

OROCO RESOURCE CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

FEBRUARY 28, 2026

(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

	February 28, 2026	May 31, 2025
ASSETS		
Current		
Cash	\$ 18,822,321	\$ 169,629
Receivables (Note 5)	98,690	1,164,824
Prepaid expenses and advances	511,903	333,794
	19,432,914	1,668,247
Marketable securities (Note 4)	-	201,590
Exploration and evaluation assets (Note 6)	88,880,613	84,552,355
Equipment (Note 7)	2,566,626	2,772,453
Right-of-use-asset (Note 8)	174,230	212,477
	\$ 111,054,383	\$ 89,407,122
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Notes 9 and 13)	\$ 1,510,340	\$ 1,753,716
Warrant derivative (Note 10)	1,844,884	-
Lease liability (Note 8)	47,907	44,092
	3,403,131	1,797,808
Lease liability (Note 8)	142,440	178,815
Deferred tax liability	13,443	13,443
	3,559,014	1,990,066
Shareholders' equity		
Share capital (Note 11)	130,163,254	105,642,901
Share subscriptions receivable (Note 11)	(234,000)	-
Reserves (Note 11)	19,453,780	18,273,632
Deficit	(42,515,136)	(37,714,146)
Equity attributable to the Company's shareholders	106,867,898	86,202,387
Non-controlling interest (Note 12)	627,471	1,214,669
	107,495,369	87,417,056
	\$ 111,054,383	\$ 89,407,122

Nature of operations and going concern (Note 1)**Contingency** (Note 6(a))**Subsequent event** (Note 17)**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 February 28, 2026	For the Three Months Ended February 28, 2025	For the Nine Months Ended February 28, 2026	For the Nine Months Ended February 28, 2025
Expenses				
Consulting fees	\$ 116,390	\$ 48,051	\$ 857,244	\$ 199,263
Foreign currency loss (gain)	106,498	(16,533)	109,452	(185,515)
Management and director fees (Note 13)	248,508	179,347	484,879	532,921
Office and general	150,171	166,618	535,794	633,058
Professional fees (Note 13)	271,232	72,997	511,549	360,646
Share-based payment (Notes 11 and 13)	1,205,107	61,614	1,281,312	840,192
Shareholder communications and investor relations	151,339	45,080	261,036	99,956
Transfer agent and filing fees	49,709	11,963	90,585	52,391
Travel	25,246	2,443	60,421	69,326
Operating loss	(2,324,200)	(571,580)	(4,192,272)	(2,602,238)
Unrealized loss on warrant derivative (Note 10)	(1,399,218)	-	(1,267,637)	-
Loss for the period	(3,723,418)	(571,580)	(5,459,909)	(2,602,238)
Other comprehensive income				
Gain on sale of marketable securities (Note 4)	-	-	71,721	-
Unrealized gain (loss) on fair value of marketable securities (Note 4)	-	187,642	(72,364)	221,250
Loss and comprehensive loss for the period	\$ (3,723,418)	\$ (383,938)	\$ (5,460,552)	\$ (2,380,988)
Loss and comprehensive loss attributable to:				
Equity holders of the Company	\$ (3,663,837)	\$ (323,324)	\$ (5,216,880)	\$ (2,655,880)
Non-controlling interest (Note 12)	(59,581)	(60,614)	(243,672)	274,892
	\$ (3,723,418)	\$ (383,938)	\$ (5,460,552)	\$ (2,380,988)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	295,505,910	243,367,965	268,257,533	243,041,990

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

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

(Expressed in Canadian Dollars)

(Unaudited)

	Share Capital		Share subscriptions receivable	Reserves		Deficit	Non-controlling interest	Total
	Number	Amount		Other comprehensive income (loss)	Stock options and warrants			
		\$	\$	\$	\$	\$	\$	\$
May 31, 2024	229,214,458	98,212,123	-	(403,685)	16,773,195	(33,906,005)	940,115	81,615,743
Shares issued for cash	23,265,350	8,064,518	(837,500)	-	562,045	-	-	7,789,063
Share issue costs	-	(617,572)	-	-	100,836	-	-	(516,736)
Unrealized gain on fair value of marketable securities	-	-	-	221,250	-	-	-	221,250
Share-based payment	-	-	-	-	840,192	-	-	840,192
Loss for the period	-	-	-	-	-	(2,877,130)	274,892	(2,602,238)
February 28, 2025	252,479,808	105,659,069	(837,500)	(182,435)	18,276,268	(36,783,135)	1,215,007	87,347,274
May 31, 2025	252,479,808	105,642,901	-	(2,636)	18,276,268	(37,714,146)	1,214,669	87,417,056
Shares issued for cash	70,681,335	25,285,782	-	-	-	-	-	25,285,782
Shares issued for services	1,560,000	405,600	-	-	-	-	-	405,600
Share issue costs	-	(1,783,029)	-	-	-	-	-	(1,783,029)
Shares issued for warrant exercise	1,233,000	612,000	(234,000)	-	(28,800)	-	-	349,200
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	-	-	-	-	1,281,312	-	-	1,281,312
Increase in ownership of subsidiary	-	-	-	-	-	343,526	(343,526)	-
Loss for the period	-	-	-	-	-	(5,216,237)	(243,672)	(5,459,909)
February 28, 2026	325,954,143	130,163,254	(234,000)	(75,000)	19,528,780	(42,515,136)	627,471	107,495,369

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 Nine Months Ended February 28,

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (5,459,909)	\$ (2,602,238)
Adjusted for items not involving cash:		
Depreciation	38,247	55,895
Foreign exchange	539	(60,864)
Interest on lease liability	15,659	26,886
Share-based payment	1,281,312	840,192
Share issued for services	405,600	-
Change in fair value of warrant derivative	1,267,637	-
Changes in working capital items:		
Receivables	12,390	12,421
Prepaid expenses and advances	(178,109)	122,571
Accounts payable and accrued liabilities	(124,430)	(78,516)
Net cash used in operating activities	(2,741,064)	(1,683,653)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(4,217,058)	(3,990,808)
Equipment	(24,319)	-
Proceeds on sale of marketable securities	200,947	-
Royalty income	1,053,205	-
Net cash used in investing activities	(2,987,225)	(3,990,808)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement shares issued	25,863,029	6,593,325
Proceeds from exercise of warrants	349,200	-
Share issue cost	(1,783,029)	(515,836)
Lease payments	(48,219)	(69,823)
Net cash provided by financing activities	24,380,981	6,007,666
Change in cash	18,652,692	333,205
Cash, beginning of period	169,629	828,999
Cash, end of period	\$ 18,822,321	\$ 1,162,204

Supplemental cash flow information (Note 14)

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)

February 28, 2026

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. Management estimates it will have sufficient funds to operate for the upcoming twelve months. 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 April 29, 2026.

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)

February 28, 2026

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
Santo Tomas Copper, S.A. de C.V. ("STC") (formerly Xochipala Gold S.A. de C.V.)	Mexico	96.7%	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.

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**

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(Unaudited)

February 28, 2026

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.

Warrant derivative - The Company estimates fair value of the warrant derivative at initial measurement, at each exercise date and at each reporting period. This estimate requires determining the most appropriate inputs to the valuation model including the expected life, share price volatility, and dividend yield, and making assumptions about them.

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, except as noted below.

Warrants issued in equity financing transactions

Warrants issued in foreign currencies are classified as derivative liabilities. Upon exercise, in exchange for a fixed amount of common shares, the expected cash receivable is variable due to changes in foreign exchange rates. The Company measures derivative financial liabilities at fair value through profit or loss at initial recognition and in subsequent reporting periods. Fair value gains or losses are recognized in other (losses) gains on the consolidated statement of comprehensive loss. The fair value of foreign currency share purchase warrants is determined using the quoted market price of the Company's common shares on the valuation date. Transaction costs, which are directly attributable to the offering, are allocated between equity that is classified as equity financing transaction costs and liabilities that are expensed in the period incurred.

Financial liabilities

The classification and measurement of warrant derivative is at fair value through profit or loss.

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

(Expressed in Canadian Dollars)

(Unaudited)

February 28, 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)**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.

4. MARKETABLE SECURITIES

As at February 28, 2026, the Company owned nil (May 31, 2025 - 207,825) 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 nine months ended February 28, 2026 (February 28, 2025 - \$221,250). During the nine months ended February 28, 2026, the Company sold 207,825 (February 28, 2025 - nil) Goldgroup shares for proceeds of \$200,947 (February 28, 2025 - \$nil) resulting in a gain on sale of \$71,721 (February 28, 2025 - \$nil).

As at February 28, 2026, 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)
February 28, 2026	-	\$ -	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 February 28, 2026, the Company is owed \$nil (May 31, 2025 - \$1,053,744) by Goldgroup in connection with the Production Royalty. During the nine months ended February 28, 2026, 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)

February 28, 2026

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	160,378	-	160,378
Community relations	48,950	-	48,950
Engineering and modelling	20,184	-	20,184
Fieldwork, physical and technical	1,809,732	-	1,809,732
Health, safety, and risk management	10,312	-	10,312
Logistics and support	598,400	-	598,400
Property maintenance	1,058,054	28,312	1,086,366
Technical and project management	318,408	-	318,408
VAT	272,005	3,523	275,528
	4,296,423	31,835	4,328,258
February 28, 2026	\$ 88,279,243	\$ 601,370	\$ 88,880,613
	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

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February 28, 2026

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

(a) Santo Tomas Properties, Sinaloa State, Mexico

Core Concessions

The Company, through STC, 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 STC 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 STC’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)

February 28, 2026

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

During the nine months ended February 28, 2026, 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
Cost							
May 31, 2024 and May 31, 2025	\$ 1,970,563	\$ 523,629	\$ 1,480,369	\$ 66,552	\$ 10,017	\$ 300,382	\$ 4,351,512
Additions	3,331	-	20,988	-	-	-	24,319
February 28, 2026	\$ 1,973,894	\$ 523,629	\$ 1,501,357	\$ 66,552	\$ 10,017	\$ 300,382	\$ 4,375,831
Accumulated depreciation							
May 31, 2024 Depreciation	\$ 260,530 86,106	\$ 402,221 102,984	\$ 379,836 151,105	\$ 56,865 9,687	\$ 10,017 -	\$ 87,781 31,927	\$ 1,197,250 381,809
May 31, 2025 Depreciation	\$ 346,636 75,037	\$ 505,205 17,835	\$ 530,941 113,329	\$ 66,552 -	\$ 10,017 -	\$ 119,708 23,945	\$ 1,579,059 230,146
February 28, 2026	\$ 421,673	\$ 523,040	\$ 644,270	\$ 66,552	\$ 10,017	\$ 143,653	\$ 1,809,205
Net book value							
May 31, 2025	\$ 1,623,927	\$ 18,424	\$ 949,428	\$ -	\$ -	\$ 180,674	\$ 2,772,453
February 28, 2026	\$ 1,552,221	\$ 589	\$ 857,087	\$ -	\$ -	\$ 156,729	\$ 2,566,626

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7. EQUIPMENT (cont'd...)

During the nine months ended February 28, 2026, depreciation of \$230,146 (February 28, 2025 - \$290,663) 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).

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.

	Right-of-use asset	Lease liability
May 31, 2024	\$ -	\$ -
Additions	254,972	254,972
Depreciation expense	(42,495)	-
Interest expense	-	20,064
Payments	-	(52,129)
May 31, 2025	212,477	222,907
Additions	-	-
Depreciation expense	(38,247)	-
Interest expense	-	15,659
Payments	-	(48,219)
February 28, 2026	\$ 174,230	\$ 190,347

As at February 28, 2026, the current portion of the lease liability was \$47,907 (May 31, 2025 - \$44,092) and the long-term portion was \$142,440 (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 \$41,899 (February 28, 2025 - \$45,477) related to the variable portion of the lease.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	February 28, 2026	May 31, 2025
Accounts payable	\$ 1,460,216	\$ 1,486,586
Accrued liabilities	50,124	267,130
	\$ 1,510,340	\$ 1,753,716

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10. WARRANT DERIVATIVE

During the nine months ended February 28, 2026, pursuant to a non-brokered private placement, 10,154,995 units were sold at a purchase price of US\$0.20 per unit for gross proceeds of US\$2,030,999 (\$2,863,020). Each unit included one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of US\$0.30 per common share for a period of 24 months.

Under IFRS 9 Financial Instruments and IAS 32 Financial Instruments: Presentation, warrants with an exercise price denominated in a currency that differs from an entity's functional currency are treated as a derivative measured at fair value with subsequent changes in fair value accounted for through the consolidated statement of loss and comprehensive loss. The warrants with an exercise price of US\$0.30 meet this requirement and have been presented as a warrant derivative on the consolidated statement of financial position. Upon exercise, the recorded liability will be included in share capital along with the proceeds from the exercise. If these warrants expire, the related liability is reversed through profit or loss.

A reconciliation of the change in fair value of the warrant derivative is as follows:

	Weighted average exercise price
Balance, as at May 31, 2024 and 2025	\$ -
Additions	577,247
Change in fair value of warrant derivative	1,267,637
Balance, as at February 28, 2026	\$ 1,844,884

The estimated fair value of the warrant derivative issued during the period was determined using the Black-Scholes valuation model using the following assumptions

	February 28, 2026	Initial valuation
Stock price	\$0.61	\$0.32
Risk-free interest rate	2.39%	2.43%
Expected option life in years	1.7	2.0
Expected stock price volatility	100%	78%
Expected forfeiture rate	0%	0%

11. SHARE CAPITAL AND RESERVES**Authorized**

An unlimited number of common shares without par value.

Issued share capital

During the nine months ended February 28, 2026, the Company issued:

- i. 1,560,000 common shares, with a fair value of \$405,600, to Whittle Consulting Ltd. as partial compensation for its strategic option study of the Santo Tomas Project;

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11. SHARE CAPITAL AND RESERVES (cont'd...)**Issued share capital (cont'd...)**

- ii. 10,154,995 units at a price of US\$0.20 per unit by way of a brokered private placement gross proceeds of US\$2,030,999 (\$2,863,020). 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 US\$0.30 per common share for a period of 24 months from the date of issue. The warrants are considered a derivative liability as described in Note 10. The Company paid other fees of \$16,494; and
- iii. 60,526,340 units at a price of \$0.38 per unit for gross proceeds of \$23,000,009, pursuant to a bought deal public offering. Each unit is comprised of one common share of the Company and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of \$0.53 per common share for a period of 36 months from the date of issue. The Company paid finder and other fees of \$1,766,535.

During the nine months ended February 28, 2025, the Company issued:

- i. 14,051,127 units at a price of \$0.45 per unit by way of a non-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 \$515,836 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%; and
- ii. 9,214,223 units at a price of \$0.25 per unit by way of a brokered private placement for total proceeds of \$2,303,556, of which \$837,500 was received subsequent to period end. Each unit consists of one common share and one common share purchase warrant. Each whole share purchase warrant will entitle the holder to acquire an additional common share at a price of \$0.40 per common share for a period of 24 months from the date of issue. The 9,214,223 warrants were valued at \$nil, calculated using the residual value method. The Company paid cash finder's fees of \$900 and issued 3,600 finders' warrants. Each finder's warrant will entitle the holder to acquire an additional common share at a price of \$0.25 per common share for a period of 24 months from the date of issue. The finder's warrants were valued at \$418, calculated using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk-free interest rate of 2.57%, a dividend rate of nil%, a forfeiture rate of nil% and volatility of 64%.

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11. SHARE CAPITAL AND RESERVES (cont'd...)**Warrants**

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance, outstanding as at May 31, 2024	18,860,378	\$ 0.75
Issued	16,946,783	0.51
Expired	(9,962,313)	0.78
Balance, outstanding as at May 31, 2025	25,844,848	0.58
Issued	35,340,667	0.51
Exercised	(1,233,000)	0.47
Expired	(8,898,065)	0.73
Balance, outstanding as at February 28, 2026	51,054,450	\$ 0.51

Warrants outstanding as at February 28, 2026 are as follows:

Number of warrants	Exercise price	Weighted average remaining life (years)	Expiry date
6,665,561	\$ 0.65	0.27	June 6, 2026
703,399	\$ 0.45	0.27	June 6, 2026
8,341,223	\$ 0.40	1.00	February 28, 2027
3,600	\$ 0.25	1.00	February 28, 2027
3,827,497	US\$ 0.30	1.68	November 5, 2027
1,250,000	US\$ 0.30	1.71	November 14, 2027
30,263,170	\$ 0.53	2.88	January 15, 2029
51,045,450			

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 nine months ended February 28, 2026, a total of 8,080,000 (2025 - nil) stock options were granted to certain employees, consultants, directors and officers of the Company with a fair value of \$3,186,152 (2025 - \$nil) using the Black-Scholes option pricing model. During the nine months ended February 28, 2026, the Company recognized \$1,281,312 (2025 - \$840,192) as share-based payment for the fair value of the stock options.

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

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 nine months ended February 28, 2026	For the nine months ended February 28, 2025
Risk-free interest rate	2.52%	n/a
Expected option life in years	3.0	n/a
Expected stock price volatility	82%	n/a
Expected forfeiture rate	0%	n/a

Stock 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	8,080,000	0.80
Expired/forfeited	(150,000)	1.10
Balance, outstanding as at February 28, 2026	14,035,000	\$ 0.79
Balance, exercisable as at February 28, 2026	8,647,500	\$ 0.75

Options outstanding as at February 28, 2026 are as follows:

Number of options	Number of exercisable options	Exercise price	Weighted average remaining life (years)	Expiry date
450,000	450,000	\$ 1.10	0.09	April 3, 2026
5,505,000	5,505,000	\$ 0.75	1.11	April 8, 2027
250,000	150,000	\$ 0.35	2.40	July 23, 2028
780,000	780,000	\$ 0.45	2.42	July 30, 2028
7,050,000	1,762,500	\$ 0.85	2.92	January 29, 2029
14,035,000	8,647,500		2.08	

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12. NON-CONTROLLING INTEREST

On March 2, 2020, the Company acquired 100 common shares (67%) of STC, through the acquisition of Altamura. In fiscal 2020, 2021 2024, and 2026, the Company acquired an additional 625 common shares (25 in fiscal 2020, 30 in fiscal 2021, 320 in fiscal 2024, and 250 in fiscal 2026) for total ownership as at February 28, 2026 of 725 of 750 common shares, representing 96.7% of STC's equity (May 31, 2025 - 95%). During the nine months ended February 28, 2026, the additional 250 common shares acquired were for the conversion of intercompany debt of \$25,000,000 into equity resulting in a charge to deficit of \$343,526.

As at February 28, 2026, the equity attributable to the 3.3% (May 31, 2025 - 5%) non-controlling interest in STC is as follows:

	Total
May 31, 2024	\$ 940,115
Share of income for the year	274,554
May 31, 2025	1,214,669
1.7% interest acquired	(343,526)
Share of loss for the period	(243,672)
February 28, 2026	\$ 627,471

As at February 28, 2026 and May 31, 2025 and for the periods ended February 28, 2026 and May 31, 2025, summarized financial information about STC is as follows:

	February 28, 2026	May 31, 2025
Current assets	\$ 1,487,260	\$ 272,527
Non-current assets	74,859,519	71,686,840
Current liabilities	(874,071)	(906,457)
Non-current liabilities	(56,650,383)	(46,759,544)
Income (loss) and comprehensive income (loss) for the period	\$ (5,471,041)	\$ 5,497,848

The gain (loss) and comprehensive gain (loss) of STC for the nine months ended February 28, 2026 was \$(5,471,041) (2025 - \$5,497,848). The gain (loss) allocated to non-controlling interest based on an interest of 3.3% (2025 - 5%) for nine months ended February 28, 2026 was \$(243,672) (2025 - \$274,892).

13. 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 nine months ended February 28, 2026	For the nine months ended February 28, 2025
Management and director fees	\$ 350,704	\$ 532,921
Professional fees	103,500	103,500
Share-based payment	577,566	404,658
Total	\$ 1,031,770	\$ 1,041,079

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13. RELATED PARTY TRANSACTIONS (cont'd...)

As at February 28, 2026 included in accounts payable and accrued liabilities was \$406,603 (May 31, 2025 - \$442,997) owing to officers and directors. The amounts owing are unsecured, non-interest bearing and have no fixed repayment terms.

14. SUPPLEMENTAL CASH FLOW INFORMATION

	For the nine months ended February 28, 2026	For the nine months ended February 28, 2025
Non-cash transactions not included in investing or financing activities		
Exploration and evaluation assets included in accounts payable	\$ 874,071	\$ 1,027,435
Royalty receivable settled with accounts payable	\$ -	\$ 29,781
Recognition of right-of-use asset and lease liability	\$ -	\$ 479,105
Share issues costs included in accounts payable	\$ -	\$ 900
Allocation of share subscriptions received in advance to share capital	\$ -	\$ 1,195,738
Allocation of fair value of warrants exercised to share capital	\$ 28,800	\$ -
Allocation of fair value of warrants to derivative liability	\$ 577,247	\$ -
Share subscriptions receivable	\$ 234,000	\$ 837,500
Finders' warrants issued included in share issue costs	\$ -	\$ 100,836
Residual value of warrants in private placements	\$ -	\$ 562,045
Depreciation on equipment included in exploration and evaluation assets	\$ 230,146	\$ 290,663
Gain on sale of marketable securities	\$ 71,721	\$ -
Unrealized change on fair value of marketable securities	\$ 72,364	\$ 221,250

15. 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 February 28, 2026

	Canada	Mexico	Total
Equipment	\$ -	\$ 2,566,626	\$ 2,566,626
Exploration and evaluation assets	-	88,880,613	88,880,613
Other assets	17,961,757	1,645,387	19,607,144
Total assets	\$ 17,961,757	\$ 93,092,626	\$ 111,054,383

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

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16. 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 nine months ended February 28, 2026.

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 warrant derivative is a recurring Level 2 fair value measurement as these warrants have not been listed on an exchange and therefore do not trade on an active market. 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.

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 the government.

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16. FINANCIAL INSTRUMENT RISK AND CAPITAL MANAGEMENT (cont'd...)**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. The warrant derivative is non-cash and does not therefore represent any liquidity risk.

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 February 28, 2026 is approximately \$14,000.

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.

17. SUBSEQUENT EVENT

Subsequent to February 28, 2026, the Company:

- i. had 450,000 options expire unexercised.