

**OROCO RESOURCE CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**AUGUST 31, 2025**

**(Expressed in Canadian Dollars)**

**Unaudited – prepared by management**

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

**OROCO RESOURCE CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(Unaudited)

As at

	August 31, 2025	May 31, 2025
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 162,437	\$ 169,629
Receivables (Note 5)	262,318	1,164,824
Prepaid expenses and advances	346,313	333,794
	771,068	1,668,247
<b>Marketable securities</b> (Note 4)	-	201,590
<b>Exploration and evaluation assets</b> (Note 6)	85,390,479	84,552,355
<b>Equipment</b> (Note 7)	2,691,524	2,772,453
<b>Right-of-use-asset</b> (Note 8)	199,728	212,477
	\$ 89,052,799	\$ 89,407,122
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Notes 9 and 12)	\$ 1,945,378	\$ 1,753,716
Lease liability (Note 8)	45,580	44,092
	1,990,958	1,797,808
<b>Lease liability</b> (Note 8)	166,991	178,815
<b>Deferred tax liability</b>	13,443	13,443
	2,171,392	1,990,066
<b>Shareholders' equity</b>		
Share capital (Note 10)	106,048,501	105,642,901
Reserves (Note 10)	18,251,144	18,273,632
Deficit	(38,538,483)	(37,714,146)
Equity attributable to the Company's shareholders	85,761,162	86,202,387
Non-controlling interest (Note 11)	1,120,245	1,214,669
	86,881,407	87,417,056
	\$ 89,052,799	\$ 89,407,122

**Nature of operations and going concern** (Note 1)**Contingency** (Note 6(a))**Subsequent event** (Note 5)**Approved on behalf of the Board:***"Craig Dalziel"*

Craig Dalziel – Director

*"Ian Rice"*

Ian Rice – Director

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

**OROCO RESOURCE CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

For the Three Months Ended August 31,

	2025	2024
<b>Expenses</b>		
Consulting fees	\$ 452,558	\$ 88,759
Foreign currency loss (gain)	5,096	(124,690)
Management and director fees (Note 12)	103,501	171,696
Office and general	239,739	246,788
Professional fees (Note 12)	80,786	219,270
Share-based payment (Notes 10 and 12)	49,876	544,763
Shareholder communications and investor relations	27,280	62,130
Transfer agent and filing fees	19,646	20,862
Travel	12,000	21,000
<b>Loss for the period</b>	<b>(990,482)</b>	<b>(1,250,578)</b>
<b>Other comprehensive income</b>		
Gain on sale of marketable securities (Note 4)	71,721	-
Unrealized gain (loss) on fair value of marketable securities (Note 4)	(72,364)	28,007
<b>Loss and comprehensive loss for the period</b>	<b>\$ (991,125)</b>	<b>\$ (1,222,571)</b>
Loss and comprehensive loss attributable to:		
Equity holders of the Company	\$ (896,701)	\$ (1,570,756)
Non-controlling interest (Note 11)	(94,424)	348,185
	<b>\$ (991,125)</b>	<b>\$ (1,222,571)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>253,039,808</b>	<b>242,501,937</b>

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

**OROCO RESOURCE CORP.****CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

	Share Capital		Reserves		Deficit	Non-controlling interest	Total
	Number	Amount	Other comprehensive income (loss)	Stock options and warrants			
		\$	\$	\$	\$	\$	\$
<b>May 31, 2024</b>	229,214,458	98,212,123	(403,685)	16,773,195	(33,906,005)	940,115	81,615,743
Shares issued for cash	14,051,127	5,760,962	-	562,045	-	-	6,323,007
Share issue costs	-	(607,986)	-	100,418	-	-	(507,568)
Unrealized loss on fair value of marketable securities	-	-	28,007	-	-	-	28,007
Share-based payment	-	-	-	544,763	-	-	544,763
Loss for the period	-	-	-	-	(1,598,763)	348,185	(1,250,578)
<b>August 31, 2024</b>	<b>243,265,585</b>	<b>103,365,099</b>	<b>(375,678)</b>	<b>17,980,421</b>	<b>(35,504,768)</b>	<b>1,288,300</b>	<b>86,753,374</b>
<b>May 31, 2025</b>	252,479,808	105,642,901	(2,636)	18,276,268	(37,714,146)	1,214,669	87,417,056
Shares issued for services	1,560,000	405,600	-	-	-	-	405,600
Gain on sale of marketable securities	-	-	71,721	-	-	-	71,721
Reallocation of value on disposal of marketable securities	-	-	(71,721)	-	71,721	-	-
Unrealized gain on fair value of marketable securities	-	-	(72,364)	-	-	-	(72,364)
Share-based payment	-	-	-	49,876	-	-	49,876
Loss for the period	-	-	-	-	(896,058)	(94,424)	(990,482)
<b>August 31, 2025</b>	<b>254,039,808</b>	<b>106,048,501</b>	<b>(75,000)</b>	<b>18,326,144</b>	<b>(38,538,483)</b>	<b>1,120,245</b>	<b>86,881,407</b>

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

**OROCO RESOURCE CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

(Unaudited)

For the Three Months Ended August 31,

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (990,482)	\$ (1,250,578)
Adjusted for items not involving cash:		
Depreciation	12,749	-
Foreign exchange	1,282	12,139
Interest on lease liability	5,489	-
Share-based payment	49,876	544,763
Share issued for services	405,600	-
Changes in working capital items:		
Receivables	(13,650)	(30,975)
Prepaid expenses and advances	(12,519)	35,378
Accounts payable and accrued liabilities	186,875	(276,808)
Net cash used in operating activities	(354,780)	(966,081)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration and evaluation expenditures	(752,408)	(2,217,144)
Proceeds on sale of marketable securities	200,947	-
Royalty income	914,874	-
Net cash provided by (used in) investing activities	363,413	(2,217,144)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from private placement shares issued	-	5,127,269
Share issue cost	-	(507,568)
Lease payments	(15,825)	-
Net cash provided by (used in) financing activities	(15,825)	4,619,701
<b>Change in cash</b>	(7,192)	1,436,476
<b>Cash, beginning of period</b>	169,629	828,999
<b>Cash, end of period</b>	\$ 162,437	\$ 2,265,475

Supplemental cash flow information (Note 13)

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

**OROCO RESOURCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

August 31, 2025

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Oroco Resource Corp. (the “Company”) was incorporated on July 7, 2006 under the Business Corporations Act of British Columbia and is an exploration stage business engaged in the acquisition and exploration of mineral properties in Mexico. The Company is listed on the TSX Venture Exchange (the “TSX-V”). The Company’s head office and principal address is located at #1201 - 1166 Alberni Street, Vancouver, British Columbia, Canada, V6E 3Z3.

These condensed interim 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. The continued operations of the Company and the recoverability of amounts shown for exploration and evaluation assets and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the mineral properties and upon future profitable production or proceeds from the disposition thereof. The Company has not yet determined whether its exploration and evaluation assets contain reserves that are economically recoverable. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. Although the Company has successfully raised funds in prior and current periods, management estimates it will require additional funds to operate for the upcoming 12 months. These factors indicate the existence of material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of the adverse results of such conflicts and its effects on the Company’s business or results of operations or its ability to raise funds.

**2. BASIS OF PRESENTATION****Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with IFRS accounting standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to interim financial reports, including International Accounting Standard 34, Interim Financial Reporting. They do not include all the information and note disclosures required by IFRS for annual financial statements and, therefore, should be read in conjunction with the Company’s consolidated financial statements for the year ended May 31, 2025, prepared in accordance with IFRS.

These condensed interim consolidated financial statements were authorized by the Audit Committee and Board of Directors of the Company on October 30, 2025.

**Basis of presentation**

These condensed interim consolidated financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information and certain financial assets that are measured at fair value.

**Functional and presentation currency**

These condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the parent and of its subsidiaries.

**OROCO RESOURCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

August 31, 2025

**2. BASIS OF PRESENTATION (cont'd...)****Basis of consolidation**

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities which the Company controls, either directly or indirectly, where control is defined as the power to govern an entity's financial and operating policies and generally accompanies a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. All inter-company transactions and balances have been eliminated upon consolidation. The Company's subsidiaries are as follows:

Name of Subsidiary	Country of Incorporation	Percentage of Ownership	Principal Activity
Minera Xochipala S.A. de C.V. ("MX")	Mexico	100%	Exploration in Mexico
Xochipala Gold S.A. de C.V. ("XG")	Mexico	95%	Exploration in Mexico
0973496 B.C. Ltd.	Canada	100%	Holding company
Altamura Copper Corp. ("Altamura")	Canada	100%	Holding company
Aureum Holding Corporation	Canada	100%	Holding company

The Company also holds: a majority interest in Aztec Copper Inc. ("Aztec"), an inactive subsidiary incorporated in the United States and its subsidiary, Prime Aztec Mexicana, S.A. de C.V. an inactive subsidiary incorporated in Mexico; and a 100% interest in Desarrollos Copper, S.A. de C.V. ("Desarrollos"), an inactive subsidiary incorporated in Mexico.

**Significant estimates**

The preparation of these condensed interim consolidated financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Share-based payment - The fair value of stock options and compensatory warrants issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Changes in the input assumptions can materially affect the fair value estimate of stock options and compensatory warrants.

The carrying value and the recoverability of exploration and evaluation assets - Management has determined that exploration, evaluation and related costs incurred, which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Rehabilitation provisions - The Company's potential for rehabilitation provisions includes estimates of future costs directly attributable to remediating the liability, inflation, movements in foreign exchange rates, and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting future cash outflows. Changes in the factors above can result in a change to the provision recognized by the Company. To the extent the carrying value of the related mining property is not increased above its recoverable amount, changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amounts of related mining properties.



**OROCO RESOURCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

August 31, 2025

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**2. BASIS OF PRESENTATION (cont'd...)****Significant estimates (cont'd...)**

Equipment - The carrying amounts of equipment are depreciated to their estimated residual value over the estimated economic life of the specific assets to which they relate, using the deprecations methods and rates as indicated below. Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of the remaining depreciation rate. Depreciation commences on the date the asset is available for its use as intended by management.

**Significant judgments**

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are, but are not limited to, the following:

Determination of functional currency - The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which each entity operates. The Company has determined the functional currency of each entity to be the Canadian dollar. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment.

Going concern - The Company has exercised judgment in determining whether its available funds are sufficient to continue operations for 12 months from the end of the reporting period.

**3. MATERIAL ACCOUNTING POLICY INFORMATION**

These condensed interim consolidated financial statements were prepared using the same accounting policies and methods of computation as in the Company's consolidated financial statements for the year ended May 31, 2025.

**New standards, interpretations and amendments to existing standards not yet effective**

A number of new standards and amendments to standards and interpretations have been issued by the IASB and are effective for annual periods beginning on or after June 1, 2025 which have not been applied in preparing these consolidated financial statements as they are not yet effective. The standards and amendments to standards that would be applicable to the consolidated financial statements of the Company are the following:

*IFRS 18, Presentation and Disclosure in Financial Statements*

IFRS 18 will replace IAS 1; many of the existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss. The Company is currently assessing the impact of this new accounting standard on its financial statements.

**OROCO RESOURCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

August 31, 2025

**4. MARKETABLE SECURITIES**

As at August 31, 2025, the Company owned nil (May 31, 2025 - 560,125) Goldgroup Mining Inc. ("Goldgroup") shares with a fair value of \$nil (May 31, 2025 - \$201,590). The change in market value of the shares resulted in the recording of other comprehensive gain (loss) of \$(72,364) for the three months ended August 31, 2025 (August 31, 2024 - \$28,007). During the three months ended August 31, 2025, the Company sold 207,825 (August 31, 2024 - nil) Goldgroup shares for proceeds of \$200,947 (August 31, 2024 - \$nil) resulting in a gain on sale of \$71,721 (August 31, 2024 - \$nil).

As at August 31, 2025, the Company owned 375,000 (May 31, 2025 - 375,000) common shares in a private British Columbia company ("BC Co.") with a fair value of \$nil (May 31, 2025 - \$nil).

	Goldgroup		BC Co.		Total Amount
	Number	Amount	Number	Amount	
May 31, 2024	560,125	\$ 19,604	375,000	\$ -	\$ 19,604
Disposals	(352,300)	(322,026)	-	-	(322,026)
Gain on sale	-	102,963	-	-	102,963
Fair value adjustment	-	401,049	-	-	401,049
May 31, 2025	207,825	\$ 201,590	375,000	\$ -	\$ 201,590
Disposals	(207,825)	(200,947)	-	-	(200,947)
Gain on sale	-	71,721	-	-	71,721
Fair value adjustment	-	(72,364)	-	-	(72,364)
August 31, 2025	-	\$ -	375,000	\$ -	\$ -

**5. CERRO PRIETO ROYALTY**

Pursuant to the sale of the Company's interest in the Cerro Prieto Property to Goldgroup in fiscal 2013, Goldgroup agreed to pay to the Company a production royalty (the "Production Royalty") on each of the first 90,000 ounces of gold produced from the Property, subject to the respective monthly average of the daily PM London gold fix being in excess of US\$1,250 per ounce, to a maximum royalty of US\$90 per ounce. The production of the first 90,000 ounces was achieved in August 2022. As at August 31, 2025, the Company is owed \$137,588 (May 31, 2025 - \$1,053,744) by Goldgroup in connection with the Production Royalty. During the three months ended and subsequent to August 31, 2025, the Company received the full balance owed in connection with the Production Royalty.

**OROCO RESOURCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

August 31, 2025

**6. EXPLORATION AND EVALUATION ASSETS**

	Santo Tomas Properties	Xochipala Property	Total
May 31, 2025	\$ 83,982,820	\$ 569,535	\$ 84,552,355
Deferred exploration expenditures			
Camp	8,786	-	8,786
Community relations	2,682	-	2,682
Fieldwork, physical and technical	391,337	-	391,337
Health, safety, and risk management	565	-	565
Logistics and support	158,436	-	158,436
Property maintenance	174,510	10,455	184,965
Technical and project management	17,444	-	17,444
VAT	72,420	1,489	73,909
	826,180	11,944	838,124
August 31, 2025	\$ 84,809,000	\$ 581,479	\$ 85,390,479
	Santo Tomas Properties	Xochipala Property	Total
May 31, 2024	\$ 78,697,061	\$ 487,163	\$ 79,184,224
Deferred exploration expenditures			
Camp	161,272	-	161,272
Community relations	49,223	-	49,223
Fieldwork, physical and technical	2,300,705	-	2,300,705
Health, safety, and risk management	10,369	-	10,369
Logistics and support	903,372	-	903,372
Property maintenance	1,223,131	66,359	1,289,490
Technical and project management	320,183	-	320,183
VAT	317,504	16,013	333,517
	5,285,759	82,372	5,368,131
May 31, 2025	\$ 83,982,820	\$ 569,535	\$ 84,552,355

**OROCO RESOURCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

August 31, 2025

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)****(a) Santo Tomas Properties, Sinaloa State, Mexico***Core Concessions*

The Company, through XG, holds a registered 100% interest in certain mineral concessions (the “Core Concessions”).

In fiscal 2020, the Company acquired Altamura and its related subsidiaries, whose main asset is its interest in the Core Concessions. The acquisition value attributed to the properties (exploration and evaluation assets) was \$24,412,316.

Altamura had fee obligations, as amended, (the “Fee Agreement”), related to the Core Concessions, of US\$600,000, payable within twelve months of title to the Core Concessions being registered to XG in the PRM (paid).

Altamura also has certain contingent fee obligations (the “Contingent Fee Agreement”) related to the Core Concessions, payable upon the direct or indirect sale, assignment or transfer of the Core Concessions in a transaction intended to be final disposition, as follows:

- (i) pay 10% of the sale price, to a maximum of US\$3,600,000, (inclusive of the first US\$600,000 referred to above (paid)); and
- (ii) pay 1.5% of the sale price, to a maximum of US\$4,100,000, of which up to \$1,000,000 is payable to David Rose, an officer of the Company.

Altamura has entered into agreements pursuant to which it granted an initial aggregate 15% interest in the Core Concessions (the “Contractual Interest”) in consideration for: i) assistance with resolving the legal challenges to XG’s acquisition of registered title to the Core Concessions; ii) assistance with regard to the Company’s assembly of a controlling interest in the surrounding Papago 17, La China II, Rossy, Rossy 1, Papago Fraccion 1 and AMP Santo Tomas Red 1 concessions (collectively, the “Peripheral Concessions” and together with the Core Concessions, the “Santo Tomas Properties”), including; (a) the assignment to the Company of majority interests in the Peripheral Concessions; and (b) the right to cause the assignment to the Company of majority interests in other additional related properties; and (iii) technical and geological services. The Contractual Interest has been diluted down to an aggregate 10% on a pro-rata basis upon the funding of \$30,000,000 (completed) of expenditures on the combined Santo Tomas Properties.

*The Peripheral Concessions*

The Company, through MX, holds an 80% interest in each of the six Peripheral Concessions, which were acquired for total cash payments of \$52,247 and US\$42,500, and the issuance of 2,300,000 common shares, valued at \$471,000. Of the \$52,247, the Company will pay \$5,000 to the vendor of the interest in the Papago Fraccion 1 concession within 10 days of registration of the Company’s interest with the Mexican Public Registry of Mining. All six concessions comprising the Santo Tomas Properties are subject to an aggregate 1.5% net smelter royalty (“NSR”) payable to third parties.

In fiscal 2019, the Company entered into a purchase agreement (“Data Agreement”), as amended, pursuant to which the Company acquired geological data, analysis and models related to the Santo Tomas Properties in consideration for 500,000 common shares, valued at \$137,500, and US\$500,000, to be paid by way of one payment of US\$50,000 at the time of signing the agreement (paid), a second payment of US\$50,000 (paid) and a final payment of US\$400,000. The final payment of US\$400,000 payment is due upon the direct or indirect sale, assignment or transfer of the Core Concessions to a third party.

**OROCO RESOURCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

August 31, 2025

**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)****(b) Vainilla Property, Sinaloa State, Mexico**

During the three months ended August 31, 2025, the Company acquired an option to purchase the 100% interest in the Vainilla Property, a mineral concession located in the southern extension of the Santo Tomas copper porphyry trend. The option is for initial consideration of US\$75,000 in cash and 100,000 common shares. Maintenance and exercise of the option is subject to additional consideration. The acquisition of the option is subject to TSX-V final approval.

**(c) Xochipala Property Guerrero State, Mexico**

The Xochipala Property, located in Guerrero State, Mexico, is comprised of the contiguous 100% owned Celia Gene and Celia Generosa concessions. MX acquired the Xochipala Property in 2007.

**(d) Salvador Property, Guerrero State, Mexico**

The Salvador Property is a mining concession in Guerrero State, Mexico 100% owned by MX.

**7. EQUIPMENT**

	Camps	Transportation equipment	Machinery and equipment	Computer equipment	Leaseholds	Furniture and equipment	Total
<b>Cost</b>							
May 31, 2024,							
May 31, 2025, and							
August 31, 2025	\$ 1,970,563	\$ 523,629	\$ 1,480,369	\$ 66,552	\$ 10,017	\$ 300,382	\$ 4,351,512
<b>Accumulated depreciation</b>							
May 31, 2024	\$ 260,530	\$ 402,221	\$ 379,836	\$ 56,865	\$ 10,017	\$ 87,781	\$ 1,197,250
Depreciation	86,106	102,984	151,105	9,687	-	31,927	381,809
May 31, 2025	\$ 346,636	\$ 505,205	\$ 530,941	\$ 66,552	\$ 10,017	\$ 119,708	\$ 1,579,059
Depreciation	25,012	9,009	38,926	-	-	7,982	80,929
August 31, 2025	\$ 371,648	\$ 514,214	\$ 569,867	\$ 66,552	\$ 10,017	\$ 127,690	\$ 1,659,988
<b>Net book value</b>							
May 31, 2025	\$ 1,623,927	\$ 18,424	\$ 949,428	\$ -	\$ -	\$ 180,674	\$ 2,772,453
August 31, 2025	\$ 1,598,915	\$ 9,415	\$ 910,502	\$ -	\$ -	\$ 172,692	\$ 2,691,524

During the three months ended August 31, 2025, depreciation of \$80,929 (August 31, 2024 - \$106,627) was attributed to logistics and support within exploration and evaluation assets. The Company previously rented office space under an operating lease, included in office and general, with monthly payments of \$6,100. In fiscal 2025, the Company entered into a new operating lease for its office (Note 8).

**OROCO RESOURCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

August 31, 2025

**8. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

Set out below are the carrying amounts of the Company's right-of-use asset and lease liability and the movements.

	<b>Right-of-use asset</b>	<b>Lease liability</b>
May 31, 2024	\$ -	\$ -
Additions	254,972	254,972
Depreciation expense	(42,495)	-
Interest expense	-	20,064
Payments	-	(52,129)
<b>May 31, 2025</b>	<b>212,477</b>	<b>222,907</b>
Additions	-	-
Depreciation expense	(12,749)	-
Interest expense	-	5,489
Payments	-	(15,825)
<b>August 31, 2025</b>	<b>\$ 199,728</b>	<b>\$ 212,571</b>

As at August 31, 2025, the current portion of the lease liability was \$45,580 (May 31, 2025 - \$44,092) and the long-term portion was \$166,991 (May 31, 2025 - \$178,815). Depreciation of right-of-use asset and interest expense related to lease liability is included in office and general. Also included in office and general are rent costs of \$13,439 (August 31, 2024 - \$nil) related to the variable portion of the lease.

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities are comprised of the following:

	<b>August 31, 2025</b>	<b>May 31, 2025</b>
Accounts payable	\$ 1,640,468	\$ 1,486,586
Accrued liabilities	304,910	267,130
	<b>\$ 1,945,378</b>	<b>\$ 1,753,716</b>

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(Expressed in Canadian Dollars)

(Unaudited)

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**10. SHARE CAPITAL AND RESERVES****Authorized**

An unlimited number of common shares without par value.

**Issued share capital**

During the three months ended August 31, 2025, the Company issued:

- i. 1,560,000 common shares to Whittle Consulting Ltd. as partial compensation for its strategic option study of the Santo Tomas Project.

During the three months ended August 31, 2024, the Company issued:

- i. 14,051,127 units at a price of \$0.45 per unit by way of a brokered private placement for total proceeds of \$6,323,007, of which \$1,195,738 was received in fiscal 2024. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole share purchase warrant will entitle the holder to acquire an additional common share at a price of \$0.65 per common share for a period of 24 months from the date of issue. The 7,025,561 warrants were valued at \$562,045, calculated using the residual value method. The Company paid cash finders' and other fees of \$507,568 and issued 703,399 finders' warrants. Each finder's warrant will entitle the holder to acquire an additional common share at a price of \$0.45 per common share for a period of 24 months from the date of issue. The finders' warrants were valued at \$100,418, calculated using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk-free interest rate of 3.93%, a dividend rate of nil%, a forfeiture rate of nil% and volatility of 65%.

**Warrants**

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance, outstanding as at May 31, 2024	18,860,378	\$ 0.51
Issued	16,946,783	0.51
Expired	(9,962,313)	0.78
Balance, outstanding as at May 31, 2025	25,844,848	0.58
Expired	(8,898,065)	0.73
Balance, outstanding as at August 31, 2025	16,946,783	\$ 0.51

Warrants outstanding as at August 31, 2025 are as follows:

Number of warrants	Exercise price	Weighted average remaining life (years)	Expiry date
7,025,561	\$ 0.65	0.76	June 6, 2026
703,399	\$ 0.45	0.76	June 6, 2026
9,214,223	\$ 0.40	1.50	February 28, 2027
3,600	\$ 0.25	1.50	February 28, 2027
16,946,783			

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**10. SHARE CAPITAL AND RESERVES (cont'd...)****Stock options**

The Company has a rolling stock option plan, whereby from time to time, at the direction of the Board of Directors, stock options may be granted to employees, consultants, directors and officers. The number of shares reserved for issuance under the plan shall not exceed 10% of the issued and outstanding common shares of the Company. The exercise price of each option is based on the market price of the Company's common stock at the date of the grant. Options may be granted for a maximum of 10 years and vesting is determined by the Board of Directors.

During the three months ended August 31, 2025, a total of 1,030,000 (2024 - nil) stock options were granted to certain employees, consultants, directors and officers of the Company with a fair value of \$96,161 (2024 - \$nil) using the Black-Scholes option pricing model. During the three months ended August 31, 2025, the Company recognized \$49,876 (2024 - \$544,763) as share-based payment for the fair value of the stock options.

The fair value of options granted was estimated on the grant date using the Black-Scholes option pricing model with weighted average assumptions as follows:

	For the three months ended August 31, 2025	For the three months ended August 31, 2024
Risk-free interest rate	2.80%	n/a
Expected option life in years	3.0	n/a
Expected stock price volatility	68%	n/a
Expected forfeiture rate	0%	n/a

Option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance, outstanding as at May 31, 2024	13,835,000	\$ 1.41
Expired/forfeited	(7,730,000)	1.90
Balance, outstanding as at May 31, 2025	6,105,000	0.78
Granted	1,030,000	0.43
Balance, outstanding as at August 31, 2025	7,135,000	\$ 0.73
Balance, exercisable as at August 31, 2025	6,545,000	\$ 0.76



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**10. SHARE CAPITAL AND RESERVES (cont'd...)****Stock options (cont'd...)**

Options outstanding as at August 31, 2025 are as follows:

Number of options	Number of exercisable options	Exercise price	Weighted average remaining life (years)	Expiry date
150,000	150,000	\$ 1.10	0.45	February 12, 2026
450,000	450,000	\$ 1.10	0.59	April 3, 2026
5,505,000	5,505,000	\$ 0.75	1.60	April 8, 2027
250,000	50,000	\$ 0.35	2.90	July 23, 2028
780,000	390,000	\$ 0.45	2.92	July 30, 2028
7,135,000	6,545,000		1.70	

**11. NON-CONTROLLING INTEREST**

On March 2, 2020, the Company acquired 100 shares (67%) of XG, through the acquisition of Altamura. In fiscal 2020, 2021 and 2024, the Company acquired an additional 375 shares (25 in fiscal 2020, 30 in fiscal 2021 and 320 in fiscal 2024) for total ownership as at August 31, 2025 of 475 of 500 shares, representing 95% of XG's equity (May 31, 2025 - 95%).

As at August 31, 2025, the equity attributable to the 5% (May 31, 2025 - 5%) non-controlling interest in XG is as follows:

	Total
May 31, 2024	\$ 940,115
Share of income for the year	274,554
May 31, 2025	1,214,699
Share of loss for the period	(94,424)
August 31, 2025	\$ 1,120,245

As at August 31, 2025 and May 31, 2025 and for the periods ended August 31, 2025 and May 31, 2025, summarized financial information about XG is as follows:

	August 31, 2025	May 31, 2025
Current assets	\$ 302,832	\$ 272,527
Non-current assets	72,276,613	71,686,840
Current liabilities	(980,926)	(906,457)
Non-current liabilities	(49,193,642)	(46,759,544)
Income (loss) and comprehensive income (loss) for the period	\$ (1,888,489)	\$ 5,491,072

The gain (loss) and comprehensive gain (loss) of XG for the three months ended August 31, 2025 was \$(1,888,489) (2024 - \$6,963,691). The gain (loss) allocated to non-controlling interest based on an interest of 5% (2025 - 5%) for the three months ended August 31, 2025 was \$(94,424) (2024 - \$348,185).

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**12. RELATED PARTY TRANSACTIONS**

The Company considers key management personnel to consist of directors and officers. The following expenses were incurred with key management personnel:

	For the three months ended August 31, 2025	For the three months ended August 31, 2024
Management and director fees	\$ 103,501	\$ 171,696
Professional fees	34,500	34,500
Share-based payment	-	262,391
Total	\$ 138,001	\$ 468,587

As at August 31, 2025 included in accounts payable and accrued liabilities was \$549,954 (May 31, 2025 - \$442,997) owing to officers and directors. The amounts owing are unsecured, non-interest bearing and have no fixed repayment terms.

**13. SUPPLEMENTAL CASH FLOW INFORMATION**

	For the three months ended August 31, 2025	For the three months ended August 31, 2024
Non-cash transactions not included in investing or financing activities		
Exploration and evaluation assets included in accounts payable	\$ 997,804	\$ 707,531
Royalty receivable settled with accounts payable	\$ -	\$ 17,392
Allocation of share subscriptions received in advance to share capital	\$ -	\$ 1,195,738
Finders' warrants issued included in share issue costs	\$ -	\$ 100,418
Residual value of warrants in private placements	\$ -	\$ 562,045
Depreciation on equipment included in exploration and evaluation assets	\$ 80,929	\$ 106,627
Gain on sale of marketable securities	\$ 71,721	\$ -
Unrealized change on fair value of marketable securities	\$ 72,364	\$ 28,007

**14. SEGMENTED INFORMATION**

The Company operates in one segment, being the acquisition and exploration of exploration and evaluation assets located in Mexico. Geographic information is as follows:

As at August 31, 2025

	Canada	Mexico	Total
Equipment	\$ -	\$ 2,691,524	\$ 2,691,524
Exploration and evaluation assets	-	85,390,479	85,390,479
Other assets	618,877	351,919	970,796
Total assets	\$ 618,877	\$ 88,433,922	\$ 89,052,799

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**14. SEGMENTED INFORMATION (cont'd...)**

As at May 31, 2025

	Canada	Mexico	Total
Equipment	\$ -	\$ 2,772,453	\$ 2,772,453
Exploration and evaluation assets	-	84,552,355	84,552,355
Other assets	1,754,047	328,267	2,082,314
Total assets	\$ 1,754,047	\$ 87,653,075	\$ 89,407,122

**15. FINANCIAL INSTRUMENT RISK AND CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity. There has been no significant change in the Company's objectives, policies and processes for managing its capital during the three months ended August 31, 2025.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

**Fair value hierarchy**

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying value of cash, receivables, and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments. The carrying value of lease liability approximated their fair value as the interest rates are comparable to current market rates. The BC Co., shares recorded in marketable securities, are measured using level 3 of the fair value hierarchy. Investments classified within level 3 have significant unobservable inputs. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value.

**OROCO RESOURCE CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**15. FINANCIAL INSTRUMENT RISK AND CAPITAL MANAGEMENT (cont'd...)**

The Company's financial instruments are exposed to certain financial risks, which include credit risk, liquidity risk, and market risk.

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts and receivables. The bank accounts are mainly held with a major Canadian bank and this minimizes the risk to the Company. Receivables are due primarily from Goldgroup.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company monitors its ability to meet its short-term expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

**Foreign Exchange Risk**

The Company's property interests in Mexico make it subject to foreign currency fluctuations, which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian dollar and foreign currencies. The effect of a 10% change in the foreign exchange rate on the monetary balances held in foreign currencies as at August 31, 2025 is approximately \$86,000.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

**Management of Industry Risk**

The Company is engaged in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing as well as changes in foreign government policy. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations; however, it is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.