%), Trigon Mining (Namibia) (Pty) Ltd. (“Trigon Namibia”) (Namibia) 80% (2025 – 80%), Kombat Streamco Corp. (100%), and Base Metal Investments and Services (amalgamated with PNT Financeco Corp.) (2025 – 100%). All intercompany transactions, balances, income and expenses are eliminated on consolidation. Safi Silver Corp. was incorporated during the year ending March 31, 2023. The Company also has a 25% interest in Copperbelt Mineral Exploration (Pty) Ltd. On April 1, 2026, Trigon Metals Inc. amalgamated with Safi Silver Corp. and changed its name to Safi Silver Corp.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. These consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

For non-wholly owned, controlled subsidiaries, the net assets attributable to outside equity shareholders are presented as “non-controlling interests” in the equity section of the consolidated statement of financial position. Profit for the period that is attributable to non-controlling interests is calculated based on the ownership of the minority shareholders in the subsidiary. Warrants and stock options issued by subsidiaries, exercisable into subsidiary shares, are presented as a component of non-controlling interest in the consolidated statement of financial position.

When the Company ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

The partial disposition of an interest resulting in a loss of control meets the definition of a disposal group. A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of or is classified as held for sale.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Discontinued operations

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished, and

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale or held for distribution. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of loss. The comparative consolidated statement of loss is re-presented as if the operation had been discontinued from the start of the comparative period.

Streaming arrangements

The Company has entered into arrangements with customers pursuant to which, the Company receives consideration in advance of the delivery of metals.

Under streaming arrangements, the Company receives advanced consideration against the delivery of a portion of future metal production referenced to the mine of the Company specified in the contract. In addition to the advanced consideration, the Company may also receive a cash payment as metals are delivered to the customer.

The Company recognizes the advanced consideration as deferred revenue and recognizes the amounts in revenue as it satisfies its performance obligations to deliver metal to the customer over the life of the contract.

Deferred revenue is amortized as metal is delivered to the customer until the full value of the deferred revenue has been recognized. The Company will determine the amortization of deferred revenue to the consolidated statement of loss on a per unit basis using the estimated total quantity of metal expected to be delivered over the term of the mine life of the Company's potential future production.

Where consideration is received in advance of the Company's performance of its obligation, there is an inherent financing component in the transaction. When the period between receipt of consideration and revenue recognition is greater than one year, the Company determines whether the financing component is significant to the contract.

Where a contract is determined to have a significant financing component, the transaction price is adjusted to reflect the financing. The discount rate used in adjusting the promised amount for consideration is the rate that would be reflected in a separate financing transaction between the Company and the customer at contract inception. The rate is not subsequently adjusted for any changes over the contract term.

The accretion of the interest expense is recognized in the accretion expense line in the consolidated statement of loss, unless capitalized to assets under construction in accordance with the Company's policy on capitalized borrowing costs.

The Company estimates the current portion of the deferred revenue based on quantities expected to be delivered over the next 12 months.

Revenue recognition

The Company derives revenues and pre-production revenues from the sale of copper and silver concentrate. Revenue from the sale of goods to customers is measured at the fair value of the consideration received or receivable.

The Company recognizes revenue when there is evidence a sales arrangement exists, specific performance obligations have been satisfied, the sales price is fixed and determinable, and collectability is reasonably assured. Revenue is recognized upon delivery of the copper concentrate to the customer and acceptance of the copper concentrate by the buyer.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs, including interest, associated with projects that are actively being prepared for production are capitalized to Assets Under Construction. These costs are elements of the historical cost of acquiring an asset when a period of time is required to bring it to the condition and location necessary for its intended use. Capitalized borrowing costs are amortized on the same basis as the related qualifying asset.

Mine development assets

Mine development assets are accumulated separately for each area of interest in which economically recoverable reserves have been identified. These assets are comprised of expenditures directly attributable to the construction of a mine and the related infrastructure.

General and administration costs are allocated to a development asset only to the extent that those costs can be related directly to development activities in the relevant areas of interest.

No amortization is recognized in respect of development properties until they are at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management.

Production stage

A mine that is under construction is determined to enter the production stage when the project is in the location and condition necessary for it to be capable of operating in the manner intended by management.

When a mine development asset moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either capitalized to inventory or expensed, except for capitalizable costs related to property, plant and equipment additions or improvements, open pit stripping activities that provide a future benefit or expenditures that meet the criteria for capitalization in accordance with International Accounting Standard 16 (“IAS”) 16 Property, Plant and Equipment.

Pre-production stripping costs are capitalized until an “other than de minimis” level of mineral is extracted, after which time such costs are either expensed, capitalized to inventory or, if it qualifies as an open pit stripping activity that provides a future benefit, capitalized to property, plant and equipment. Various relevant criteria are considered to assess when an “other than de minimis” level of mineral is produced. Some of the criteria considered would include, but not be limited to, the following:

- The amount of minerals mined versus total tons in the life of mine;
- The amount of ore tons mined versus total life of mine expected ore tons;
- The current stripping ratio versus the life of mine ratio; and
- The ore grade versus the life of mine grade.

Stripping costs incurred during the production stage of a pit are accounted for as costs of inventory produced during the period that the stripping costs are incurred, unless these costs are expected to provide future economic benefit to the identifiable component of the ore body. Components of the ore body are based on the distinct development phases identified by the mine planning engineers when determining the optimal development plan for the open pit. Production phase stripping costs generate a future economic benefit when the related stripping activity:

- Improves access to a component of the ore body to be mined in the future;
- Increases the fair value of the mine (or pit) as access to future mineral reserves becomes less costly; and
- Increases the production capacity or extends stripping.

Costs that are expected to generate a future economic benefit are capitalized as open pit mine development costs.

Mine development costs are depreciated on ore tonnes mined basis whereby the denominator is the estimated tons of copper in proven and probable reserves and the portion of resources considered probable of economic extraction based on the current life of mine plan in the current component of the ore body that has been made more accessible through the strip activity and all future components in the current plan that benefit from the particular stripping activity. Mine development assets are depreciated once the operation has entered production and the future economic benefit is being derived.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Net smelter royalty

Net smelter royalty ("NSR", "Royalty")) is recorded at cost and capitalized as intangible assets with finite lives. They are subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any.

Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the assets to a working condition for their intended use, the initial estimate of the rehabilitation provisions, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Costs associated with the commissioning of new assets, in the period before they are operating in the way intended by management, are capitalized. All property and equipment, with the exception of land and buildings, are depreciated on a straight-line basis over three to five years. Land is not depreciated, and buildings are depreciated over 40 years.

Significant components of the property and equipment are recorded and depreciated separately. Residual values, method of depreciation and the useful lives of assets are revised annually and adjusted prospectively, if appropriate, if there is an indicator of a significant change since the last reporting date.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews and evaluates the recoverable amount of its property and equipment and net smelter royalty and when events or changes in circumstances indicate that the carrying amounts of related assets or groups of assets might not be recoverable.

For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset). Any resulting write-down of the excess of carrying value over the recoverable amount is charged to the consolidated statement of loss.

Exploration and evaluation expenditures

Exploration and evaluation expenditures comprise costs of the initial search for mineral deposits and performing a detailed assessment of deposits that have been identified as having economic potential. Exploration and evaluation costs are expensed as incurred and included in the consolidated statement of loss and until technical feasibility and commercial viability of extraction of reserves are demonstrable. Once a mine development decision has been made by the Company, subsequent expenditures incurred to develop the mine are capitalized to mine development assets. Exploration and evaluation costs include an allocation of administration and salary costs as determined by management.

Financial instruments

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit or loss (“FVPL”) or fair value through other comprehensive income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The Company's cash and amounts receivable are recorded at amortized cost.

Subsequent measurement – financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company measures its buyback option on streaming arrangement at FVPL.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive loss. When the investment is sold, the cumulative gain or loss is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of loss when the right to receive payments is established.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company's only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, loan payable, and acquisition fee payable, which are each measured at amortized cost and its warrant liability and liability component of the convertible security is measured at FVPL. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the consolidated statement of loss.

Subsequent measurement – financial liabilities at FVPL
Financial liabilities measured at FVPL include financial liabilities management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial liabilities measured at FVPL are carried at fair value in the consolidated statement of financial position with changes in fair value recognized in other income (expense) in the consolidated statement of loss.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

Lease liabilities and right-of-use assets

At inception of the contract, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term. Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets.

The lease liability is initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any, if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be remeasured when there is a change in either the future lease payments or assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and interest on the obligation. Interest expense on the lease obligation is included in the consolidated statement of loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term, as permitted by IFRS 16.

The Company reports its right-of-use asset as part of property, plant and equipment on the consolidated statement of financial position.

Provisions

Provisions are recognized when: (i) the Company has a present obligation (legal or constructive) as a result of a past event, and (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The Company had no material provisions as at March 31, 2026 and 2025.

Cash

Cash is comprised of cash on hand and deposits that generally mature within 90 days from the date of acquisition.

Prepaid expenses

Prepaid expenses represent payments made or obligations incurred in advance of the receipt of goods or rendering of services.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Rehabilitation provision

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statement of loss as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in the consolidated statement of loss.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. 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 financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Loss per share

Basic loss per share is calculated by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding for the year. In the event of the Company reporting net profit, the diluted profit per share will be similar to basic loss per share, except that the denominator will be increased to include the number of additional shares that would have been outstanding if the dilutive potential common shares in connection with the issued share options and warrants had been issued using the treasury stock method.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The fair value of share-based payments is determined using the Black-Scholes option pricing model. The compensation expense is recognized over the period during which the options vest based on the estimate of equity instruments expected to vest. Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in contributed surplus is recorded as an increase to share capital. Unexercised expired stock options are transferred to deficit.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Warrants and warrant liability

Subsequent to the functional currency change on October 24, 2022, certain warrants were issued outside the scope of IFRS 2 with an exercise price denominated in Canadian dollars ("CAD $"), and therefore, did not qualify for classification as equity since their exercise price was not in the Company's functional currency of the US dollar. These warrants are recorded as warrant liability and are recorded at their estimated fair value at each reporting date, computed using the Black-Scholes valuation method. Changes in fair value of each period are included in income or loss for the period. Upon exercise of warrants, consideration paid by the warrant holder together with the amount previously recognized in warrants is recorded as an increase to share capital. Unexercised expired warrants are transferred to accumulated deficit.

Contingencies

In assessing loss contingencies related to legal proceedings that are pending or unasserted claims that may result in such proceedings, the Company and its legal counsel evaluate the perceived merits of any legal proceedings or unasserted claims and the amount of relief sought or expected to be sought.

If the assessment of a contingency suggests that a loss is probable, the amount can be reliably estimated, and there is a present obligation as a result of a past event, then a loss is recorded. The details of a contingent loss are disclosed unless the possibility of any outflow in settlement is remote. Legal fees incurred with pending legal proceedings are expensed as incurred.

Operating segments

The Company has concluded that it has only one material operating segment (its Moroccan exploration permits) for financial reporting purposes.

Foreign currency transactions

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The US dollar has been determined as the reporting currency of the Company, as well as the functional currency of all subsidiaries. The US dollar is the currency in which funds from financing activities (i.e. issuing debt and equity instruments) are generated and because the activities of the foreign operation are carried out as an extension of the reporting entity, rather than being carried out with a significant degree of autonomy.

Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Future accounting standards issued but not yet effective

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for annual accounting periods beginning on January 1, 2026, or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required, and early adoption is permitted.

3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant areas of judgment and estimation uncertainty considered by management in preparing the consolidated financial statements include:

Critical judgment in applying accounting policies:

- Assets' carrying values and impairment charges

  Events or changes in circumstances can give rise to significant impairment charges or reversals of impairment in a particular year. Management exercises its judgment in determining when such events or changes in circumstances have arisen and where such circumstances evidence a significant or prolonged decline of fair value on assets indicating impairment.

  In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

  In the event that the fair value less costs to sell exceeds the carrying values, management looks at prior year impairments and reverses impairments up to the cost of the asset.

- Determination of measurement of NSR

  The Company holds a NSR in a mineral property. The NSR is initially recognized at cost, including directly attributable acquisition costs. The NSR is considered an intangible asset with a definite useful life. Accordingly, the NSR is amortized and is assessed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS (continued)

Critical judgment in applying accounting policies (continued):

- Determination of functional currency

  Based on the primary indicators in IAS 21 – The Effects of Change in Foreign Exchange Rates – the US dollar has been determined as the presentation currency of the Company, with the US dollar as the functional currency for all subsidiaries, as the US dollar is the currency in which funds from financing activities (i.e. issuing debt and equity instruments) are generated and because the activities of the foreign operation are carried out as an extension of the reporting entity, rather than being carried out with a significant degree of autonomy. Effects of changes in foreign exchange rates are recorded as foreign exchange gain (loss) on the statement of loss. If the functional currency of the Namibian entities had been the Namibian dollar ("N$"), the effect of changes in foreign exchange rates would have been reflected as other comprehensive income and carried as a cumulative translation adjustment within accumulated other comprehensive income in the equity section of the consolidated statement of financial position.

- Expected credit losses

  Determining allowance for expected credit losses ("ECLs") requires management to make assumptions about historical patterns for probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what historical patterns suggest.

Key sources of estimation uncertainty:

- Depreciation rates

  Mine asset development costs and the environmental rehabilitation obligation are depreciated on a straight-line basis over the life of mine production. All other buildings and equipment are depreciated on a straight-line basis over three to ten years. The Company believes these represent the best approximation of the asset utility to the Company. If the estimated life had been longer than management's estimate, the carrying amount of the asset would have been higher.

  The Company's right of use (ROU) asset in respect of the Kombat Mine is depreciated on a straight-line basis over 10 years, which represents the life of the lease associated with the ROU asset. The Company believes this approach represents the best approximation of the asset utility to the Company.

- Assets' carrying values and impairment charges

  The determination of carrying values and impairment charges and their individual assumptions require that management make an estimate based on the best available information at each reporting period including the future expectation of mine development to extend life of mine. Under situations where management has determined indicators of impairment are present, an impairment assessment will be performed by management whereupon management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets.

3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS (continued)

Key sources of estimation uncertainty (continued):

- Mineral Reserve and Mineral Resource estimates

  The figures for Mineral Reserves and Mineral Resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources, including many factors beyond the Company's control.

  Such estimation is a subjective process, and the accuracy of any Mineral Reserve or Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, and future circumstances could have a material effect in the future on the Company's financial position and results of operation.

- Share-based payment transactions and warrants and warrant liability

  The Company records share-based compensation at fair value over the vesting period. The Company also issues warrants. The fair value of the options and warrants is determined using the Black-Scholes options pricing model and management assumptions including the expected dividend yield, expected volatility, forfeiture rate, risk free rate and expected life. Should the underlying assumptions change, it will impact the fair value. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Determination of discount rates

  Determination of the discount rate for acquisition fees payable is based on comparison to similar interest-bearing debt instruments of a group of comparative companies.

- Initial recognition of net smelter royalty

  The initial recognition and measurement of the NSR royalty interest involved significant management judgment and estimation uncertainty. The fair value was determined using assumptions including forecast commodity prices, expected production, mine life, etc. Management considered available technical information and valuation analyses in determining the value of the NSR.

(Expressed in US dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS (continued)

Key sources of estimation uncertainty (continued):

- Income, value added, withholding and other taxes

  In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

  The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- Date of completion of technical report

  Determination of the date of completion of the Company's technical report impacts the carrying amount of acquisition fees payable and is estimated based on available cash flows and anticipated availability of experts to engage in completing the technical report.

4. AMOUNTS RECEIVABLE

	Note		**March 31, 2026**		March 31, 2025
Sales taxes receivable		**$**	**32,236**	$	51,736
Proceeds from sale of Kombat Mine - current	14		**5,297,047**		-
		$	**5,329,283**	$	51,736
Proceeds from sale of Kombat Mine - Long term	14	**$**	**11,540,410**	$	-

(Expressed in US dollars)

5. EXPLORATION AND EVALUATION EXPENDITURES

	Year ended March 31,			
		2026		2025
Technomine, Morocco				
Assay and survey	**$**	**2,382**	$	8,035
Field office and support		**13,138**		1,653
Consulting and labour		**318,201**		2,898
Travel		**2,234**		-
	$	**335,955**	$	12,586
Copperbelt, Namibia				
Consulting and labour	**$**	**35,341**	$	-
Professional fees		**2,125**		-
Field office and support		**306,774**		-
	$	**344,240**	$	-
Total exploration and evaluation expenditures	**$**	**680,195**	$	12,586

Safi Silver Corporation

On September 24, 2020, the Company acquired a 100% equity interest in Technomine, a Moroccan company, from Technomine's previous shareholders (the "Vendors"). Technomine owns a 100% interest in the Silver Hill Project ("Silver Hill") and Addana Project ("Addana") in Morocco. Below are the terms of the transaction:

1. Pay to the Vendors $369,467 (CAD$500,000) in cash (paid) and issue 6,000,000 common shares (issued) on closing of the Transaction (the "First Payment"). The common shares were valued at $554,200 (CAD$750,000) based on their trading price subsequent to the signing of the share purchase agreement.
2. On the one-year anniversary of the closing of the transaction, Trigon was to pay to the Vendors $295,574 (CAD$400,000) (outstanding) and issue such number of Trigon common shares equal to $184,734 (CAD$250,000) (based on their trading price at the time) (outstanding) (the "Second Payment").
3. Upon the completion of an independent National Instrument 43-101 compliant Mineral Resource estimate at Silver Hill showing at least 100,000 tonnes of contained copper and/or equivalent, Trigon shall issue such number of shares equal to $923,668 (CAD$1,250,000) (based on their trading price at the time) to the Vendors (outstanding).

The second acquisition fee payable is presented in the financial statements as the net present value of the future payments, discounted by 15%. As of March 31, 2026, the second acquisition fee payable has been accreted to $779,796.

(Expressed in US dollars)

5. EXPLORATION AND EVALUATION EXPENDITURES (continued)

The net present value of the second acquisition fee payable was originally calculated using an estimated completion date of March 31, 2025 for the completion of the technical report. In the year ended March 31, 2025, the Company reassessed the estimated completion date of the technical report, changing the estimated completion date to March 31, 2027. This change impacted the net present value calculation for the second acquisition fee payable. The effect of these changes on the net present value of the second acquisition fee payable is as follows below.

Second acquisition fee payable as at March 31, 2024	**$**	**802,182**
Accretion adjustment		**(153,446)**
Effect of exchange differences		**8,735**
Second acquisition fee payable as at March 31, 2025	**$**	**657,471**
Accretion		**103,355**
Effect of exchange differences		**18,970**
Second acquisition fee payable as at March 31, 2026	**$**	**779,796**

In addition, the Company paid $33,252 (CAD$45,000) cash and issued 300,000 common shares to Majilias Inc. for its role as an arm's length finder. The common shares were valued at $27,710 (CAD$37,500) based on their trading price subsequent to the signing of the share purchase agreement. The finder shall also be entitled to share consideration comprising the Second Payment, when paid by Safi.

On February 14, 2024, Safi announced plans to spin out its wholly-owned subsidiary, Safi Silver Corp. ("Safi Silver"), which holds the Company's Moroccan assets, namely the Silver Hill and Addana Projects, pursuant to a plan of arrangement under section 192 of the *Canada Business Corporations Act* (the "Proposed Arrangement"). The Company received an interim order from the Ontario Superior Court of Justice (Commercial List) in respect of the Proposed Arrangement and on April 9, 2024, Safi shareholders approved the Proposed Arrangement. In September 2025, the Company decided not to proceed with the Proposed Arrangement and Safi Silver ceased being classified as an asset held for distribution and discontinued operation.

At March 31, 2026, all claims held by Safi Silver were in good standing.

Acquisition of Kalahari Copperbelt Project option

On March 14, 2024, the Company announced that it had completed the acquisition of Base Metal Investments and Services ("Base Metal"), a private Mauritius domiciled company, that holds an option (the "Copperbelt Option") to acquire up to a 70% stake in the Kalahari Copperbelt Project (the "Transaction"). The Copperbelt Option provides Safi, through Base Metal, the right to attain up to 70% interest in Copperbelt Exploration (Pty) Ltd. ("Copperbelt") which wholly owns the Kalahari Copperbelt Project (the "Copperbelt Project").

As consideration for the Transaction, Safi has issued to Commodity Makers International ("Commodity Makers"), the sole shareholder of Base Metal, 2,720,000 Trigon common shares issued at CAD$0.85 based on the quoted market price of the Company's shares on the date of issuance, for a total value of $1,712,593. In addition, the Company issued 1,280,000 Safi common shares to Commodity Makers for an aggregate total number of 4 million Safi common shares as compensation for the consulting services provided by Mr. Rennie Morkel, Dr. Andreas Rompel and Mr. Grant Sboros after closing of the transaction. 640,000 common shares (total value of $263,926) were issued during the year ended March 31, 2025, and 640,000 common shares (total value of $145,446) have been issued during the year ended March 31, 2026, as compensation for consulting services provided.

Concurrently with the closing of the Transaction, Base Metal acquired a 25% equity interest in Copperbelt (the "Initial Acquisition"). As consideration for the Initial Acquisition, Safi, on behalf of Base Metal, paid USD$60,000 to Ongwe Minerals (Pty) Ltd., the vendor of Copperbelt, and committed to funding USD$1M in exploration expenditures on the Copperbelt Project by June 14, 2026, which was paid in full prior to this date.

The Base Metal acquisition is considered an asset acquisition as it does meet the definition of a business. There were no assets acquired or liabilities assumed as a result of this acquisition other than the Copperbelt Project.

(Expressed in US dollars)

5. EXPLORATION AND EVALUATION EXPENDITURES (continued)

As at March 31, 2026, the four licenses associated with the Copperbelt Project were in good standing.

The Copperbelt Project has not been sold with the Kombat Mine and will remain within the Company's portfolio together with Safi Silver. The Company has fulfilled its earn in commitment to maintain its rights to attain up to a 70% interest to this property.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		March 31, 2026		March 31, 2025
Trade payables	**$**	**592,678**	$	1,039,131
Accruals		**2,415,988**		3,271,480
	$	**3,008,666**	$	4,310,611

7. FINANCIAL INSTRUMENTS

Financial instruments measured at fair value on the consolidated statements of financial position are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, loan payable, warrant liability and acquisition fees payable. The fair value of the Company's cash, amounts receivable, accounts payable and accrued liabilities and acquisition fees payable all approximate their carrying values due to the short-term nature of these instruments.

The non-current portion of the acquisition fees payable is recorded at a 15% discount rate. The liability component of the warrant liability is recorded at fair value.

(Expressed in US dollars)

7. FINANCIAL INSTRUMENTS (continued)

Financial assets and financial liabilities as at March 31, 2026 and March 31, 2025 were as follows:

	Assets & liabilities at amortized cost	Assets & liabilities at fair value through profit & loss	TOTAL
At March 31, 2026			
Financial assets:			
Cash	$ 2,106,088	$ -	$ 2,106,088
Receivables	16,869,693	-	$ 16,869,693
Financial liabilities:			
Accounts payable and accrued liabilities	(3,008,666)	-	(3,008,666)
Loan payable	(2,786,065)	-	(2,786,065)
Warrant liability	-	(6,704)	(6,704)
Acquisition fee payable	(1,255,081)	-	(1,255,081)
At March 31, 2025			
Financial assets:			
Cash	$ 1,037,235	$ -	$ 1,037,235
Financial liabilities:			
Accounts payable and accrued liabilities	(4,310,611)	-	(4,310,611)
Loan payable	(1,376,000)	-	(1,376,000)
Warrant liability	-	(12,400)	(12,400)
Acquisition fee payable	(1,118,308)		(1,118,308)

Level 2 hierarchy

The warrant liability is classified as a Level 2 financial instrument within the hierarchy of the Company's financial instruments, measured at FVPL in the consolidated statements of financial position as at March 31, 2026 and 2025.

Within Level 2, the Company includes inputs other than quoted prices that are observable for the liability such as volatility of the underlying shares, interest rates and time to expiry.

Level 3 hierarchy

Within Level 3, the Company includes an asset for which observable inputs are not available for use in the fair valuation of this asset. The key assumptions used in the valuation of these instruments related to the Kombat Mine included (but were not limited to): the exercise date of the option, the buyback percentage, the date at which the percentage of copper sold under the streaming arrangement would be reduced, the monthly production of copper and silver concentrate, and future pricing and volatility of copper and silver during the option period. The Company’s level 3 financial instruments relates to the stream buyback which was included in the discontinued operations.

Valuations of assets for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, and determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of this asset, such changes may have had a significant impact on the Company’s financial condition or operating results.

8. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable.

Risk management is carried out by the management team under policies approved by the Board of Directors. The Company's capital management objectives, policies and processes have remained unchanged during the years ended March 31, 2026 and 2025. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months. As of March 31, 2026, the Company believes it is compliant with the policies of the TSXV.

Financial risks

The Company's financial instruments comprise cash, amounts receivable, accounts payable and accrued liabilities, loan payable, warrant liability and acquisition fees payable. The main use of these financial instruments is to fund operations and the pursuit of capital transactions. The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are credit risk, liquidity risk and market risk.

Management mandates and agrees policies for managing each of these risks. The Company is exposed to a variety of financial risks by virtue of its activities including, but not limited to, those summarized below.

The following discussion also includes a sensitivity analysis that is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and show the impact on income or loss and shareholders' equity, where applicable. The sensitivity analysis has been prepared for the year ended March 31, 2026, using the amounts of other financial assets and liabilities held as at the consolidated statement of financial position date.

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets. The Company minimizes its credit risk by dealing with reputable customers with strong credit ratings. Further, prior to the sale of the Kombat Mine, the Company had been prepaid for a substantial portion of its silver sales in advance as part of its silver streaming arrangement, further reducing the Company's credit risk exposure. With respect to credit risk arising from financial assets of the Company, which comprise cash and amounts receivables, the Company's exposure to credit risk arises from default of counterparties, with a maximum exposure equal to the carrying amount of these instruments. As cash balances are held with high credit quality financial institutions, the credit risk to the Company is considered minimal. The Company monitors and is subject to normal industry credit risks.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances.

The Company manages its liquidity risk by forecasting cash flows required for operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

(Expressed in US dollars)

8. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS (Continued)

Liquidity risks (continued)

The Company's contractual liabilities and obligations are as follows:

	< 1 year	1 to 3 years	4 to 5 years	>5 years	Total
Accounts payable and accrued liabilities	$ 3,008,666	$ -	$ -	$ -	$ 3,008,666
Loan payable	2,186,721	-	-	-	2,186,721
Acquisition fee payable	475,285	779,796	-	-	1,255,081
Balance March 31, 2026	$ 5,670,672	$ 779,796	$ -	$ -	$ 6,450,468
Accounts payable and accrued liabilities	$ 4,310,611	$ -	$ -	$ -	$ 4,310,611
Loan payable	1,376,000	-	-	-	1,376,000
Acquisition fee payable	460,837	657,471	-	-	1,118,308
Liabilities from discontinued operations	36,331,828	-	-	-	36,331,828
Balance March 31, 2025	$ 42,479,276	$ 657,471	$ -	$ -	$ 43,136,747

The Company's approach to managing liquidity risk is to endeavour to have sufficient liquidity to meet liabilities when due. As at March 31, 2026, the Company had a cash balance of $2,106,088 and receivables of $16,869,693 (March 31, 2025: $1,037,235 and $51,736, respectively). As at March 31, 2026, the Company's financial liabilities from continuing operations consisted of accounts payable and accrued liabilities of $3,008,666 (March 31, 2025: $4,310,611) all due in less than one year, and other current liabilities of $2,668,810 (March 31, 2025 - $1,849,237), and non-current liabilities of $1,379,140 (March 31, 2025 - $657,471).

During the year ended March 31, 2025, the Company raised $1,756,499 through two private placements.

8. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS (Continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodities and equity prices will affect the Company's income or the value of its holdings of financial instruments. The ability of the Company to explore, evaluate and develop its exploration and mining properties and the future profitability of the Company are directly related to the price of base and precious metals. The Company monitors metal prices to determine the appropriate course of action to be taken.

Foreign currency risk

Foreign currency risk is created by fluctuations in the fair value or cash flows of financial instruments due to changes in foreign exchange rates and exposure as a result of investment in its subsidiaries. The Company is exposed to currency risk by incurring certain expenditures in Canadian dollars, US dollars, Namibian dollars and South African Rand in Namibia and Moroccan Dirham and US dollars in Morocco. The Company has sought to minimize this risk by keeping its cash reserves in US dollars and only purchasing Canadian dollars, Namibian dollars, South African Rand and Moroccan Dirham as needed.

Sensitivity analysis

The carrying amount of cash, amounts receivable, and accounts payable and accrued liabilities equals fair market value. The effect of changes in foreign exchange rates on net loss is deemed insignificant as the number and amount of foreign-currency transactions are relatively small. Had the foreign exchange rates been higher (lower) by 10%, the foreign exchange in the consolidated statement of loss would have been lower (higher) by approximately $194,000 (year ended March 31, 2025: $240,000).

9. SHARE CAPITAL

(a) Authorized:
Unlimited number of voting common shares
Unlimited number of non-voting preferred shares, issuable in series

(b) Issued:

Reconciliation of the number and value of common shares as at March 31, 2026 and March 31, 2025 is as follows. All issued shares are fully paid.

	Note	Number of shares		Issued capital
Balance, March 31, 2024		43,574,681	$	49,721,297
Option exercise	10	251,000		262,089
Shares issued for consulting	14	640,000		263,926
Private placement		9,993,400		1,756,499
Cost of issue		-		(53,341)
Balance, March 31, 2025		**54,459,081**	**$**	**51,950,470**
Shares issued for consulting	**14**	**640,000**	**$**	**145,446**
Cost of issue		**-**		**(6,516)**
Option exercise		**40,000**		**13,817**
Balance, March 31, 2026		**55,139,081**	**$**	**52,103,217**

(Expressed in US dollars)

9. SHARE CAPITAL (continued)

Private placement

On February 21, 2025, the Company closed the first tranche of a non-brokered private placement. The Company issued 4,390,000 common shares at a price of $0.17 (CAD$0.25) per share for gross proceeds of $771,612 (CAD$1,097,500). The Company paid finder's fees of $35,583 (CAD$51,200) and issued 15,000 finder's warrants in association with the private placement. Each finder's warrant entitles the holder to acquire one common share of the Company at a price of $0.17 (CAD$0.25) for a period of two years.

On March 6, 2025, the Company closed the second tranche of a non-brokered private placement. The Company issued 5,603,400 common shares at a price of $0.17 (CAD$0.25) per share for gross proceeds of $984,887 (CAD$1,400,850). The Company paid finder's fees of $3,970 (CAD$5,640) and issued 22,560 finder's warrants in association with the private placement. Each finder's warrant entitles the holder to acquire one common share of the Company at a price of $0.17 (CAD$0.25) for a period of two years.

Share Consolidation

On April 9, 2024, the shareholders of the Company approved the consolidation of the Company's common shares on a basis of one new common share for every existing five common shares outstanding, effective June 4, 2024. On June 4, 2024, the Company had 217,873,600 common shares outstanding, and these common shares were consolidated to 43,574,681 common shares. The change in the number of issued and outstanding common shares did not materially affect any shareholder's percentage of ownership in the Company. The share and per share amounts in the consolidated financial statements for the years ended March 31, 2026 and 2025 have been updated to reflect this share consolidation.

10. EQUITY RESERVES

	No. of Options	Weighted Average Exercise Price (CAD)	Grant Date Fair Value of Options	No. of Warrants, Broker Warrants	Weighted Average Exercise Price (CAD)	Grant Date Fair Value of Warrants, Broker Warrants	TOTAL
March 31, 2024	1,762,000	$1.31	$ 1,360,896	3,185,075	$1.75	$ 1,951,157	$ 3,312,053
Granted	2,334,000	$0.93	1,226,900	-	-	-	1,226,900
Expired	(479,000)	$1.02	(286,463)	(3,185,075)	$1.75	(2,143,380)	(2,429,843)
Exercised	(251,000)	$0.83	(109,754)	-	-	-	(109,754)
Warrant issue costs (net)	-	-	-	-	-	192,223	192,223
March 31, 2025	**3,366,000**	**$1.12**	**$ 2,191,579**	**-**	**-**	**$ -**	**$ 2,191,579**
Granted	**225,000**	**$0.25**	**16,100**	**-**	**-**	**-**	**16,100**
Expired	**(230,000)**	**$1.15**	**(151,744)**	**-**	**-**	**-**	**(151,744)**
Exercised	**(40,000)**	**$0.255**	**(6,300)**	**-**	**-**	**-**	**(6,300)**
March 31, 2026	**3,321,000**	**$1.07**	**$ 2,049,635**	**-**	**-**	**$ -**	**$ 2,049,635**

Options

Under the Company's stock option plan, the Company may grant options to its directors, officers, employees and consultants for up 10% of the outstanding common stock. Under the plan, the exercise price of each option must not be less than the market price of the Company's stock on the date of grant, less any allowable discount. The maximum term of a stock option is five years.

In May 2024, the Company granted a total of 2,169,000 stock options to various directors, officers and consultants pursuant to its stock option plan. The options vested immediately and may be exercised at a price of CAD$0.95 per option for a period of five years from the date of grant.

(Expressed in US dollars)

10. EQUITY RESERVES (Continued)

In November 2024, the Company granted a total of 125,000 stock options to a consultant pursuant to its stock option plan. The options vested immediately and may be exercised at a price of CAD$0.82 per option for a period of five years from the date of grant.

In February 2025, the Company granted a total of 40,000 stock options to a consultant pursuant to its stock option plan. The options vested immediately and may be exercised at a price of CAD$0.26 per option for a period of five years from the date of grant.

There were 225,000 options granted during the year ended March 31, 2026 (2,334,000 options granted during the year ended March 31, 2025). The weighted average life of total outstanding options is 2.41 years at March 31, 2026 (March 31, 2025 – 3.28 years).

As at March 31, 2026, the Company had stock options outstanding and exercisable as follows:

Option Summary						Black-Scholes Assumptions			
Grant date	Expiry date	Number outstanding	Number exercisable	Exercise price (CAD)	Grant date fair value	Dividend yield (%)	Expected volatility (%)	Expected life (years)	Risk free rate (%)
21-Feb-22	21-Feb-27	822,000	822,000	$1.70	828,604	0	117	5	1.74
26-Aug-22	26-Aug-27	150,000	150,000	$0.75	75,593	0	115	5	3.25
23-May-24	23-May-29	1,999,000	1,999,000	$0.95	1,073,138	0	103	5	3.68
14-Nov-24	14-Nov-29	125,000	125,000	$0.82	56,200	0	103	5	3.18
01-Aug-25	01-Aug-27	225,000	225,000	$0.25	16,100	0	76	2	2.69
		3,321,000	**3,321,000**		**$ 2,049,635**				

The expected volatility is based on historical share prices of the Company.

Warrant liability and compensation options

As at March 31, 2026, the Company had the following common share purchase warrants and compensation options outstanding that are classified as liabilities:

	Grant date	Expiry date	Number outstanding	Exercise price (CAD)	Fair value at year end	Dividend yield (%)	Expected volatility (%)	Expected life (years)	Risk free rate (%)	
Warrants on units	12-Jul-23	12-Jul-26	2,500,000	$1.50	$ 952	0	99	3	4.33	*
Broker compensation options	12-Jul-23	12-Jul-26	204,450	$1.00	$ 614	0	99	3	4.33	*
Broker compensation options	12-Jul-23	12-Jul-26	83,400	$1.00	$ 251	0	99	3	4.33	*
Finder warrants	21-Feb-25	21-Feb-27	36,600	$0.25	$ 4,818	0	73	2	2.73	
Finder warrants	06-Mar-25	06-Mar-27	960	$0.25	$ 69	0	73	2	2.63	
			2,825,410		**$ 6,704**					

* Subsequent to March 31, 2026, the warrant expiry date was extended to December 31, 2026.

The expected volatility is based on historical share prices of the Company. The weighted average life of the outstanding warrants was 0.29 years at March 31, 2026.

On February 21, 2025, the Company issued 15,000 finder's warrants in association with the private placement. Each finder's warrant entitles the holder to acquire one common share of the Company at a price of $0.17 (CAD$0.25) for a period of two years.

On March 6, 2025, the Company issued 22,560 finder's warrants in association with the private placement. Each finder's warrant entitles the holder to acquire one common share of the Company at a price of $0.17 (CAD$0.25) for a period of two years.

(Expressed in US dollars)

11. RELATED PARTY TRANSACTIONS

Compensation of key management

Key management includes the Company's directors, officers and senior executives. Compensation awarded to key management included:

	Year ended March 31, 2026	2025
Consulting fees	**$ 1,228,428**	$ 1,501,546
Change of control	**1,836,039**	-
Share-based payments	**-**	823,851
	$ 3,064,467	$ 2,325,397

The Company paid $43,391 in rent to 14122917 Canada Inc., a company controlled by Mr. Jed Richardson for office rent for the year ended March 31, 2026 (2025 - $43,175).

Included in accounts payable and accrued liabilities as at March 31, 2026 was approximately $89,798 for consulting fees and expenses charged by current and former officers, directors and senior executives of the Company (March 31, 2025: $317,786) and $1,836,039 for change of control expenses. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

During the year ended March 31, 2026, the Company incurred costs of $Nil (2025: $229,840) for drilling services from Optimine Project Solutions CC, a company controlled by members of Namibian senior management. These amounts were included in loss from discontinued operations.

During the year ended March 31, 2026, the Company incurred costs of $Nil (2025: $90,281) for crane rental services from OMEG Crane Hire CC, a company controlled by members of Namibian senior management. These amounts were included in loss from discontinued operations.

During the year ended March 31, 2026, the Company incurred costs of $Nil (2025: $69,968) for maintenance services from Jeriah Trading Enterprises CC, a company controlled by members of Namibian senior management. These amounts were included in loss from discontinued operations.

$329,796 of consulting fees related to key management personnel were included in loss from discontinued operations for the year ended March 31, 2026 ($329,135 for the year ended March 31, 2025).

Management contracts

The Company is party to certain management contracts and severance obligations. These contracts contain minimum pay on termination of approximately CAD$426,000 ($306,000) (2025 – CAD$991,000 ($690,000) which are due within one year and additional contingent payments of up to CAD$1,740,000 ($1,248,000) (2025 – CAD$2,569,000 ($1,787,000) to be made to the officers of the Company upon the occurrence of certain events such as a change of control.

12. COMMITMENTS AND CONTINGENCIES

Legal claims

From time to time, the Company is named as a party to claims or involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its business. While the outcome of these matters may not be estimable at period end, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differs from these estimates, the difference will be accounted for as a charge to net loss in that period.

Environmental

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Silver Hill Project

The Company completed its acquisition of 100% equity interest in Technomine, a Moroccan company from Technomine's shareholders on September 24, 2020. The Company is required to meet the terms of the transaction outlined in the definitive agreement as consideration of the acquisition.

Copperbelt Option

The Company was required to spend $640,537 by June 14, 2026 to complete its earn in for a 25% ownership in the Copperbelt mineral property. This amount was timeously settled.

Finder's Fees

The Company entered into a Finder Agreement with Brightmind Ventures Limited ("Brightmind"), dated September 1, 2024 (the "Finder Agreement"), pursuant to which Brightmind was engaged to identify and source parties interested in participating in equity financings of the Company from time to time. Pursuant to the terms of the Finder Agreement, completion of the Horizon Transaction will trigger a cash fee to be paid by the Company to Brightmind in the approximate aggregate amount of $480,000 (the "M&A Transaction Fee"), assuming all instalment payments are received by the Company. Due to the deferred nature of the Instalment Payments, pursuant to the Finder Agreement, Safi shall pay the *pro rata* portion of the M&A Transaction Fee to Brightmind upon Safi's receipt of each Instalment Payment. One $60,000 instalment was paid in April 2026. Brightmind is not a Non-Arm's Length party to Safi, Horizon, the Purchaser, or their associates and affiliates. The fee has been accrued in these financial statements.

13. LOAN PAYABLE

On December 12, 2024, Horizon entered into a loan agreement with the Company for $5 million which was subsequent reduced to $4 million ("Horizon Loan") as described in note 14 as part of the Horizon Transaction.

The loan bears interest at a rate of 15% and matures in 2 years. The loan includes a six-month grace period on the payment of any interest. Interest payments commenced at the end of the six-month grace period and will be paid in 18 equal amortized repayments. The loan is secured by a general security agreement over all the assets of the Company.

An additional loan amount of $2,000,000 (the "Additional Loan") was also made available to the Company on the same terms as the Horizon Loan to provide flexibility for further financing. The Additional Loan will be repaid by offsetting the loan amount, including accrued interest, against the eighth instalment payment for the Proposed Horizon Transaction.

On July 16, 2025, a further amendment between the Company and Horizon was entered into for an additional $7,200,000 loan. The purpose of the new loan was to fund Namibian carrying costs including capital projects until transaction closing. The $7,200,000 loan had the same terms as the initial $4,000,000 loan.

As part of the sale of the Kombat Mine, $7,630,230 of the aggregate loans received from Horizon was transferred to and sold with the Kombat Mine. As of March 31, 2026, the loan payable, including accrued interest, retained by the Company was $2,518,937 with additional interest accrued to March 31, 2026.

14. SALE OF KOMBAT MINE

Sale of Kombat Mine

The Company signed a definitive agreement for the sale of the Company's interest in the Kombat Mine to Kamino Minerals Ltd., an affiliate of Horizon on May 27, 2025. The transaction was approved on July 4, 2025 by the shareholders at the annual general and special meeting. The sale closed on December 23, 2025. The Company recorded a gain on disposal of the Kombat Mine of $27,743,299, and this amount was recorded through the statement of income (loss).

Purchase Consideration

Kamino will pay to the Company a total purchase consideration of $24,000,000 in cash transaction and the purchase consideration comprises:

- $1 for the shares in Trigon Ontario; and
- $23,999,999 for the shares in PNT and the PNT Loan, subject to a purchase price adjustment for outstanding liabilities owing to IXM S.A. and Sprott on closing (the "Purchase Price Adjustment").

The Purchase Consideration will be settled in eight equal instalments, with the first instalment paid on April 4, 2026. The seven remaining instalments will be payable every three months from the date of the first instalment.

In addition, the Purchaser will make an additional cash payment (the "Production Payment") to Trigon thirty days following the Copper Stream Step-Down Date as defined in the Sprott Stream Agreement. The Production Payment ranges between $3,500,000 and $13,000,000, dependent on copper price. This contingent consideration has not been included in the purchase consideration of the mine as of March 31, 2026 as the probability of collection cannot be reasonably assumed at this time given Horizon has not yet restarted the mine, nor shared a planned mine production schedule.

As further consideration, Trigon will be granted a royalty on the Kombat Mine from Trigon Mining (Namibia) (Pty) Ltd (subsequently renamed New Horizon Copper (Pty) Ltd), the registered owner of the Kombat Mine, of 1.0% of copper net smelter returns on a per invoice basis, payable if the invoiced copper price on final invoicing is greater than $4.00 per pound (the "Royalty") for up to 20 quarters with 8 allowable deferrals. Such royalty is to be paid exclusively from Horizon's equity ownership. Payments under the Royalty will commence once the Kombat Mine achieves copper metal production of 1,000 tonnes for each of two consecutive calendar months. This contingent consideration has been fair valued at $2,253,176 and included in the purchase consideration of the mine. As at March 31, 2026, the Net smelter royalty has a balance of $2,253,176 on the statement of financial position.

(Expressed in US dollars)

14. SALE OF KOMBAT MINE (continued)

Loans from Horizon to Trigon

Horizon assumed $7,630,230 of the loans at closing leaving the Company with a remaining balance of $2,518,937 with accrued interest to March 31, 2026. This remaining loan bears interest at 15% per annum. $1,920,944 is due on December 23, 2026 (to the extent a production payment becomes owing prior to the maturity date, the loan will be netted from the production payment) and the $1,400,000 final balance with additional interest will be netted by Horizon from the final $3 million purchase instalment owing in January 2028.

The results for Kombat Mine operation included in loss from discontinued operations for the period from January 1, 2025 through December 23, 2025, the date of sale of the Kombat Mine were as follows:

		Year ended March 31, **2026**		Year ended March 31, 2025
Revenue		**481,348**		26,606,273
Cost of sales		**535,436**		22,730,432
Cost of sales - depreciation		**1,767,639**		4,175,718
Gross (loss)		**(1,821,727)**		(299,877)
Expenses				
Exploration and evaluation expenditures		**775,813**		2,217,743
Professional fees		**127,752**		118,878
Accretion expense		**3,694,279**		5,531,033
(Gain) loss on asset disposal		**(94,766)**		210,870
Finance charges		**437,638**		1,051,078
Stream modification		**-**		(8,668,107)
Foreign exchange loss (gain)		**2,006,019**		1,117,769
Other expense		**(83,387)**		137,009
Net (loss)	**$**	**(8,685,075)**	$	(2,016,150)

Kombat Mine's exploration and evaluation expenses for the years ended March 31, 2026 and 2025 were as follows:

		Year ended March 31, **2026**		Year ended March 31, 2025
Drilling and assay	**$**	**-**	$	4,015
Field office and support		**292,195**		935,674
Consulting and labour		**459,621**		1,192,074
Licence and permit		**3,877**		14,910
Travel		**20,120**		71,070
	$	**775,813**	$	2,217,743

Sprott Streaming Agreement

On October 24, 2022, the Company entered into a streaming agreement with Sprott Streaming and Sprott Mining (together "Sprott") for a silver and copper stream transaction. Under the terms of this agreement, the Company will sell 100% of its silver concentrate and 6.5% of its copper concentrate from its underground operations to Sprott. Once the Company hits the underground production target of 2,250 tonnes per day mined, the percentage of copper concentrate sold to Sprott will be reduced to 1.625%.

(Expressed in US dollars)

14. SALE OF KOMBAT MINE (continued)

Pursuant to this agreement, the Company received advanced consideration of $37,500,000 from Sprott Streaming and Sprott Mining against future deliveries of copper and silver production from the Company's Kombat mine. The advanced consideration is accounted for as deferred revenue, with revenue recognized when the metals are delivered to the counterparty. The Company estimates the current portion of deferred revenue based on deliveries anticipated over the next twelve months based on the mine plan.

Deferred revenue consists of: 1) initial cash deposit received by the Company for future delivery of payable copper and silver, and 2) a significant financing component of the agreement resulting from the difference in the timing of the upfront consideration received and the promised goods delivered. As such, the Company recognizes interest expense at each reporting period and will accrete the deferred revenue balance to recognize the significant financing element that is part of the agreement. The interest rate of 23.68% is determined based on the rate implicit in the agreement at the date of inception.

As the Company delivers concentrate to Sprott, 90% of the sale value will be applied to reduce the advanced consideration outstanding and 10% will be payable in cash, until the entire advanced consideration has been repaid.

As the deferred revenue on streaming arrangements is considered variable consideration, an adjustment is made to the transaction price per unit each time there is a change in the underlying production profile of the mine. The change in the transaction price per unit results in a cumulative catch-up adjustment to deferred revenue in the period in which the change is made, reflecting the new production profile expected to be delivered under the streaming arrangement. A corresponding cumulative catch-up adjustment is made to accretion expense, reflecting the impact of the change in the deferred revenue balance. Given the extended pause in operations from January 2025 due to flooding and the pending closing of the sale of the Kombat mine, the Company assessed that it will no longer settle the stream liability through delivery of non-financial items but will be done through a sale of the liability. As such, the liability has been re-measured at FVPL. These changes resulted in a reduction of the stream liability as at March 31, 2025 and a decrease in finance expense (recovery of accretion expense) of $8,686,107 for the year ended March 31, 2025 (March 31, 2026: $nil).

Deferred revenue on streaming arrangement as at March 31, 2024	$	29,415,464
Deferred revenue recognized		(4,671,237)
Accretion		5,467,880
Change in fair value		(8,668,107)
Deferred revenue on streaming arrangement as at March 31, 2025		**21,544,000**
Deferred revenue recognized		**(384,403)**
Accretion		**3,694,279**
Disposal		**(24,853,876)**
Deferred revenue on streaming arrangement as at March 31, 2026	**$**	**-**

As of closing the disposal of the Kombat Mine on December 23, 2025, the Company had overdue cash amounts owed to Sprott in the amount of $2,556,990 in relation to the Sprott Streaming Agreement. Horizon assumed the arrears and will deduct it from the first four instalments purchase consideration payable to the Company.

IXM Advance

Effective July 1, 2024, the Company entered into an agreement with IXM whereby IXM advanced $2.5 million in two tranches of $1.25 million with tranche one immediately drawn down and the second tranche being drawn down in August 2024.

As of closing the disposal of the Kombat Mine on December 23, 2025, the Company had overdue amounts owed to IXM of $1,418,504. Horizon assumed the arrears and will deduct it from the first four instalments of purchase consideration payable to the Company.

(Expressed in US dollars)

15. INCOME TAXES

a) Provision for income taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2025 - 26.5%) were as follows:

	2026 $	2025 $
Income (Loss) before income taxes	24,525,885	(5,442,370)
Expected income tax expense	6,499,000	(1,437,000)
Adjustment to expected income tax recovery:		
Share based compensation	4,000	325,000
Financing Costs Incurred	(2,000)	(5,000)
Expenses not deductible for tax purposes	(2,605,000)	(5,373,000)
Other	-	10,777,000
Change in foreign exchange rates	-	(2,967,000)
Change in unrecorded deferred tax asset	(3,896,000)	(1,320,000)
	-	-
Deferred income tax provision (recovery)	-	-

b) Deferred income tax

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

	2026 $	2025 $
Recognized deferred tax assets and liabilities:		
Property and equipment - Namibia	-	(4,362,000)
Non-capital loss carry-forwards - Namibia	-	4,362,000
Deferred income tax liability	-	-

(Expressed in US dollars)

15. INCOME TAXES (continued)

b) Deferred income tax (continued)

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2026 $	2025 $
Share issuance costs - Canada	181,000	385,000
Exploration and evaluation expenditures - Canada	223,000	223,000
Non-capital loss carry-forwards - Canada	15,972,000	10,465,000
Non-capital loss carry-forwards - Barbados	-	2,113,000
Non-capital loss carry-forwards - Namibia	-	27,159,000
Non-capital loss carry-forwards - Morocco	956,000	807,000
Total	17,332,000	41,152,000

Deferred tax assets have not been recognized in respect of these temporary differences as it is not probable that future taxable profit will be available against which the Company can utilize the benefits.

c) Losses carried forward

As at March 31, 2026, the Company had estimated non-capital losses for Canadian income tax purposes of approximately $15,972,000 (2025 - $10,465,000) available to use against future taxable income. The non-capital losses expire between 2032 and 2046.

The Company's Barbados subsidiaries have non-capital losses of approximately $nil (2025 - $2,113,000) available to use against future taxable income.

The Company's Moroccan subsidiaries have non-capital losses of approximately $956,000 (2025 - $807,000) available to use against future taxable income, expiring between 2027 and 2029.

In addition, the Company's Namibian subsidiaries have non-capital losses of approximately N$nil (2025 - N$711,635,000) available to use against future taxable income. These non-capital losses may be carried forward indefinitely.

(Expressed in US dollars)

15. INCOME TAXES (Continued)

c) Losses carried forward

Expiry	Canada	Morocco	Total
2026	-	147,000	147,000
2027	-	84,000	84,000
2028	-	495,000	495,000
2029	-	81,000	81,000
2030	-	149,000	149,000
2033	732,000	-	732,000
2034	721,000	-	721,000
2035	953,000	-	953,000
2037	973,000	-	973,000
2038	1,324,000	-	1,324,000
2039	1,123,000	-	1,123,000
2040	1,118,000	-	1,118,000
2041	964,000	-	964,000
2042	1,281,000	-	1,281,000
2043	3,123,000	-	3,123,000
2046	3,660,000	-	3,660,000
	$ 15,972,000	$ 956,000	$ 16,928,000

16. SUBSEQUENT EVENTS

Subsequent to March 31, 2026, the Company issued 750,000 stock options at $0.40 for a period of five years from the date of grant to a director of the Company and 3,300,000 restricted share units (“RSUs”) to certain directors and officers of the Company. The RSUs will vest in two installments with two thirds of the grant of the RSUs vesting on the one-year anniversary of the grant date and the remaining one-third of the grant of RSUs vesting on the second-year anniversary of the grant date.

On June 8, 2026, the Company expended the final $640,537 on its Copperbelt property to complete it 25% earn in as per the acquisition agreement (see Note 5).

Subsequent to March 31, 2026, the Company announced that the exercise price of the 2,500,000 common share purchase warrants have been reduced from $1.50 to $0.50. Each Warrant entitles the holder to acquire one Safi Silver common share at a price of $0.50. The expiry date of the warrant was also extended to December 31, 2026.