

Bocana Resources Corp.

Condensed Interim Consolidated Financial Statements

March 31, 2025

(expressed in Canadian dollars)

(unaudited)

Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements

These unaudited condensed interim consolidated financial statements of Bocana Resources Corp. (the "Company") have been prepared by management and approved by the Board of Directors of the Company.

These unaudited condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

Bocana Resources Corp.

Consolidated Statements of Financial Position

(expressed in Canadian dollars)

(unaudited)

		March 31, 2025	September 30, 2024
	Notes	\$	\$
Assets			
Current			
Cash		1,932	33,181
Receivables		49,300	42,269
Prepaid expenses		14,408	28,810
		65,640	104,260
Liabilities			
Current			
Accounts payable and accrued liabilities	9	567,831	370,622
Advances from a director	4, 9 and 10	29,789	-
		597,620	370,622
Shareholders' equity			
Share capital	5	7,635,935	7,635,935
Warrants	5	1,149,200	1,149,200
Contributed surplus	5	1,170,000	1,167,400
Foreign currency reserve		176,551	177,032
Deficit		(10,663,666)	(10,395,929)
		(531,980)	(266,362)
		65,640	104,260
Going concern			
Subsequent event			
	2		
	10		

Approved by the Board:

Timothy J. Turner
Director

Christian Shomber
Director

Bocana Resources Corp.

Consolidated Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)

(unaudited)

		3 months ended March 31,		6 months ended March 31,	
		2025	2024	2025	2024
	Notes	\$	\$	\$	\$
Expenses					
Professional fees	9	9,606	9,606	26,398	20,820
Consulting	9	54,698	51,917	108,413	103,996
Stock-based compensation		2,600	-	2,600	-
General and administrative		8,167	8,463	17,361	16,418
Public company costs		20,962	12,049	24,616	13,531
Investor relations		-	-	-	7,500
Exploration and evaluation	6 and 9	33,982	116,594	73,684	486,151
Travel		-	809	-	809
Interest	4 and 9	576	-	576	-
Foreign exchange loss		14,089	154	14,089	(3,601)
Interest income		-	(1,308)	-	(4,769)
		144,680	198,284	267,737	640,855
Net loss		(144,680)	(198,284)	(267,737)	(640,855)
Other comprehensive loss that may be reclassified to profit or loss in subsequent years (net of tax)					
Currency translation adjustment		7	31,828	(481)	11,932
Comprehensive loss		(144,673)	(166,456)	(268,218)	(628,923)
Net loss per share-basic and diluted		-	-	-	-
Weighted average number of shares outstanding - basic and diluted		101,227,661	101,227,661	101,227,661	101,227,661

Bocana Resources Corp.

Consolidated Statements of Cash Flows

(expressed in Canadian dollars)

(unaudited)

	6 months ended March 31,	
	2025	2024
	\$	\$
Cash provided by (used in)		
Operating activities		
Net loss	(267,737)	(640,855)
Stock-based compensation	2,600	-
Changes in non-cash operating working capital		
Receivables	(7,031)	(6,944)
Prepaid expenses	14,402	110,756
Accounts payable and accrued liabilities	196,728	(96,948)
	(61,038)	(633,991)
Investing activities		
Advances from a director	29,789	-
Net decrease in cash	(31,249)	(633,991)
Currency translation adjustment	-	11,932
Cash, beginning of period	33,181	743,017
Cash, end of period	1,932	120,958
Supplementary information		
Interest paid	-	-
Income taxes paid	-	-

Consolidated Statements of Changes in Equity

(expressed in Canadian dollars)

(unaudited)

	Share capital		Warrants	Contributed surplus	Foreign currency reserve	Deficit	Total
	Number of common shares	\$	\$	\$	\$	\$	\$
	(note 5)	(note 5)	(note 5)	(note 5)			
Balance, September 30, 2024	101,227,661	7,635,935	1,149,200	1,167,400	177,032	(10,395,929)	(266,362)
Stock-based compensation	-	-	-	2,600	-	-	2,600
Other comprehensive loss	-	-	-	-	(481)	-	(481)
Net loss	-	-	-	-	-	(267,737)	(267,737)
Balance, March 31, 2025	101,227,661	7,635,935	1,149,200	1,170,000	176,551	(10,663,666)	(531,980)
Balance, September 30, 2023	101,227,661	7,587,935	1,197,200	1,157,650	186,334	(9,589,730)	539,389
Other comprehensive loss	-	-	-	-	11,932	-	11,932
Net loss	-	-	-	-	-	(640,855)	(640,855)
Balance, March 31, 2024	101,227,661	7,587,935	1,197,200	1,157,650	198,266	(10,230,585)	(89,534)

See accompanying notes to the consolidated financial statements

Bocana Resources Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2025

(expressed in Canadian dollars)
(unaudited)

1. Nature of operations

Bocana Resources Corp. is a public company engaged in the acquisition, exploration and development of mineral resources in South America. The Company's registered office is located at 800 - 333 7th Avenue S.W., Calgary, AB T2P 2Z1.

2. Going concern

The Company is in the exploration stage and does not generate revenue. At March 31, 2025, the Company had a working capital deficit of \$531,980 (September 30, 2024 - \$266,362) and for the 6 months ended March 31, 2025, the Company incurred a net loss of \$267,737 (2024 - \$640,855) and a cashflow deficit from operations of \$61,038 (2024 - \$633,991). The working capital deficit, net losses and cashflow deficits limit the Company's ability to fund its operations and the acquisition, exploration and development of mineral properties. The Company will periodically have to raise funds to continue operations, and, although it has been successful thus far in doing so, there is no assurance it will be able to do so in the future. The Company estimates it will need additional capital to operate for the upcoming year.

As a result, there is material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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

3. Basis of presentation

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards and their interpretations adopted by the International Accounting Standards Board.

The accounting policies used in these condensed interim consolidated financial statements are consistent with those disclosed in the Company's audited consolidated financial statements for the year ended September 30, 2024.

These condensed interim consolidated financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2024.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on May 29, 2025.

4. Advance from a director

	\$
Balance, September 30, 2024	—
Advances	29,213
Interest	576
Balance, March 31, 2025	29,789

Advances from a director are unsecured, bears interest at 10% per annum and is due on demand.

See note 10, *Subsequent event, Advances from directors*.

5. Share capital

Authorized

An unlimited number of common shares.

An unlimited number of preferred shares issuable in series.

Issued

	Number of common shares	\$
Balance, September 30, 2024 and March 31, 2025	101,227,661	7,635,935

There are no preferred shares outstanding.

Warrants

A continuity of the Company's common share warrants outstanding at March 31, 2025 is presented below:

	Weighted- average exercise price \$	Number of warrants
Balance, September 30, 2024 and March 31, 2025	0.24	25,073,200

A summary of the Company's common share warrants outstanding at March 31, 2025 is presented below:

Exercise price	Expiry date	Number of warrants
\$0.10 (exercisable into a unit consisting of a common share and warrant)	January 3, 2026	132,800
\$0.25	January 3, 2026	4,202,500
\$0.10 (exercisable into a unit consisting of a common share and warrant)	January 3, 2026	1,270,400
\$0.25	January 3, 2026	19,467,500
		25,073,200

Stock options

The Company may grant stock options to directors, officers, employees and consultants for up to 10% of the issued and outstanding common shares. The exercise price for stock options will not be less than the market price of the common shares on the date of the grant, less any discount permissible under the rules of the TSXV. The maximum term for stock options is 5 years and stock options granted vest immediately.

A continuity of the Company's stock options outstanding at March 31, 2025 is presented below:

	Weighted- average exercise price \$	Number of stock options
Balance, September 30, 2024	0.10	4,700,000
Cancelled	0.10	(2,400,000)
Granted		
Replacement	0.10	2,400,000
New	0.10	1,800,000
Balance, March 31, 2025	0.10	6,500,000

A summary of the Company's stock options outstanding and exercisable at March 31, 2025 is presented below:

Exercise price	Expiry date	Number of stock options	
		Outstanding	Exercisable
\$0.10	March 27, 2028	1,600,000	1,600,000
\$0.10	May 26, 2028	700,000	700,000
\$0.10	May 24, 2029	1,800,000	1,800,000
\$0.10	June 30, 2029	300,000	300,000
\$0.10	September 30, 2029	150,000	150,000
\$0.10	December 31, 2029	150,000	150,000
\$0.10	January 30, 2030	1,200,000	1,200,000
\$0.10	March 31, 2030	150,000	150,000
\$0.10	June 30, 2030	150,000	—
\$0.10	September 30, 2030	150,000	—
\$0.10	December 31, 2030	150,000	—
		6,500,000	6,050,000

Cancellation and grant of stock options

TSX Venture Exchange advised that the previously issued grant of 2,400,000 stock options to directors and officers on May 24, 2024, was issued outside of the proper timeline for the Company's stock option to be effective. Therefore, on March 14, 2025, the Company cancelled the previously issued stock options and issued 2,400,000 replacement stock options:

Stock options cancelled

Exercise price	Expiry date	Number of stock options
\$0.10	May 24, 2029	700,000
\$0.10	June 30, 2029	850,000
\$0.10	September 30, 2029	425,000
\$0.10	December 31, 2029	425,000
		2,400,000

Replacement stock options granted

Exercise price	Expiry date	Number of stock options
\$0.10	May 24, 2029	1,800,000
\$0.10	June 30, 2029	300,000
\$0.10	September 30, 2029	150,000
\$0.10	December 31, 2029	150,000
		2,400,000

As the fair value of the replacement stock options granted approximated the fair value of the stock options cancelled, no additional stock-based compensation was recorded.

Grant of stock options

On January 30, 2025, the Company granted stock options to directors and officers. A summary of the stock options granted and the assumptions for the calculation of the fair value of those stock options using the Black-Scholes option pricing model is presented below:

Date of grant	January 30, 2025
Number of stock options granted	1,800,000
Number of stock options by expiry date	
January 30, 2030	1,200,000
March 31, 2030	150,000
June 30, 2030	150,000
September 30, 2030	150,000
December 31, 2030	150,000
Exercise price	\$0.10
Share price	\$0.005
Risk-free interest rate	2.79%
Expected volatility based on historical volatility	100%
Expected life of stock options	5 years
Expected dividend yield	0%
Forfeiture rate	0%
Number of stock options by vesting date	
January 30, 2025	1,200,000
March 31, 2025	150,000
June 30, 2025	150,000
September 30, 2025	150,000
December 31, 2025	150,000
Fair value of stock options by vesting date	
January 30, 2025	1,800
March 31, 2025	200
June 30, 2025	200
September 30, 2025	200
December 31, 2025	200
Fair value per stock option	\$0.0015

6. Exploration and evaluation

The Company, through its subsidiary, Huiracocha, holds a 100% working interest in the mineral property known as the Escala Project. The Escala Project is located approximately 125 kilometers southwest of the town of Uyuni, in Municipality San Pablo de Lipez of the Province of Sud Lipez in the Department of Potosí, in southwestern Bolivia. The Escala Project consists of 4 exploration concessions (for a total of 4,000 hectares), held pursuant to a Mining Production Contract ("MPC") with Corporación Mineral de Bolivia ("COMIBOL").

The MPC was executed on November 18, 2019, with a term of 15 years computable from the next business day of its registration in the Mining Registry and is renewable for an additional 15 years thereafter. The MPC has not yet been registered in the Mining Registry. Once the MPC is registered, the MPC includes three stages of development: 1) 5 years for exploration, environmental studies and estimation of reserves, 2) mine preparation and plant installation, and 3) operation and marketing. In stage 1, the Company would be required to spend US\$25,290,089. In stage 2, work to be completed will include carrying out a prefeasibility study, engineering study of the project design, construction of the concentration plant and construction of the tails ditch, to be carried out in parallel between the first and second year. In stage 3, once the commercial production level has been reached, the Company will be obligated to pay a royalty of 6.7% of the gross value of sales to COMIBOL.

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, illegal artisanal miners, aboriginal claims, and non-compliance with regulatory and environmental requirements.

7. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash, accounts payable and accrued liabilities and advances from a director

The fair values of cash, accounts payable and accrued liabilities and advances from a director at September 30, 2024 and March 31, 2025 and approximated their respective carrying values due to their short term to maturity.

Classification of fair value of financial instruments

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the number of observable inputs used to value the instrument:

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

There are no financial instruments measured at fair value.

8. Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk is equal to the Company's cash. The Company limits its exposure to credit risk on its cash by holding deposits with a Canadian chartered bank.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due. The continued operation of the Company is dependent upon the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of mineral properties and the completion of the Transaction. Accounts payable and accrued liabilities are subject to normal trade terms.

Current liabilities of \$597,620 include accounts payable and accrued liabilities of \$567,831 which have contractual maturities less than 30 days and are subject to normal trade terms and advances from a director of \$29,789 that are due on demand.

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Foreign exchange risk

Foreign exchange risk is the risk of financial loss to the Company due to a change in foreign exchange rates. The majority of the Company's cash is held in Canadian dollars. Foreign exchange risk arises as the Company makes expenditures denominated in US dollars. At March 31, 2025, the Company had cash of US\$786 (September 30, 2024 - US\$4,758) and accounts payable of US\$271,542 (September 30, 2024 - US\$169,026). If the foreign exchange related to the Company's US dollar balances increased or decreased by 10%, with all other variables held constant, the currency translation adjustment would have increased or decreased by \$38,900 (September 30, 2024 - \$22,174).

The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management of the Company believes there is no significant exposure to foreign currency fluctuations due to the limited number of transactions conducted in US dollars.

Capital management

Capital of the Company consists of share capital, warrants, contributed surplus, foreign currency reserve and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration-stage company and has no revenues, its principal source of capital is from the issuance of common shares. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

9. Related party transactions

Compensation of key management personnel

The Company considers its directors and officers to be key management personnel. Transactions with key management personnel are set out as follows:

	6 months ended March 31, 2025	2024	Outstanding at March 31, 2025	Outstanding at September 30, 2024
	\$	\$		\$
Legal fees	8,898	—	9,335	—
Consulting fees	108,413	103,996	432,210	306,238
Stock-based compensation	2,600	—	—	—
Exploration and evaluation	29,875	24,390	21,564	—
	149,786	128,386	463,109	306,238

See note 4, *Advances from a director*, note 5, *Share capital*, *Grant of stock options* and note 10, *Subsequent event*, *Advances from directors*.

10. Subsequent event

Advances from directors

Subsequent to March 31, 2025, the Company received advances of \$16,902 from two directors.